

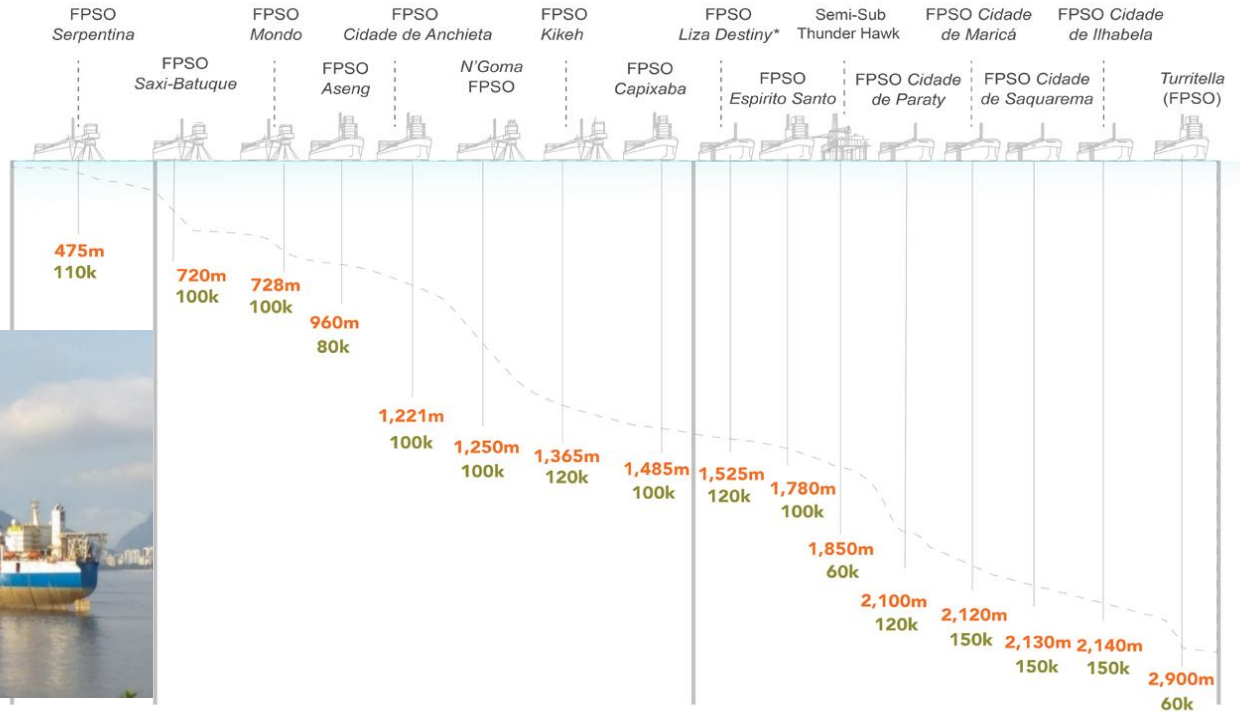
SBM Offshore

Maritime Day Kepler Cheuvreux

May 28, 2019



Technological leadership



SHALLOW WATER
<500m

DEEP WATER
500m to 1,500m

ULTRA DEEP WATER
>1,500m

■ WATER DEPTH

■ PRODUCTION CAPACITY (in thousands of barrels - bopd) * Under construction

FPSO evolution



2019

- **New build standard hull**
- **Up to 250,000 bopd**
- **Up to 50,000t topsides weight**
- **Topsides modules catalogue**

- Conversion
- 120 - 150,000 bopd
- Up to 23,000t topsides weight
- Advanced gas compression and injection
- Water injection

2014 – FPSO G3



2006 – FPSO G2



- Conversion
- Typically 100,000 bopd
- Up to 10,000t topsides weight
- Conventional gas processing
- Water injection

1997 – FPSO G1



- Conversion
- 30 - 80,000 bopd
- < 1000t topsides weight
- No compression
- No water injection

