



First Quarter 2018
Earnings Presentation

26 April 2018

Forward-looking statements

Certain statements made in this presentation may include 'forward-looking statements'. These statements may be identified by the use of words like 'anticipate', 'believe', 'could', 'estimate', 'expect', 'forecast', 'intend', 'may', 'might', 'plan', 'predict', 'project', 'scheduled', 'seek', 'should', 'will', and similar expressions. The forward-looking statements reflect our current views and are subject to risks, uncertainties and assumptions. The principal risks and uncertainties which could impact the Group and the factors which could affect the actual results are described but not limited to those in the 'Risk Management' section in the Group's Annual Report and Consolidated Financial Statements for the year ended 31 December 2017. These factors, and others which are discussed in our public announcements, are among those that may cause actual and future results and trends to differ materially from our forward-looking statements: actions by regulatory authorities or other third parties; our ability to recover costs on significant projects; the general economic conditions and competition in the markets and businesses in which we operate; our relationship with significant clients; the outcome of legal and administrative proceedings or governmental enquiries; uncertainties inherent in operating internationally; the timely delivery of vessels on order; the impact of laws and regulations; and operating hazards, including spills and environmental damage. Many of these factors are beyond our ability to control or predict. Other unknown or unpredictable factors could also have material adverse effects on our future results. Given these factors, you should not place undue reliance on the forward-looking statements.



First Quarter 2018

Jean Cahuzac, CEO

- *Highlights*

Ricardo Rosa, CFO

- *Financial performance*

Jean Cahuzac, CEO

- *Strategy and outlook*

- *Q&A*

Q1 2018 results

FINANCIAL HIGHLIGHTS

- Revenue \$809 million
- Adjusted EBITDA \$103 million
- Adjusted EBITDA margin 13%
- Diluted loss per share \$0.03

- Order backlog \$5.3 billion
- \$829 million new awards and escalations

- Net cash \$730 million

OPERATIONAL HIGHLIGHTS

- Lower activity levels due to seasonality and market downturn
- Vessel Utilisation
Active: 58% Total: 52%

STRATEGIC HIGHLIGHTS

- Joint Venture proposed for integrated SPS/SURF activities
- Renewables offering expanded
- Early Engineering capability enhanced

Some of our activities



Sole (Australia)



WND Ph.2/GFR (Egypt)



Mad Dog 2 (GOM)



Tyra (Denmark)



Beatrice (UK)



Oda (Norway)



i Tech Services

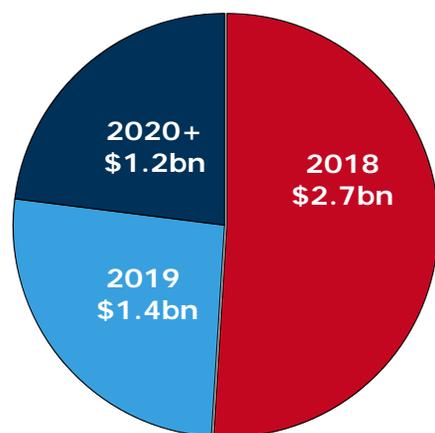


PLSVs (Brazil)

