



## Investor Presentation

September 2020

# Forward-looking statements

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This document may contain 'forward-looking statements' (within the meaning of the safe harbour provisions of the U.S. Private Securities Litigation Reform Act of 1995). These statements relate to our current expectations, beliefs, intentions, assumptions or strategies regarding the future and are subject to known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements may be identified by the use of words such as 'anticipate', 'believe', 'estimate', 'expect', 'future', 'goal', 'intend', 'likely', 'may', 'plan', 'project', 'seek', 'should', 'strategy', 'will', and similar expressions. The principal risks which could affect future operations of the Group are described in the 'Risk Management' section of the Group's Annual Report and Consolidated Financial Statements for the year ended 31 December 2019. Factors that may cause actual and future results and trends to differ materially from our forward-looking statements include (but are not limited to): (i) our ability to deliver fixed price projects in accordance with client expectations and within the parameters of our bids, and to avoid cost overruns; (ii) our ability to collect receivables, negotiate variation orders and collect the related revenue; (iii) our ability to recover costs on significant projects; (iv) capital expenditure by oil and gas companies, which is affected by fluctuations in the price of, and demand for, crude oil and natural gas; (v) unanticipated delays or cancellation of projects included in our backlog; (vi) competition and price fluctuations in the markets and businesses in which we operate; (vii) the loss of, or deterioration in our relationship with, any significant clients; (viii) the outcome of legal proceedings or governmental inquiries; (ix) uncertainties inherent in operating internationally, including economic, political and social instability, boycotts or embargoes, labour unrest, changes in foreign governmental regulations, corruption and currency fluctuations; (x) the effects of a pandemic or epidemic or a natural disaster; (xi) liability to third parties for the failure of our joint venture partners to fulfil their obligations; (xii) changes in, or our failure to comply with, applicable laws and regulations (including regulatory measures addressing climate change); (xiii) operating hazards, including spills, environmental damage, personal or property damage and business interruptions caused by adverse weather; (xiv) equipment or mechanical failures, which could increase costs, impair revenue and result in penalties for failure to meet project completion requirements; (xv) the timely delivery of vessels on order and the timely completion of ship conversion programmes; (xvi) our ability to keep pace with technological changes and the impact of potential information technology, cyber security or data security breaches; and (xvii) the effectiveness of our disclosure controls and procedures and internal control over financial reporting;. Many of these factors are beyond our ability to control or predict. Given these uncertainties, you should not place undue reliance on the forward-looking statements. Each forward-looking statement speaks only as of the date of this document. We undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



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### Why our clients choose us



# Macro environment stabilising

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## Covid-19

- Continued delivery of projects despite Covid-19 restrictions
- Covid-19 management processes well-established
  - Quarantine and PCR testing for crews joining vessels
  - Social distancing at onshore bases
- Financial impact of Covid-19 in Q2 approximately \$30 million

## Oil Price Impact

- Tendering activity remains low
- Rescheduling by clients continues
  - Improved visibility on projects deferred from 2020 to 2021
- Activity in the Middle East remains uncertain
- Renewables maintaining strong momentum

## Q2 2020 results

### FINANCIAL HIGHLIGHTS

- Revenue \$754 million
- Adjusted negative EBITDA \$9 million after restructuring charge of \$104 million
- Goodwill impairment \$578 million
- Other impairments \$229 million
  
- Operating cash flow \$219 million
- Net increase in cash of \$144 million
- Net debt of \$30 million
- RCF extended to September 2023
- Credit facilities remain undrawn

### OPERATIONAL HIGHLIGHTS

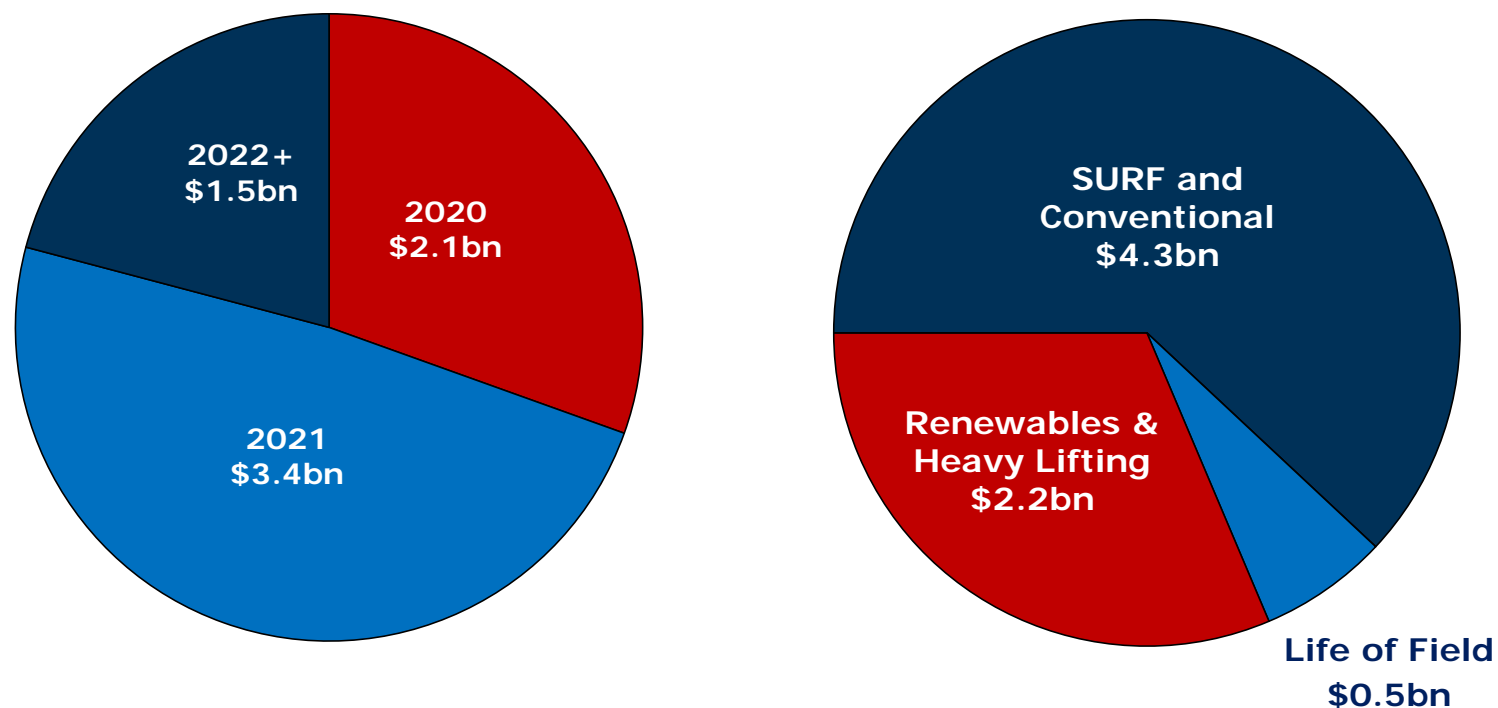
- Active fleet utilisation: 71%
- PLSVs achieved good utilisation, excluding downtime due to Covid-19
- Good activity in Norway and the Gulf of Mexico
- Lower utilisation in Africa, Middle East, UK

### ORDER INTAKE

- \$2.0 billion order intake
- Order backlog \$7.0 billion

## Backlog at 30 June 2020

### Backlog of \$7.0 billion



- \$2.0 billion awarded in Q2
- Book-to-bill:
  - 2.7x in the quarter
- Seven awards announced in Q2:
  - Seagreen (UK)
  - HKZ (Netherlands)
  - Kaskasi (Germany)
  - Anchor (GoM)
  - Blythe and Vulcan (UK)
  - Hod (Norway)
  - SURF project (GoM)

Order backlog includes:

- \$0.4 billion relating to long-term contracts for PLSVs in Brazil
- approximately \$120 million favourable foreign exchange movement in the second quarter



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# SUBSEA 7 CAPABILITIES ACROSS THE FIELD DEVELOPMENT LIFECYCLE

## ENGAGE EARLY TO DELIVER VALUE

Creating value for clients in the earliest stages of project planning, lowering costs and streamlining schedules.

## CONCEPT

Input at concept allows for optimisation of later cycle stages.

## DESIGN

Robust FEED ensuring minimal change and accurate forecasting during design.

## ENGINEER

Detailed engineering by experienced personnel to deliver the best solution.

## PROCURE AND FABRICATE

Efficient procurement and high quality fabrication delivered on time.

## INSTALL AND COMMISSION

Safe, on-schedule and cost-efficient installations by world-class vessels.

## MAINTAIN

Effective and responsive maintenance reducing cost of ownership.

## EXTEND

Maximised return on investment by utilising new technologies and tie-back solutions.

## DECOMMISSION

Facilitated abandonment and decommissioning with heavy lift vessels.

## SOLUTIONS THAT DELIVER VALUE TO CLIENTS

Early engagement through global alliances and client partnerships optimises the solutions Subsea 7 can provide

## EXECUTING PROJECTS AND SERVICES THAT MEET CLIENT EXPECTATIONS

An extensive track record of safely executed projects worldwide makes Subsea 7 a market-leading provider



# Our business units

- Subsea 7 provides project management, engineering and construction expertise across three operational business units. Through these business units we provide services across the field lifecycle.



## subsea 7

### SURF and Conventional



Our SURF and Conventional business unit is a global leader in offshore energy services delivering design, Engineering, Procurement, Construction, Installation (EPCI) and decommissioning projects in all water depths, operating under the Subsea 7 brand.



## i-Tech 7

### Life of Field



Our Life of Field business unit is a leading expert in Inspection, Repair and Maintenance (IRM), integrity management, drill rig support, production enhancement and decommissioning support services, operating under the i-Tech 7 brand.



## seaway 7

### Renewables and Heavy Lifting



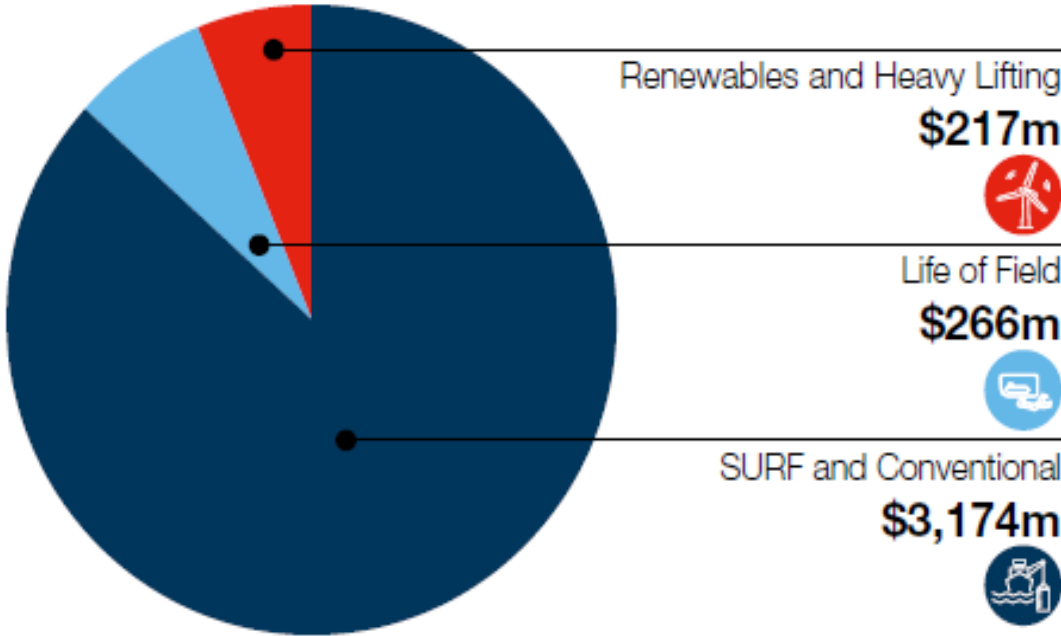
Our Renewables and Heavy Lifting business unit is an experienced partner for the delivery of offshore wind farm projects and specialist heavy lifting and cable-lay services, operating under the Seaway 7 brand.



