Second Quarter 2019 Earnings Presentation

25 July 2019

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 2018. 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.

Second Quarter 2019

Jean Cahuzac, CEO

- *Highlights*

Ricardo Rosa, CFO

- *Financial performance*

Jean Cahuzac, CEO

- *Outlook*
- *Q&A*

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Q2 2019 results

FINANCIAL HIGHLIGHTS

- Revenue $958 million
- Adjusted EBITDA $171 million
- Adjusted EBITDA margin 18%
- Diluted EPS $0.09
- Cash returns
  - $54 million special dividend paid in May
  - $200 million share repurchase programme completed in July
  - New $200 million share repurchase programme announced

OPERATIONAL HIGHLIGHTS

- Total Vessel Utilisation: 75%
- Steady performance in SURF and Conventional
- High utilisation for PLSVs and Life of Field

ORDER INTAKE

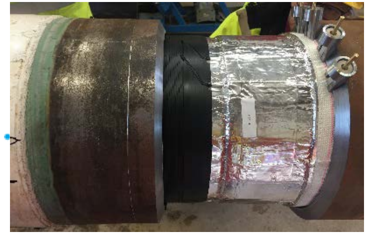
- Order backlog $4.6 billion
- $395 million new awards and escalations
- Rising levels of early engagement and tendering activity

Operational highlights


WND ph 2 / GFR (Egypt)


PUPP (Nigeria)


Snorre (Norway)


Nova (Norway)


Hasbah (Saudi Arabia)

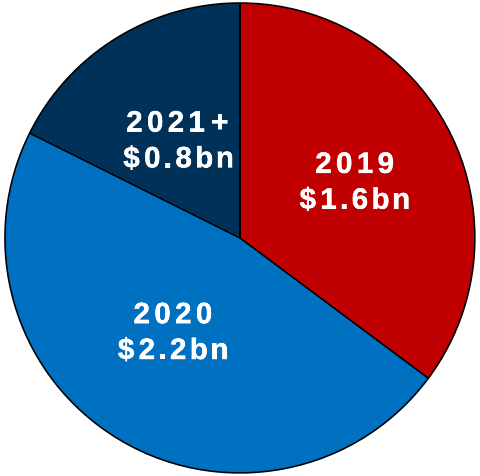

Formosa 1 ph.2 (Taiwan)

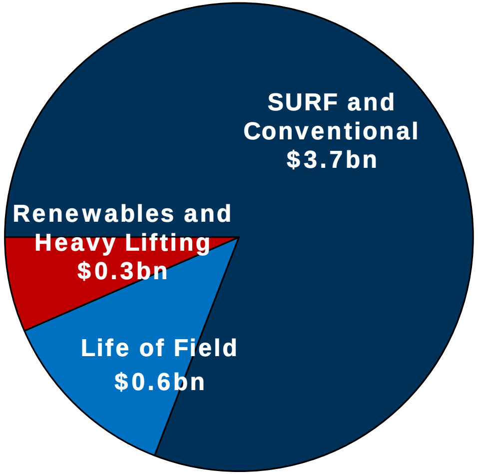

Life of Field


PLSVs (Brazil)

Backlog and order intake

Backlog of $4.6 billion, at 30 June 2019





Order backlog includes:
- $0.8 billion relating to long-term contracts for PLSVs in Brazil
- approximately $40 million adverse foreign exchange movement in the second quarter

- New awards and escalations
  - **Q2 $395 million**
  - 1H $1.5 billion
- Book-to-bill
  - **Q2 0.4x**
  - 1H 0.8x
  - Full year expected to be in excess of 1x
- Announced in Q2:
  - Johan Sverdrup Phase 2 (Norway)
- Announced in July (Q3)
  - EHS bypass (Norway)
  - Hornsea Two wind farm (UK)