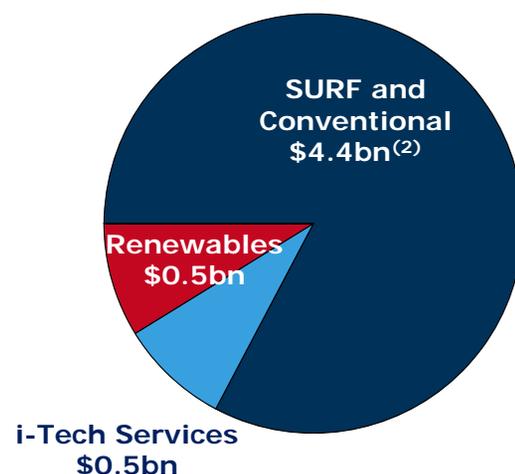
Our backlog and order intake

Backlog of \$5.3 billion⁽¹⁾, as at 31 March 2018

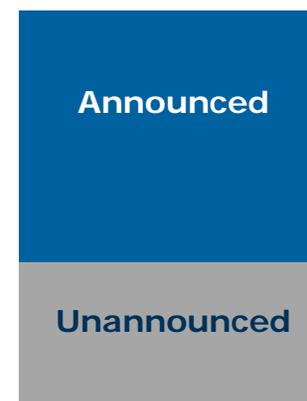
Backlog by Execution Date



Backlog by Service Capability



Q1 New Awards and Escalations
\$829 million

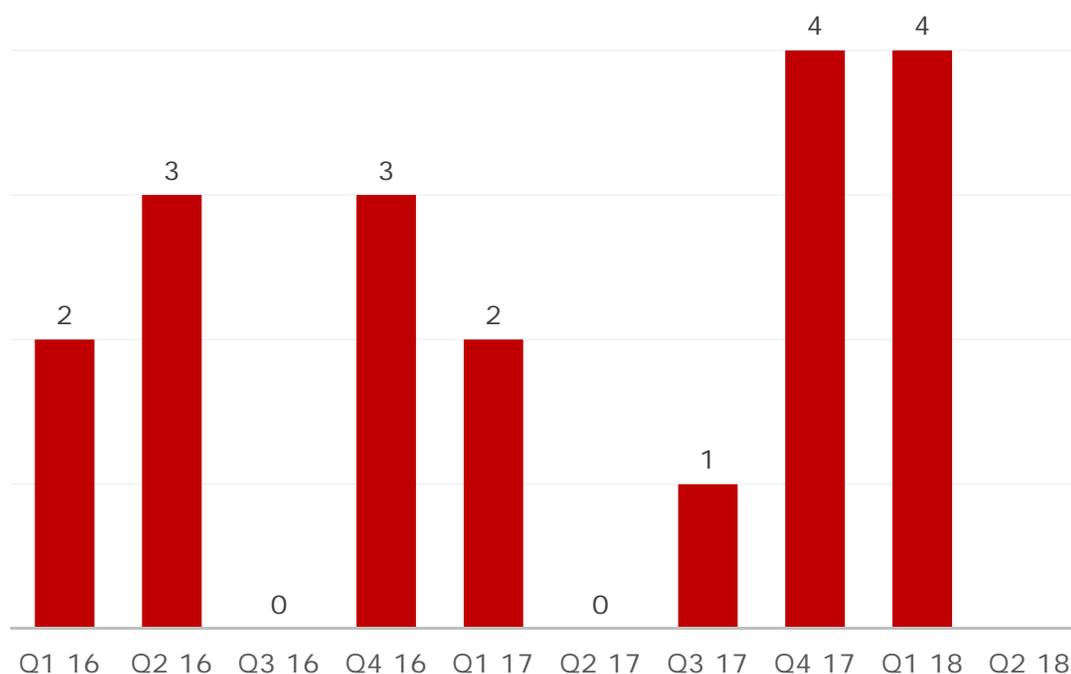


(1) Approximately \$110 million positive impact from foreign currency movements in the first quarter

(2) Includes \$1.2bn relating to 6 long-term contracts for PLSVs in Brazil, over 90% of which relates to the four 550t PLSVs (*Seven Waves, Seven Rio, Seven Sun and Seven Cruzeiro*)

Our order intake

Number of announced projects (>\$50m)



Q1 2018 awards

- Johan Castberg, (Norway) Pipe-in-Pipe
- Nova, (Norway) tie-back
- i-Tech Services IRM, (Azerbaijan)
- 3PDMs, (Saudi Arabia) awarded through the LTA

April (Q2)

- PUPP (Nigeria) conventional
- Alligin (UK) Pipe-in-pipe tie-back

Proposed acquisition of McDermott

Combined Global Reach

Region	Subsea 7	McDermott	Combined
Brazil	Green	Yellow	Green
GOM / Trinidad	Green	Green	Green
UK	Green	Yellow	Green
Angola	Green	Yellow	Green
Norway	Green	Yellow	Green
Middle East	Yellow	Green	Green
Nigeria	Green	Yellow	Green
Rest Africa	Green	Yellow	Green
Australia / Asia	Yellow	Green	Green
Egypt	Green	Yellow	Green
India	Yellow	Green	Green
CIS	Yellow	Yellow	Yellow