# Revenue and backlog split (2019)

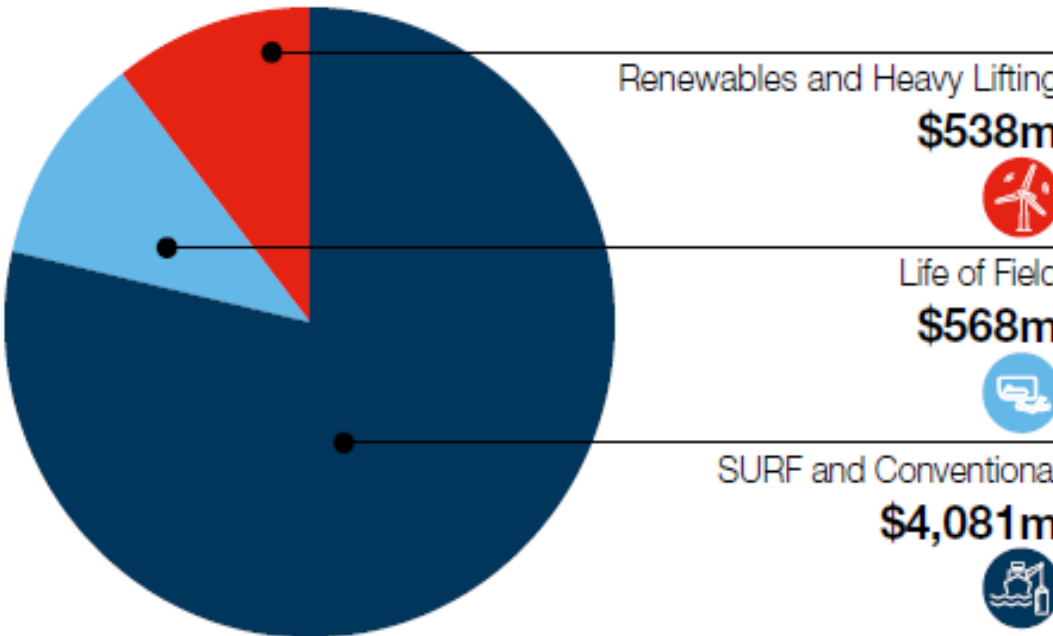
Group revenue  
**\$3,657m**

(2018: \$4,074m)



Backlog  
**\$5,187m**

(2018: \$4,907m)



# SURF and Conventional

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- A global leader in offshore energy services
- Subsea Umbilicals, Risers and flowlines (SURF)
  - First rigid pipelay 1947
- The design, engineering, procurement, construction and installation of developments in all water depths.

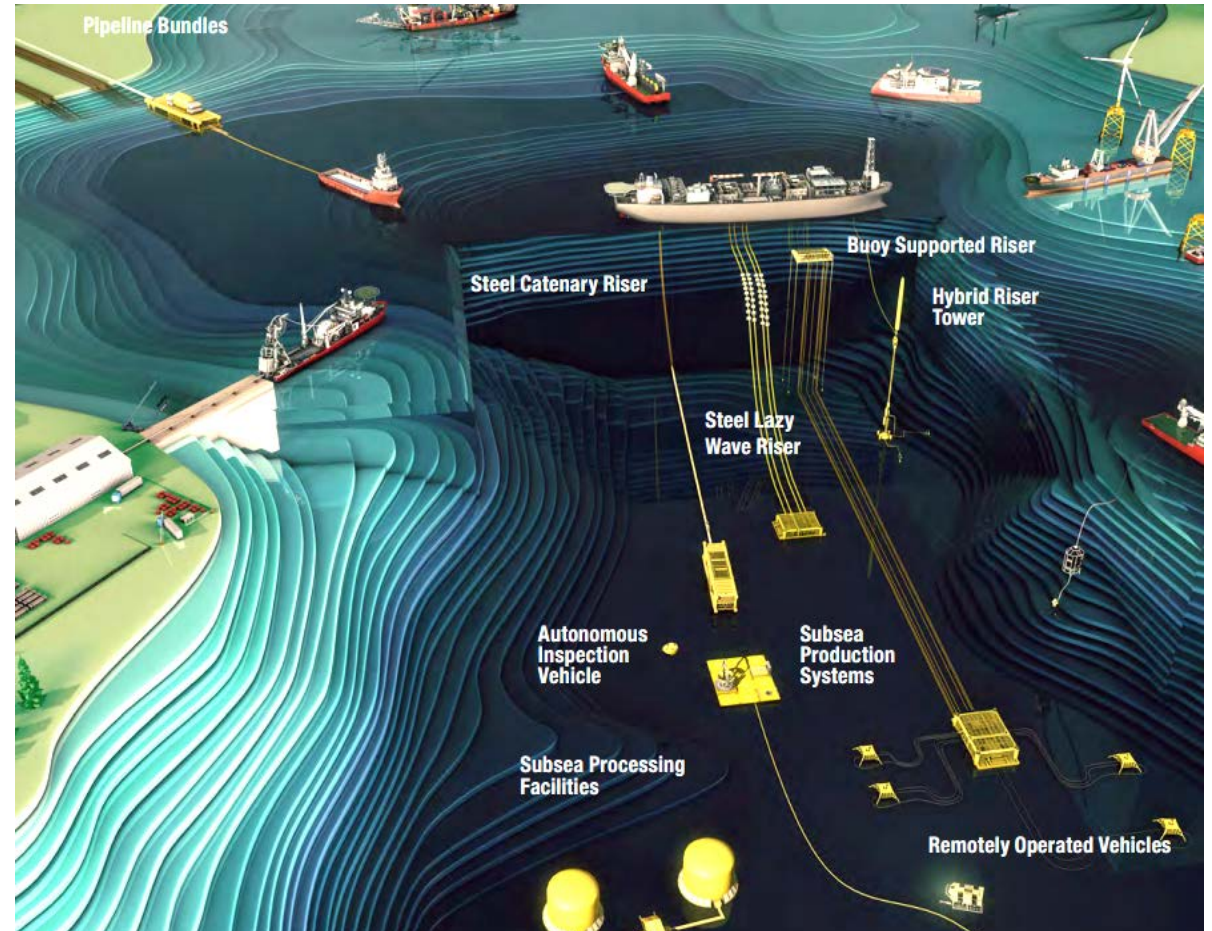


subsea 7



## SURF and Conventional

- Over 6,000km of flowlines and risers installed globally, connecting seabed wellhead structures to surface facilities
- Harsh environments with complex challenges and risks
- State-of-the-art pipelay fleet



## Life of Field

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- Over 35 years' experience
  - inspection, repair and maintenance (IRM)
  - integrity management
  - production enhancement
  - decommissioning support
- 91 workclass ROVs and a fleet of ROV support vessels
- Bases in UK, Brazil, US and Australia



i-Tech<sup>7</sup>

## Life of Field

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- ROV intervention
- Diving
- Survey, inspection and data management
- Well simulation & sampling
- Tool management & engineering solutions
- Pipeline repair & tree installation



i-Tech<sup>7</sup>

# Renewables

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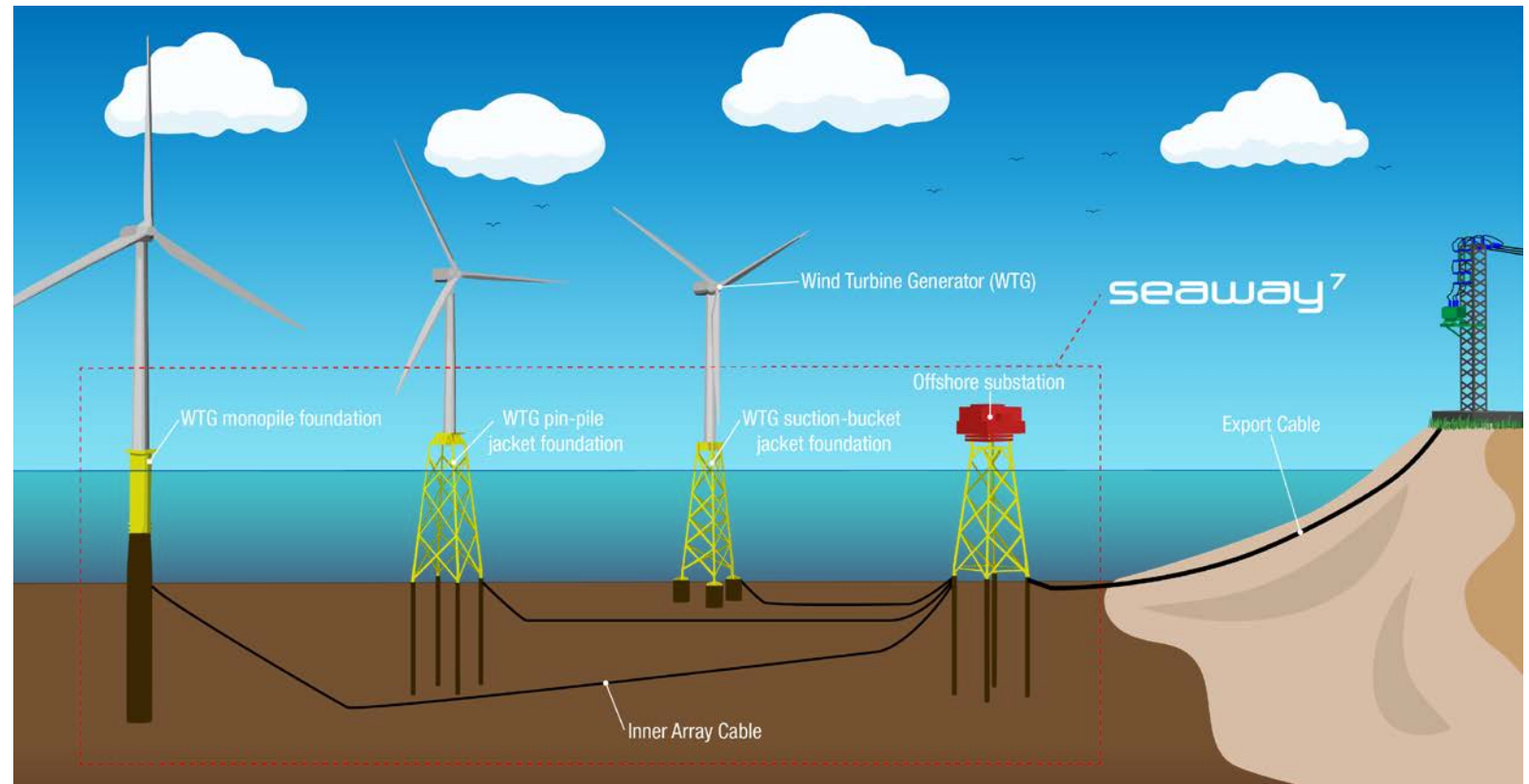
- An experienced partner for the delivery of offshore wind farm projects and specialist heavy lifting and cable-lay services
- Two heavy lifting vessels and two cable-lay vessels
- 500 onshore and 550 offshore personnel



seaway<sup>7</sup>

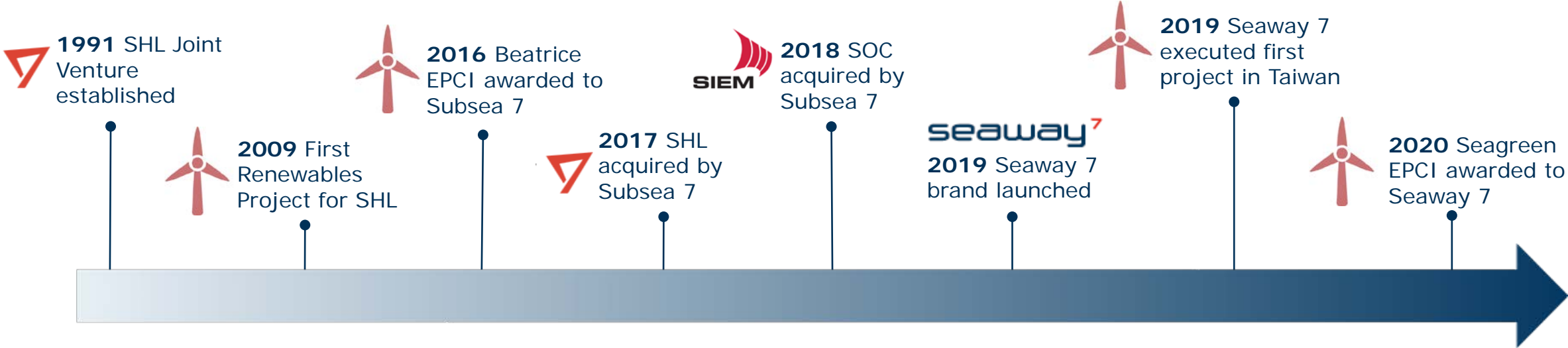
# Renewables - what we do

- Heavy lifting
  - Foundations and substations
  - Transport & installation (T&I)
- Inner array cables
  - Engineering, procurement, installation, commissioning
- Integrated solutions
  - Renewables EPCI





# Our history in renewables



Over 10 years experience in renewable energy



seaway<sup>7</sup>



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## Why our clients choose us



## An experienced, diverse workforce

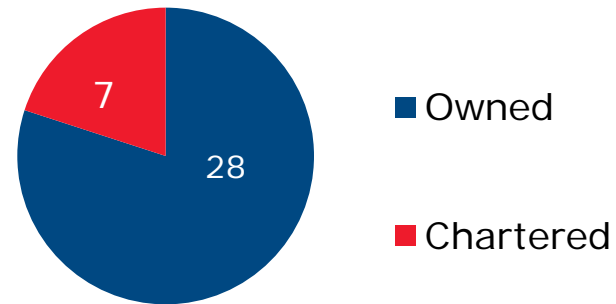
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- ~ **12,000** people in our workforce at end 2019, including over **1,700** engineers
- We deliver projects based on our **expertise and know-how**
- Our highly skilled and experienced workforce deliver projects safely and reliably
- We recognise the importance of diversity and strive to achieve it
  - 56% Europe
  - 23% Americas
  - 17% Asia Pacific
  - 4% Other