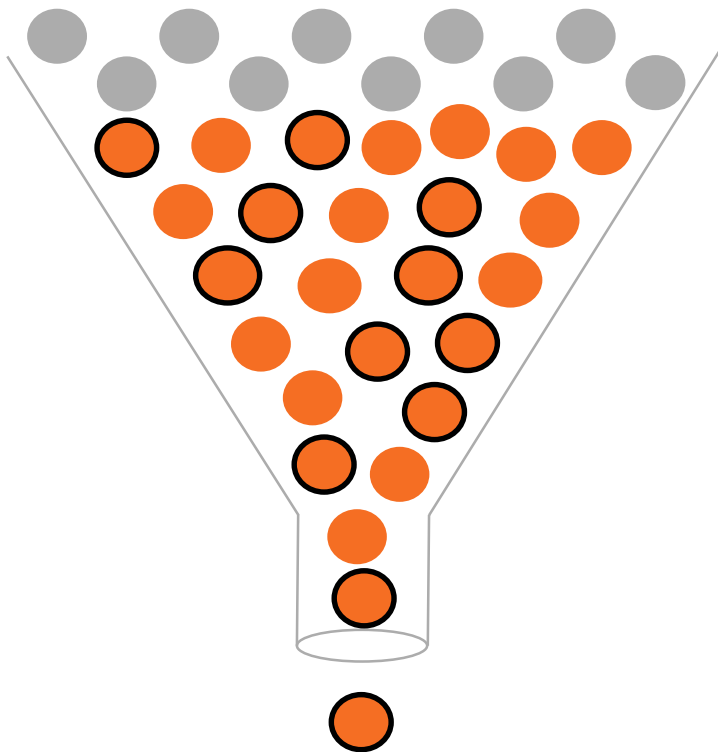


The Market

SBM Offshore's Strategy

Business model

Prospective awards funnel 2019-2021



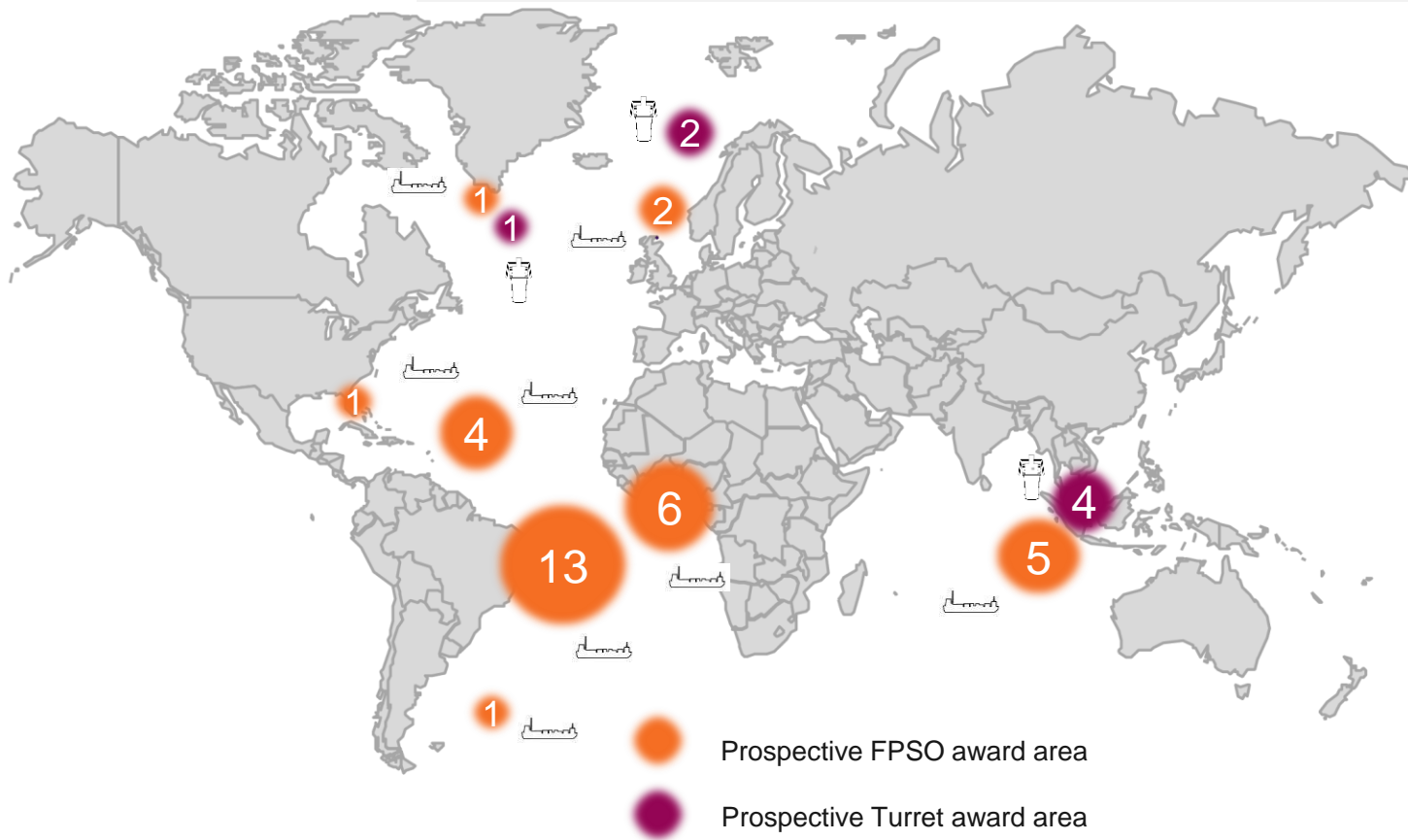
~ 40 prospects

> 30 potential awards

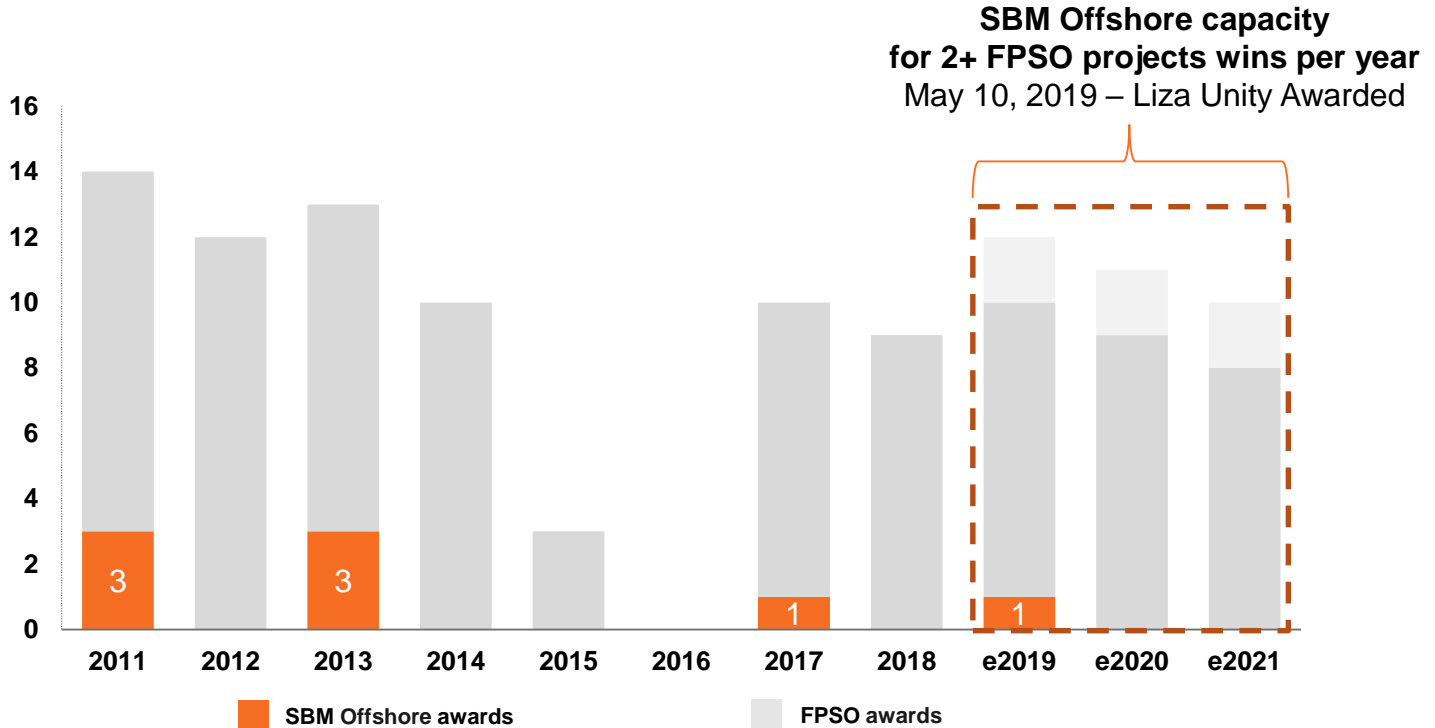
~ 12 projects within target market

**Disciplined in bidding and execution:
2+ FPSO project wins per year**

Prospective award areas 2019-2021



Total FPSO market awards





The Market
SBM Offshore's Strategy
Business model

Our Strategy



OPTIMIZE

Best in class



TRANSFORM

**Making Fast4Ward™
the industry reference**



INNOVATE

**New products in gas
and renewables market**

ENERGY. COMMITTED.

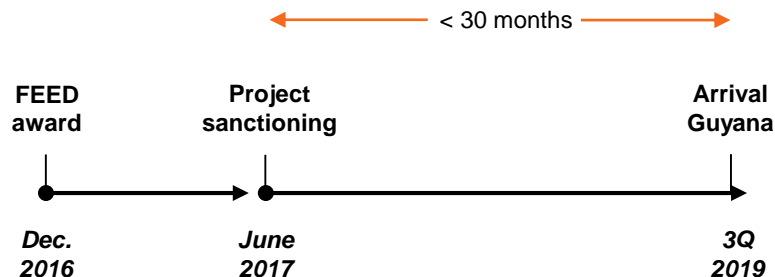
Optimize | Best in class, current ongoing projects

FPSO *Liza Destiny* - Guyana

ExxonMobil



Fast-tracking client projects

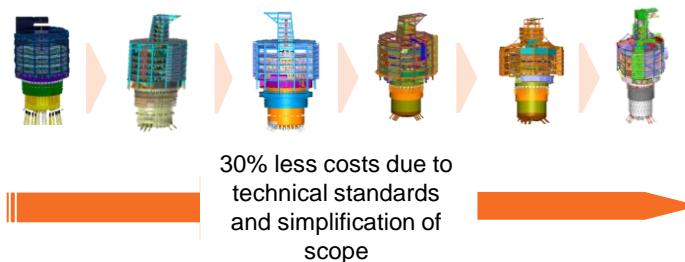


Turret Johan Castberg – Barents Sea

equinor



Work as one with client to optimize project costs



Transform | Fast4Ward™ Principles

Client first



Fast-tracking client projects

Standardization



3 standardized hulls under construction

Flawless execution



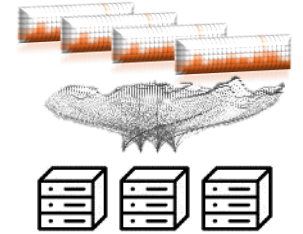
Delivering on time, within budget

Integrated supply chain



Vendors and Yards Relationship

Digital solutions



570,000 barrels per day production capacity digitized to date

Our ambition is to transform the business by reducing cycle time to energy delivery, de-risking projects, and improving quality & safety. This is what we refer to as