Significant Value

Strengthen Capabilities

Growth Prospects

Highly Visible Synergies

Strong Balance Sheet & Profitable Backlog

Compelling Shareholder Value

Income statement – Q1 highlights

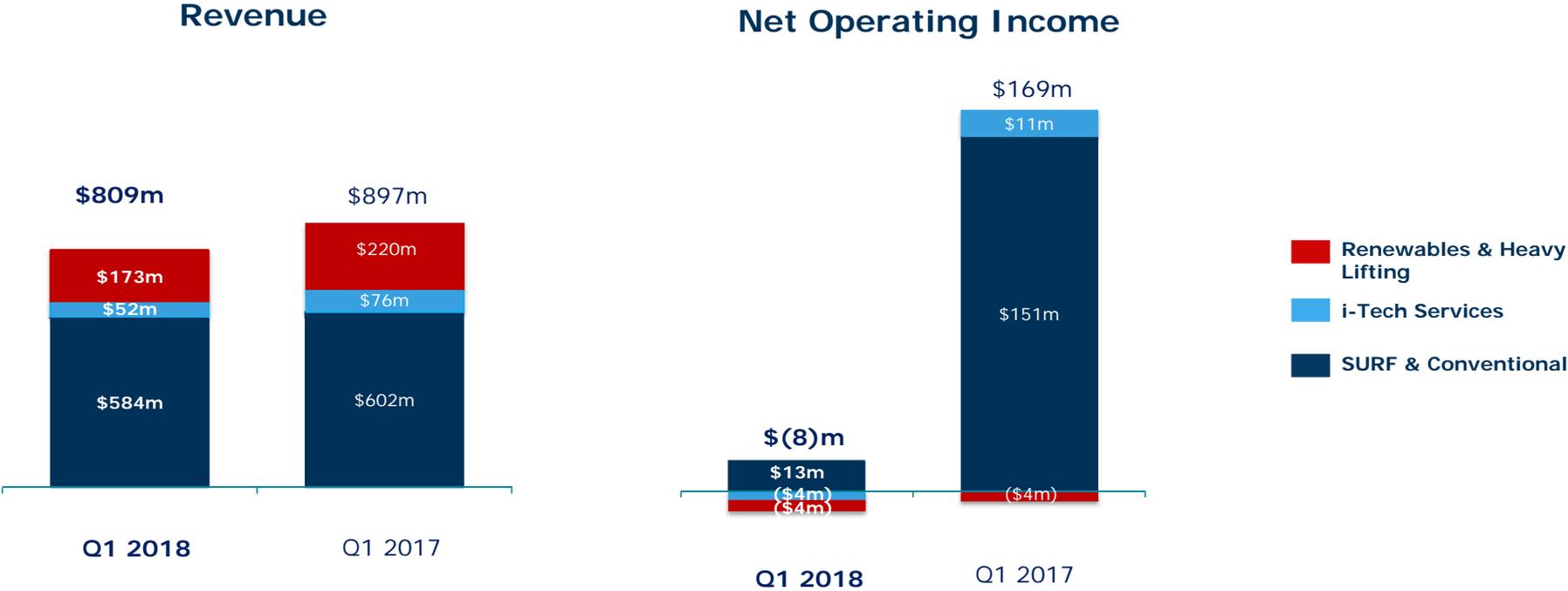
In \$ millions, unless otherwise indicated	Three months ended	
	31 March 2018 Unaudited	31 March 2017 Unaudited
Revenue	809	897
Net operating income/(loss) (NOI)	(8)	169
Income/(loss) before taxes	(29)	206
Taxation	12	(60)
Net income/(loss)	(18)	146
Adjusted EBITDA ⁽¹⁾	103	268
Adjusted EBITDA margin	13%	30%
Diluted earnings per share \$	(0.03)	0.41
Weighted average number of shares (millions)	327	342