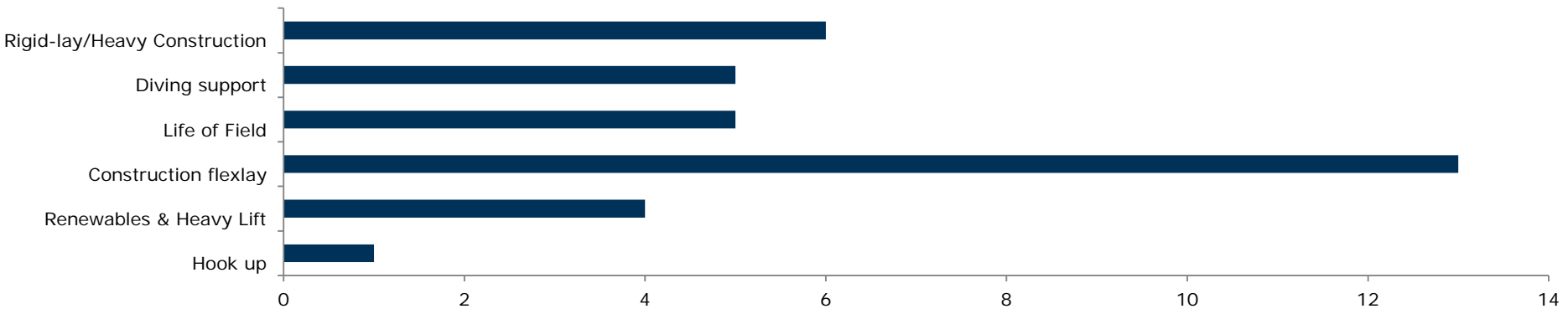
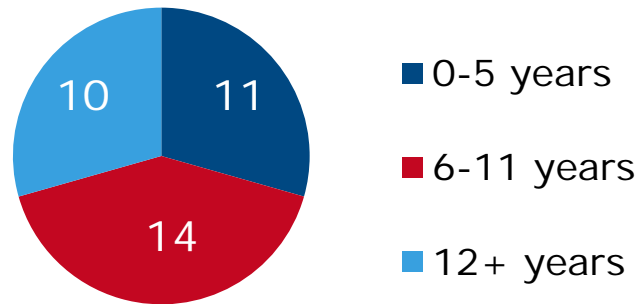


# A modern and versatile fleet

### Vessels by ownership type



### Vessels by age



## Seven Vega – under construction

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- Subsea 7's most capable reel-lay vessel
- Designed to install complex rigid flowlines
  - Including pipe-in-pipe and EHTF
- Water depths up to 3,000m
- Top tension 600t
- Dynamic positioning – DP III
- Scheduled for delivery in Q3 2020
- A global enabler
  - Work on Subsea 7's major projects



# Fleet - 28 active vessels at end Q2 '20

RIGID PIPELAY/HEAVY LIFT VESSELS						UNDER CONSTRUCTION			
 SEVEN ANTARES	 SEVEN BOREALIS	 SEVEN CHAMPION	 SEVEN NAVICA	 SEVEN OCEANS	 SEVEN VEGA		 NORMAND OCEANIC		
CONSTRUCTION/HORIZONTAL FLEX-LAY VESSELS									
 SEVEN ARCTIC	 SEVEN CRUZEIRO	 SEVEN PACIFIC	 SEVEN PHOENIX	 SEVEN RIO	 SEVEN SEAS	 SEVEN SUN	 SEVEN WAVES	 SIMAR ESPERANÇA	
DIVING SUPPORT VESSELS				RENEWABLES AND HEAVY LIFTING VESSELS					
 SEVEN ATLANTIC	 SEVEN EAGLE	 SEVEN FALCON	 SEVEN KESTREL	 SEVEN PEGASUS	 SEAWAY AIMERY	 SEAWAY MOXIE	 SEAWAY STRASHNOV	 SEAWAY YUDIN	
LIFE OF FIELD VESSELS						LIFT/HOOK-UP			
 SEVEN VIKING	 GRANT CANDIES	 HARVEY INTERVENTION	 MMA PINNACLE	 NORMAND SUBSEA	 AKADEMIK TOFIQ ISMAYILOV	 SEVEN INAGHA			

- ▲ Under Construction: Seven Vega
- ▲ Long-term charter from a vessel-owning joint venture
- ▲ Stacked
- ▲ Chartered from a third party

Seven Antares and Seven Inagha are owned by Subsea 7's Nigerian joint venture

## Cost reduction plan - fleet management

	Q2 2020	end Q2 2021
Additions	-	Seven Vega (Q3 2020)
Stacked, owned vessels	Seven Antares <sup>(1)</sup> Seven Inagha <sup>(1)</sup>	Up to 5 more to be stacked
Released, chartered vessels	Skandi Acergy Paul Candies	Up to 2 more to be released
Active fleet at quarter end	28	22

(1) Owned by Subsea 7's Nigerian joint venture



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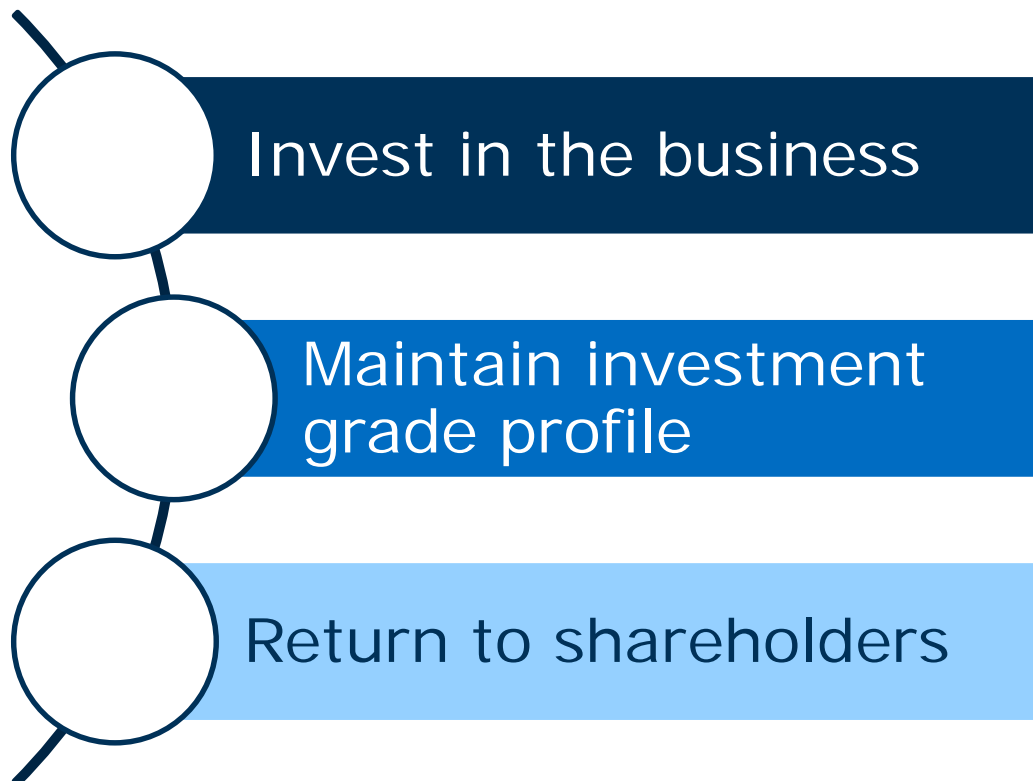
## Why our clients choose us





# Investment strategy

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## Uses of cash since 2011

- 12 vessels added
- 6 businesses acquired
- Average 18 new patent applications per year

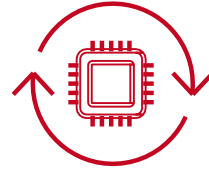
- Strong liquidity
- Net debt to EBITDA ratio within investment grade parameters

5 share repurchase programmes completed  
6 dividends paid over 8 years  
\$1.9bn returned in total

## Strategic focus areas

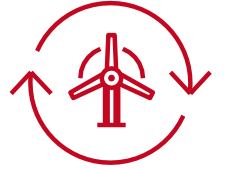
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### **Subsea field of the future: systems and delivery**

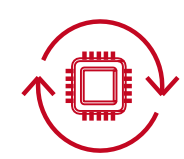


- Early engagement and partnerships
- System innovation and enabling Products
- Digital delivery of projects and services
- Integrated SPS and SURF

### **Energy transition: proactive participation**

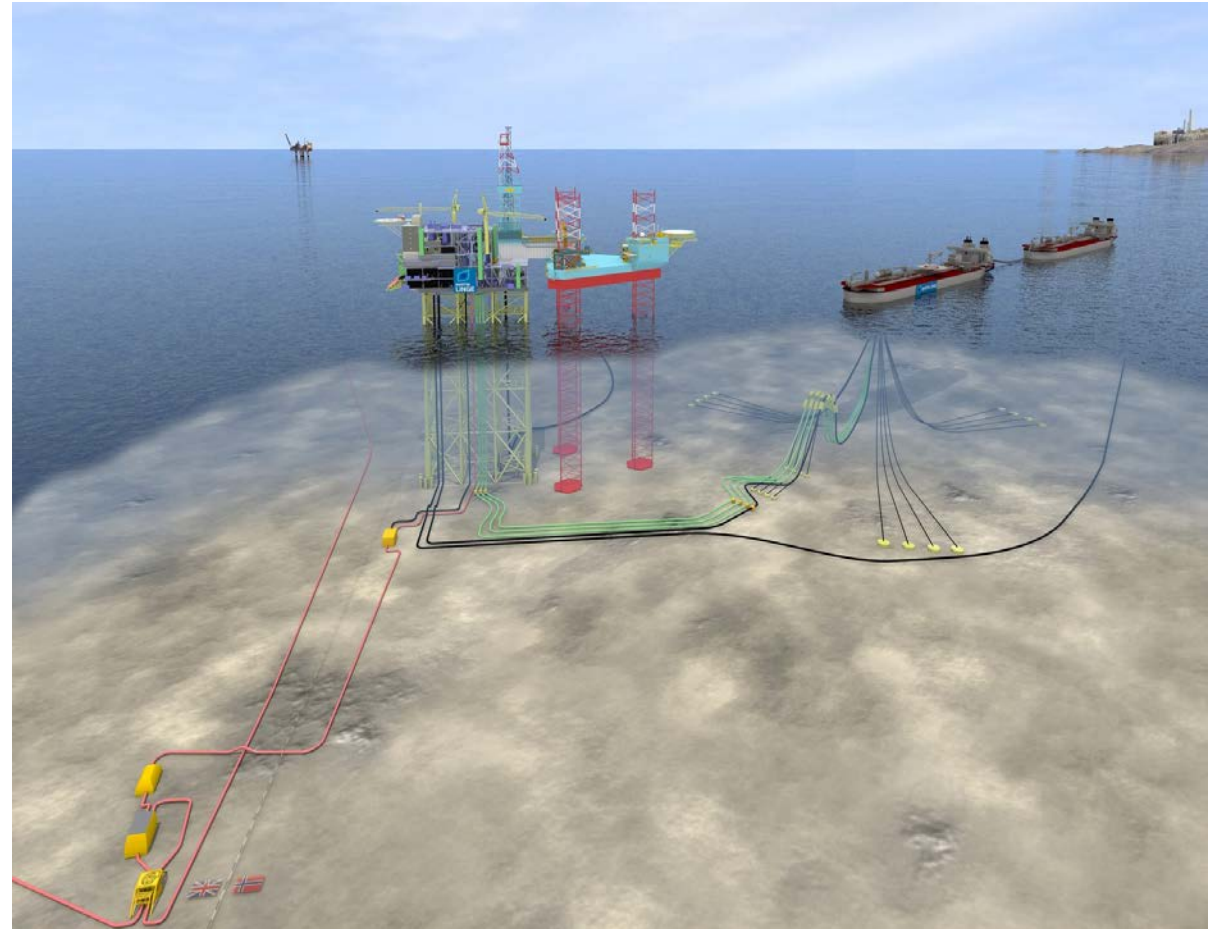


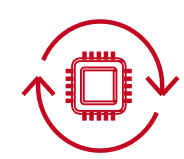
- Oil and gas: energy efficiency of our operations and investment in technology to support the market growth of low carbon energy sources
- Renewables: offshore wind



