Second Quarter 2020 Earnings Presentation

29 July 2020

Forward-looking statements

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.

Second Quarter 2020

John Evans, CEO
Ricardo Rosa, CFO

- Highlights
- Financial performance
- Strategy
- Outlook
- Q&A

Macro environment stabilising

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
  - No significant outbreak since *Seven Sun*
- 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

subsea 7

Q2 2020 operational spotlight

Mad Dog II (GoM)


Johan Castberg (Norway)


Arran (UK)


Virginia Coastal (US)


PLSVs

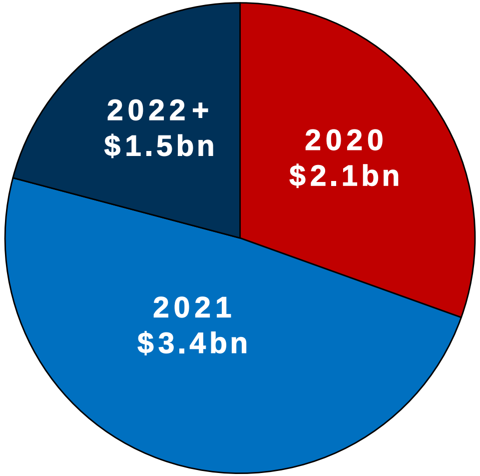

Life of Field

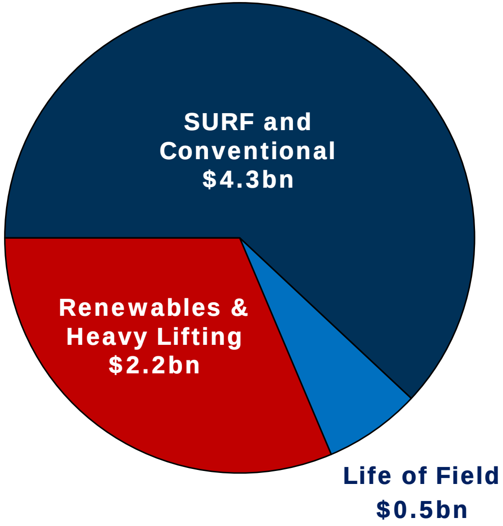

Triton Knoll (UK)


Middle East

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

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[(1)]	**(930)**	45
(Loss)/income before taxes	**(938)**	36
Taxation	**17**	(13)
Net (loss)/income	**(922)**	24
Adjusted EBITDA[(2)]	**(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

$ millions	Three months ended 30 June 2020 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)
Total		**(104)**	

- $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

- 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

Cost reduction plan - fleet management

	Q2 2020	end Q2 2021
Additions	-	Seven Vega (Q3 2020)
Stacked, owned vessels	Seven Antares[1] Seven Inagha[1]	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

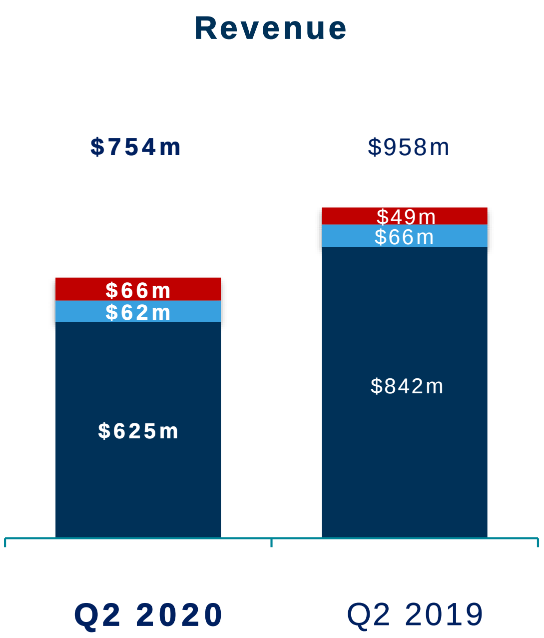
(1) Owned by Subsea 7's Nigerian joint venture