(1) Adjusted EBITDA defined in Appendix

Income statement – supplementary details

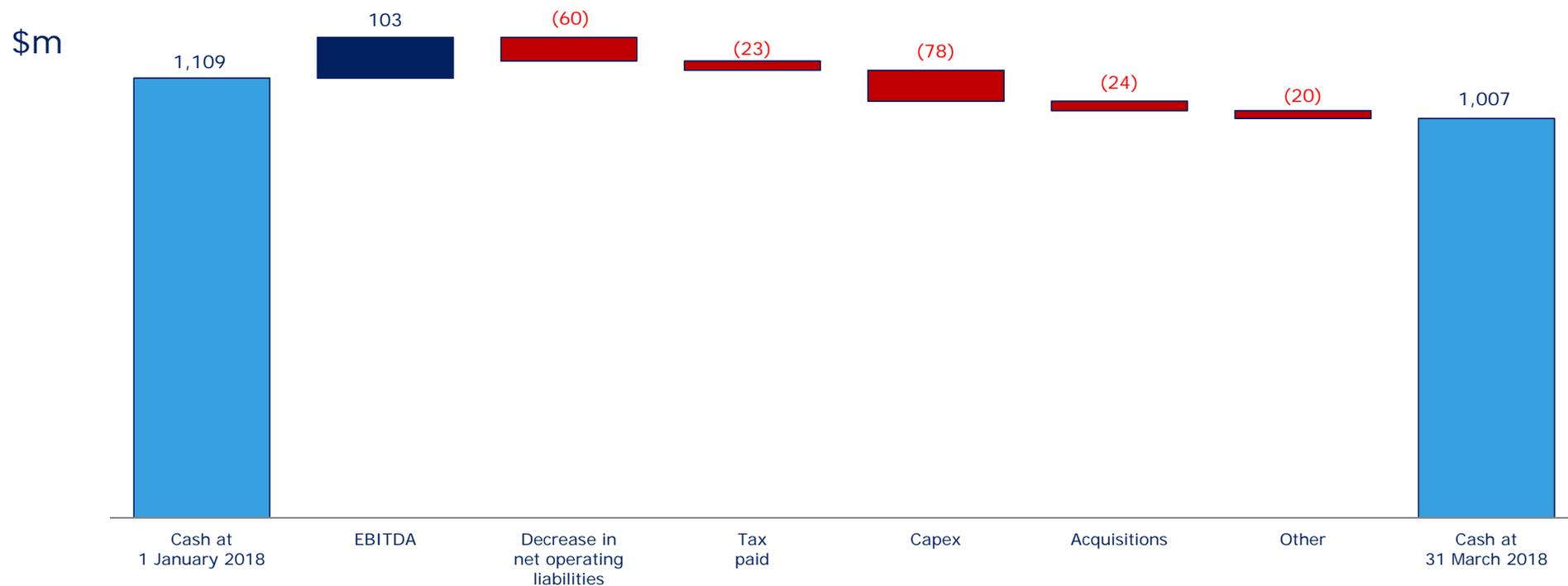
In \$ millions	Three months ended	
	31 March 2018 Unaudited	31 March 2017 Unaudited
Administrative expenses	(74)	(48)
Share of net loss of associates and joint ventures	(7)	(7)
Depreciation and amortisation	(111)	(99)
Net operating income/(loss)	(8)	169
Net finance income	1	3
Net remeasurement gain on business combinations	-	42
Other gains and losses	(23)	(8)
Income/(loss) before taxes	(29)	206
Taxation	12	(60)
Net income/(loss)	(18)	146
Net income/(loss) attributable to:		
Shareholders of the parent company	(11)	141
Non-controlling interests	(7)	5

First Quarter Business Unit performance



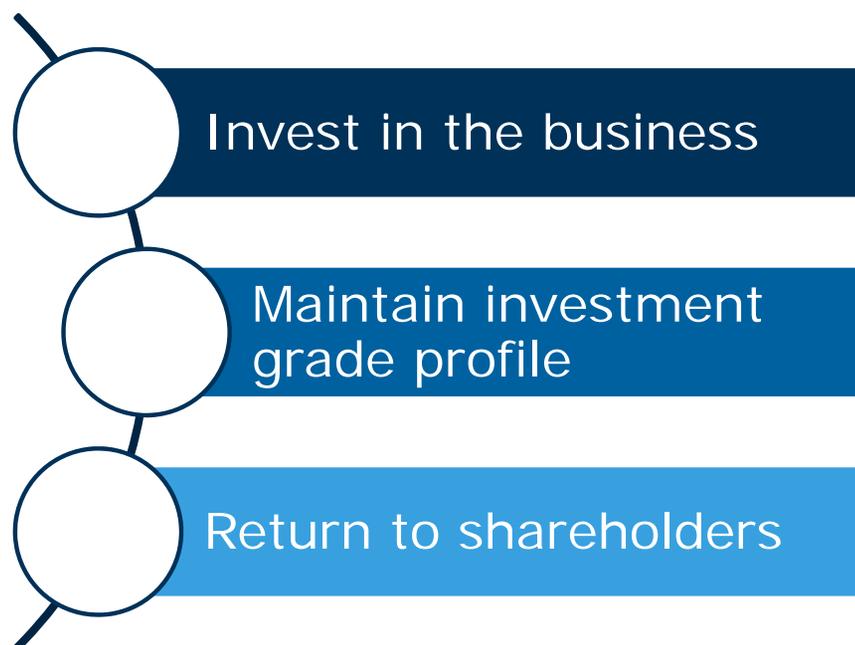
Note: Corporate segment (not presented): net operating loss Q1 2018 \$13m (net operating income 2017: \$11m)