## Subsea Field of the Future – early engagement

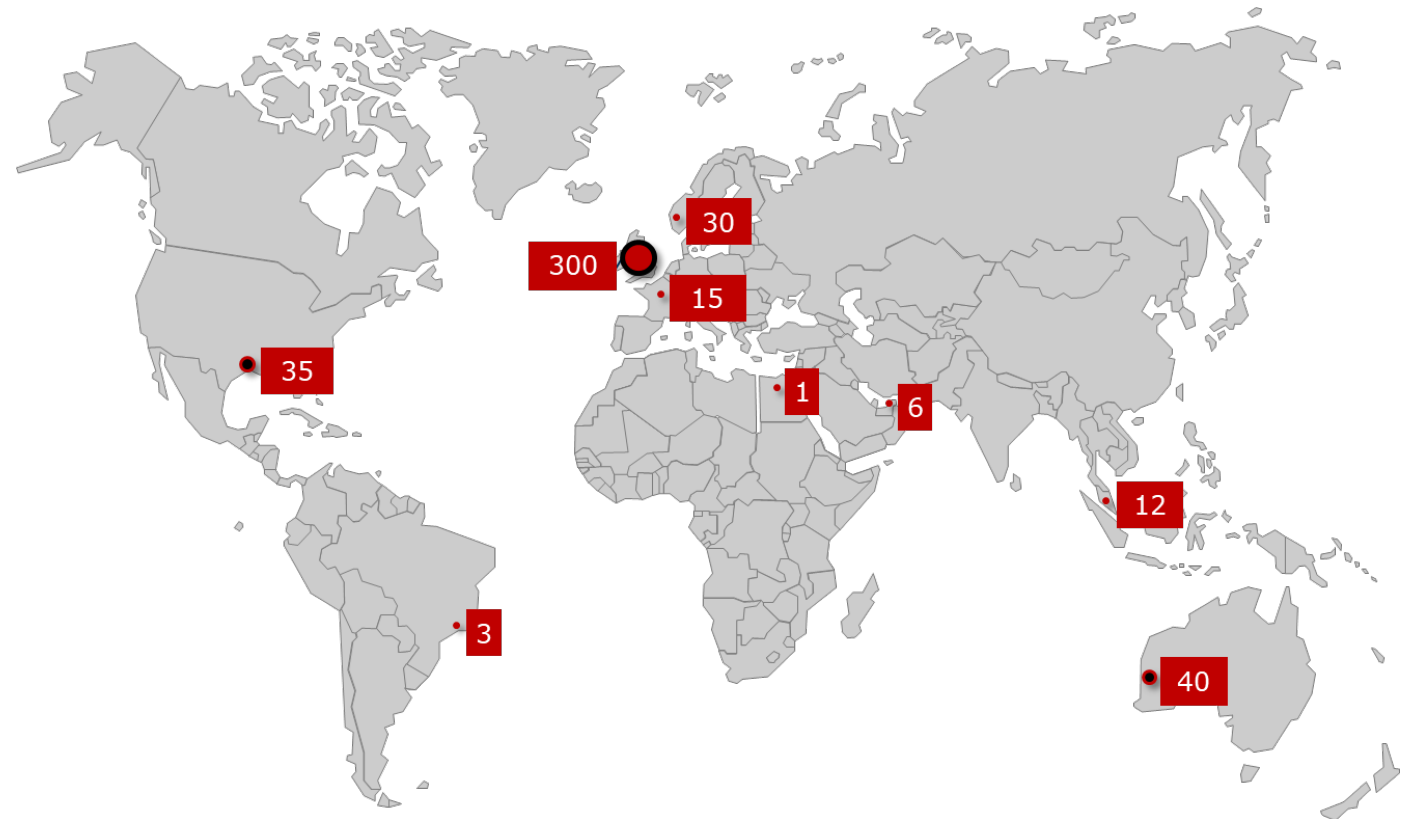
- Accelerate the development process
  - Industry-leading design and engineering
- Integration of enabling technologies
  - Pipeline, bundle and riser technologies
- Execution and delivery assurance
  - Improved project planning and execution
  - Earlier production
- Reduced risk
  - Improving predictability of capex and opex
- Enhanced recovery
  - Maximising client value





## Subsea Field of the Future – early engagement

- Over 400 FEED engineers
- Globally connected
- Supported by parent company organisations
- Extensive global study track record

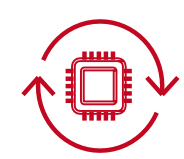


subsea 7 +

 **OneSubsea**  
A Schlumberger Company

+

  
xodus  
GROUP



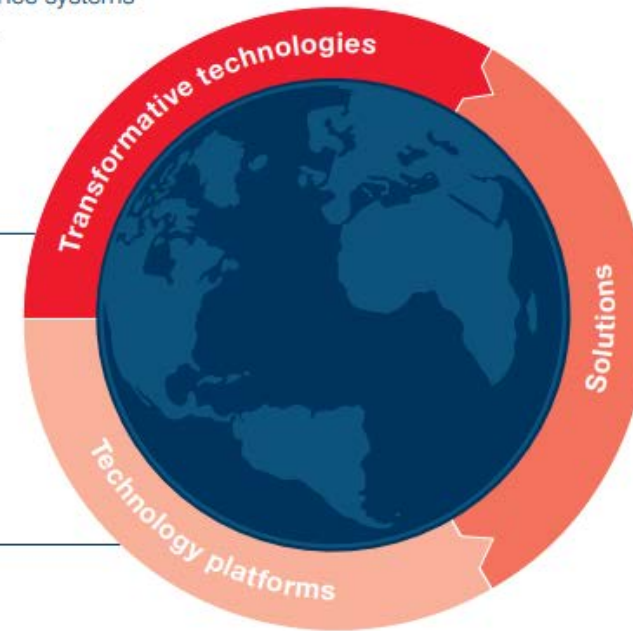
# Subsea Field of the Future – innovation and enabling products

## Game-changing solutions

- Electrically Heat Traced Flowline
  - Enables long tie backs
- Pipeline bundles
  - Multiple flowlines and control systems in one carrier pipe
- Swagelining integrated liner
  - 50-year corrosion barrier
- Subsea power distribution
  - Enables long step-out
  - Reduces topside scope

### Transformative technologies

- Digitalisation and automation
- Subsea power distribution and electrification
- Integrated data and surveillance systems
- Environmental sustainability.

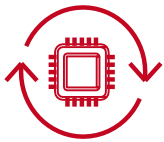


### Solutions

- Long tie-backs
- High pressure and high temperature field developments
- Deep water risers
- Small pools and lean tie-backs.

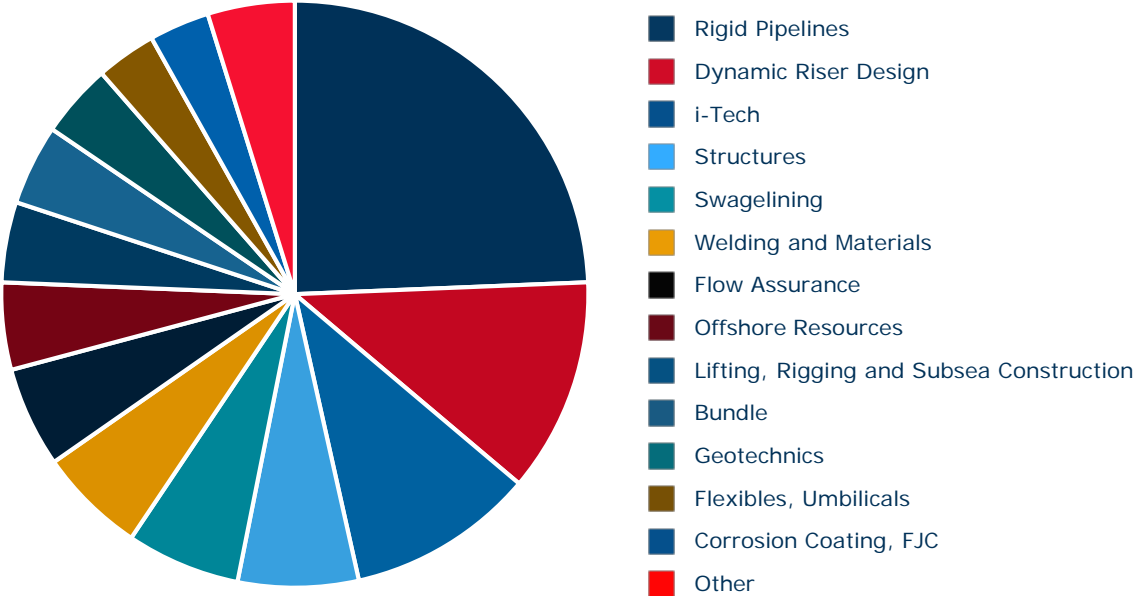
### Technology platforms

- Cost-efficient materials
- Towed solutions
- System standardisation and modularisation
- Hosted ROVs and autonomous solution
- Sensing, monitoring and repair technologies.



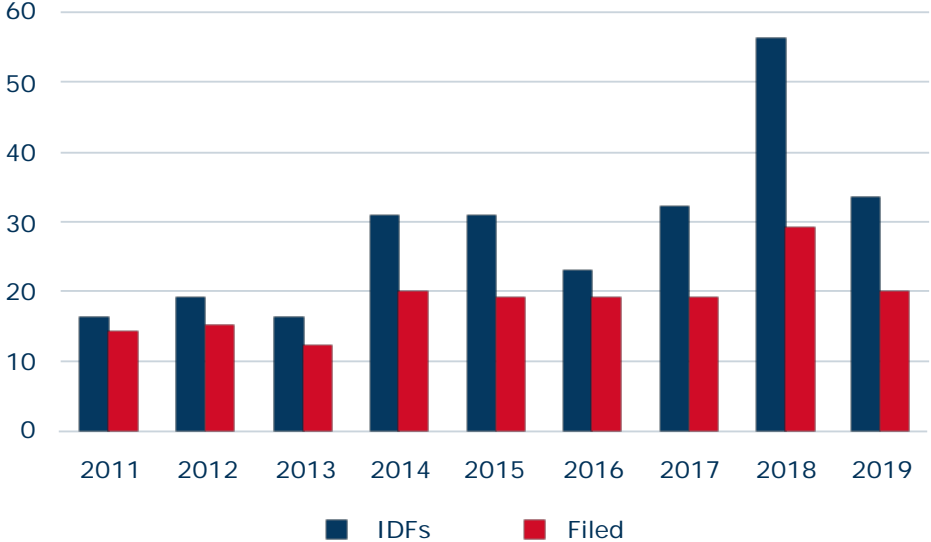
# Subsea Field of the Future – innovation and enabling products

- Approximately 1500 granted and pending patents

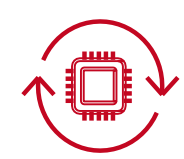


Patent Families : 228

## New Inventions Per Year



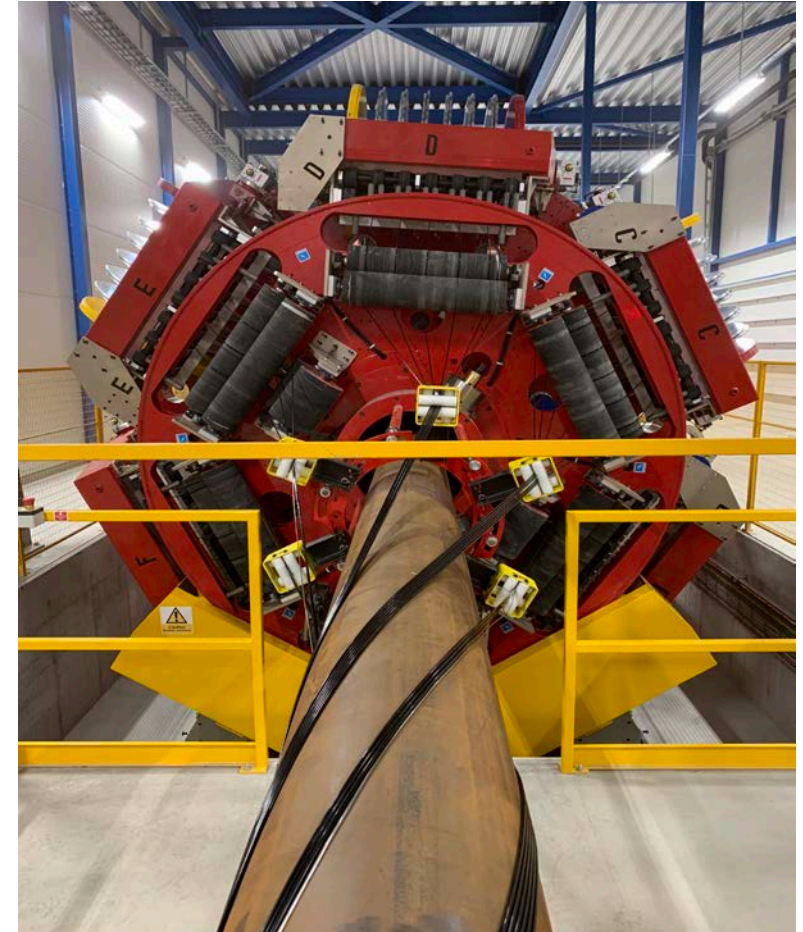
IDF: Invention Disclosure Form

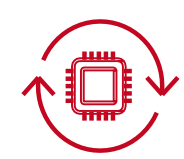


# Subsea Field of the Future – innovation and enabling products

## Aker BP - Aerfugl Phase 1

- Subsea 7's first **Electrically Heat Traced Flowline** award
- The application of EHTF technology to improve flow assurance
  - prevent hydrate formation
  - improve production efficiency
- Development and installation of a new EHTF fabrication line at Vigma spoolbase, including new helix machine, tensioner system and new buildings.





