



## Conference Call Presentation

April 23, 2018

## Forward-Looking Statements

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Certain statements made in this announcement 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 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.

This is not intended to, and does not, constitute or form part of (i) any offer or invitation to purchase or otherwise acquire, subscribe for, tender, exchange, sell or otherwise dispose of any securities, (ii) the solicitation of an offer or invitation to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or (iii) the solicitation of any vote or approval in any jurisdiction pursuant to this release or otherwise, nor will there be any acquisition or disposition of the securities referred to in this release in any jurisdiction in contravention of applicable law or regulation. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended and other applicable laws.

# Premium Proposal Creates Compelling Opportunity for Shareholders

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## USD 7.00 in cash and stock provides 16% premium

- Stock component provides equity upside in a company with a robust financial position, while cash component provides immediate value
- Subsea 7 willing to consider increasing its proposed price upon further assessment of McDermott's business through discussions with management
- \$7.00 represents meaningful premium of 16% to the latest closing share price of McDermott on April 20, 2018, and 15% over the volume weighted average share price over the previous 20 trading days
- Open to discussing options for listing shares of the combined company

## Compelling industrial logic for the combination

- Complementary geographies, business lines
- Greater growth opportunities for both businesses if combined
- Achievable, highly visible synergies that support improvements in the business' positions
- Investment grade financial profile after closing
- Strong liquidity, robust backlog and improved access to capital

## Clear path to closing

- Subsea 7 has the ability to quickly execute limited due diligence and complete definitive agreement
- Not subject to any financing conditions nor Subsea 7 shareholder approval
- Subject to termination of pending CB&I transaction with McDermott

# Proposed Transaction Brings Significant Value to All Shareholders

## Strengthened Capabilities

- Combined company would have strengthened positions in all major offshore producing regions, with broad capability to deliver solutions for clients in both shallow water and deep water markets.
- Combined company would be better positioned to execute offshore EPCI projects with market leading conventional and deepwater expertise, experience and assets.

## Growth Prospects

- Combined company would have greater opportunity to grow the companies' positions in markets with strong long-term growth prospects not only in SURF and Conventional but also renewables and decommissioning.

## Highly Visible Synergies

- Given similar industrial focus of the two companies, significant economies of scale, sales and cost synergies are highly achievable within a short timeframe and are expected to grow over time
- Opportunities for fleet rationalization, optimization of onshore facilities

## Strong Balance Sheet & Profitable Backlog

- Strong financial positioning of both companies today (including a Subsea 7 balance sheet that is free of leverage), would allow for a combined balance sheet better enabling the management of inherent risks and volatility of our industry, as well as a combined robust backlog of top-tier projects

## Compelling Shareholder Value

- Immediate opportunity for McDermott shareholders to realize value, combined with the shared track record of profitable execution by both companies, provides an opportunity for all shareholders to participate in significant value creation through enhanced global scale, synergies and financial positioning

# Highly Complementary Positions Would Create Global Leader

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

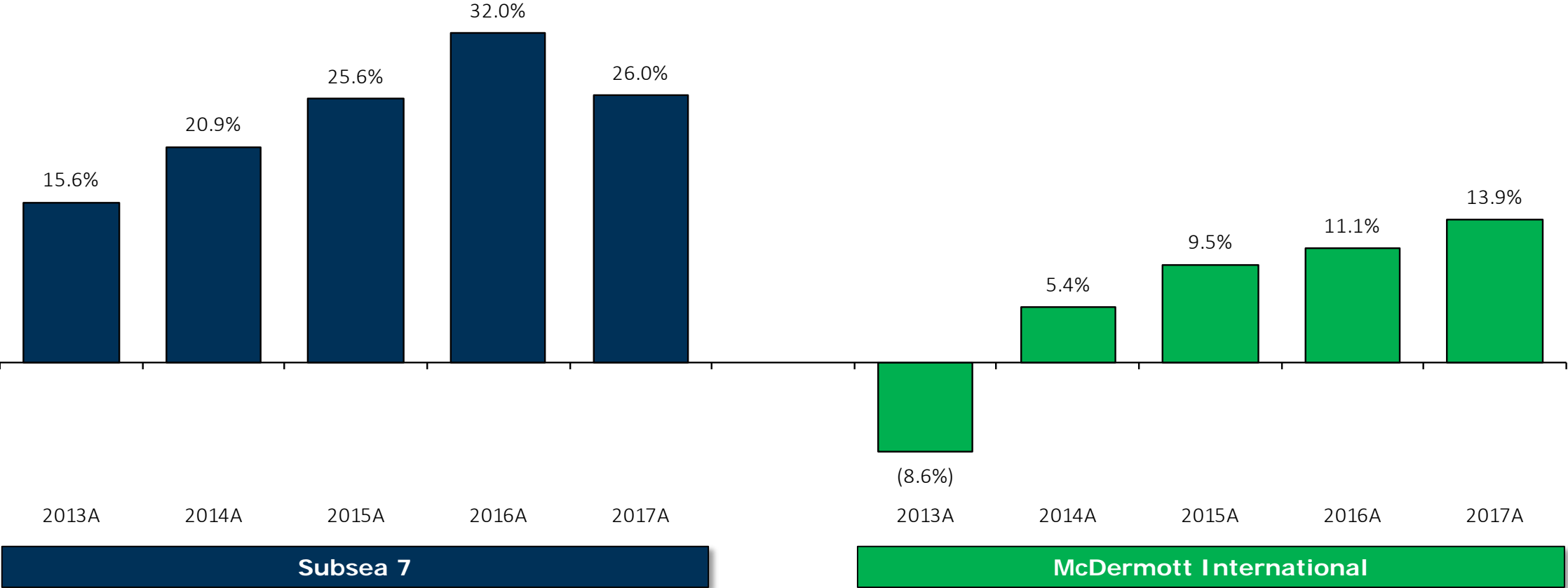
Combined Company Would Have "TOP TIER" Coverage In Virtually Every Major Regional Market