Summary of first quarter 2018 cash flow



- Net cash of \$730 million at 31 March 2018
- \$656 million of undrawn committed credit facilities

Priorities for cash



Uses of cash - post quarter end

- \$8 million share repurchases between 3 and 9 April
- \$170 million investment in SOC and two vessels completed on 10 April
- Approximately \$210 million special dividend approved at AGM to be paid in May

Financial guidance

2018 Guidance

Revenue ⁽¹⁾	Broadly in line with 2017
Adjusted EBITDA percentage margin	.....	Significantly lower than 2017
Administrative expense	.....	\$260 million - \$280 million
Net finance cost	.....	\$0 million - \$5 million
Depreciation and Amortisation	.....	\$420 million - \$440 million
Full year effective tax rate	.....	25% - 27%
Capital expenditure ⁽²⁾	\$250 million - \$300 million

(1) Includes results of Siem Offshore Contractors from 10 April 2018 (date of acquisition)

(2) Includes approximately \$115 million expenditure related to the new-build reel-lay vessel

Our capabilities and scale in offshore energy

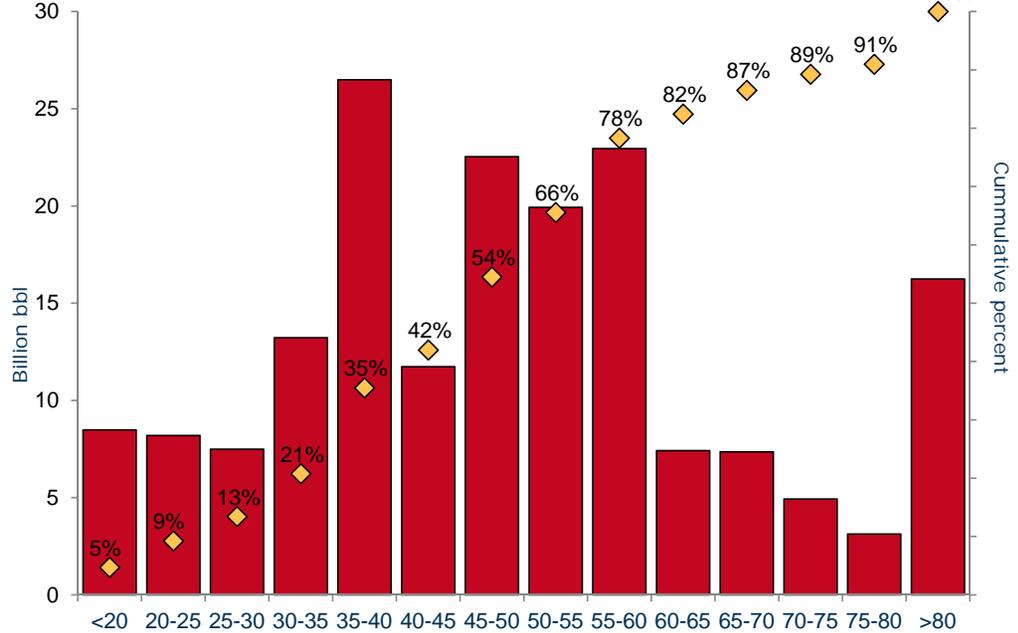
Energy Developments	Lifecycle services	Offshore capabilities	Worldwide locations	Technology enablers
<ul style="list-style-type: none">• Oil• Gas• Renewables	<ul style="list-style-type: none">• Concept• Design• Engineer• Procure / fabricate• Install / commission• Maintain• Extend• Decommission	<ul style="list-style-type: none">• Pipe-lay• Construction• IRM• Heavy lifting• Hook-up• Cable-lay• Diving• ROVs	<ul style="list-style-type: none">• Conventional• Deepwater• Ultra-deep• Remote• Greenfield• Brownfield• Local presence	<ul style="list-style-type: none">• Long-distance tie-backs• Pipeline Bundles• Pipeline materials• Riser solutions• Digitalisation

