

## SBM Offshore Third Quarter Trading Update

November 14, 2019

### Highlights

- Increase in full year Directional<sup>1</sup> EBITDA guidance to around US\$800 million
- Increase in full year Directional Revenue guidance to around US\$2.1 billion
- Year-to-date Directional revenue at US\$1,470 million
- Projects progressing in line with clients' schedules
- Third Fast4Ward® hull allocated to ExxonMobil Payara development
- Directional Net Debt of US\$3.1 billion at end of Q3 2019, with undrawn facilities of US\$1.1 billion for growth
- Listed in Dow Jones Sustainability Europe Index for 10<sup>th</sup> consecutive year

Bruno Chabas, CEO of SBM Offshore, commented:

"SBM Offshore delivered strong performance through the third quarter. We increased our EBITDA guidance for the full year based on better than expected results in Turnkey and solid performance in Lease and Operate. All projects continue to progress according to plan. The Lease and Operate performance year-to-date has been in line with our historical average of 99% uptime.

The Company was awarded contracts for the Payara development offshore Guyana, starting with front-end engineering. The award was the first under the long-term FPSO supply agreement with ExxonMobil and also secures the third Fast4Ward® hull under construction. The next phase of the project, to deliver FPSO *Prosperity*, remains subject to government approvals, project sanction and authorization.

We are working on a number of initiatives to ensure that the Company will deliver value for the longer term on a sustainable basis. These range from decarbonizing our production facilities to developing new products for the gas and renewables markets. The Company is investing in a prototype of its S3 Wave Energy Converter (WEC). We plan to deploy it offshore Monaco in 2021. Although still in Research and Development phase, we believe that this technology has the potential to be a disruptive innovation in the renewables market.

SBM Offshore remains disciplined and continues to be selective with respect to its market opportunities. The Company focuses on furthering its lead through its Fast4Ward® program and reliable delivery of projects to clients. SBM Offshore is actively considering next steps with respect to its purchase program of Fast4Ward® new build multi-purpose hulls."

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<sup>1</sup> Directional view, presented under IFRS8 Segment reporting, represents a pro-forma accounting policy, which assumes all lease contracts are classified as operating leases and all vessel investees are proportionally consolidated. This explanatory note relates to all Directional reporting in this document.

## Financial Highlights

in US\$ million	YTD Directional		
	3Q 2019	3Q 2018	% Change
Revenue	1,470	1,247	18%
Lease and Operate	972	984	-1%
Turnkey	498	262	90%

  

in US\$ billion	Sep-30-19	Dec-31-18	% Change
	Net Debt	3.1	2.4

Backlog calculation will be provided in FY19 Earnings Update

The Company generated total Directional revenues of US\$1,470 million over the first three quarters of 2019, which represents an increase of 18% compared with the same period last year, entirely driven Turnkey. Lease and Operate revenues were stable at US\$972 million. Year-to-date Turnkey revenues almost doubled compared with the same period last year to a total of US\$498 million.

Undrawn facilities at the end of the quarter totaled US\$1.1 billion and are available for investment in major projects. Compared with year-end 2018, net debt increased from US\$2.4 billion to US\$3.1 billion, as a result of the investment in the three new FPSO projects currently under construction. At the end of the third quarter, debt drawn under the US\$1 billion revolving credit facility amounted to c. US\$40 million. US\$560 million was drawn under the US\$720 million project loan for FPSO *Liza Destiny*. The FPSO *Liza Destiny* project loan will become non-recourse debt after the FPSO has reached the production readiness milestone and the pre-completion guarantee has been released.

## Funding Update

A US\$1.14 billion project loan was closed in October for the FPSO *Liza Unity*. The funding process for FPSO *Sepeitiba* (formerly known as *Mero 2*) is underway and on track. Discussions with equity partners for the sale of 35% of the project are progressing. The related shareholder agreement is expected to be signed in 2019.

The Company continues to be well served by its efficient funding model during the current significant growth phase. This model allows the Company to continue to prioritize shareholder returns together with growth.

## Project Review

### FPSO *Liza Destiny*

FPSO *Liza Destiny* arrived in Guyana and was anchored to its mooring system by SBM Offshore specialists using its partly owned *Normand Installer* installation vessel. Risers connection, commissioning and start-up are in line with client's schedule.

