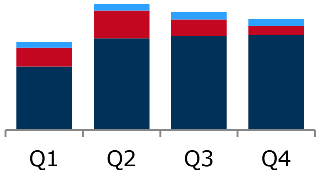
Fourth Quarter and Full Year 2018 Earnings Presentation

28 February 2019

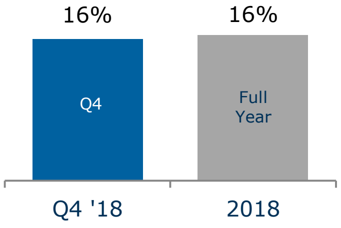
Forward-looking statements

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 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.

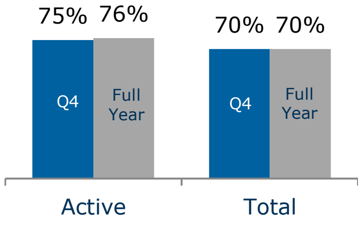
Q4 and Full Year 2018 results



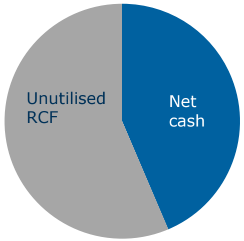
2018 Revenue
$4.1 billion



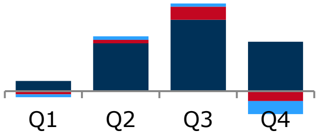
Adj. EBITDA margin



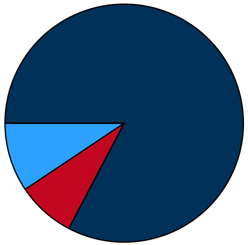
Vessel Utilisation



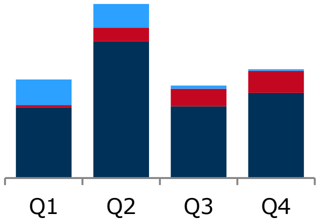
Liquidity $1.2bn



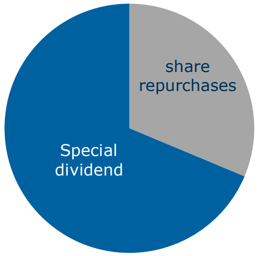
2018 NOI
$200m



Backlog at 31 Dec 2018
$4.9 billion



2018 Order Intake
$4.0 billion



$297m cash
returned in 2018

SURF & Conventional **Life of Field (1)** **Renewables & Heavy Lifting**

(1) i-Tech Services business unit has been renamed Life of Field business unit. There is no change to the activities of this business unit, which operates under the i-Tech 7 brand.

Q4 Operational highlights

PUPP (Nigeria)

Snorre Expansion (Norway)

WND Phase Two (Egypt)

17 Cranes (KSA)

Brent Bypass (UK)

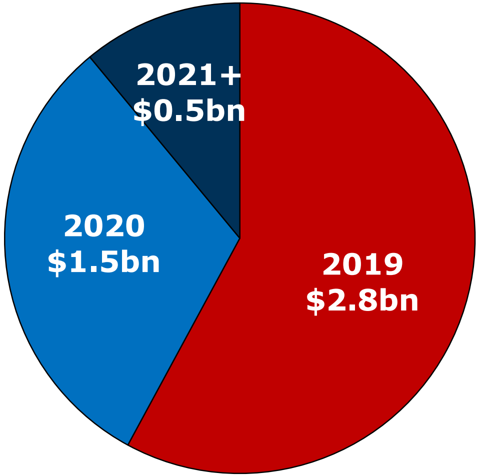
Hornsea One Windfarm (UK)

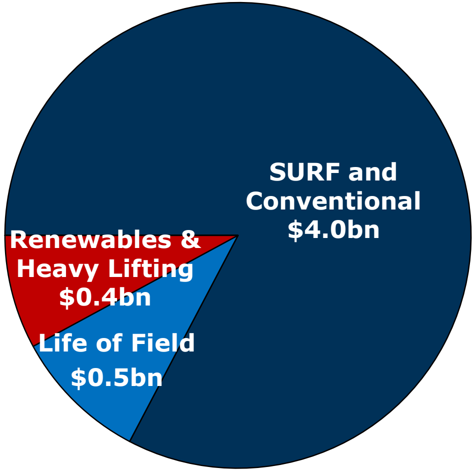
Life of Field

PLSVs (Brazil)