Market Outlook

Offshore greenfield capex in approval year, by sensitivity to oil price



Non-sanctioned offshore resources by Brent break-evens



Source: Rystad Energy
© Subsea 7 - 2018

Business Unit Outlook



- 📍 SURF and Conventional
 - Large gas projects in Mozambique, Australia, Middle East and India
 - Saudi Arabia LTA
 - North Sea tie-backs
 - West Africa conventional and deep water
 - Brazil pre-salt ultra-deep
- 📍 Renewables and Heavy Lifting
 - Wind farms offshore the UK, Germany, France, the Netherlands, Taiwan and the US
- 📍 i-Tech Services
 - IRM in the North Sea, Caspian Sea and the US Gulf of Mexico
 - Drill support in the North Sea, Asia and Brazil

ANY QUESTIONS?

subsea 7



Appendix

Major project progression

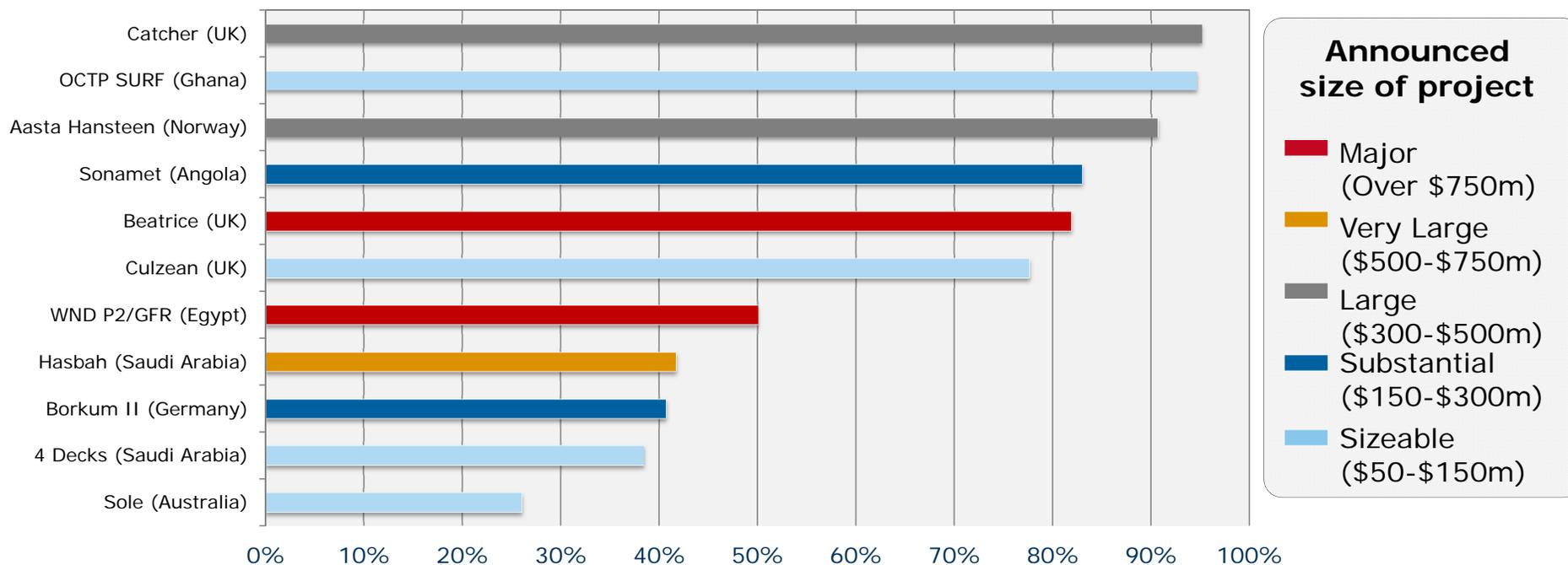
Track Record

Fleet

Financial summaries

Major project progression

- Continuing projects >\$100m between 5% and 95% complete as at 31 March 2018 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



FLEET

32 Vessels including 29 active vessels at end Q1 '18

17 vessels released since May 2015

Skandi Seven
(returned to owner Q3 '15)

Seven Polaris
(recycled Q4 '15)

Havila Subsea
(returned to owner Q4 '15)

Aceryg Viking
(returned to owner Q4 '15)

Skandi Skansen
(returned to owner Q4 '15)