## Subsea Field of the Future – innovation and enabling products

### Snorre Expansion

- First project to incorporate **Swagelining Linerbridge** technology in water injection lines.
  - world's first all-polymer lining connector
  - removes the need for costly Corrosion Resistant Alloy welding
  - 35% cost reduction
- **Pipeline Bundles**
  - include electrical and fibre optic lines in preparation for the use of Underwater Intervention Drones/ Autonomous Underwater Vehicles

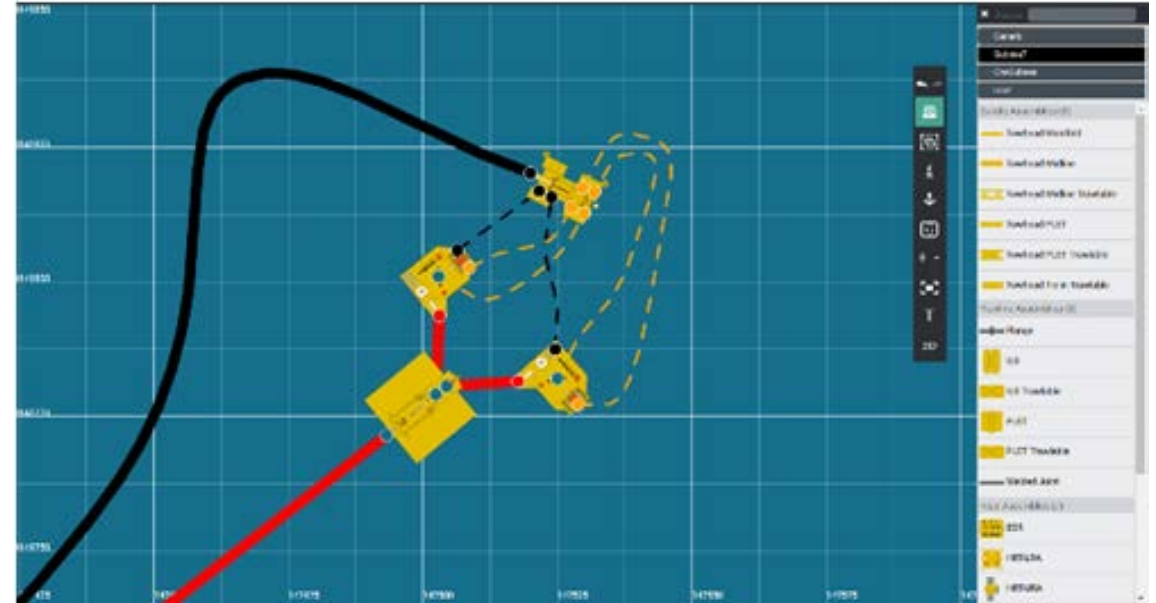


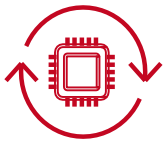


## Subsea Field of the Future – digitalisation

- Focus areas within i-Tech 7, early engagement and Pipeline Bundles
- 4Subsea acquisition
  - Industry leader in subsea digital services
- i-Tech 7 and Leidos digitalisation partnership
  - Using artificial intelligence and automation to reduce the costs of life of field services
- Monitoring equipment incorporated into Pipeline Bundle Towhead
- Subsea Planner <sup>(1)</sup> software made available to Subsea Integration Alliance for early engagement

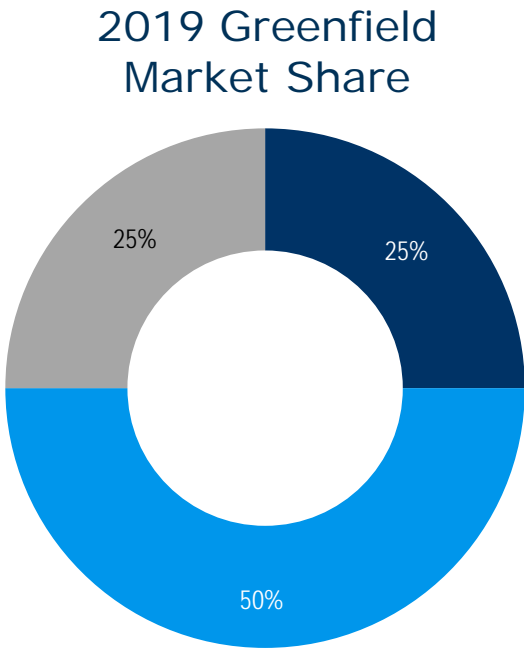
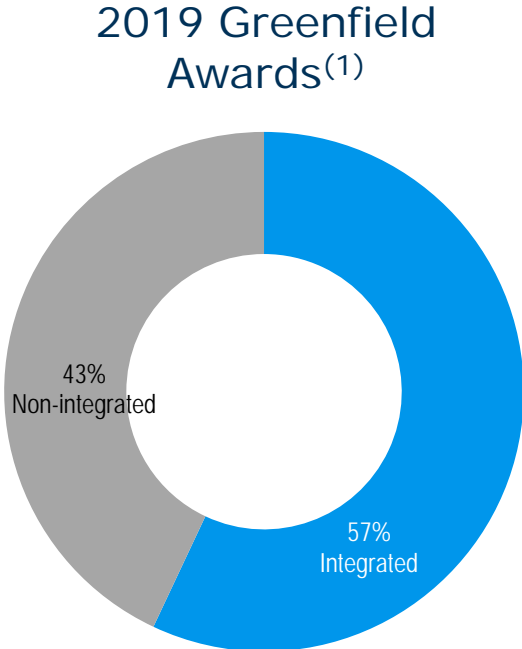
(1) Subsea Planner is a mark of Schlumberger or Schlumberger companies





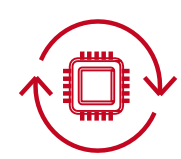
# Subsea Field of the Future - integration

- Confirmed as leading supplier of integrated solutions with greenfield FEED and EPCI awards for projects in Africa, Brazil and Australia.



■ Subsea Integration Alliance ■ TechnipFMC ■ Others

(1) Percentage of awards with no existing infrastructure installed.



# Subsea Field of the Future – integration

## Mad Dog Phase 2

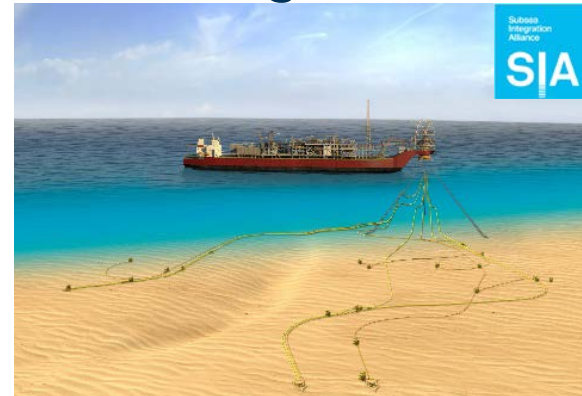


Location: US GoM

Value: > \$300m

Status: offshore phase ongoing

## Sangomar

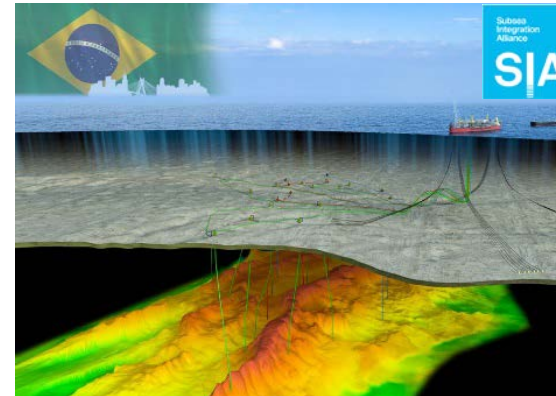


Location: Senegal

Value: > \$750m

Status: engineering phase of EPCI

## Bacalhau

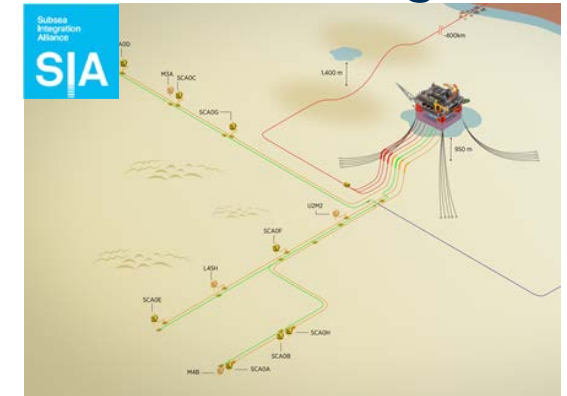


Location: Brazil

Value: > \$750m (subject to FID)

Status: FEED

## Scarborough



Location: Australia

Value: to be confirmed after FID

Status: pre-FID activities



## Energy transition – our renewables strategy

- Support our clients with flexible, cost-effective solutions as the evolving offshore wind market transitions to a reduced or zero subsidy environment.
- Utilise our international experience and existing global organisation to support our clients in expanding their developments beyond Northern Europe.
- Participate in pilot schemes for floating offshore wind farms to build technical experience and position Subsea 7 to capture potential full-scale opportunities.



Hywind Tampen



Triton Knoll



Hornsea 1 & 2



Beatrice



Hollandse Kust Zuid



## Energy transition – Beatrice case study

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- Subsea 7 scope \$1.3 billion
  - EPCI
- One of the largest private infrastructure projects in Scotland
- 84 wind turbine foundations
- Expected to power 450,000 homes over 25 years
- World's deepest fixed wind farm (55m)
- In-house technical team of 120 people
- Involved in the project since 2011, from concept engineering to installation





## Energy transition – current projects

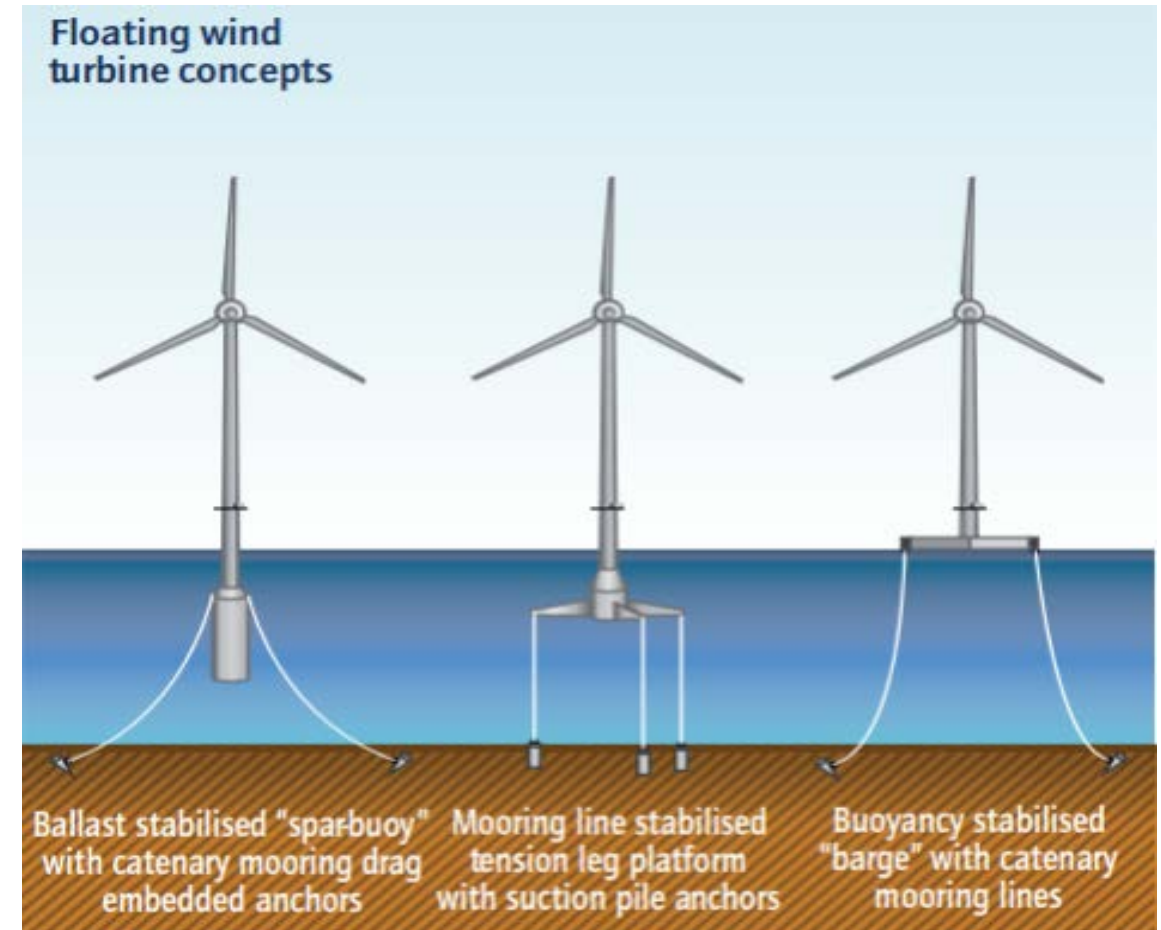
- Installed over 650 wind turbine foundations and 1,500km inner array cables
- Ongoing integrated projects (foundation and cable)
  - Seagreen (114 foundations, 300km cables)
  - Hollandse Kust Zuid (140 monopiles, 315 km of cable)
  - Kaskasi (38 monopiles and 52 km of cable)
- Ongoing foundations projects
  - Formosa 2 (47 jackets)
- Ongoing cable projects
  - Yunlin, Taiwan (272km)
  - Hornsea 2 (420km)





## Energy transition – floating wind

- Promising potential market for offshore renewables
- Seaway 7 is actively participating in a variety of demonstrator and pilot projects
- Partnered with Equinor to install the cable system on its pilot Hywind Tampen development
  - 11 floating turbines powering Snorre and Gulfaks fields.