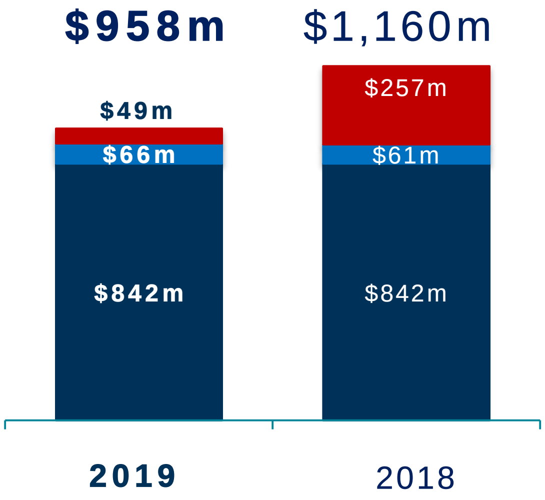
Income statement – Q2 highlights

In $ millions, unless otherwise indicated	Three months ended **30 June 2019 Unaudited**	 30 June 2018 Unaudited
Revenue	**958**	1,160
Net operating income (NOI)	**45**	74
Income before taxes	**36**	101
Taxation	**(13)**	(27)
Net income	**24**	74
Adjusted EBITDA(1)	**171**	186
Adjusted EBITDA margin	**18%**	16%
Diluted earnings per share $	**0.09**	0.24
Weighted average number of shares (millions)	**308**	327

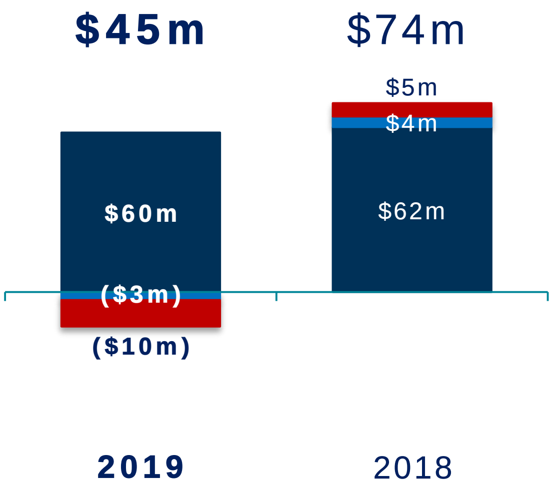
(1) Adjusted EBITDA defined in Appendix

Business Unit performance– Second quarter

Revenue



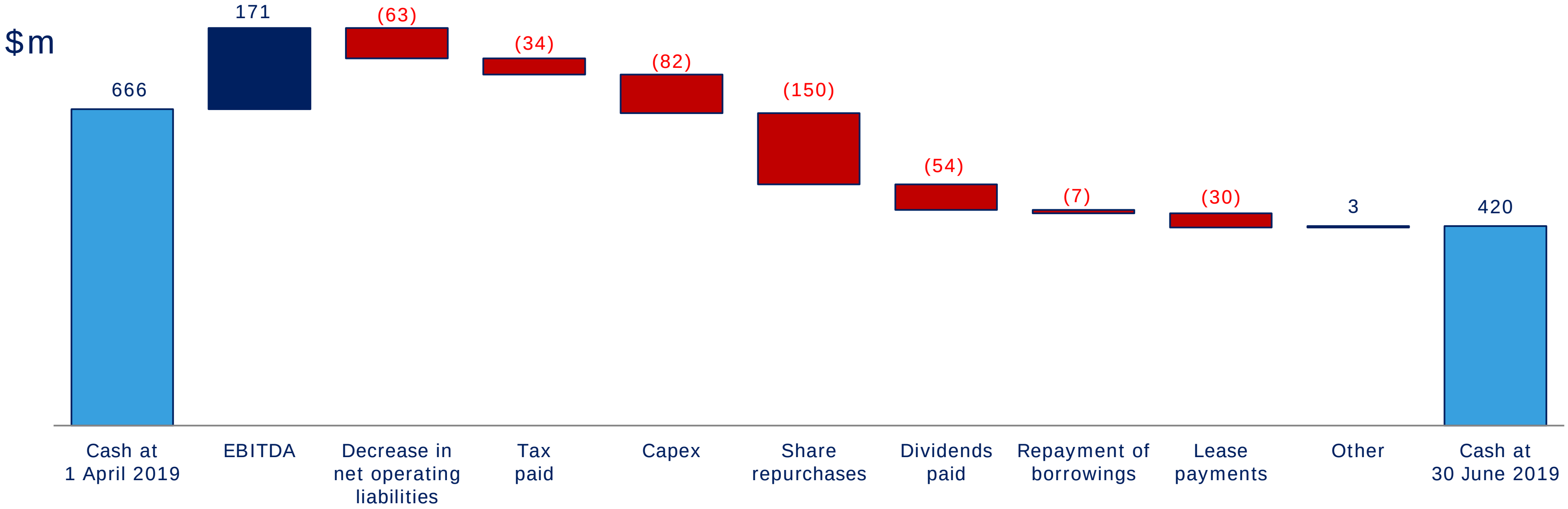
NOI



SURF and Conventional | Life of Field | Renewables and Heavy Lifting

Corporate segment: net operating loss Q2 2019 $2m (Q2 2018: net operating income $3m)