Backlog and order intake

Backlog of $4.9 billion, as at 31 December 2018





- $0.9 billion awarded in the fourth quarter
- Book-to-bill:
  - 0.9x in the quarter
  - 1.0x in the year
- Five announced awards:
  - Manuel (US GOM)
  - Jubilee Turret Remediation (Ghana)
  - Shearwater (UK)
  - Yunlin Windfarm (Taiwan)
  - DSVi Frame Agreement (North Sea)*

*Frame agreements not included in backlog

Order backlog includes:
- $0.9 billion relating to long-term contracts for PLSVs in Brazil
- approximately $60 million adverse foreign exchange movement in the fourth quarter
- approximately $110 million has been de-recognition in the quarter relating to the Fortuna project

Income statement – Q4 and Full Year highlights

In $ millions, unless otherwise indicated	Three months ended **31 December 2018 Unaudited**	 31 December 2017 Unaudited	Twelve months ended **31 December 2018 Audited**	 31 December 2017 Audited
Revenue	**1,023**	1,003	**4,074**	3,986
Net operating income (NOI) (1)	**23**	28	**200**	581
Income before taxes	**35**	19	**216**	555
Taxation	**(3)**	32	**(52)**	(100)
Net income	**32**	51	**165**	455
Adjusted EBITDA(2)	**163**	176	**669**	1,035
Adjusted EBITDA margin	**16%**	18%	**16%**	26%
Diluted earnings per share $	**0.12**	0.17	**0.56**	1.36
Weighted average number of shares (millions)	**325**	329	**327**	338

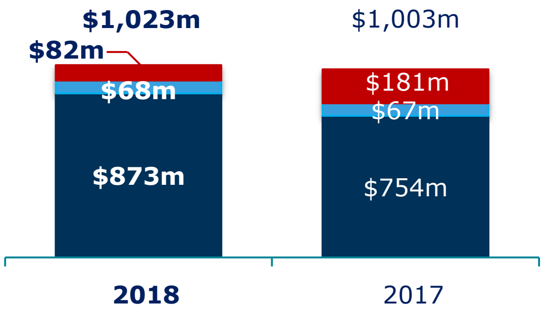
(1) 2018 Net operating income includes asset impairment charges of $39m, primarily recognised in Q4 2018 (Q4 2017: $32m, Full Year 2017: $32m)
(2) Adjusted EBITDA defined in Note 8 to the Condensed Consolidated Financial Statements

Income statement – supplementary details

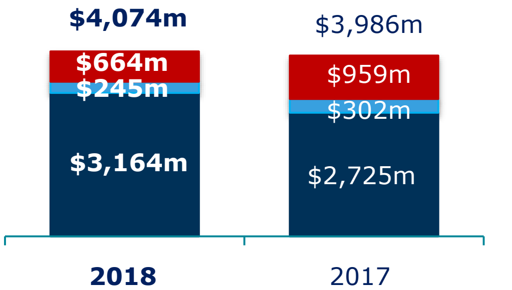
	Three months ended		Twelve months ended	
In $ millions	**31 December 2018 Unaudited**	31 December 2017 Unaudited	**31 December 2018 Audited**	31 December 2017 Audited
Administrative expenses	**(82)**	(74)	**(286)**	(244)
Share of net income/(loss) of associates and joint ventures	**1**	(11)	**(3)**	(43)
Depreciation and amortisation	**(102)**	(116)	**(430)**	(422)
Impairment of property plant and equipment and intangibles	**(38)**	(32)	**(39)**	(32)
Net operating income	**23**	28	**200**	581
Net finance income	**-**	2	**2**	4
Net remeasurement loss/(gain) on business combinations	**-**	(17)	**-**	25
Other gains and losses	**11**	6	**14**	(55)
Income before taxes	**35**	19	**216**	555
Taxation	**(3)**	32	**(52)**	(100)
Net income	**32**	51	**165**	455
Net income/(loss) attributable to:				
Shareholders of the parent company	**38**	57	**183**	455
Non-controlling interests	**(6)**	(5)	**(18)**	-