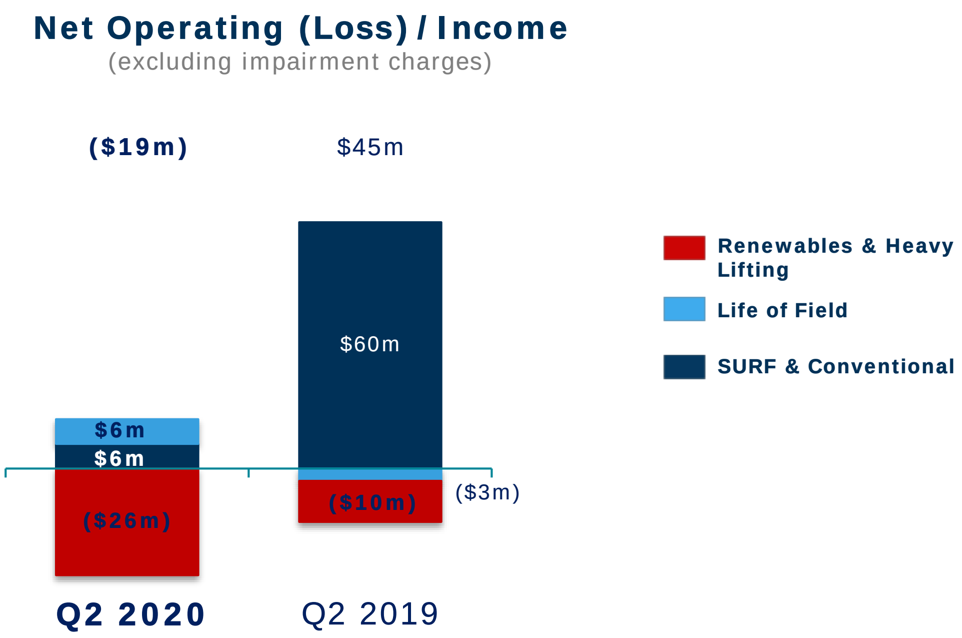
Q2 2020 supplementary details

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 [1]	**(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

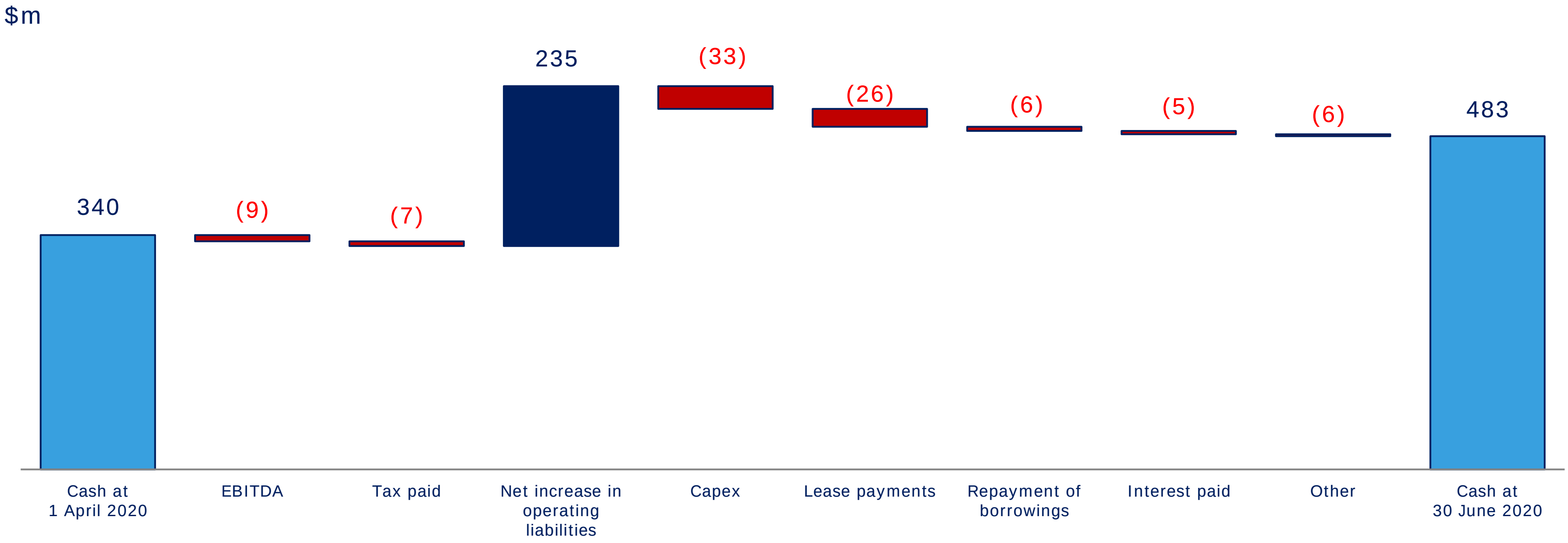




(1) Q2 2020 NOL excludes goodwill impairment charges of $578m and impairment charges related to other assets of $195m recognised in SURF and Conventional segment and $14m in Life of Field