Summary of second quarter 2019 cash flow



At 30 June 2019:

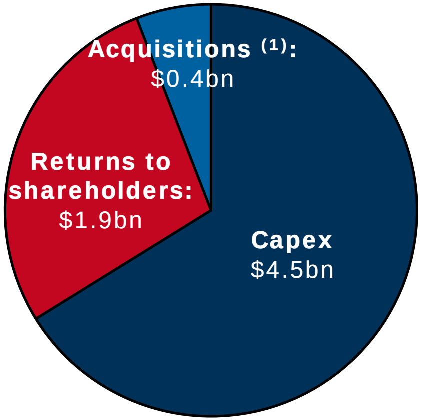
- Net cash of $174 million excluding $396 million of lease liabilities
- Net debt of $221 million including lease liabilities
- Undrawn revolving credit facility of $656 million

Our investment priorities

Invested in the Business	Maintained investment grade profile	Returned surplus cash to shareholders
• 12 vessels added to the fleet • Average age of fleet 10 years • 5 businesses acquired • 159 patent applications	• Low financial gearing • Net debt to EBITDA ratio within investment grade parameters	• 5 share repurchase programmes completed • 6 dividends paid over 8 years

Uses of cash

Historical: 2011 – Q2 2019



2011 to Q2 2019:

- Net cash increased by $125m (excluding IFRS 16 lease liabilities)

Future: 2020 and beyond

- Lower capital expenditure:
  - $175m - $225m p.a. for vessel maintenance
  - Limited need for new vessel construction
- Opportunistic investment to grow and strengthen the business
- Return surplus cash to shareholders

(1) Acquisitions net of cash acquired and excluding debt assumed

Financial guidance

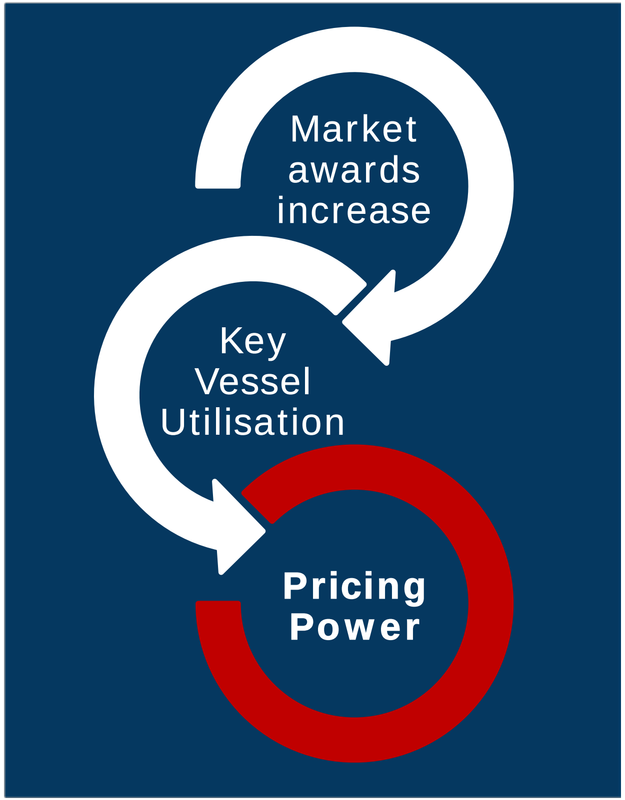
Full year 2019 Guidance (including IFRS 16 adjustments)

Revenue	Broadly in line with 2018
Adjusted EBITDA (1)	Lower than 2018, double digit percentage margin
Net Operating Income	Positive for the Group
Administrative expense	\$260 million - \$280 million
Net finance cost	\$10 million - \$20 million
Depreciation and Amortisation	\$480 million - \$500 million
Full year effective tax rate	33% - 35%
Capital expenditure (2)	\$270 million - \$290 million

(1) 2019 Adjusted EBITDA is expected to be favourably impacted by between \$100 million and \$110 million compared to 2018 due to the implementation of IFRS 16 'Leases'
(2) Includes approximately \$100 million expenditure related to the new-build reel-lay vessel, *Seven Vega*