Business Unit performance

Fourth Quarter Revenue



Full Year Revenue

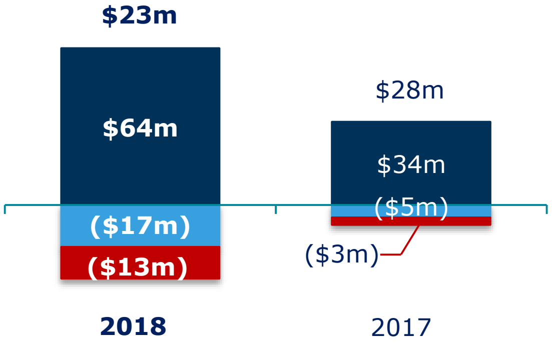


Renewables & Heavy Lifting

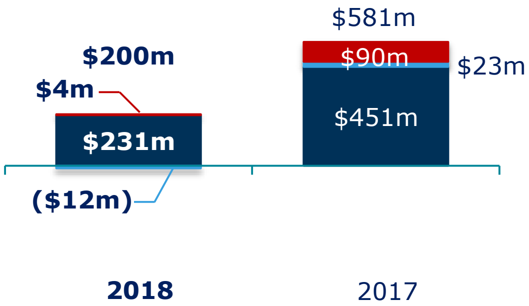
Life of Field

SURF & Conventional

Fourth Quarter NOI



Full Year NOI

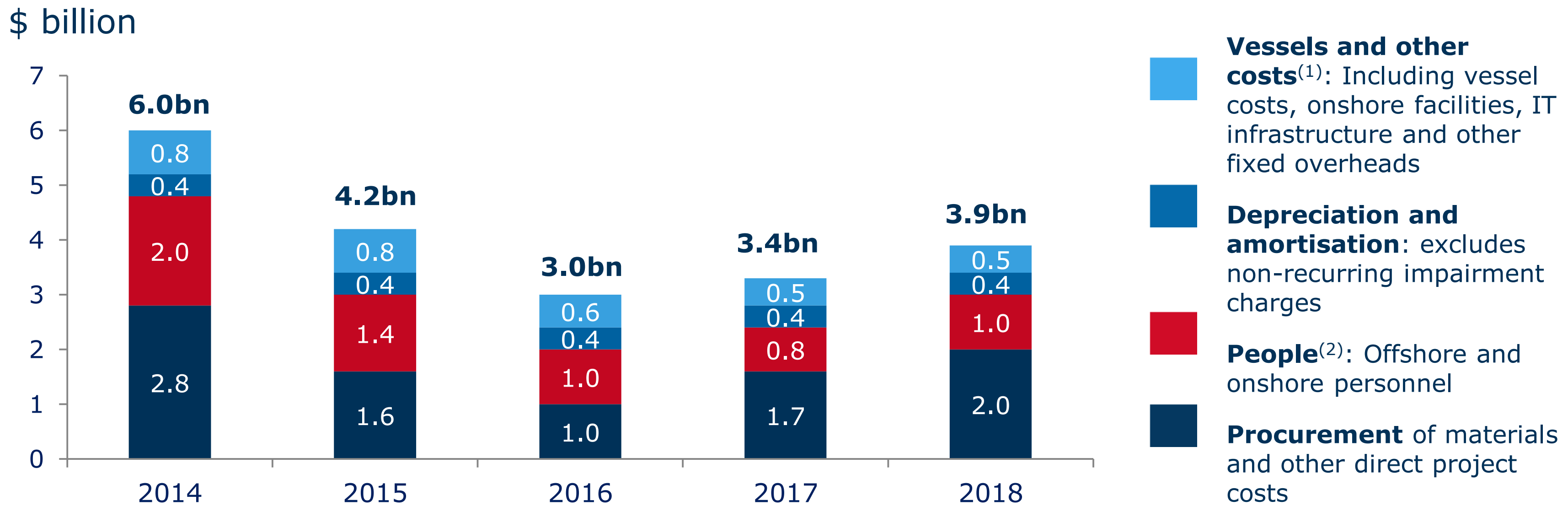


Note:
Net operating income (NOI):
Corporate segment (not presented) Q4 2018 net operating loss $11m (Q4: 2017 net operating income $2m). Full Year 2018 net operating loss $23m (2017: net operating income $17m)

Allocation of impairment charges: Full Year 2018 $26m in SURF and Conventional and $12m in Life of Field (2017 $32m in SURF and Conventional)