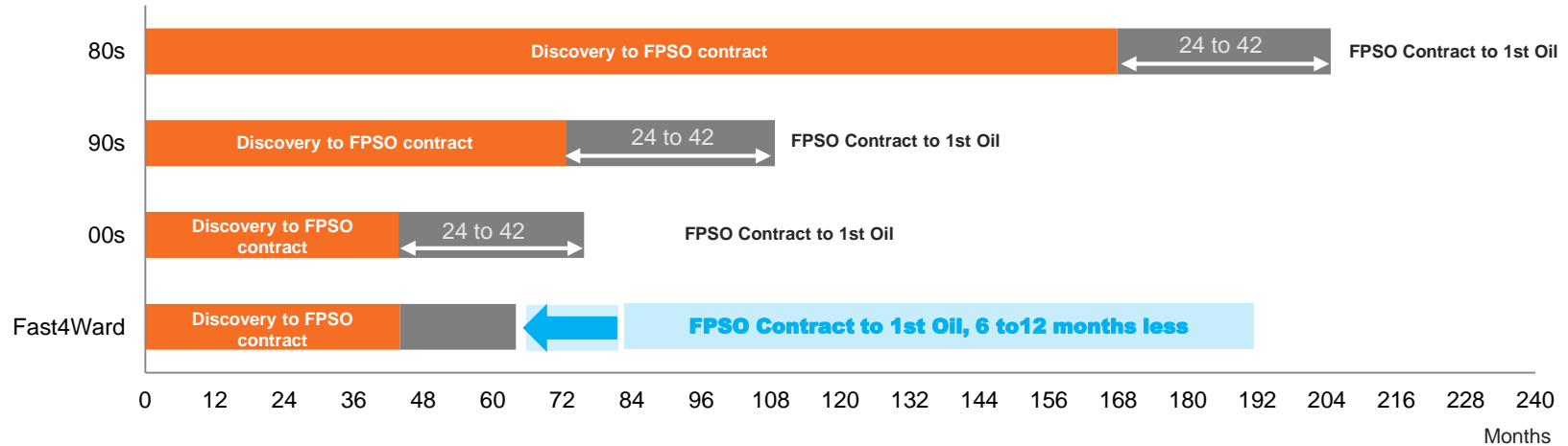
Fast4Ward™



BETTER PERFORMANCE, DELIVERED FASTER

SBM has ordered the third **Fast4Ward™** hull from a second yard. With the first hull being allocated, **Fast4Ward™** is now very much a reality.

FPSO PROJECTS BY DECADE OF DISCOVERY



Fast4Ward is the next step in FPSO projects and saves **6 to 12 months** on a typical FPSO schedule

LOWER EPC CAPEX

HIGHER NPV

FASTER ROUTE TO FIRST OIL

Transform | Overview Liza Unity FPSO project

- **FPSO contract** awarded on May 10, 2019
- Design based on leading **Fast4Ward™**
- **220,000 bbls/day** oil production capacity
- Storage capacity around **2 million barrels of crude oil**
- Gas treatment capacity of **400 million cubic feet per day**
- Water injection capacity of **250,000 bbls/day**
- **1,600 meters** water depth

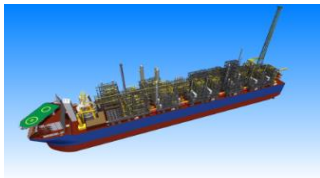


source: SBM Offshore (general Fast4Ward™ rendering)

Innovate | Energy transition requires new innovation

Gas

Newbuild FLNG



Gas FPSO



Gas Turret



Renewables

Floating Wind



Wave Energy



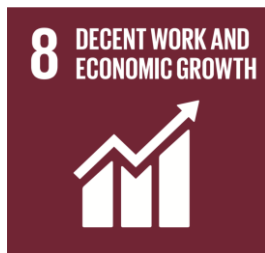
> 60% of 2019 R&D investment in Digital + Energy Transition

Sustainable Development Goals: new 2019 targets



20% reduction in gas flared under SBM Offshore account

25% of energy in SBM Offshore offices from green providers



Total recordable injury frequency rate < 0.29

100% of 'qualified' vendors¹ sign Supply Chain Charter



Volume of oil spills: 0 m³

40% reduction in offshore plastic waste

Recycling program in SBM Offshore offices



The Market
SBM Offshore's Strategy
Business model

Business model



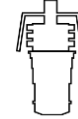
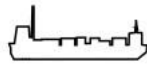
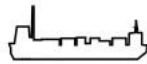
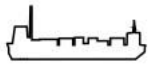
Lease and Operate:
stable free cash flow generator

Turnkey:
growth facilitator, cash flow upside

SPV

SPV

SPV



- Asset portfolio with US\$1.3 billion net assets
- Non-recourse debt
- Firm cash flow visibility to 2036
- Backlog cash flow after debt service: avg c. US\$250 million p.a.
- 2016-2018 avg cash return on net assets > 20%

Total backlog 14.8¹

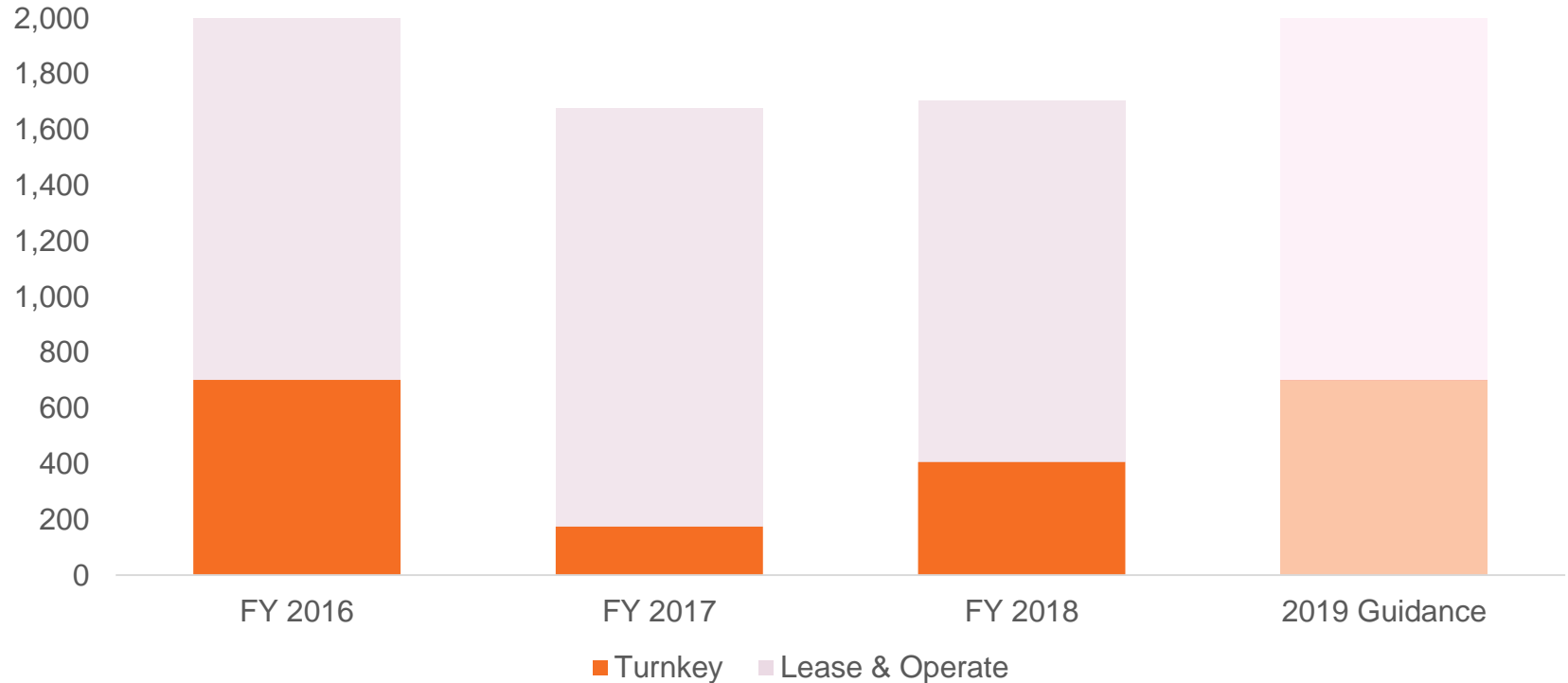


- Retained capacity and experience
- Flexible resourcing model
- Asset light
- Current backlog secures 2-3 years Turnkey cash breakeven
- High leverage to growth