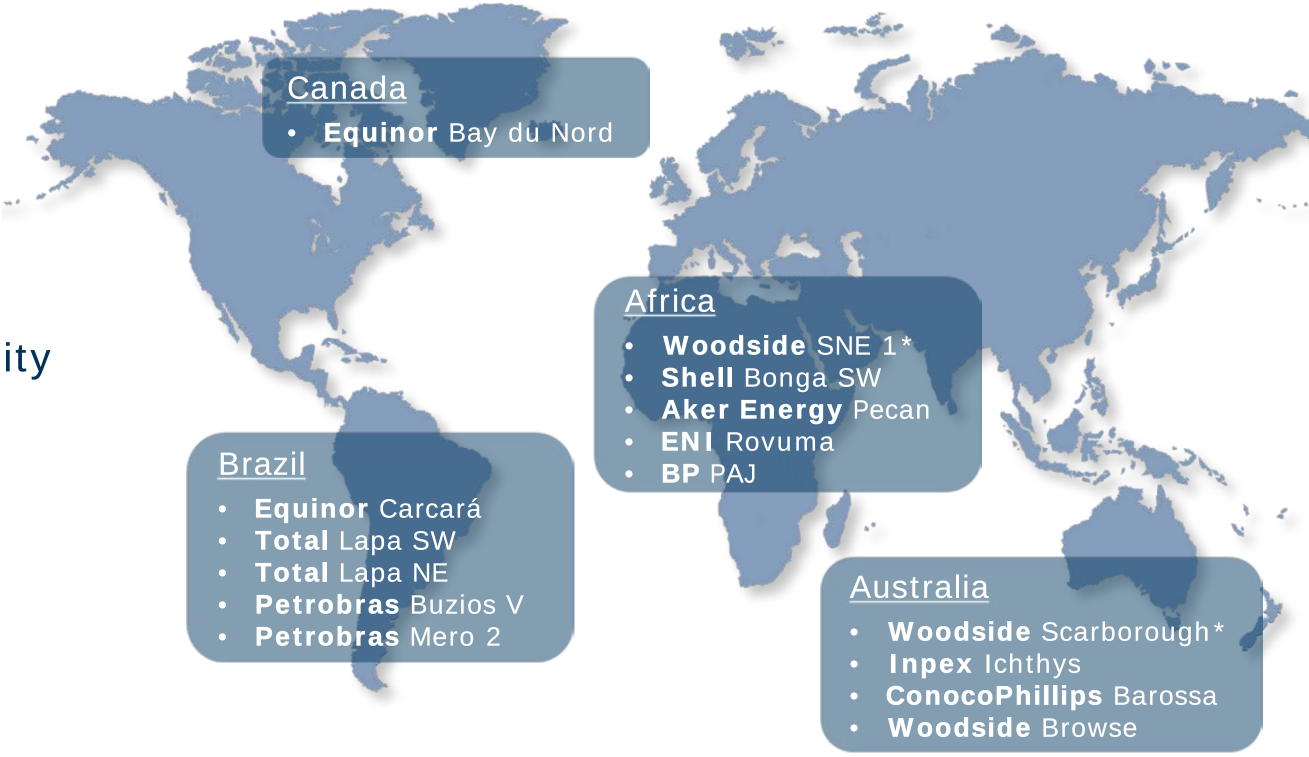
A recovering market

- Early engagement and integrated solutions have reduced the cost of projects for the operator
- 2017: Tendering and engineering increased
- 2018: Brownfield awards increased
- 2019: First phase of greenfield awards
- 2020/2021: Offshore campaigns increase



Outlook: Greenfield SURF projects

- Many are integrated
- Early engagement increasingly required
- High barriers to entry
  - Technology
  - Engineering capability
  - Experience
  - Relationships
- Vessel availability tightening



* FEED already awarded to Subsea Integration Alliance with EPIC to follow pending FID

Outlook: Brownfield projects, Conventional and Life of Field

- Economical at lower oil prices
- Fast track execution by clients to maintain production with tie-back and field enhancements
- Subsea 7 differentiated by
  - proprietary flowline technology
  - partnership contract model
- Shift towards independent clients in the North Sea as fields change ownership
- High volume of Conventional market activity in Middle East offers opportunities for growth

Outlook: Wind farm projects

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- Double-digit structural growth trend
- Increasing global footprint outside Europe
- Heavier lifts and larger wind farms require high specification vessels
- Increased competition for heavy lifting projects as SURF contractors enter the renewables market
- Floating wind farm opportunity in the medium to long-term

Summary

- Gradual market recovery for offshore oil and gas activity worldwide
- Greenfield EPIC projects being awarded, often subject to final investment decision
- Conventional activity in the Middle East offers opportunity for growth
- Renewables market growing but foundation installation activity highly competitive
- Subsea 7 well positioned across all focus areas with differentiated capability and integrated solutions

ANY QUESTIONS?