(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



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

Full year 2020

- 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

Strategy: unchanged

Subsea field of the future: systems and delivery

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

Energy transition: proactive participation

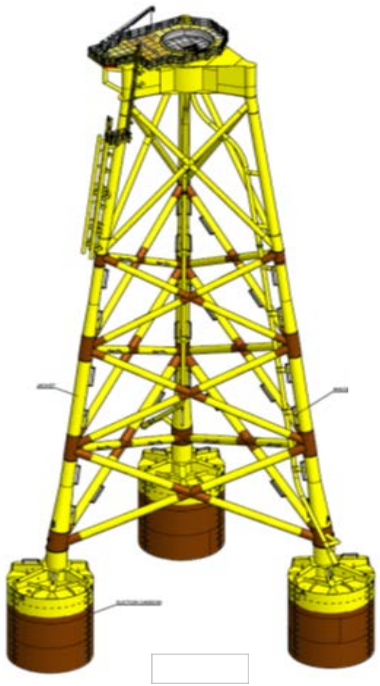
- Oil and gas
- Renewables

Renewables: record quarterly new awards

- Activity levels remain robust despite uncertainty in the macro environment
- Record quarterly new awards of $1.7 billion
- Installation contracts covering ~70% of 425 foundations awarded to date in 2020
- Projects in all strategic geographies
  - Northern Europe
  - Taiwan
  - US East Coast
- Active and completed projects equating to nearly 8 GW wind power
  - approximately 8 million homes

Renewables: Seagreen award

- 1.1 GW development located off the east coast of Scotland in water depths of up to 60 metres
- Seaway 7 responsible for EPCI of
  - 114 foundations
  - 330 km of inner-array cables
- Contract value: approximately $1.4 billion
- Leveraging experience in managing large, complex projects on a lump sum basis to differentiate our offering



Renewables: Hollandse Kust Zuid award

- 1.5 GW development located off the coast of the Netherlands in water depths of up to 27m
- Seaway 7 responsible for T&I of
  - 140 foundations
  - 325 km of inner-array cables
- Contract value: $150-300 million
- First subsidy-free project in the Netherlands
- Foundations installation using dynamic positioning
  - Increased schedule and cost efficiencies

VATTENFALL

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_2

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

Summary

- 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

ANY QUESTIONS?