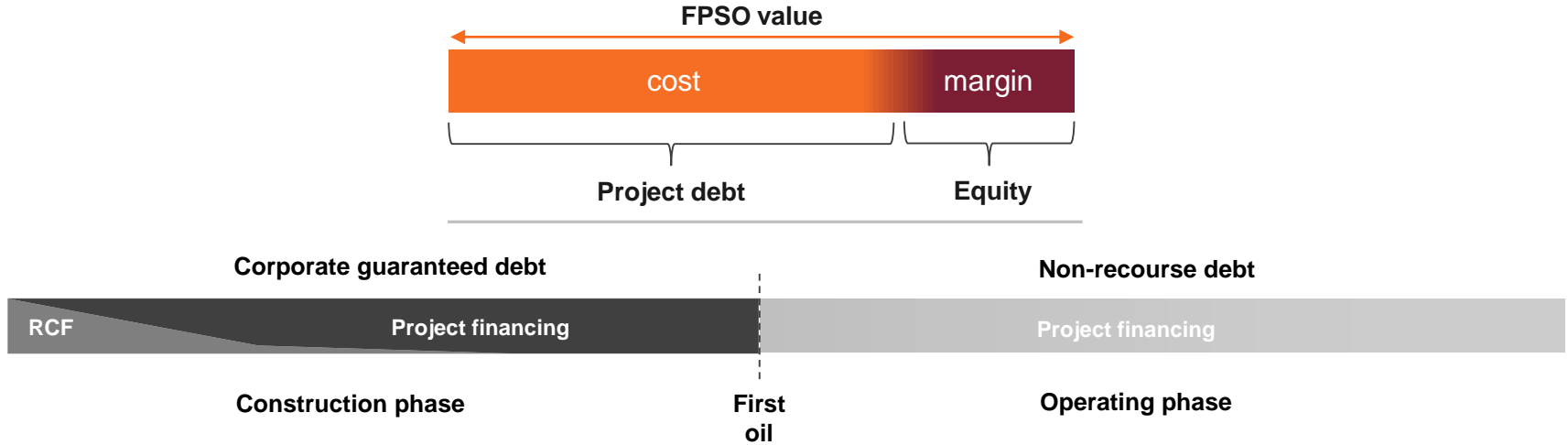
(1) Figures based on 2018 fully year earnings announcement

Back to growth

Directional Revenue, US\$ millions



Financing model

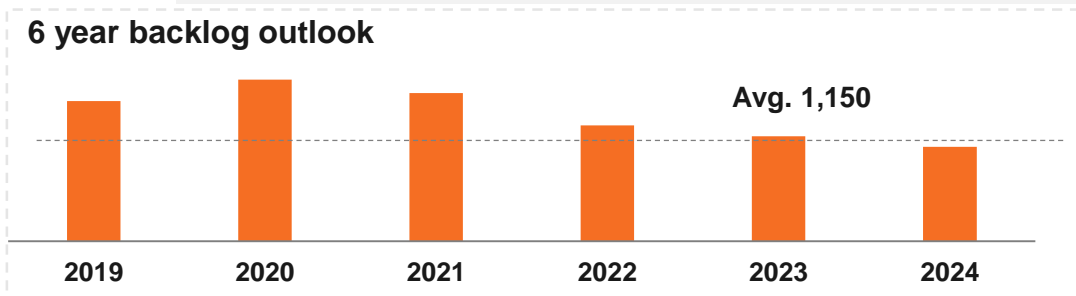


- Refinanced US\$1 billion RCF
 - Linked to backlog value
 - Pricing includes sustainability performance link
 - Uncommitted US\$500 million accordion
- Liza loan of US\$720 million






- Equity sell-down is choice based on liquidity/financing considerations
- Platform financing structure L&O for future optionality

Pro-forma cash analysis *Directional, US\$ millions*

6 year backlog outlook



~ 60% conversion¹

Cash flow – including Liza Destiny ²		Average amount
	Operating Cash From L&O	~690
	Backlog Debt Redemptions	~(360)
	Interest	~(110)
	L&O Net Cash Contribution	~220
	Corporate Overheads and Tax ³	~(100)

Average net cash generation in excess of 100

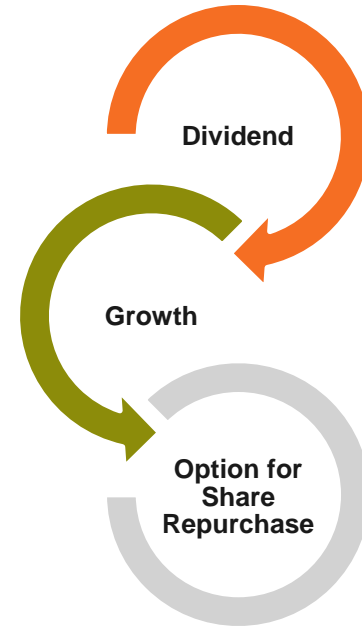
(1) Lifetime average conversion rate remains 63%
 (2) Includes interest payment and regular debt redemption profile for operational period of up to 2 years. Loan payoff at date of purchase not included as considered in Turnkey with sales proceeds
 (3) Using 2018 as a proxy.

Dividend policy and capital allocation

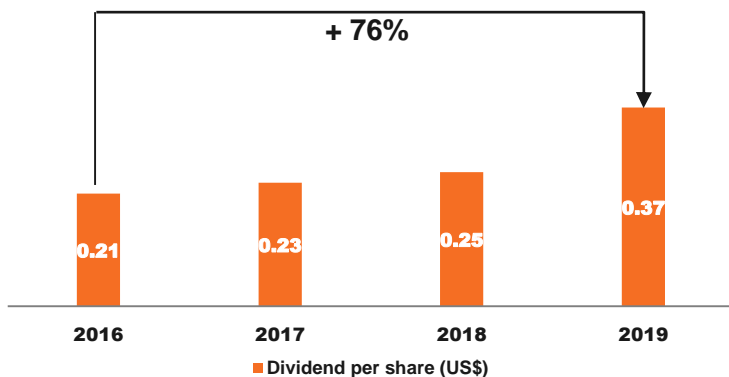
Dividend policy

The Company's policy is to maintain a stable dividend, which grows over time. Determination of the dividend is based on the Company's assessment of its underlying cash flow position.

Capital allocation

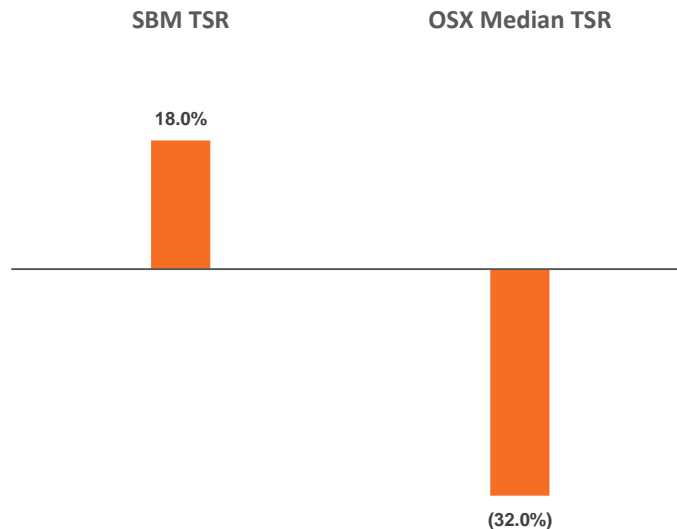


Dividend track-record



Dividends <i>US\$ millions</i>	45	47	51	75
Share Repurchases <i>US\$ millions</i>	166			c. 200