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## Why our clients choose us





# Outlook

- Active tendering in Renewables
- Continued high competition for foundation installation projects
- Low tendering activity in SURF and Conventional

## Canada and USA

- **CIP** Vineyard (w)
- **Ørsted** US Projects (w)
- **Shell & EDF-RE** Atlantic Shores (w)
- **Shell & EDF-RE** Mayflower (w)
- **Equinor** Empire (w)
- **Shell** Colibri
- **Shell** Whale

## Europe

- **RWE** Sofia (w)
- **Iberdrola** East Anglia Hub (w)
- **Red Rock** Inch Cape (w)
- **EDPR** Moray West (w)
- **Shell** Ormen Lange Ph3 (i,f)
- **AkerBP** Noaka
- **Equinor** Northern Lights CO<sub>2</sub>

## Africa

- **Chevron** SLGC
- **Aker Energy** Pecan (i,f)
- **ENI** Rovuma (f)

## Middle East & Asia

- **WPD** Guanyin (w)
- **Ørsted** Greater Changhua 2 (w)
- **Total** Al Khalij
- **Qatar Petroleum** ISND Ph 5-1b
- **ExxonMobil** Central South Dagi (i)

## Brazil

- **Petrobras** Mero-2
- **Petrobras** Mero-3
- **Equinor** Bacalhau (i,f)

## Australia

- **Woodside** Scarborough (i,f)

(i) Integrated SURF-SPS, (w) offshore wind, (f) FEED already awarded, Subsea 7 is preferred EPCI supplier

## Full year 2020

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- Significant degree of uncertainty remains, including the potential impact of a new wave of Covid-19 cases on both our activities and the macro environment
- Revenue expected to be broadly in line with 2019 levels
  - Delayed FIDs and postponed awards - Scarborough and other significant target projects
  - Rephasing of existing contracts, reduced escalations and spot work:
    - Barossa, Sangomar, Middle East rescheduled
    - Fewer escalations and subdued spot markets in North Sea and Asia Pacific
- Adjusted EBITDA, excluding restructuring charge, expected to be in line with current market expectations
- Other items:
  - Administrative expenses: \$230-240 million, including \$14 million restructuring charges
  - Net finance costs: \$15-20 million
  - Depreciation and amortisation expense excluding impairment charges: \$440-460 million
  - Full year tax charge: \$10-30 million
- Capex: \$230-250 million
  - Including approximately \$80 million for Seven Vega

# Summary

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- Strong cash flow in Q2 despite challenging conditions
- Robust balance sheet with excellent access to liquidity
- Leader in Energy Transition
  - Strong momentum in Renewables leveraging a ten-year track record
- SURF and Conventional backlog projects deferred but not cancelled
- Cost reduction programme on track
  - Reducing capacity
  - Retaining capability
  - Flexibility to adapt to the future





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## What makes us who we are



## Why our clients choose us



# Sustainability

- New team created to oversee the delivery of our sustainability ambitions
- Added a Sustainability Value
- Signatory to the UN Global Compact
  - Aligned to our company Values



## UN Global Compact

<p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><b>13</b> CLIMATE ACTION</p>
<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><b>14</b> LIFE BELOW WATER</p>	<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>

## Our Values

What makes us who we are



Safety



Integrity



Sustainability



Performance



Collaboration



Innovation

# Sustainability report

### Health, Safety and Wellbeing:

**0.02**

Lost-time incident frequency rate per 200,000 hours worked

### Energy Transition:

**658**

Cumulative number of offshore wind turbine generator foundations we have installed to end of 2019

### Labour Practices and Human Rights:

**80%**

Our people responded positively to being treated with respect as an individual in the Subsea 7 bi-annual Employee Opinion Survey

### Business Ethics:

**4,791**

Number of employees who have completed compliance and ethics e-learning (100% of target)

### Operational Eco-efficiency:

**361,164**

Tonnes of scope 1 CO<sub>2</sub> emissions from our owned and managed vessels

### Ecological Impacts:

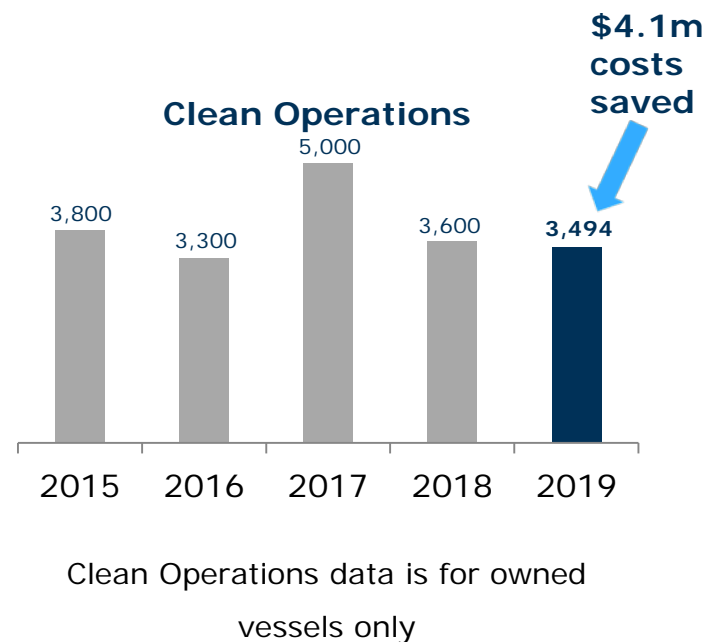
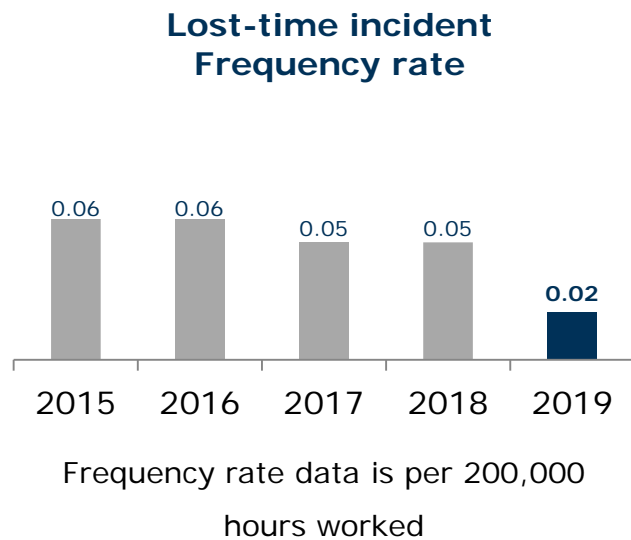
**15**

Local environmental initiatives undertaken in 10 countries on 4 continents



# Corporate Responsibility

- We are committed to operating in a safe, ethical and responsible manner



## Targets

- LTI <0.03 (target lowered from 0.05 in 2018)
- Recordable incident frequency rate <0.20 (target lowered from 0.21 in 2018)
- Environmental spills frequency rate <25 litres
- Environmental incident frequency rate <0.70
- 5% vessel fuel saving through clean operations

## Hybrid vessel

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- Conversion of Seven Viking to hybrid power
- 1300 kWh battery system
  - Equivalent to 33 Nissan Leafs (2019)
- Allows the vessel to optimise its diesel generators
  - Reduced number of diesel generators
  - Remaining generators run at a more energy-efficient load
  - Short-term variations of engine load are balanced by the battery
- Savings:
  - Fuel 19%
  - Co<sub>2</sub> 2,400 tonnes
  - No<sub>x</sub> 25%



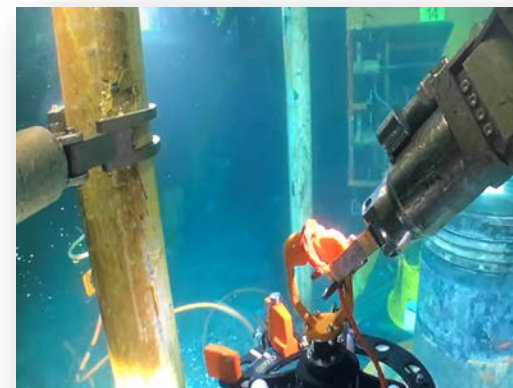


## ROV Onshore Control Centre

- Onshore Control Centres in the UK and Norway.
- Technology building blocks:
  - High quality low latency image transmission
  - 4G LTE network access (fourth-generation, high speed low latency)
  - Advanced control of vehicle and manipulation
  - Generic Control supports different vehicle types



ONSHORE: Pilot and Co-Pilot



ROV System



Connection \



OFFSHORE: ROV Control Room



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## What makes us who we are



Safety



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Performance



Collaboration



Innovation

## Why our clients choose us



Culture



Creativity



Relationships



Reliability



Solutions

## Q2 2020 income statement summary

In \$ millions, unless otherwise indicated	Three months ended	
	30 June 2020 Unaudited	30 June 2019 Unaudited
Revenue	754	958
Net operating (loss)/income excluding goodwill impairment	(352)	45
Impairment of goodwill	(578)	-
Net operating (loss)/income <sup>(1)</sup>	(930)	45
(Loss)/income before taxes	(938)	36
Taxation	17	(13)
Net (loss)/income	(922)	24
Adjusted EBITDA <sup>(2)</sup>	(9)	171
Adjusted EBITDA margin	(1%)	18%
Diluted earnings per share \$	(3.06)	0.09
Weighted average number of shares (millions)	297	308

(1) Net operating loss includes restructuring charge of \$104m, goodwill impairment charges of \$578m and asset impairment charges of \$229m

(2) Adjusted EBITDA defined in Appendix

## Q2 2020 income statement – expense breakdown

Three months ended 30 June 2020			
\$ millions	Reported	Restructuring Charge	Underlying
Operating expenses	(1,031)	(86)	(945)
Administrative expense	(70)	(14)	(56)
Share of net loss of associates and joint ventures	(5)	(4)	(1)
<b>Total</b>		<b>(104)</b>	

- \$104 million charge mainly related to the planned reduction in workforce
- The full charge is included in the Corporate segment with no impact on results of the operational business units

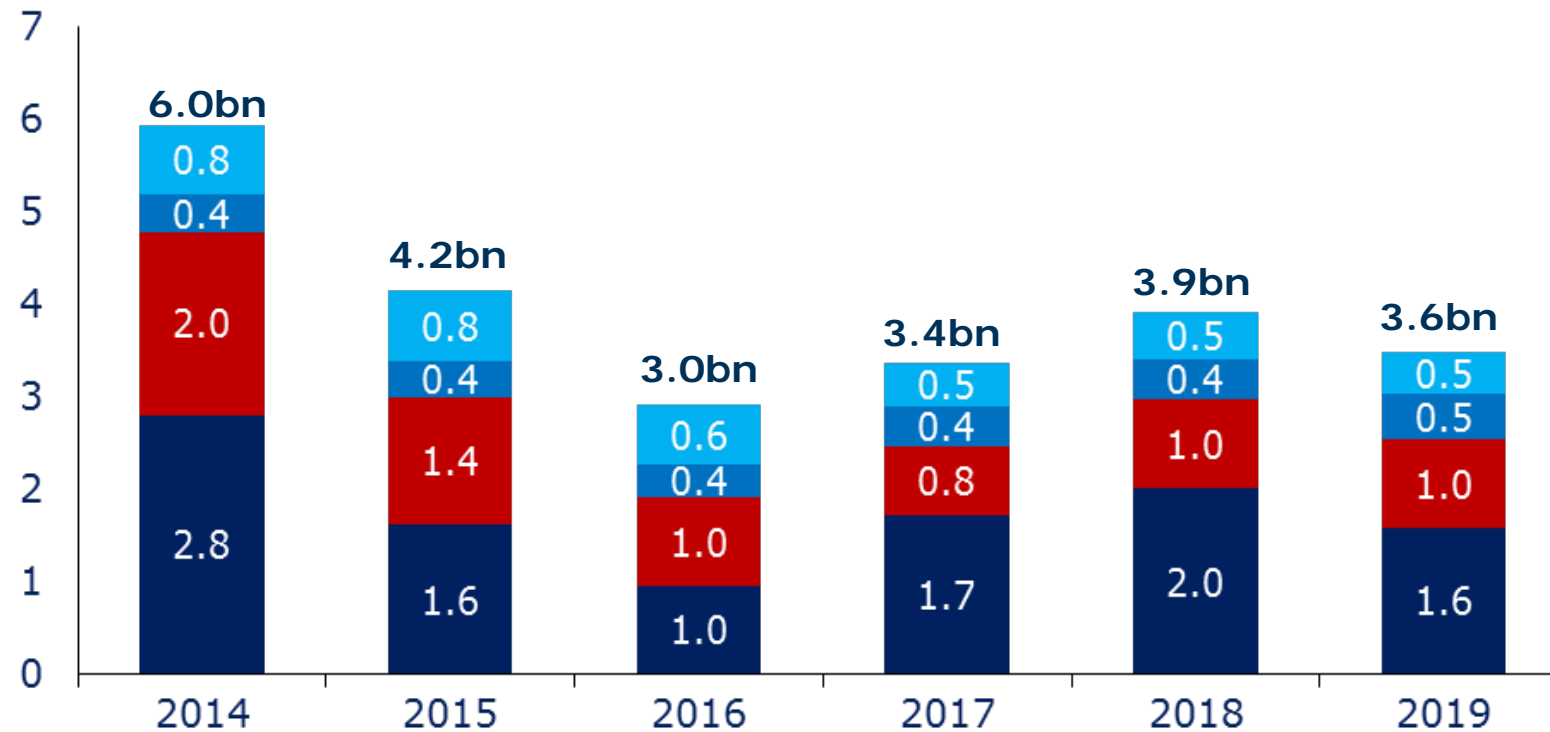
## Cost reduction programme on track

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- Annualised operating cash cost savings of \$400 million by Q2 2021 re-confirmed
- Net reduction of up to 10 vessels by Q2 2021
  - Reduction of 2 chartered vessels: *Skandi Acergy* and *Paul Candies*
  - 2 owned vessels stacked: *Seven Antares* and *Seven Inagha*
- 3,000 workforce reduction by Q2 2021
  - Employee consultation processes have commenced where appropriate
- Capex reduction to minimal levels in 2021 and 2022
  - 2020: \$230-250 million
  - 2021-2022: capex less than \$130 million per year