Appendix

Major project progression

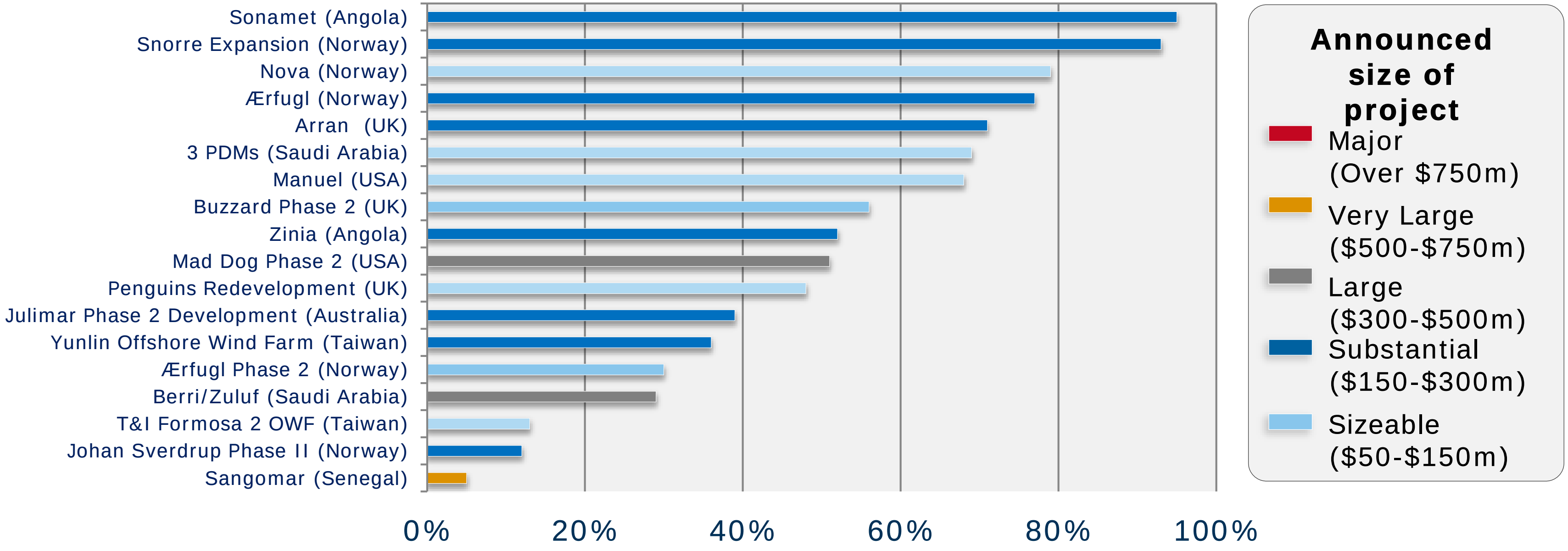
Track Record

Fleet

Financial summaries

Major project progression

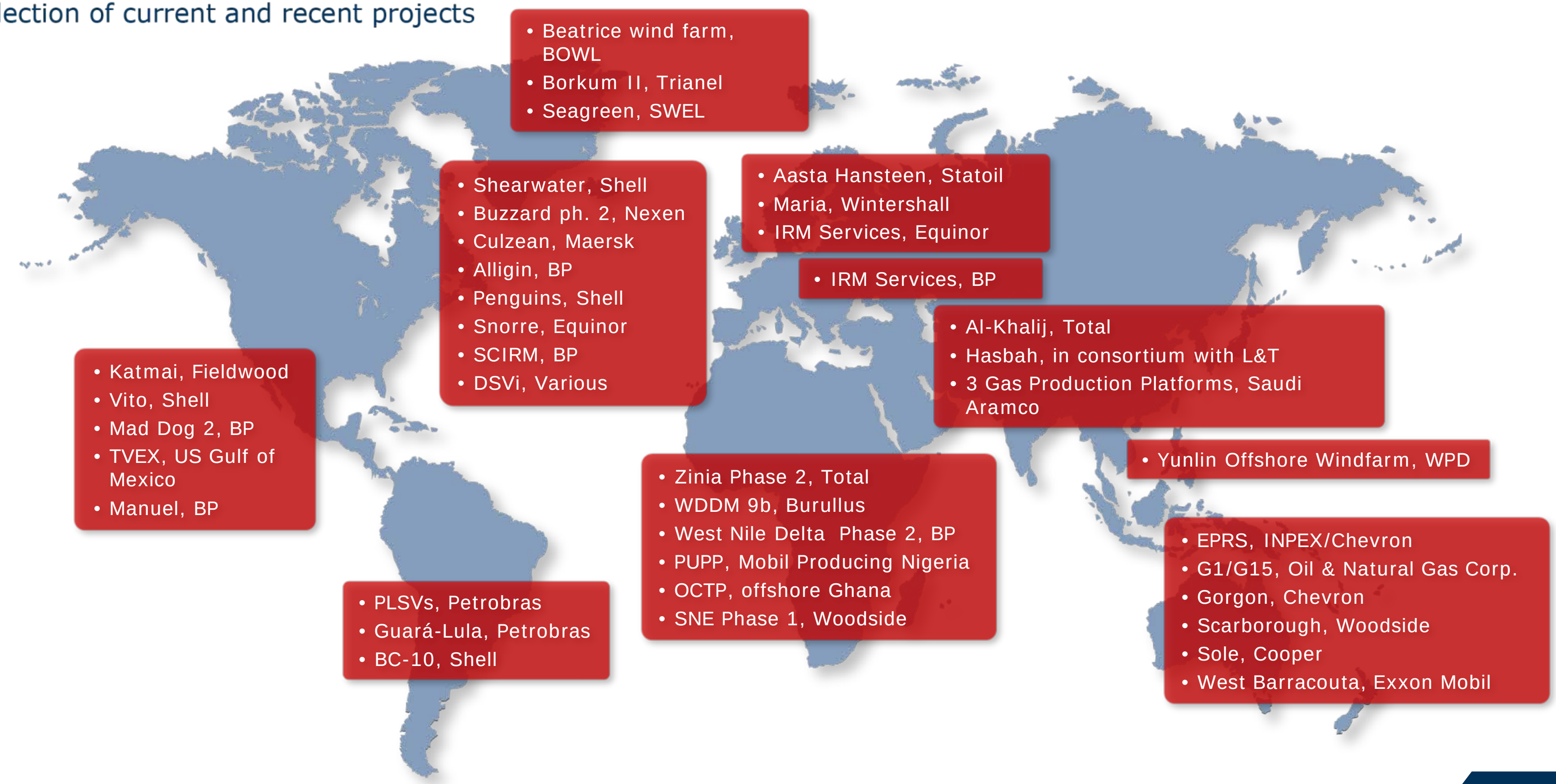
- Continuing projects >$100m between 5% and 95% complete as at 30 June 2020 excluding PLSV and Life of Field day-rate contracts