Historical relative total shareholder return 2016-2018



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OFFSHORE

Q&A

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Appendices

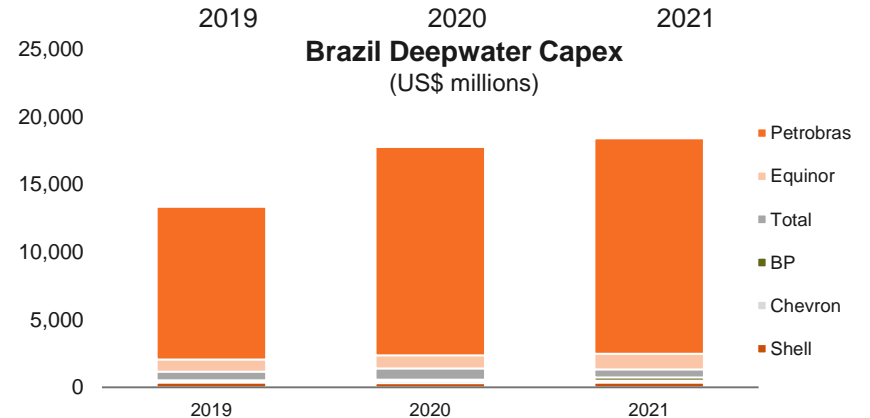
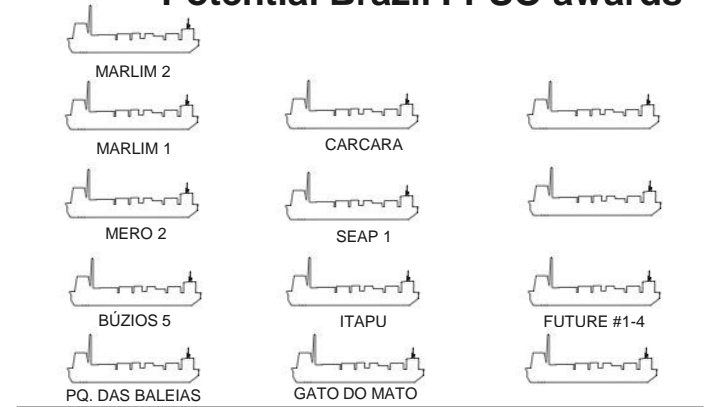
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Brazil remains biggest FPSO market

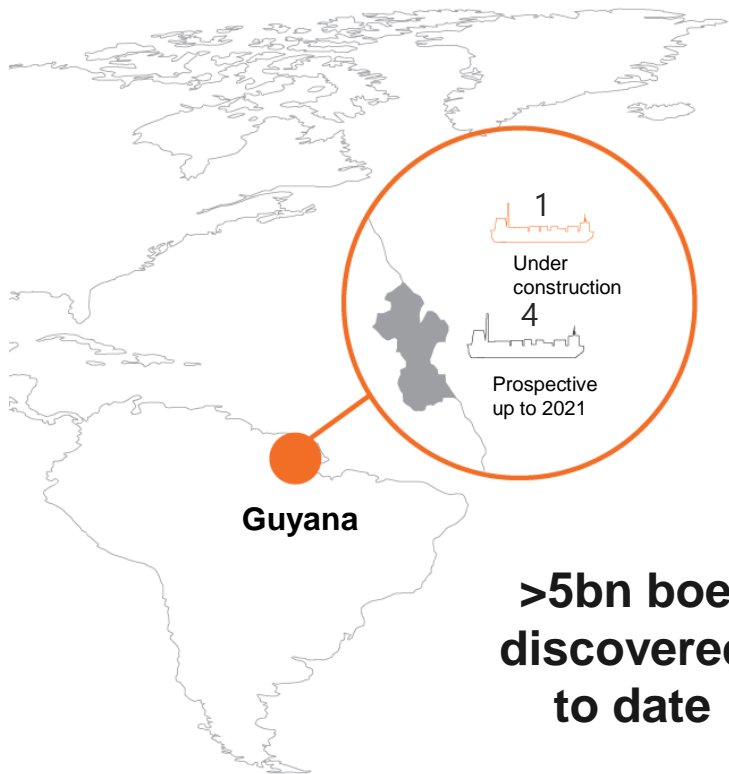


Sources: Rystad Energy, Petrobras, various media sources

Potential Brazil FPSO awards

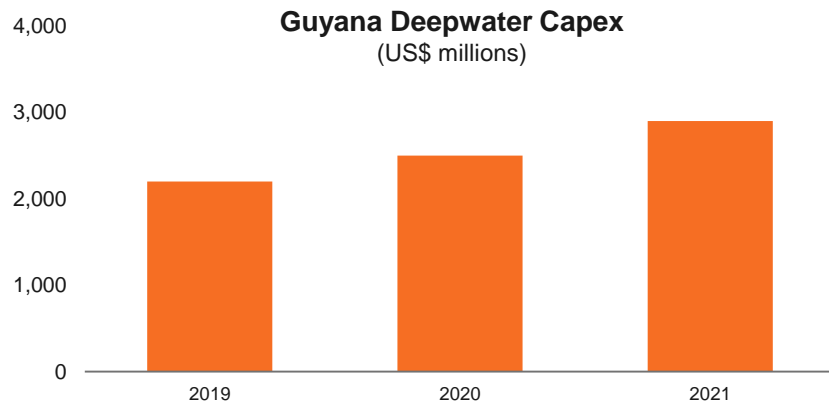
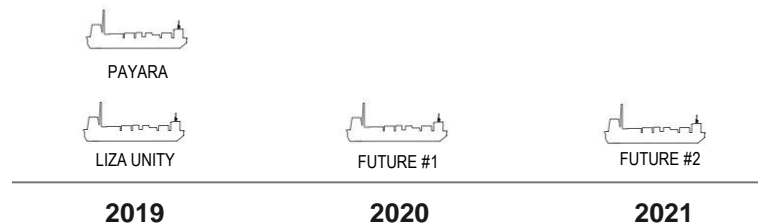