Appendix

Major project progression

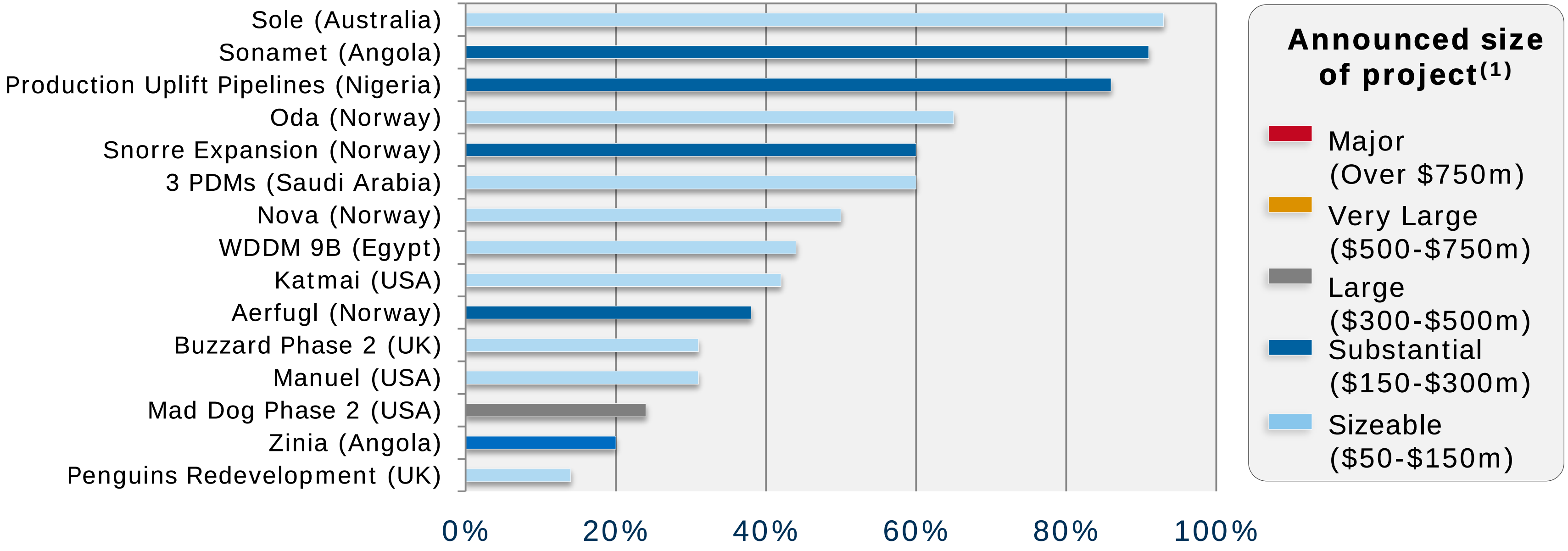
Track Record

Fleet

Financial summaries

Major project progression

- Continuing projects >$100m between 5% and 95% complete as at 30 June 2019 excluding PLSV and Life of Field day-rate contracts



(1) Project size at date of award

TRACK RECORD

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

- Shearwater, Shell
- Buzzard ph. 2, Nexen
- Penguins, Shell
- SCIRM, BP
- DSVi, Various

- Johan Sverdrup 2, Equinor
- Nova, Wintershall
- IRM Services, Equinor
- Johan Castberg, Equinor
- Snorre, Equinor
- Aerfugl, Aker BP

- Coastal Virginia Offshore Wind, Orsted

- Beatrice wind farm, BOWL
- Borkum II, Trianel
- Triton Knoll, Innogy
- Hornsea 2, Orsted

- Yunlin Offshore Windfarm, WPD

- Katmai, Fieldwood
- Vito, Shell
- Mad Dog 2, BP
- Manuel, BP

- Hasbah, Saudi Aramco
- 3 GDPs, Saudi Aramco

- PLSVs, Petrobras

- Zinia Phase 2, Total
- West Nile Delta, BP
- PUPP, Mobil Producing Nigeria
- OCTP, offshore Ghana
- SNE Phase 1 (FEED), Woodside

- EPRS, INPEX/Chevron
- Scarborough (FEED), Woodside
- Julimar (FEED), Woodside
- Sole, Cooper
- West Barracouta, Esso