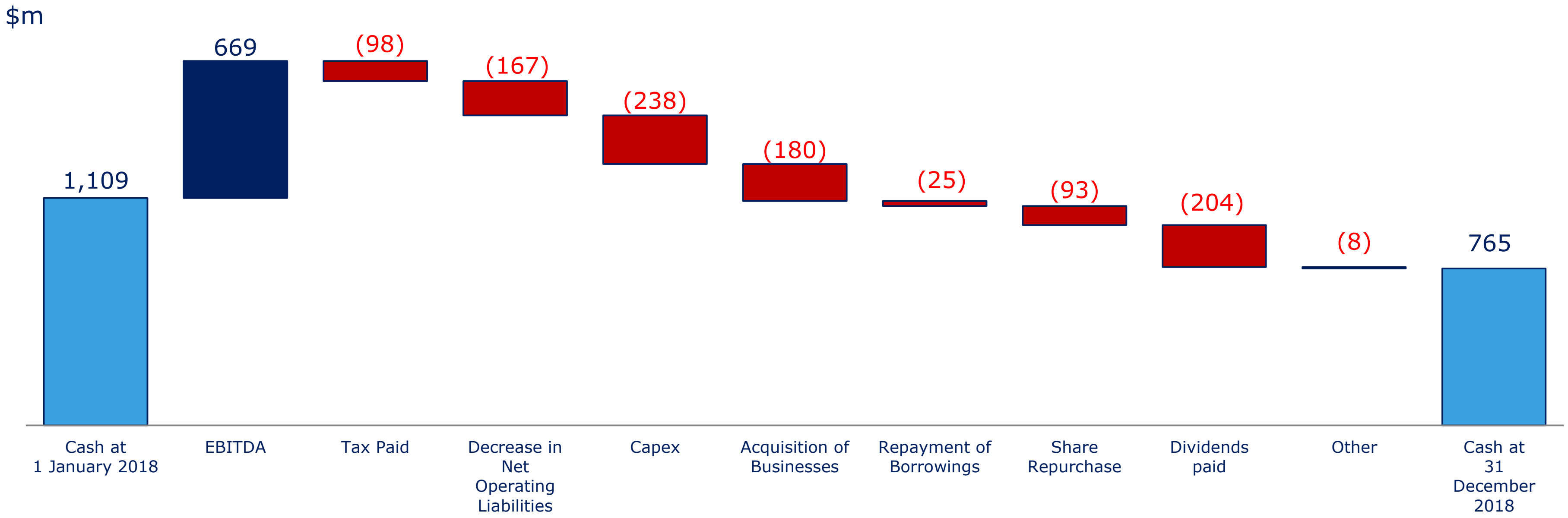
2014 - 2018 costs overview

Maintaining cost discipline as the activity levels recover



(1) Includes impairment charges related to property, plant & equipment and intangibles
(2) Includes restructuring charges in 2015 and 2016

Summary of 2018 cash flow



- Net cash of $507 million at 31 December 2018

Priorities for cash

- Invest in the business
- Maintain investment grade profile
- Return to shareholders

2018 Delivery

- $155 million investment in Seaway Offshore Cables and two vessels
- Continued construction of the new-build reel-lay vessel *Seven Vega* for long distance tie-backs
- Net cash of $507 million and $656 million unutilised credit facility
- $297 million returned to shareholders: $204 million special dividend and $93 million share repurchases

Financial guidance

2019 Guidance (including IFRS 16 adjustments[(1)])

Revenue	Slightly lower than 2018
Adjusted EBITDA	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) Further information on impacts of implementing IRFS 16 “leases” guidance is shown on slide 30 and Note 16 to the Condensed Consolidated Financials Statements
(2) Includes approximately \$100 million expenditure related to the new-build reel-lay vessel, *Seven Vega*

2018 strategic highlights

Technology & Early Engagement

- Second EHTF project awarded
- Numerous supplier-led designs completed
- Client-led engagement with Xodus

Subsea Integration Alliance

- 4 Projects awarded
- Integrated technology portfolio
- Strengthened partnership for future growth

Renewables

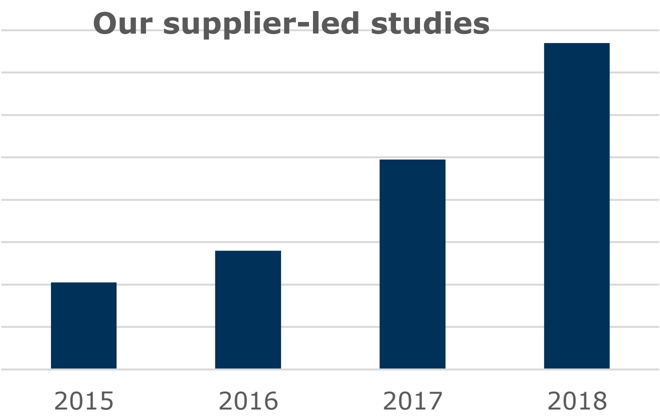
- Globalisation of Seaway 7
- SOC acquisition
- Execution of large EPCI projects

Fleet Management

- Average vessel age 10 years
- Upgrade of Seven Viking to hybrid power
- Tactical asset investment