Guyana largest deepwater discovery of past decade

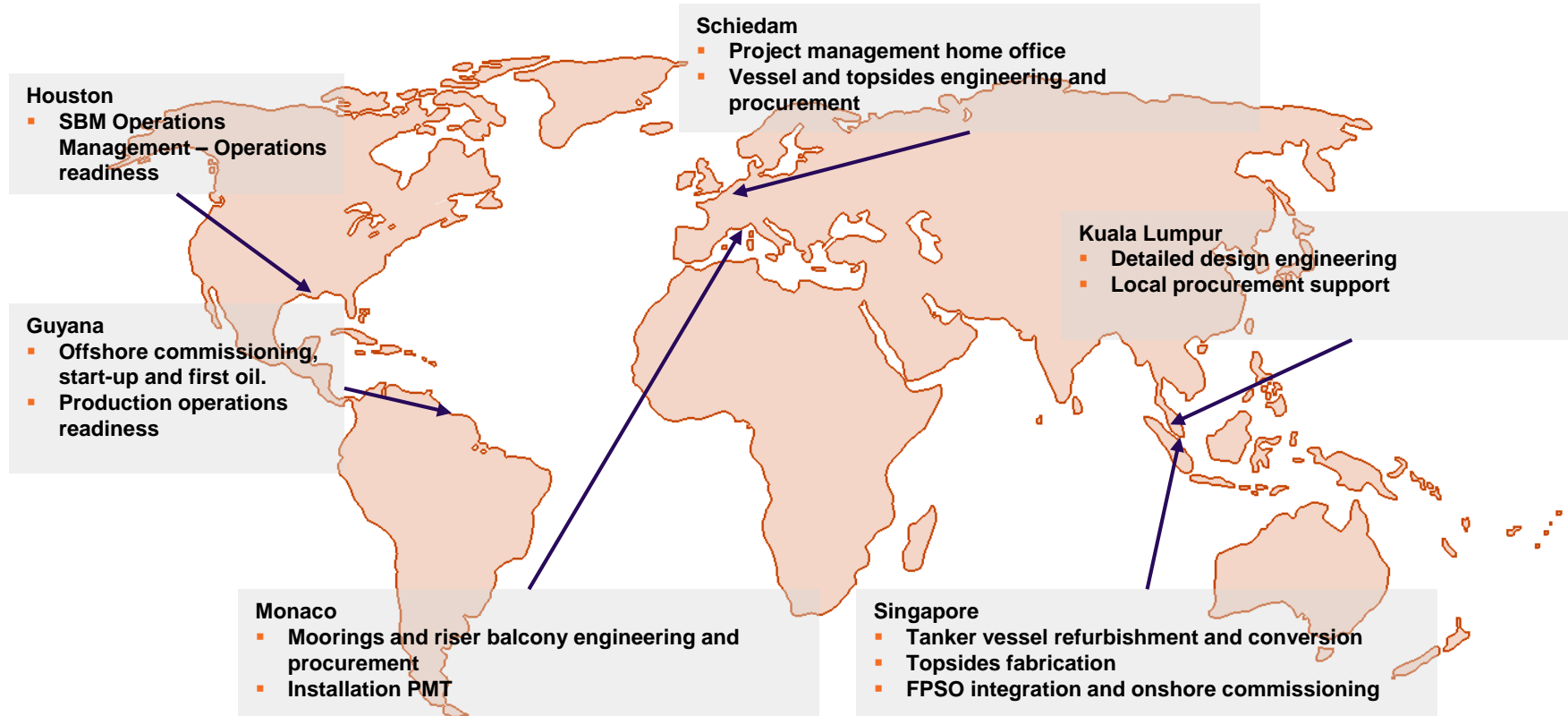


Sources: ExxonMobil, Hess, Rystad Energy

Potential Guyana FPSO awards

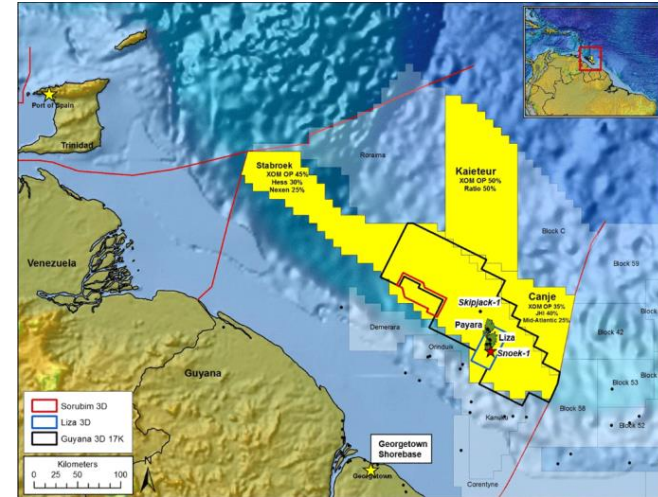


SBM Offshore execution centers



Optimize | Liza Destiny Project overview | key facts

- **320 meters** is the length of the FPSO
- **1525 meters** water depth offshore Guyana
- **14,000 tons** of topsides
- **20 year** design life
- **16 million man-hours** spent so far
- **>3000** people working on the project at peak



ExxonMobil

Operator – 45%

Hess

30%

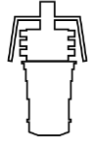
Uzac CNOOC

25%

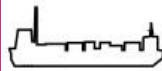
2019 Q1 Key highlights



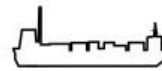
Turnkey



- Revenues in line with guidance. **Turnkey back as Growth facilitator**, Revenue: **+169%**
- SBM Offshore awarded Contracts for ExxonMobil FPSO **Liza Unity**
- Third **Fast4Ward™** hull ordered with second yard
- **Progress on schedule:**
 - **Liza Destiny FPSO** – in final phase of construction
 - **Johan Castberg TMS** - progress in line with clients schedule



Lease and Operate



- Revenue in line with guidance. Year to year: minor decline: -6%
- **Liza Destiny** will be **added to the fleet** towards the end of **2019**
- **Fleet uptime at 98.8% for 2019**, from 98.0% in 2018
- Vessels leaving the fleet during 2018:
 - FPSO Turritella
 - FSO Yetagun
 - FPS N'Kossa II



Others



- Companies **financials in line with guidance**
- **Share repurchase Program** on track with **93%** completed by May 15th 2019
- First **drawdown on RCF** during Q1 (US\$ 60m), the US\$ 720m Liza Destiny facility remained undrawn
- **Net debt increased** with US\$ 300m from year-end 2018.

SBM Offshore

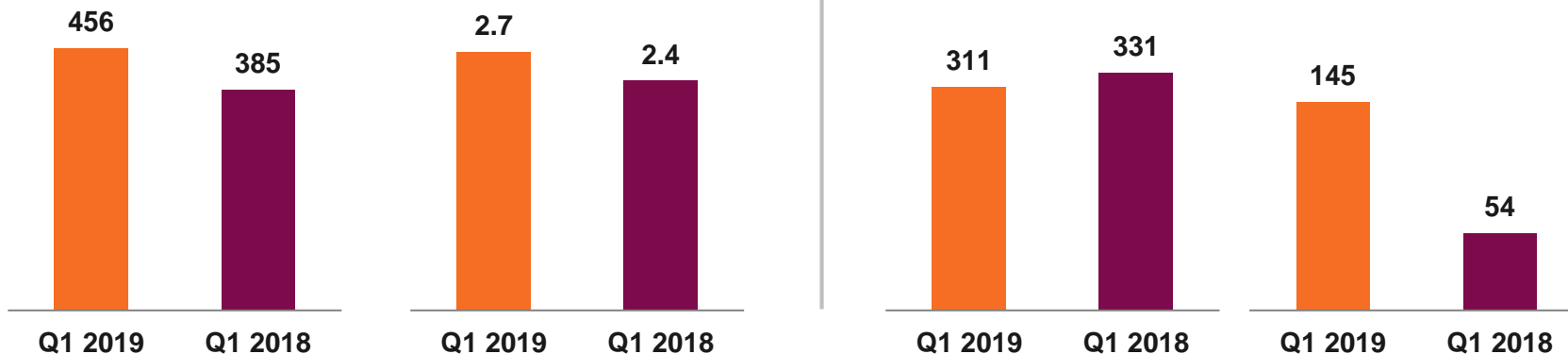
Revenues per segment

Revenues

Net Debt (in US\$ billions)

Lease and Operate

Turnkey



Innovative US\$1bn Revolving Credit Facility linked to sustainability performance

- **First time in the oil and gas services industry**
- **Signed on February 13th, 2019**
- **To finance Engineering, Procurement and Construction (EPC) activities, working capital, bridge any long-term financing needs, and/or general corporate purposes**

The sustainability performance adjustment allows for the RCF's margin to increase or decrease depending on the Company's environmental, social and governance performance as measured by Sustainalytics.