Key

- Oil and Gas projects
- Renewables projects

FLEET

34 Vessels including 31 active vessels at end Q2 ‘19

PIPELAY/HEAVY LIFTING VESSELS

LIFT/HOOK-UP

CONSTRUCTION/FLEX-LAY VESSELS

DIVING SUPPORT VESSELS

LIFE OF FIELD VESSELS

RENEWABLES & HEAVY LIFTING VESSELS

- Under Construction Reel-lay Vessel to be named Seven Vega
- Long-term charter from a vessel-owning joint venture
- Stacked
- Chartered from a third party
- Owned by Nigerian joint venture

Income statement – supplementary details

In $ millions	Three months ended 30 June 19 Unaudited	30 June 18 Unaudited
Administrative expenses	**(61)**	(66)
Share of net (loss)/income of associates and joint ventures	**(3)**	3
Depreciation, amortisation, mobilisation and impairment	**(126)**	(112)
Net operating income	**45**	74
Net finance (cost)/income	**(3)**	-
Other gains and losses	**(6)**	27
Income before taxes	**36**	101
Taxation	**(13)**	(27)
Net income	**24**	74
Net income attributable to:		
Shareholders of the parent company	**28**	78
Non-controlling interests	**(4)**	(4)

Segmental analysis

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**

For the three months ended 30 June 2018

In $ millions (unaudited)	SURF & Conventional	Life of Field	Renewables & Heavy Lifting	Corporate	TOTAL
Revenue	842	61	257	-	1,160
Net operating income	62	4	5	3	74
Finance income					4
Other gains and losses					27
Finance costs					(4)
Income before taxes					101

Summary balance sheet

In $ millions	30 June 2019 Unaudited	30 June 2018 Unaudited
Assets		
Non-current assets		
Goodwill	**779**	769
Property, plant and equipment	**4,569**	4,720
Right-of-use asset	**383**	-
Other non-current assets	**123**	177
Total non-current assets	**5,854**	5,666
Current assets		
Trade and other receivables	**687**	640
Construction contracts - assets	**405**	508
Other accrued income and prepaid expenses	**237**	172
Cash and cash equivalents	**420**	614
Other current assets	**44**	68
Total current assets	**1,793**	2,002
Total assets	**7,647**	7,668

In $ millions	30 June 2019 Unaudited	30 June 2018 Unaudited
Equity & Liabilities		
Total equity	**5,458**	5,765
Non-current liabilities		
Non-current portion of borrowings	**221**	246
Non-current lease liabilities	**296**	-
Other non-current liabilities	**187**	268
Total non-current liabilities	**704**	514
Current liabilities		
Trade and other liabilities	**1,005**	992
Current portion of borrowings	**25**	25
Current lease liabilities	**100**	-
Construction contracts – liabilities	**166**	105
Deferred revenue	**21**	16
Other current liabilities	**168**	251
Total current liabilities	**1,485**	1,389
Total liabilities	**2,189**	1,903
Total equity & liabilities	**7,647**	7,668

Reconciliation of Adjusted EBITDA

Net operating income to Adjusted EBITDA

For the period (in $millions)	**Three Months Ended 30 June 2019 Unaudited**	Three Months Ended 30 June 2018 Unaudited
Net operating income	**45**	74
Depreciation, amortisation, mobilisation and impairment	**126**	112
Adjusted EBITDA	**171**	186
Revenue	**958**	1,160
Adjusted EBITDA %	**18%**	16%

Net income to Adjusted EBITDA

For the period (in $millions)	**Three Months Ended 30 June 2019 Unaudited**	Three Months Ended 30 June 2018 Unaudited
Net income	**24**	74
Depreciation, amortisation, mobilisation and impairment	**126**	112
Finance income	**(4)**	(4)
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Finance costs	**7**	4
Taxation	**13**	27
Adjusted EBITDA	**171**	186
Revenue	**958**	1,160
Adjusted EBITDA %	**18%**	16%

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Summary of first half 2019 cash flow

	$ millions	
Cash and cash equivalents at **1 Jan 2019**	765	
Net cash generated from operating activities	130	*Included a decrease in net operating liabilities of $57 million*
Net cash flow used in investing activities	(124)	*Included cash outflows on capital expenditure of $149m*
Net cash flow used in financing activities	(351)	*Included share repurchase of $225 million, dividends paid of $54 million and lease payments of $54 million*
Cash and cash equivalents at **30 June 2019**	420	

THANK YOU

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