Early Engagement

- Significant increase in early engagement activity in all regions
- Subsea Integration Alliance and Subsea 7 provide supplier-led solutions
- Xodus Group provide client-led solutions
- Large greenfield FEED awards to Subsea Integration Alliance by Woodside for SNE Phase 1 and Scarborough projects



EARLY CLIENT ENGAGEMENT → APPRAISE → FEASIBILITY & CONCEPT SCREENING → CONCEPT SELECT & PRE-FEED → FEED & DESIGN COMPETITIONS

Subsea Integration Alliance

OneSubsea & Subsea 7

subsea 7

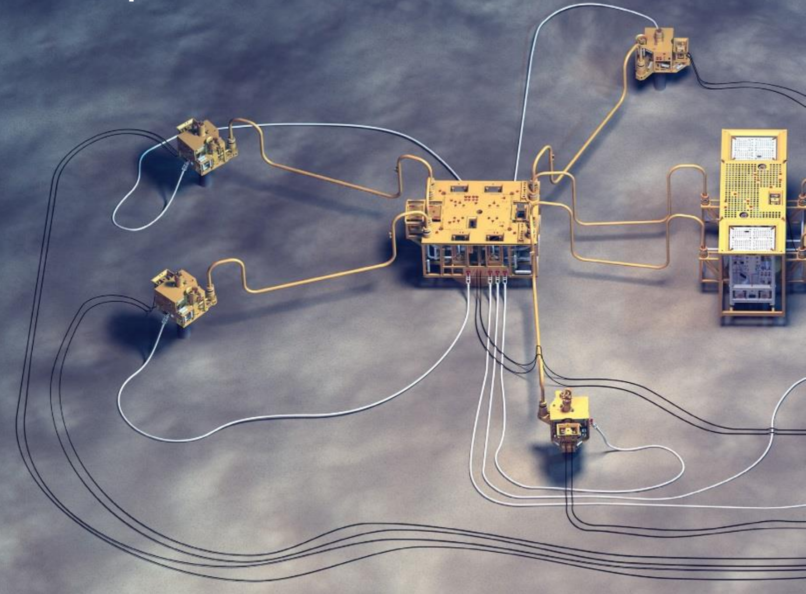
2
Projects completed

8
Projects awarded

70+
Integrated concept studies and pre-FEEDs

Completed and ongoing projects:

- Murphy Dalmatian (completed)
- BP Mad Dog 2
- TAQA Otter (completed)
- Fieldwood Katmai
- BP Manuel
- ExxonMobil West Barracouta
- Woodside SNE Phase 1 (FEED)
- Woodside Scarborough (FEED)



Subsea Integration Alliance

OneSubsea & Subsea 7

Supervisory Board:

Jean Cahuzac (CEO) – subsea 7

John Evans (COO) – subsea 7

Olivier Le Peuch (COO) – Schlumberger

Don Sweet (President) – OneSubsea, A Cameron & Schlumberger Company

Executive Management Team:

Henning Berg (CEO) – Subsea Integration Alliance, OneSubsea & Subsea 7

Stian Sande (Project & Operations) – Subsea Integration Alliance, OneSubsea & Subsea 7

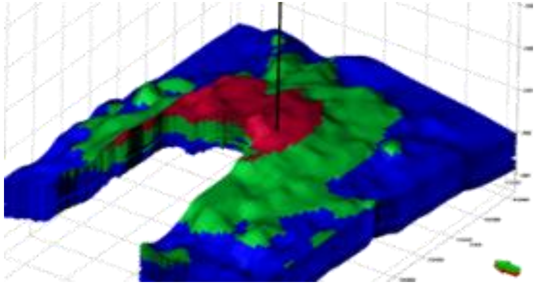
Stuart Fitzgerald (Commercial & Deputy CEO) – Subsea Integration Alliance, OneSubsea & Subsea 7

James Stewart (Technology) – Subsea Integration Alliance, OneSubsea & Subsea 7

Creating the right technological solutions

Continued enhancement of Pipeline Bundles

Early engagement software SubseaPlan (Triton) rolled out



LinerBridge connector fully qualified

EHTF technology deployed on active projects

2019 focus areas and opportunities

Focus areas

- Managing the SURF market recovery
- Maintaining a competitive cost base
- Navigating the evolving renewables market

Opportunities

- Earlier engagement
- Technology development
- Expanding integrated services

Business Unit Outlook

SURF and Conventional

- Tendering activity increasing particularly in Brazil, Australia, Angola and Nigeria
- Increased number of large greenfield projects awarded to market subject to sanction

Renewables and Heavy Lifting

- 2019 limited execution opportunities
- T&I execution in Taiwan for 2020+
- Medium EPCI projects in Europe for 2020+

Life of Field

- All significant IRM frame agreements awarded to market
- Pricing remains competitive

ANY QUESTIONS?