Financial Framework

Key components

**Stable cash flow
delivery**

**Cash visibility from
backlog to 2036**

**~25% average cash
return on net assets¹**

**Turnkey leveraged
to growth**

**Financing secured
for growth**

**Shareholder return
focus**

1) based on period 2016- 2018

Turnkey

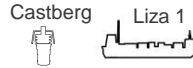
Drives growth upside



Turnkey
Growth facilitator

Lease and Operate
Free cash flow generator

Current In hand

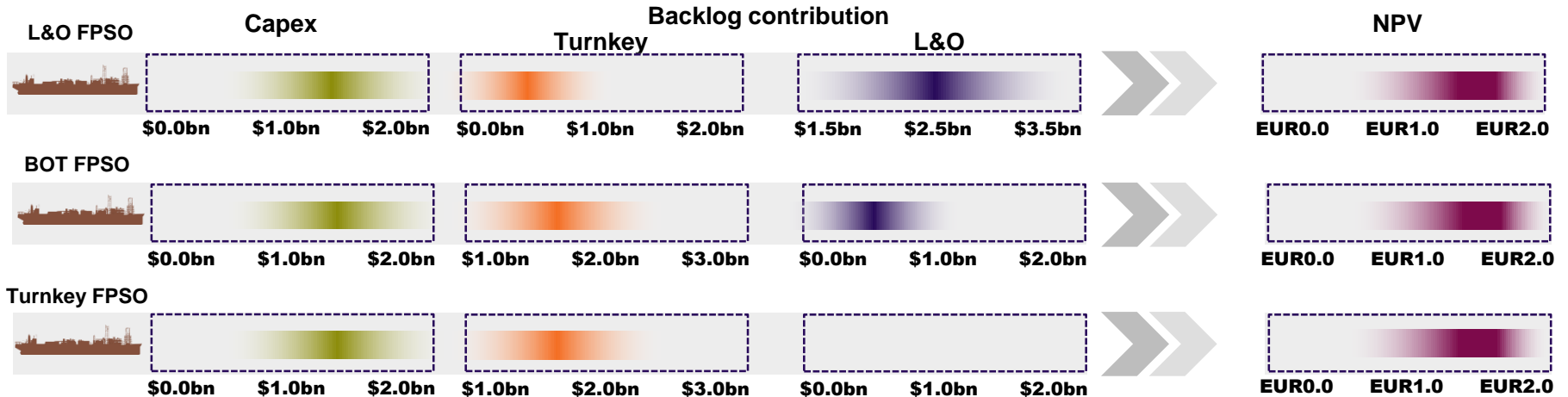


→ 2-3 years Turnkey cash breakeven secured

Existing Asset Portfolio – CF after debt av. \$250m p.a



Contribution new Turnkey projects



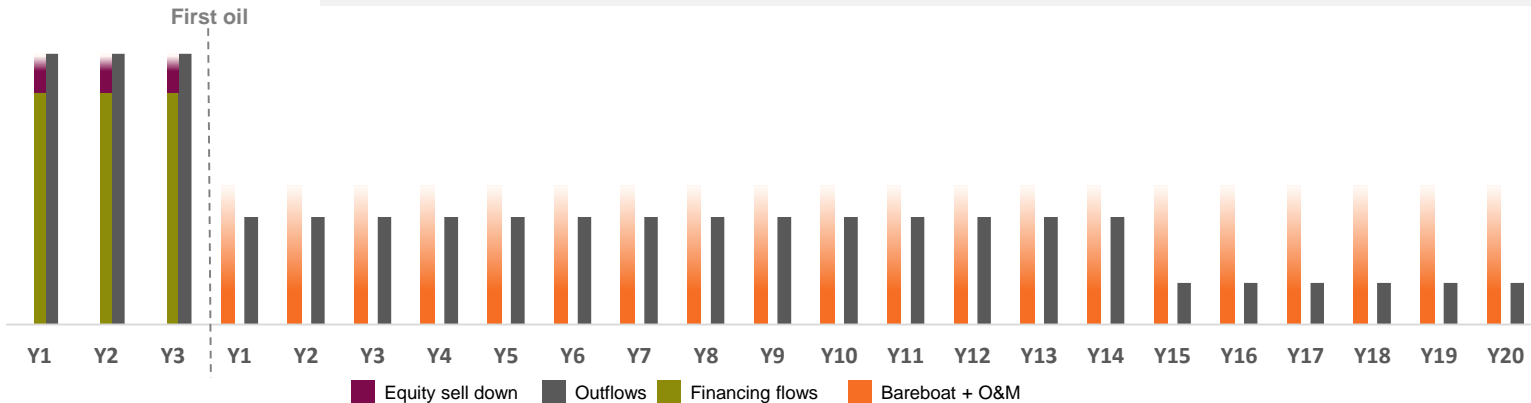
Commercial models

Indicative cash flow profiles

L&O FPSO



USD 1.5b Project
75% Project Financing over Sales Price

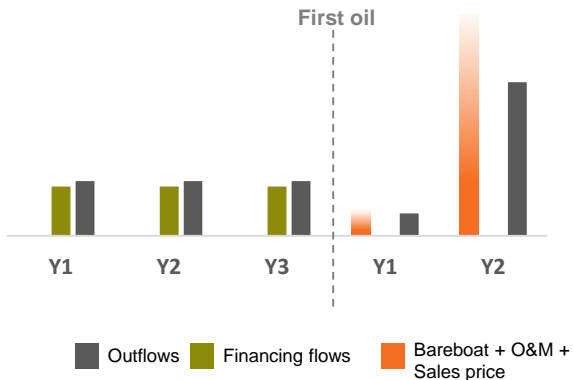


Profiles are not to scale ; pre completion cash flows have been averaged ; post-completion L&O profile linearized to reflect a generic example

BOT FPSO



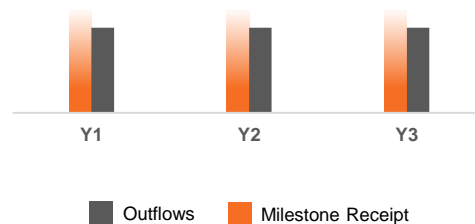
USD 1.5b Project
75% Project Financing over Sales Price



Turnkey FPSO



USD 1.5b Project

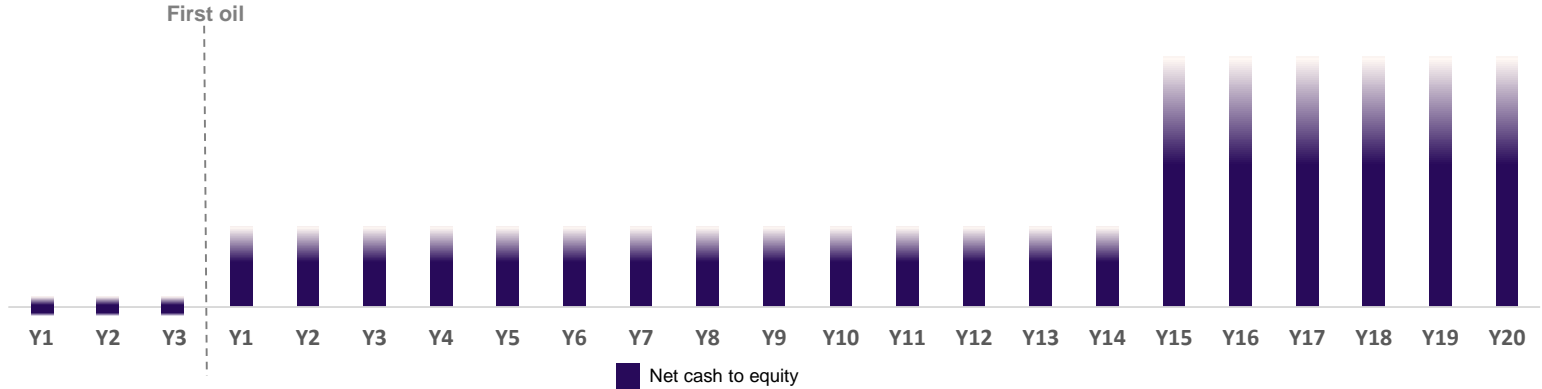


Commercial models

Indicative net cash profiles

Option to manage level of upfront cash investment in all models

L&O FPSO

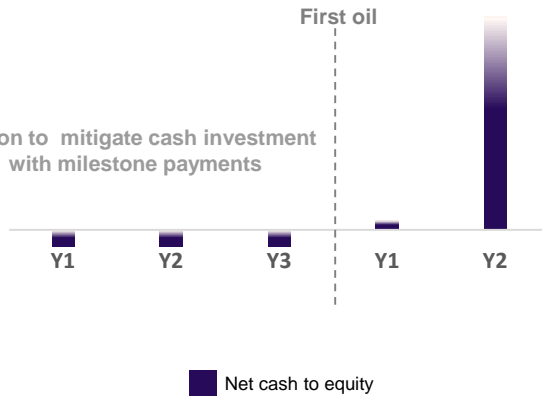


Profiles are not to scale ; pre completion cash flows have been averaged; post-completion L&O profile linearized to reflect a generic example