Skandi Neptune
(returned to owner Q1 '16)

Normand Seven
(returned to owner Q3 '16)

Seven Petrel
(sold Q3 '16)

Seven Discovery
(recycled Q1 '17)

Grant Candies
(returned to owner Q3 '17)

Siem Stingray
(returned to owner Q3 '17)

Sapura 3000
(sold Q4 '17)

Subsea Viking
(returned to owner Q4 '17)

Lewek Constellation
(returned to owner Q1 '18)

Seven Condor
(recycled Q1 '18)

Rockwater 1
(recycled Q1 '18)

Seven Osprey
(recycled Q1 '18)

CONSTRUCTION/FLEX-LAY VESSELS



LIFT/HOOK-UP



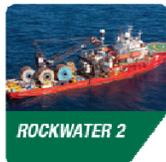
RIGID PIPELAY/HEAVY LIFT VESSELS



UNDER CONSTRUCTION



DIVING SUPPORT VESSELS



LIFE OF FIELD VESSELS



- ▲ Long-term charter from a vessel-owning joint venture
- ▲ Stacked
- ▲ Chartered from a third party

Segmental analysis

For the three months ended 31 March 2018

In \$ millions (unaudited)	SURF & Conventional	i-Tech Services	Renewables & Heavy Lifting	Corporate	TOTAL
Revenue	584	52	173	-	809
Net operating income/(loss)	13	(4)	(4)	(13)	(8)
Finance income					5
Other gains and losses					(23)
Finance costs					(4)
Loss before taxes					(29)

For the three months ended 31 March 2017

In \$ millions (unaudited)	SURF & Conventional	i-Tech Services	Renewables & Heavy Lifting	Corporate	TOTAL
Revenue	602	76	220	-	897
Net operating income/(loss)	151	11	(4)	11	169
Finance income					5
Remeasurement gain on business comb.					42
Other gains and losses					(8)
Finance costs					(2)
Income before taxes					206

Summary balance sheet

In \$ millions	31 Mar 2018 Unaudited	31 Dec 2017 Audited
<u>Assets</u>		
Non-current assets		
Goodwill	722	701
Property, plant and equipment	4,694	4,688
Other non-current assets	186	173
Total non-current assets	5,602	5,562
Current assets		
Trade and other receivables	567	497
Construction contracts - assets	373	319
Other accrued income and prepaid expenses	199	176
Cash and cash equivalents	1,007	1,109
Other current assets	78	82
Total current assets	2,224	2,183
Total assets	7,826	7,745

In \$ millions	31 Mar 2018 Unaudited	31 Dec 2017 Audited
<u>Equity & Liabilities</u>		
Total equity	6,013	5,941
Non-current liabilities		
Non-current portion of borrowings	252	258
Other non-current liabilities	244	235
Total non-current liabilities	496	493
Current liabilities		
Trade and other liabilities	894	893
Current portion of borrowings	25	24
Construction contracts – liabilities	144	200
Deferred revenue	2	4
Other current liabilities	252	190
Total current liabilities	1,317	1,311
Total liabilities	1,813	1,804
Total equity & liabilities	7,826	7,745

Reconciliation of Adjusted EBITDA

Net income to Adjusted EBITDA

For the period (in \$millions)	Three Months Ended 31 March 2018 Unaudited	Three Months Ended 31 March 2017 Unaudited
Net income/(loss)	(18)	146
Depreciation, amortisation and mobilisation	111	99
Net remeasurement gain on business combinations	-	(42)
Finance income	(5)	(5)
Other gains and losses	23	8
Finance costs	4	2
Taxation	(12)	60
Adjusted EBITDA	103	268
Revenue	809	897
Adjusted EBITDA %	13%	30%

Summary of 2018 cash flow

	\$ millions	
Cash and cash equivalents at 31 Dec 2017	1,109	
Net cash generated from operating activities	6	<i>Includes decrease of \$60 million in net operating liabilities</i>
Net cash flow used in investing activities	(97)	<i>Includes expenditure on PPE of \$78 million and cash outflows on acquisitions of interest in joint venture of \$19m</i>
Net cash flow used in financing activities	(9)	<i>Includes \$6m capital repayments of the ECA senior secured facility</i>
Other movements	(2)	
Cash and cash equivalents at 31 March 2018	1,007	

Net cash of \$730 million at 31 March 2018 compared to \$826 million at 31 December 2017