### Johan Castberg TMS

Fabrication of the complex turret mooring system for FPSO *Johan Castberg* is nearing completion. Delivery to the integration site in Singapore remains scheduled for early 2020, in line with client's schedule.

### FPSO *Liza Unity*

The project is progressing in accordance with client's schedule. Topsides fabrication commenced in the yard in Singapore. The Fast4Ward® hull is planned to arrive in Singapore during the first quarter in 2020.

## FPSO *Sepetiba*

The project has commenced and its progress is according to client's schedule.

## Operational Update

Year-to-date Lease and Operate fleet uptime performance was 99.3%, compared to 99.1% at mid-year 2019.

## HSSE

The Company continued its good safety performance with a year-to-date total recordable injury frequency rate (TRIFR) of 0.16 compared to 0.13 at mid-year 2019.

## Sustainability

Following the investment decision taken for SBM Offshore's S3 Wave Energy Converter (WEC), the Company has announced that a prototype will be deployed offshore Monaco in 2021. First testing is expected to last approximately one year. The WEC prototype will be a rubber tube 60 meters long with a diameter of 1.2 meters and will be submerged at approximately four meters of water depth. It will be tested for system behavior, material ageing and power conversion, as well as optimal integration in the marine life environment. The prototype will be providing energy to the grid.

For the 10<sup>th</sup> consecutive year, SBM Offshore has been included in the Dow Jones Sustainability Europe Index (DJSI), demonstrating continued commitment to sustainability. SBM Offshore improved its score compared to last year and ranks 2<sup>nd</sup> in the Energy Equipment and Services section, compared to 3<sup>rd</sup> last year.

## Guidance

SBM Offshore continues to have a positive outlook for the Company. Full year 2019 Directional revenue guidance is increased from above US\$2 billion to around US\$2.1 billion, with around US\$1.3 billion from Lease and Operate and around US\$800 million from Turnkey. Full year 2019 Directional EBITDA guidance is increased to around US\$800 million from above US\$750 million.

## Conference Call

SBM Offshore has scheduled a conference call followed by a Q&A session on Thursday, November 14, 2019 at 10:00 (CET). The call will be hosted by Bruno Chabas (CEO), Philippe Barril (COO), Erik Lagendijk (CGCO) and Douglas Wood (CFO). Interested parties are invited to listen to the call by dialing +31 (0) 20 531 5851 in the Netherlands, +44 (0) 20 3365 3210 in the UK or +1 866 349 6093 in the US.

A replay will be available shortly after the end of the conference call. Interested parties can listen to the replay by dialing +31 (0) 20 530 0220 and using access code 226535# until December 14, 2019.

## Corporate Profile

SBM Offshore N.V. is a listed holding company that is headquartered in Amsterdam. It holds direct and indirect interests in other companies that collectively with SBM Offshore N.V. form the SBM Offshore Group (“the Company”).

SBM Offshore provides floating production solutions to the offshore energy industry, over the full product lifecycle. The Company is market leading in leased floating production systems delivered to date, with multiple units currently in operation and has unrivalled operational experience in this field. The Company’s main activities are the design, supply, installation, operation and the life extension of floating production solutions for the offshore energy industry.

As of December 31, 2018, Group companies employ approximately 4,350 people worldwide, including circa 650 contractors, which are spread over offices in key markets, operational shore bases and the offshore fleet of vessels. Group Companies employ a further 400 people, working for the joint ventures with two construction yards. For further information, please visit our website at [www.sbmoffshore.com](http://www.sbmoffshore.com).

The companies in which SBM Offshore N.V. directly and indirectly owns investments are separate entities. In this communication “SBM Offshore” is sometimes used for convenience where references are made to SBM Offshore N.V. and its subsidiaries in general, or where no useful purpose is served by identifying the particular company or companies.

The Management Board  
Amsterdam, the Netherlands, November 14, 2019

<b>Financial Calendar</b>	<b>Date</b>	<b>Year</b>
Full Year 2019 Earnings – Press Release	February 13	2020
Annual General Meeting of Shareholders	April 8	2020
Trading Update 1Q 2020 – Press Release	May 14	2020
Half Year 2020 Earnings – Press Release	August 6	2020
Trading Update 3Q 2020 – Press Release	November 12	2020

For further information, please contact:

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