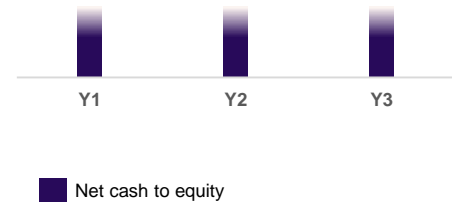
BOT FPSO



Option to mitigate cash investment with milestone payments

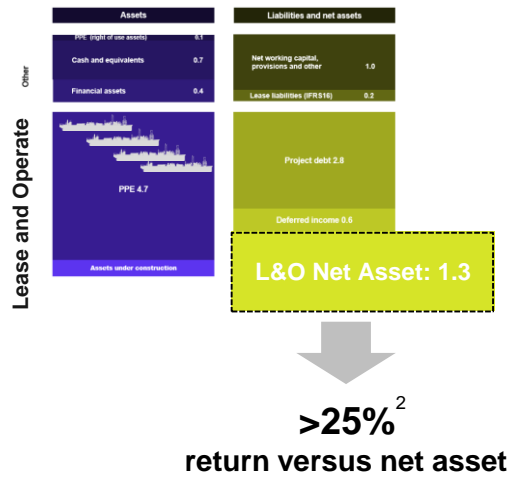
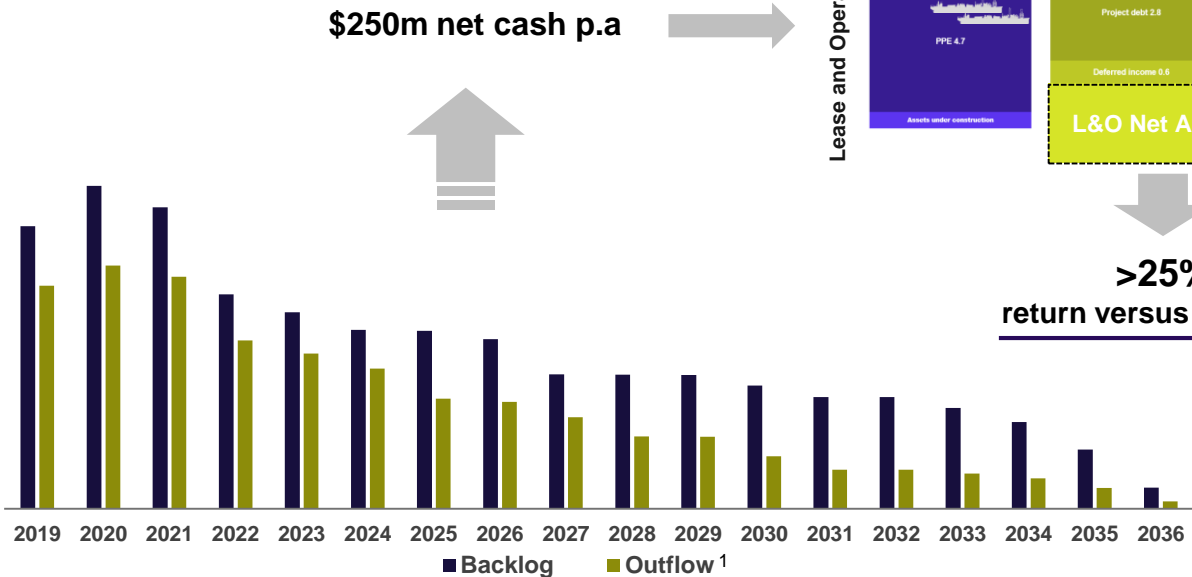
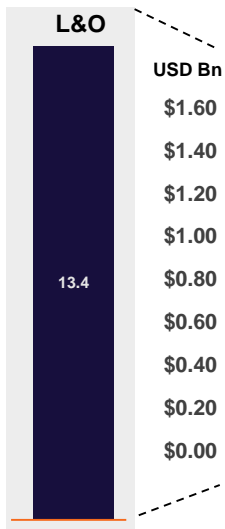
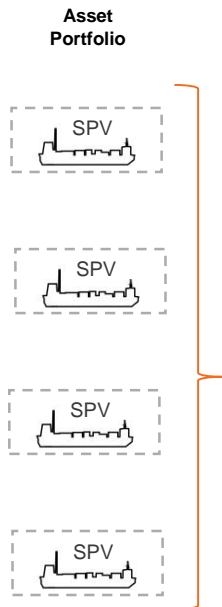


Turnkey FPSO



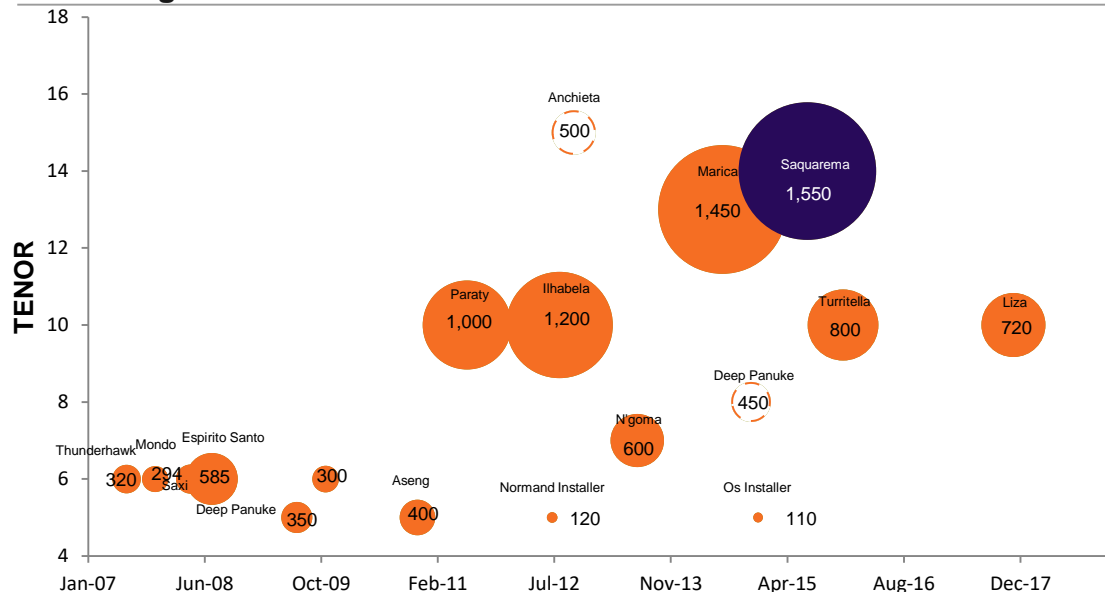
Lease & Operate

Cash flow visibility and returns



1) Outflow includes Opex, debt redemptions, interest and deferred income
 2) Net of assets under construction as at end 2018




Financing Track record



More than 11 billion debt raised in the past ten years

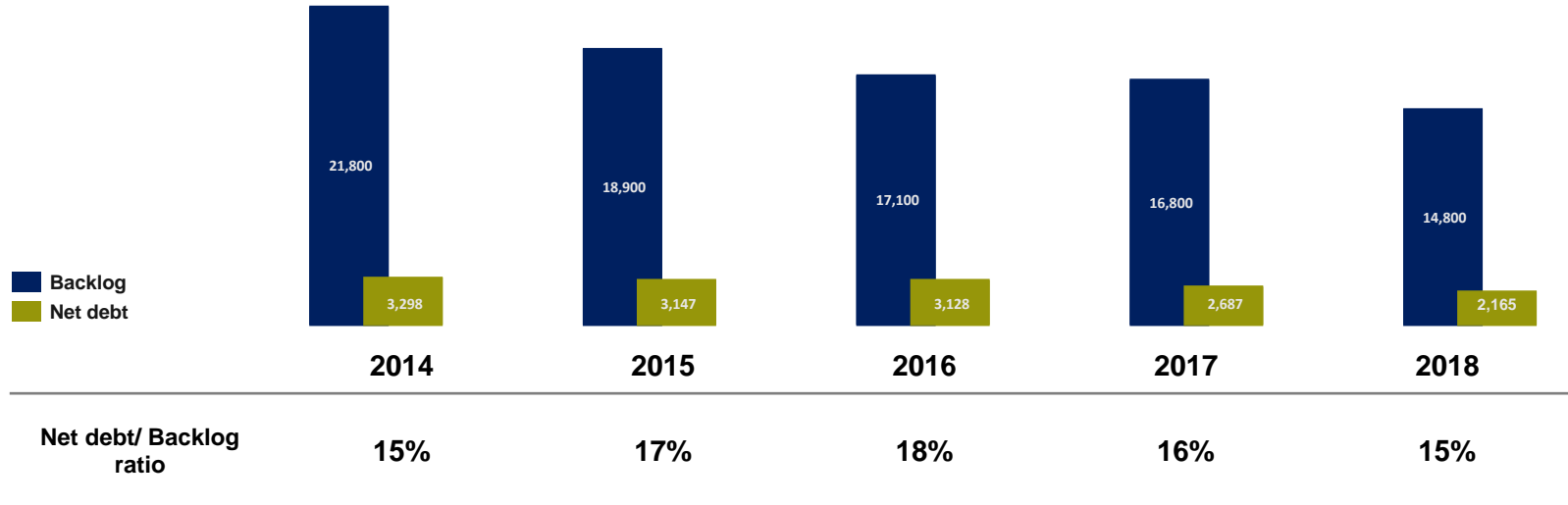
Collaboration with over 25 financial institutions

Figures in US\$ millions

-  US Private Placement Financing
-  Bank Loan Financing
-  ECA Financing

Financing drives growth

Debt correlated to backlog



- Debt directly related to individual project cash flows in backlog
- Increase in debt = increase in backlog and value
- Healthy and historically stable net-debt to backlog ratio within 15 – 20% range
- Expect similar level of stability going forward