Legend:  
TOP TIER player in market

# Combined Company Profile Supportive of Continued Superior Financial Results

## Historical Adjusted EBITDA<sup>(1)</sup> Margins



(1) Subsea 7 adjusted EBITDA as defined in Subsea 7's publicly filed annual reports. McDermott adjusted EBITDA sourced from McDermott + CB&I investor presentation published 3/22/2018.

## Highly Visible Economies of Scale and Cost Synergies

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- Combined company would be a market leader with broad strength in all regions
  - More diverse segments and regional footprint
  - Broader customer base to capitalize on both companies' track records and relationships
- Increased scale to support developing strong positions in emerging markets and regions
  - Underpinned by strong financial foundation
- Synergy opportunities
  - Opportunities for fleet rationalization and deployment optimization
  - Optimization of onshore facilities, including fabrication yards and spool bases
  - Cost-saving opportunities from corporate functions

Subsea 7 will better define opportunities if  
McDermott Board permits further discussions and diligence

# Capacity to Fund All-Cash Deal While Maintaining Investment Grade Profile of Combined Company

<i>(USD in millions)</i>	<b>Subsea 7</b>	<b>McDermott International</b>
<b>Backlog</b> <i>(as of 12/31/17)</i>	\$5,208	\$3,901
<b>2017A Revenue</b>	\$3,986	\$2,985
<b>2017A Adjusted EBITDA<sup>(1)</sup></b>	\$1,035	\$415
<b>2017A Adjusted EBITDA Margin</b>	26%	14%
<b>Net Working Capital<sup>(2)</sup></b> <i>(as of 12/31/17)</i>	(\$220)	\$343
<b>Cash, Restricted Cash &amp; Cash Equivalents</b> <i>(as of 12/31/17)</i>	\$1,115	\$408
<b>Total Debt</b> <i>(as of 12/31/17)</i>	\$283	\$537
<b>Net Debt<sup>(3)</sup></b> <i>(as of 12/31/17)</i>	(\$833)	\$129
<b>Total Liquidity<sup>(4)</sup></b> <i>(as of 12/31/17)</i>	\$1,771	\$811

(1) Subsea 7 adjusted EBITDA defined in Subsea 7's publicly filed annual reports. McDermott adjusted EBITDA sourced from McDermott + CB&I investor presentation published 3/22/2018.

(2) Reflects current assets less current liabilities, excluding cash, restricted cash & cash equivalents, current debt and assets classified as held for sale.

(3) Net debt defined as total debt less cash, restricted cash & cash equivalents.

(4) Subsea 7 reflects \$939MM borrowing base less \$283MM outstanding borrowing plus cash, restricted cash & cash equivalents. McDermott reflects \$810MM borrowing base less \$407MM letters of credit plus cash, restricted cash & cash equivalents.



## McDermott Should Consider Subsea 7's Premium Proposal

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Proposal submitted  
to Board on April 17



Proposal rejected by  
Board on April 20

### **Company should consider our proposal to combine two complementary businesses**

- ✓ Premium proposal with equity upside
- ✓ Compelling industrial logic
- ✓ Clear path to completion

### **Subsea 7 remains open to discussion**

- ✓ Ability to further enhance proposed terms
- ✓ Willing to discuss listing options

# Subsea 7 – In Summary

Subsea 7 is one of the world’s leading global contractors in seabed-to-surface engineering, construction and services to the offshore industry.

We provide cost-effective technical solutions to enable the delivery of complex projects in all water depths and challenging environments.

**Our vision is to be acknowledged by our clients, our people and our shareholders as the leading strategic partner in our market.**

- **Founded:** 2011 through merger of Acergy S.A. and Subsea 7 Inc.
- **Operational Headquarters:** London
- **Incorporation:** Luxembourg
- **Employees:** 10,500
- **Listing:** Oslo Børs (SUBC) and the US over-the-counter (OTC) market (SUBCY)

## OUR CAPABILITIES ACROSS THE FIELD DEVELOPMENT LIFECYCLE

## 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.



**THANK YOU**



**subsea 7**