Appendix

Major project progression

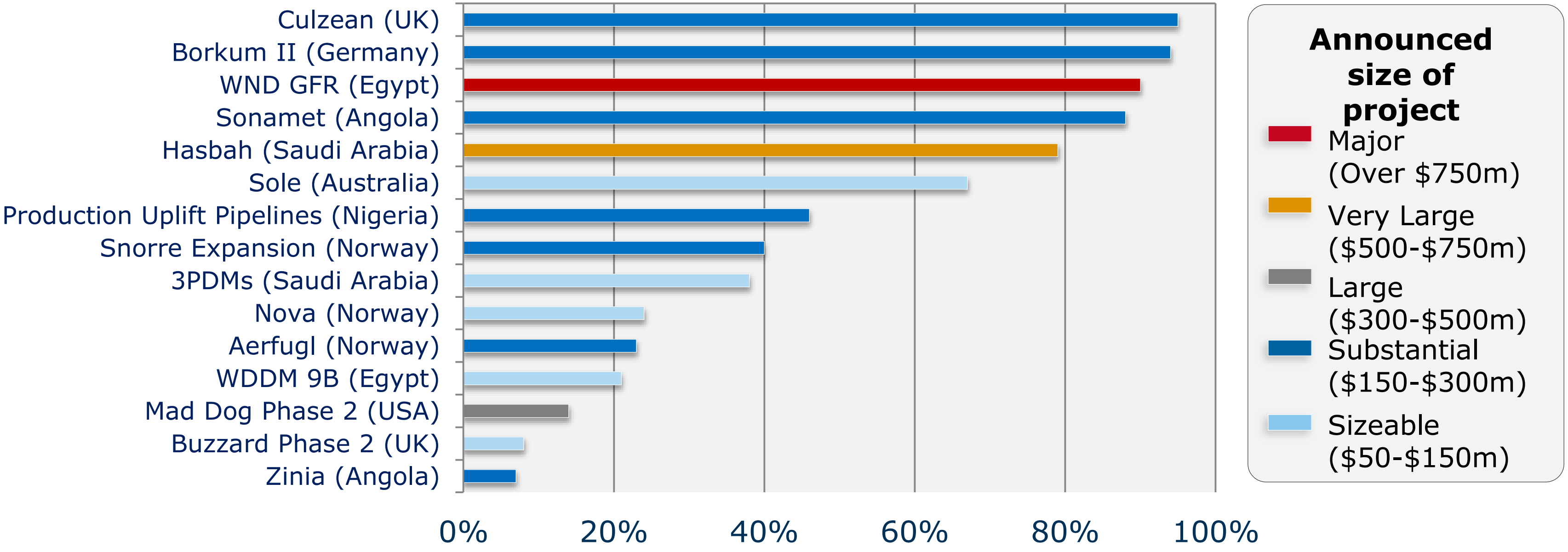
Track Record

Fleet

Financial summaries

Major project progression

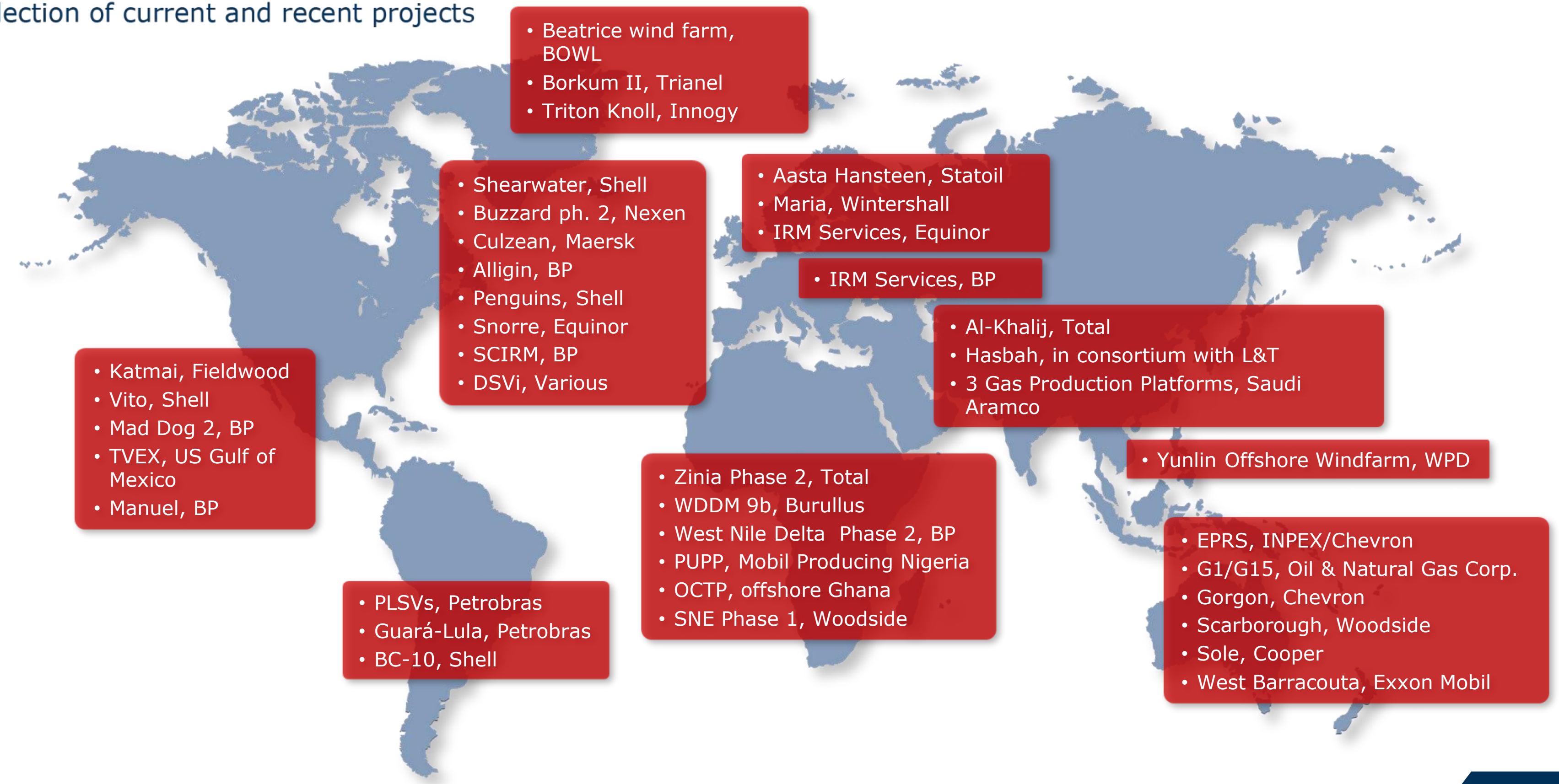
- Continuing projects >$100m between 5% and 95% complete as at 31 December 2018 excluding PLSV and Life of Field day-rate contracts



TRACK RECORD

subsea 7

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



FLEET 33 Vessels including 30 active vessels at end Q4'18

subsea 7

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

Segmental analysis

For the three months ended 31 December 2018

In $ millions (unaudited)	**SURF & Conventional**	**Life of Field**	**Renewables & Heavy Lifting**	**Corporate**	**TOTAL**
Revenue	**873**	**68**	**82**	**-**	**1,023**
Net operating income/(loss)	**64**	**(17)**	**(13)**	**(11)**	**23**
Finance income					**4**
Other gains and losses					**11**
Finance costs					**(3)**
Income before taxes					**35**

For the three months ended 31 December 2017

In $ millions (unaudited)	SURF & Conventional	Life of Field	Renewables & Heavy Lifting	Corporate	TOTAL
Revenue	754	67	181	-	1,003
Net operating income/(loss)	34	(5)	(3)	2	28
Finance income					8
Net remeasurement loss on business combination					(17)
Other gains and losses					6
Finance costs					(6)
Income before taxes					19

Summary balance sheet

In $ millions	**31 December 2018 Audited**	31 December 2017 Audited
Assets		
Non-current assets		
Goodwill	**751**	701
Property, plant and equipment	**4,569**	4,688
Other non-current assets	**153**	173
Total non-current assets	**5,473**	5,562
Current assets		
Trade and other receivables	**608**	497
Construction contracts - assets	**495**	319
Other accrued income and prepaid expenses	**166**	176
Cash and cash equivalents	**765**	1,109
Other current assets	**62**	81
Total current assets	**2,096**	2,182
Total assets	**7,569**	7,745