TRACK RECORD

subsea 7

Over 1,000 projects delivered for our clients worldwide
- A selection of current and recent projects



subsea 7

Fleet - 28 active vessels at end Q2 ’20

- 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

Q2 2020 segmental analysis

For the three months ended 30 June 2020

In $ millions (unaudited)	SURF & Conventional	Life of Field	Renewables & Heavy Lifting	Corporate	TOTAL
Revenue	**625**	**62**	**66**	**-**	**754**
Net operating loss excluding goodwill impairment charges	**(189)**	**(8)**	**(26)**	**(130)**	**(352)**
Impairment of goodwill	**(578)**	**–**	**–**	**–**	**(578)**
Net operating loss	**(767)**	**(8)**	**(26)**	**(130)**	**(930)**
Finance income					**1**
Other gains and losses					**(4)**
Finance costs					**(6)**
Loss before taxes					**(938)**

For the three months ended 30 June 2019

In $ millions (unaudited)	SURF & Conventional	Life of Field	Renewables & Heavy Lifting	Corporate	TOTAL
Revenue	842	66	49	-	958
Net operating income/(loss)	60	(3)	(10)	(2)	45
Finance income					4
Other gains and losses					(6)
Finance costs					(7)
Income before taxes					36

Q2 2020 reconciliation of Adjusted EBITDA

Net operating (loss)/income to Adjusted EBITDA

For the period (in $millions)	**Three Months Ended 30 June 2020 Unaudited**	Three Months Ended 30 June 2019 Unaudited
Net operating (loss)/income	**(930)**	45
Depreciation, amortisation and mobilisation	**113**	126
Impairment of goodwill	**578**	–
Impairment of property, plant and equipment	**212**	–
Impairment of right-of-use assets	**17**	–
Adjusted EBITDA	**(9)**	171
Revenue	**754**	958
Adjusted EBITDA %	**(1%)**	18%

Q2 2020 reconciliation of Adjusted EBITDA

Net (loss)/income to Adjusted EBITDA

For the period (in $millions)	**Three Months Ended 30 June 2020 Unaudited**	Three Months Ended 30 June 2019 Unaudited
Net (loss) / income	**(922)**	24
Depreciation, amortisation and mobilisation	**113**	126
Impairment of goodwill	**578**	–
Impairment of property, plant and equipment	**212**	–
Impairment of right-of-use assets	**17**	–
Finance income	**(1)**	(4)
Other gains and losses	**4**	6
Finance costs	**6**	7
Taxation	**(17)**	13
Adjusted EBITDA	**(9)**	171
Revenue	**754**	958
Adjusted EBITDA margin	**(1%)**	18%

Q2 2020 summary balance sheet

In $ millions	**30 June 2020 Unaudited**	31 Dec 2019 Audited
Assets		
Non-current assets		
Goodwill	**106**	705
Property, plant and equipment	**4,116**	4,422
Right-of-use asset	**258**	328
Other non-current assets	**178**	161
Total non-current assets	**4,658**	5,616
Current assets		
Trade and other receivables	**554**	605
Construction contracts - assets	**349**	398
Other accrued income and prepaid expenses	**157**	169
Cash and cash equivalents	**483**	398
Other current assets	**65**	38
Total current assets	**1,608**	1,608
Total assets	**6,266**	7,224

In $ millions	**30 June 2020 Unaudited**	31 Dec 2019 Audited
Equity & Liabilities		
Total equity	**4,344**	5,363
Non-current liabilities		
Non-current portion of borrowings	**197**	209
Non-current lease liabilities	**197**	251
Other non-current liabilities	**131**	136
Total non-current liabilities	**525**	596
Current liabilities		
Trade and other liabilities	**846**	858
Current portion of borrowings	**25**	25
Current lease liabilities	**95**	94
Construction contracts – liabilities	**236**	162
Other current liabilities	**195**	126
Total current liabilities	**1,397**	1,265
Total liabilities	**1,922**	1,861
Total equity & liabilities	**6,266**	7,224

Q2 2020 changes in cash and cash equivalents

$millions		
Cash and cash equivalents at 1 April 2020	**340**	
Net cash generated from operating activities	219	Includes a net increase in operating liabilities of $235 million
Net cash flow used in investing activities	(36)	Includes capital expenditures of $33m
Net cash flow used in financing activities	(37)	Includes $26m in payments related to lease liabilities
Other movements	(3)	
Cash and cash equivalents at 30 June 2020	**483**	

- Net debt of $30 million at 30 June 2020 compared to $255 million at 31 March 2020
- Borrowings totalled $221 million at 30 June 2020 compared to $228 million at 31 March 2020

THANK YOU

subsea 7

Contact:
Investor Relations

Email: ir@subsea7.com
Direct Line +44 20 8210 5568
Website www.subsea7.com