# 2014 - 2019 costs overview

\$ billion



- **Vessels and other costs<sup>(1)</sup>**: Including vessel costs, onshore facilities, IT infrastructure and other fixed overheads
- **Depreciation and amortisation**: excludes non-recurring impairment charges<sup>(2)</sup>
- **People<sup>(3)</sup>**: Offshore and onshore personnel
- **Direct project costs**: including procurement of materials and project related short-term lease expense

(1) Includes impairment charges related to property, plant & equipment and intangibles

(2) Reflects the adoption of IFRS 16 effective from 1 January 2019

(3) Includes restructuring charges in 2015 and 2016

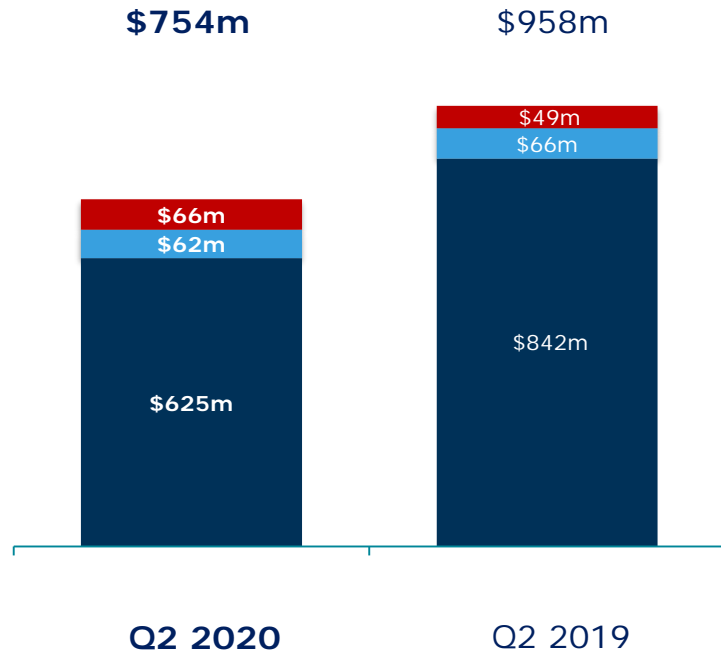
## Q2 2020 supplementary details

In \$ millions	Three months ended	
	30 June 2020 Unaudited	30 June 2019 Unaudited
Administrative expenses	(70)	(61)
Share of net loss of associates and joint ventures	(5)	(3)
Depreciation, amortisation and mobilisation	(113)	(126)
Impairment of property, plant and equipment	(212)	-
Impairment of right-of-use assets	(17)	-
Net operating (loss)/income excluding goodwill impairment	(352)	45
Impairment of goodwill	(578)	-
Net operating (loss)/income	(930)	45
Net finance cost	(5)	(3)
Other gains and losses	(4)	(6)
(Loss)/income before taxes	(938)	36
Taxation	17	(13)
Net (loss)/income <sup>(1)</sup>	(922)	24

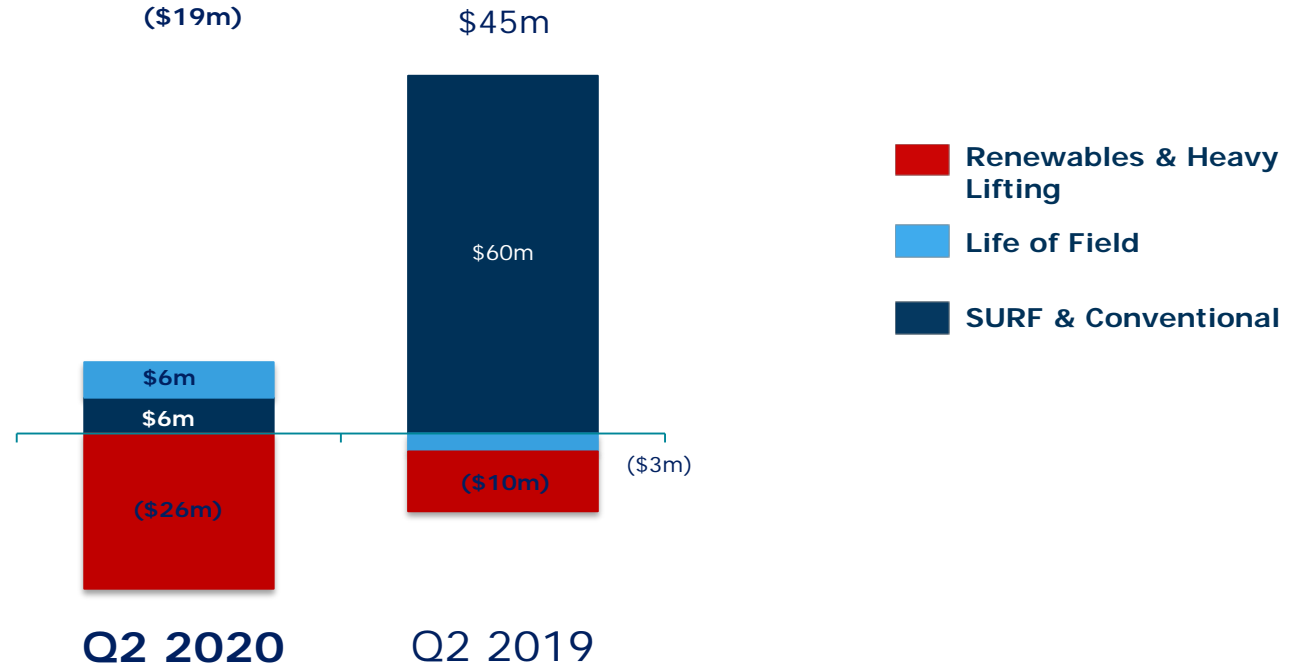
(1) Q2 2020: \$911m net loss is attributable to shareholders of the parent company with \$11m attributable to non-controlling interests

# Q2 2020 business unit performance

## Revenue



## Net Operating (Loss)/Income (excluding impairment charges)

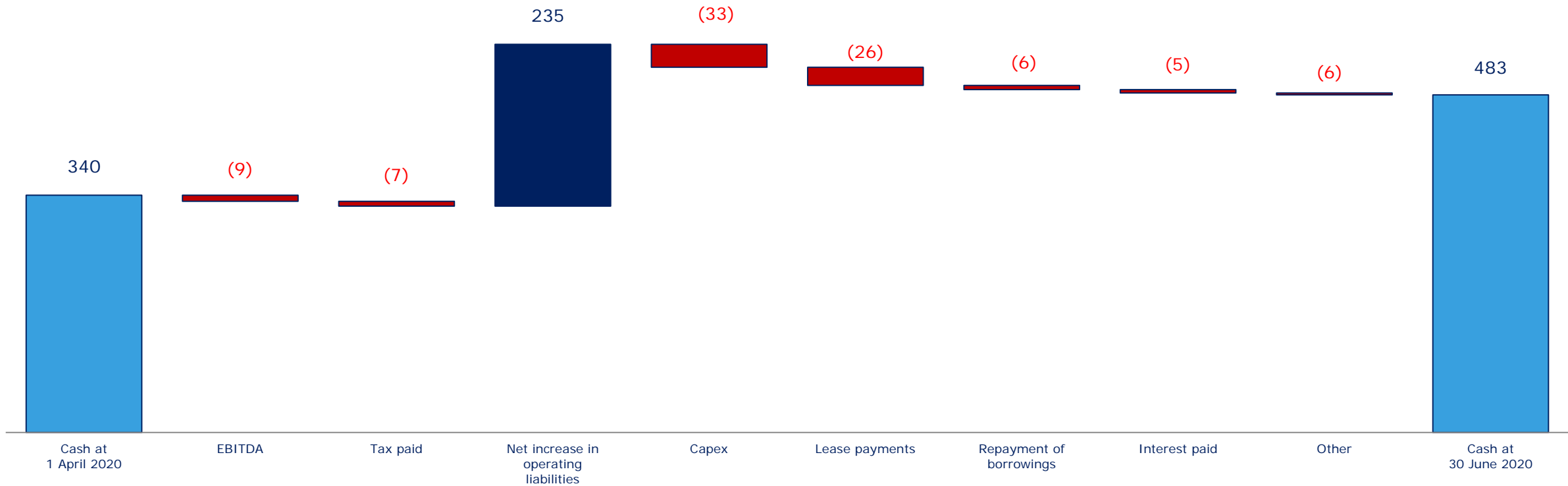


- (1) Q2 2020 NOL excludes goodwill impairment charges of \$578m and impairment charges related to other assets of \$195m recognised in SURF and Conventional segment and \$14m in Life of Field
- (2) Corporate segment not presented: Q2 2020: NOL \$130m (Q2 2019: NOL \$2m), including restructuring charges of \$104m and impairment charges of \$20m



# Q2 2020 cash flow

\$m



- Net debt (including lease liabilities of \$292m) of \$30 million at 30 June 2020



## Appendix

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- Major project progression
- Track record
- PLSVs in Brazil
- Heavy construction fleet
- Strategy through-cycle
- ADR
- Contact details