In $ millions	**31 December 2018 Audited**	31 December 2017 Audited
Equity & Liabilities		
Total equity	**5,722**	5,941
Non-current liabilities		
Non-current portion of borrowings	**234**	258
Other non-current liabilities	**212**	235
Total non-current liabilities	**446**	493
Current liabilities		
Trade and other liabilities	**978**	893
Current portion of borrowings	**25**	25
Construction contracts – liabilities	**168**	200
Deferred revenue	**5**	4
Other current liabilities	**225**	188
Total current liabilities	**1,401**	1,310
Total liabilities	**1,847**	1,804
Total equity & liabilities	**7,569**	7,745

Segmental analysis

For the year ended 31 December 2018

In $ millions (Audited)	SURF & Conventional	Life of Field	Renewables & Heavy Lifting	Corporate	TOTAL
Revenue	**3,164**	**245**	**664**	**-**	**4,074**
Net operating income/(loss)	**231**	**(12)**	**4**	**(23)**	**200**
Finance income					**16**
Other gains and losses					**14**
Finance costs					**(14)**
Income before taxes					**216**

For the year ended 31 December 2017

In $ millions (Audited)	SURF & Conventional	Life of Field	Renewables & Heavy Lifting	Corporate	TOTAL
Revenue	2,725	302	959	-	3,986
Net operating income	451	23	90	17	581
Finance income					25
Net remeasurement gain on business combination					25
Other gains and losses					(55)
Finance costs					(21)
Income before taxes					555

Reconciliation of Adjusted EBITDA

Net operating income to Adjusted EBITDA

For the period (in $millions)	**Three Months Ended 31 Dec. 2018 Unaudited**	Three Months Ended 31 Dec. 2017 Unaudited
Net operating income	**23**	28
Depreciation, amortisation, mobilisation and impairment	**140**	148
Adjusted EBITDA	**163**	176
Revenue	**1,023**	1,003
Adjusted EBITDA %	**16%**	18%

Net income to Adjusted EBITDA

For the period (in $millions)	**Three Months Ended 31 Dec. 2018 Unaudited**	Three Months Ended 31 Dec. 2017 Unaudited
Net income	**32**	51
Depreciation, amortisation, mobilisation and impairment	**140**	148
Remeasurement loss on business combination	**-**	17
Finance income	**(4)**	(8)
Other gains and losses	**(11)**	(6)
Finance costs	**3**	6
Taxation	**3**	(32)
Adjusted EBITDA	**163**	176
Revenue	**1,023**	1,003
Adjusted EBITDA %	**16%**	18%

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Summary of year-to-date 2018 cash flow

	$ millions	
Cash and cash equivalents at **1 January 2018**	1,109	
Net cash generated from operating activities	424	*Included an increase in net operating assets of $167 million*
Net cash flow used in investing activities	(425)	*Included cash outflows on SOC acquisition of $155 million including vessels, acquisition of interest in Xodus $19m and capital expenditure of $238m*
Net cash flow used in financing activities	(335)	*Included dividends paid of $204 million, $93m of shares repurchased and $25 million repayments of the ECA senior secured facility*
Other movements	(8)	
Cash and cash equivalents at **31 December 2018**	765	

- Net cash of $507 million at 31 December 2018 compared to $826 million at 31 December 2017
- Long-term ECA borrowing facility of $258 million at 31 December 2018 compared to $283 million at 31 December 2017

IFRS 16 'Leases' guidance

- IFRS 16 'Leases' will be effective from 1 January 2019.
- Requires the Group to recognise:
  - ➢ a right-of-use asset for long-term leases, to be amortised straight-line over duration of the lease.
  - ➢ a lease liability (equivalent in value to the right-of-use asset) with finance costs recognized over lease life.
- No cash flow impact.
- No impact on net income over duration of leases.
- Due to modified retrospective implementation, 2019 net income will be adversely impacted by approximately $5m, which will reverse in subsequent years.
- Impact on 2019 results may differ from the guidance given, depending on lease commitments.

IFRS 16	2019 forecast impact
Income Statement	
Lease expense	Decrease by $100m - $110m
Adjusted EBITDA	Increase by $100m - $110m
Amortisation charge	Increase by $90m - $100m
Net operating income	Increase by $10m - $15m
Net finance charge	Increase by $10m - $15m
Net income	Decrease by approx. $5m
Balance Sheet	
Right-of-use asset	Addition of approx. $350m
Lease liability	Addition of approx. $360m

- Subsea 7 guidance for 2019 on slide 12 includes the estimated impact of IFRS 16

THANK YOU

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