"Subsea7's strategy has delivered material growth in profitability in 2024, and the outlook is strong for the coming years."

A strong financial performance in 2024

Subsea7's revenue increased 14% year-on-year to $6.8 billion, and our Adjusted EBITDA margin expanded 390 basis points to 16%, reflecting our late-cycle exposure to the recovery in the subsea market and structural growth in the offshore wind industry, as well as solid project execution. Driven by strong demand for our services and selective tendering, the mix of long-term contracts in our $11 billion backlog has continued to shift towards those won in a favourable environment, underpinning our confidence in the future.

Revenue in Subsea and Conventional increased 12% year-on-year to $5.5 billion, driven by high activity in Brazil, Norway and Australia, and our Adjusted EBITDA margin increased to 16%. This yielded an Adjusted EBITDA of $897 million – including a contribution of $36 million from the OneSubsea joint venture – up 47% year-on-year.

Revenue in Renewables increased 29% year-on-year to $1.2 billion due to high utilisation of our vessels in the UK, Germany and Taiwan. Our Adjusted EBITDA margin reached 15% as a result of the decisive action taken to improve the selectivity of our bids, as well as strong project execution.

Tendering activity remained at high levels in 2024, with order intake of $8.2 billion, equivalent to a book-to-bill of 1.2 times, including major awards in Brazil, the US, Türkiye, and in the UK in offshore wind. Tendering activity remains strong and our teams in subsea and offshore wind are actively bidding for projects worth around $28 billion, supporting our confidence in the outlook for both business units.

In 2024, the Group made the final payment for the acquisition of a 10% stake in OneSubsea, a subsidiary of SLB, which is also our partner in Subsea Integration Alliance. This stake in OneSubsea reaffirms our integrated subsea offering – a key competitive differentiator – and reinforces our relationship with SLB as we address the opportunities and challenges presented by the energy transition.

Following the delivery of our new build wind installation vessels, organic reinvestment was $349 million in 2024, from $581 million in the prior year and, at year end, net debt was $602 million (comprising net financial debt of $147 million and lease liabilities of $455 million). Balance sheet leverage increased slightly year-on-year but, with a net debt-to-EBITDA ratio of just 0.6 times, we maintained the balance sheet strength that is crucial to our through-cycle resilience, essential in retaining agility to seize opportunities, and supportive of our clients' confidence in our ability to deliver billion-dollar projects.

Investment case

A differentiated offering

- Positioned in structural growth energy markets of today and tomorrow
- A full suite of subsea and offshore wind solutions to move hydrocarbon molecules and electrons subsea
- World-class fleet of high specification enabling vessels
- Subsea Integration Alliance with OneSubsea to provide industry-leading SURF and SPS offering

Proven track record of delivery

- Robust project execution delivering large and complex energy projects
- Track record of strong project execution across the globe, managing a supply chain of over 8,000 suppliers
- Creating value and unlocking developments through early engagement and customer alliances

Differentiators driving success in subsea

In 2024, the subsea business leveraged the Group's differentiators of early engagement, collaborations and alliances and an integrated offering to deepen its relationships with key clients as the subsea market continued to tighten. Our clients increasingly came to Subsea7 to help plan and execute their portfolio of developments.

In 2024, Subsea Integration Alliance extended its relationship with Equinor through a new long-term strategic alliance. The agreement represents an innovative way of working that enables a deeper collaboration to improve the return profile of developments, unlocking potentially stranded hydrocarbon reserves. It includes an exclusive cooperation on two challenging projects: the Wisting field offshore Norway and Bay du Nord offshore Canada. By engineering optimised solutions together with Equinor, Subsea Integration Alliance aims to deliver development plans that are economically viable and can make progress towards sanction.

During 2024, we also built upon our successful relationship and track record of performance with Turkish Petroleum, with whom we have been working since 2021 on the development of the giant Sakarya gas field. In 2024, Subsea7 was awarded a contract for the installation of Türkiye's first floating production unit, marking our fourth scope on the Sakarya development. Subsea7 was also subsequently awarded a multi-year, wide-ranging, inspection, repair and maintenance contract, demonstrating our ability to deliver engineering solutions through the full asset lifecycle.

During the year, we extended our successful position in Brazil with the award of the Búzios 9 development, representing our fifth major contract award in the country since 2020 for a combined value of $5.4 billion. The sustained level of activity generated by these projects will enable us to unlock efficiencies in engineering, optimise project execution and maximise the utilisation of our fleet. Additionally, in Brazil, we secured four three-year contracts for our pipelay support vessels (PLSVs) worth $1.4 billion. The visibility on cash generation provided by these contracts underpins our commitment to shareholder returns for the coming three years.

Track record for delivery in renewables

After commissioning our two new build installation vessels, in 2024 we focused on optimising the utilisation of our enlarged fleet and achieving strong project execution.

A total of 93 foundations, 40 turbines and over 400 kilometres of cables were installed during the year, supporting power generation capacity of four gigawatts and extending our long track record of efficient delivery.

In foundation installation, we remained focused on our core markets in Europe, where the regulatory environment is well understood and where we have long-term, collaborative relationships with key clients. In cable lay, our vessels benefit from fast transit speeds allowing access to the global market including Taiwan, the US, the UK and continental Europe.

During the year, Subsea7 continued to pursue CCS opportunities and executed the second phase of the Northern Lights project in Norway. Although currently a small market, CCS represents incremental optionality for our existing fleet of subsea pipeline installation vessels, as well as a potential source of market opportunity with SLB and OneSubsea through Subsea Integration Alliance.

Strong momentum expected to continue

Management is confident in the outlook for the Group supported by a high backlog and a robust tendering pipeline. The dynamic in subsea remains favourable, with strong demand from clients. While new vessels are being ordered in the offshore wind industry, these are focused away from our core services of foundation installation and cable lay where our opportunity to add value is greatest and where long-term demand is set to outstrip supply.

Looking ahead to 2025, revenue is anticipated to be between $6.8 and $7.2 billion. As the mix of activity continues to shift to projects won in a more favourable environment, our Adjusted EBITDA margin is expected to be between 18 and 20%. This margin is expected to continue to improve, exceeding 20% in 2026. Our disciplined approach to reinvestment underpins our expectation of significant cash generation in 2025 and 2026.

Overall, through strong positions in lower-carbon oil and gas, as well as offshore wind, Subsea7 is well placed to deliver the energy the world needs for today and tomorrow.

John Evans
Chief Executive Officer

Financial performance

- $11 billion backlog of high-quality projects with resilient economics provides visibility on 2025 and beyond
- On track to achieve 18 to 20% Adjusted EBITDA margin in 2025 with further upside expected in 2026
- Balance sheet strength, with a net debt-to-EBITDA of just 0.6 times, provides client and investor assurance

Shareholder returns

- Shareholder returns underpinned by high cash generation in 2025 and beyond
- At least $1 billion to be returned from 2024 to 2027
- Use of excess cash assessed annually by the Board
- Track record of delivering capital returns, with $2.5 billion returned since 2012