### What makes us who we are

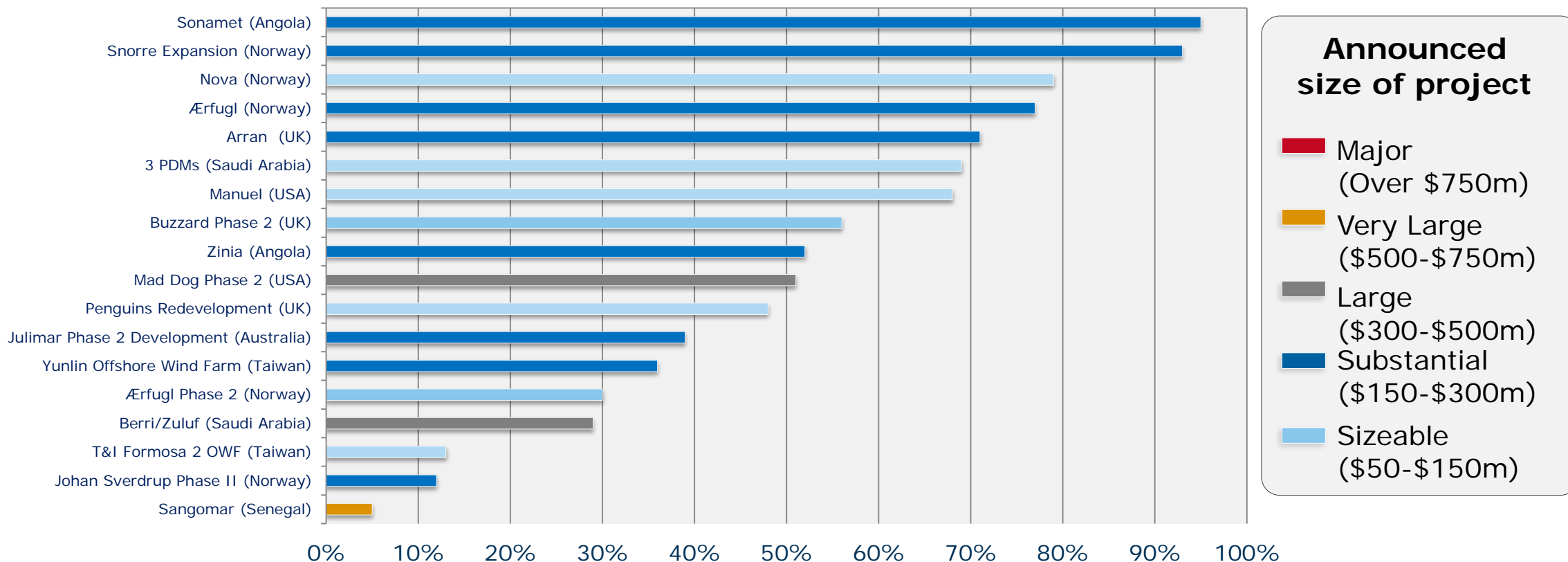


### Why our clients choose us



# Major project progression

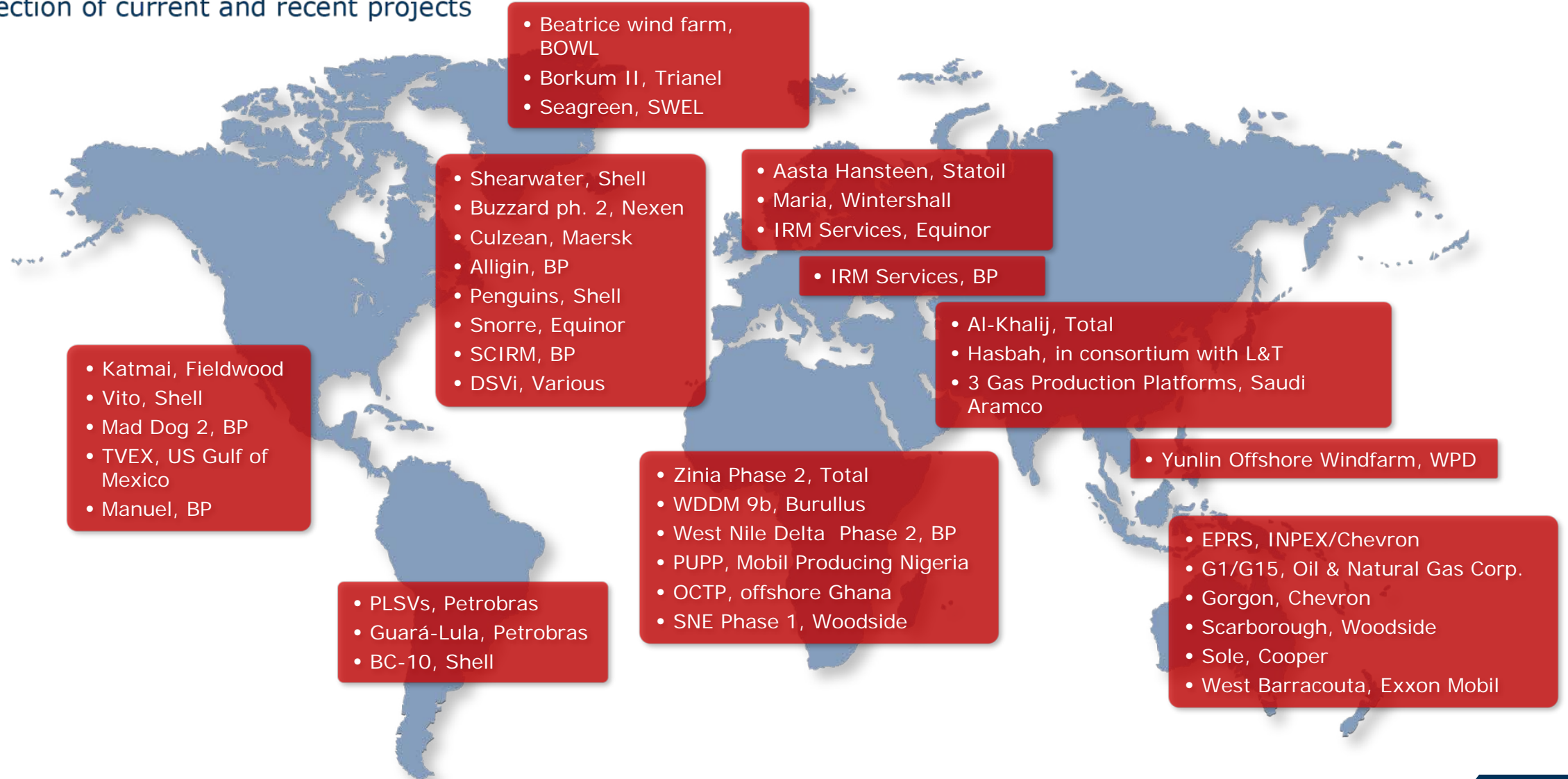
- Continuing projects > \$100m between 5% and 95% complete as at 30 June 2020 excluding PLSV and Life of Field day-rate contracts



# TRACK RECORD

Over 1,000 projects delivered for our clients worldwide

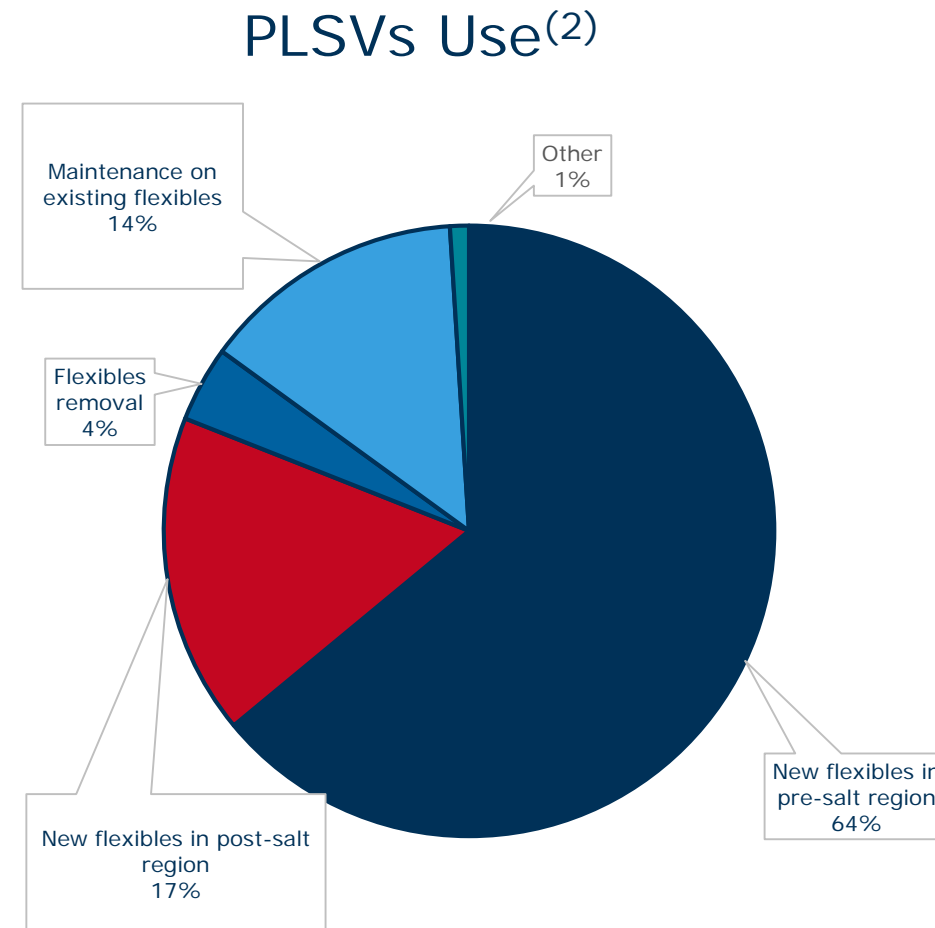
- A selection of current and recent projects



## PLSVs in Brazil

- Pipelay support vessel (PLSV) is a heavy construction vessel with flex-lay capability also able to perform various construction activities over the project life cycle
- Scope of work in Brazil is a mix of installation of new flexibles as well as replacement and maintenance of existing flexibles
- All 4 of Subsea 7's PLSVs are ranked in the top 6 vessels of Petrobras' fleet for the last 12 months<sup>(1)</sup>

(1) Petrobras updates a rank of all PLSVs in the fleet on a monthly basis which is based on vessel performance against pre-established targets. Information provided is from July 2019 report.



(2) Utilisation of Subsea 7 PLSV fleet as at Q3 2019

# Heavy Construction/Flex-lay Fleet

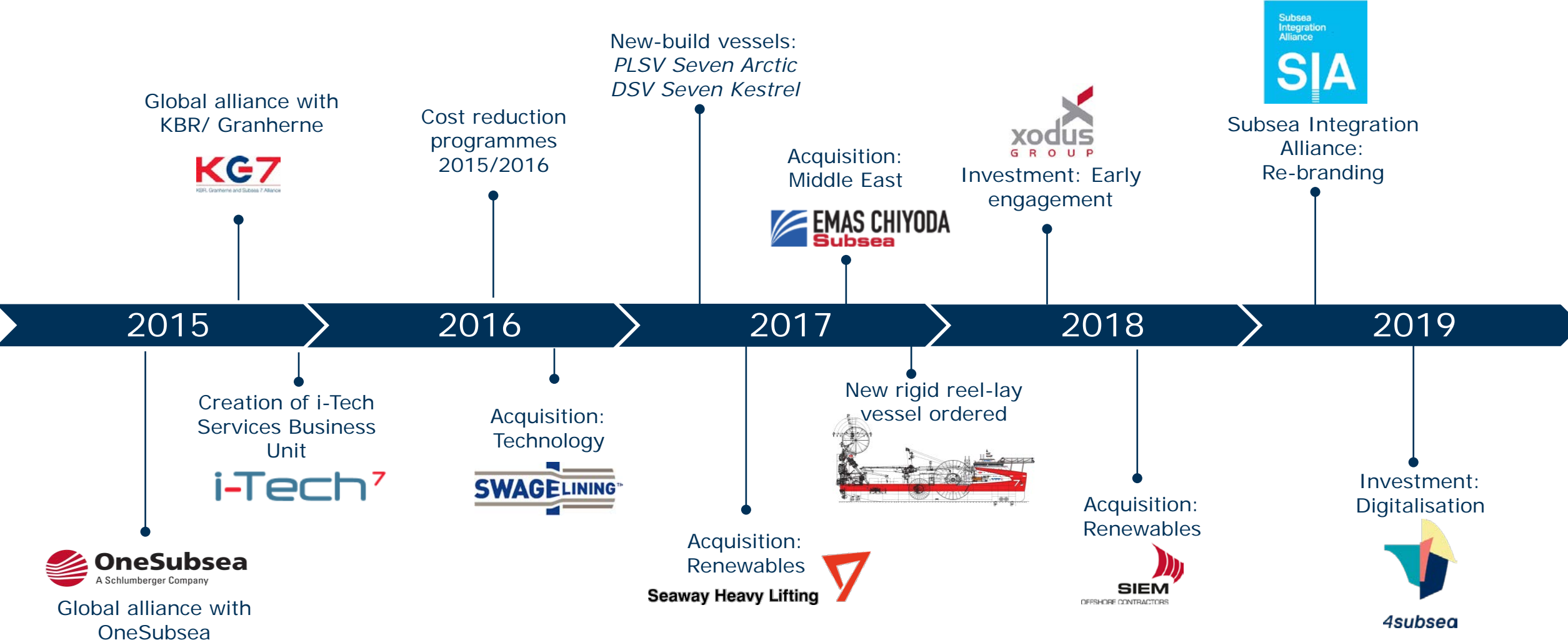
PLSVs working for Petrobras		
	Crane	Top Tension
Seven Cruzeiro	100t/ 400t <sup>(1)</sup>	550t
Seven Rio	100t/ 400t <sup>(1)</sup>	550t
Seven Sun	100t/ 400t <sup>(1)</sup>	550t
Seven Waves	400t	550t

Global enablers flex-lay fleet		
	Crane	Top Tension
Seven Seas	400t	430t
Seven Pacific	250t	260t
Seven Arctic	1000t	600t
Normand Oceanic	400t	125t/ 325t
Skandi Acergy <sup>(2)</sup>	400t	150t

(1) Capacity of current crane installed is 100t but vessel is built to hold a 400t crane

(2) Chartered vessel

# Subsea 7's approach and strategy through the cycle



## ADR information

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**ADR Ticker:** SUBCY

**ADR type:** Sponsored Level 1 ADR

**Listing venue:** OTC

**CUSIP:** 864323100

**Ratio:** 1 ADR : 1 Ordinary Share

**Depository bank:** Deutsche Bank Trust Company Americas

### ADR broker helpline:

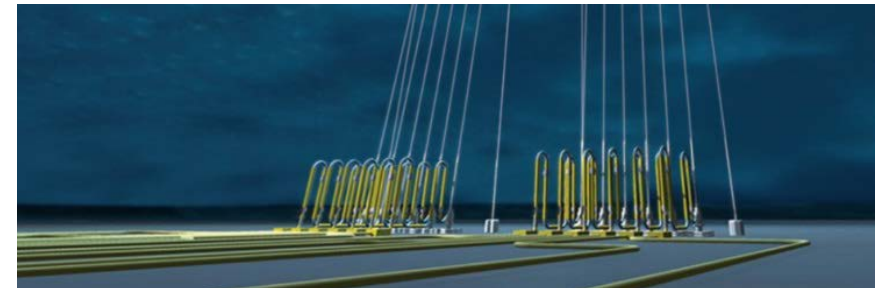
New York: +1 8662492593

London: +44 207 547 6500

Hong Kong: +852 2203 7854

e-mail: [db@astfinancial.com](mailto:db@astfinancial.com)

ADR website: [www.adr.db.com](http://www.adr.db.com)





# THANK YOU

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