

# Pareto Oil & Offshore Conference

**Douglas Wood | CFO**

September 11, 2019



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# Company strategy at work in 2019



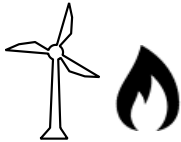
**US\$ 272m  
shareholder returns**

**+US\$ 6.3bn**

**Backlog<sup>1</sup> addition**



**2 Fast4Ward<sup>®</sup>  
awards**



**Innovating for  
the future**



**Disciplined execution  
throughout the cycle**



**Positive market  
outlook**

(1) Reflects a pro-forma view of the Company's Directional backlog; for further details on the key-assumptions please see slide 29 of the 1H 2019 Earning Update presentation

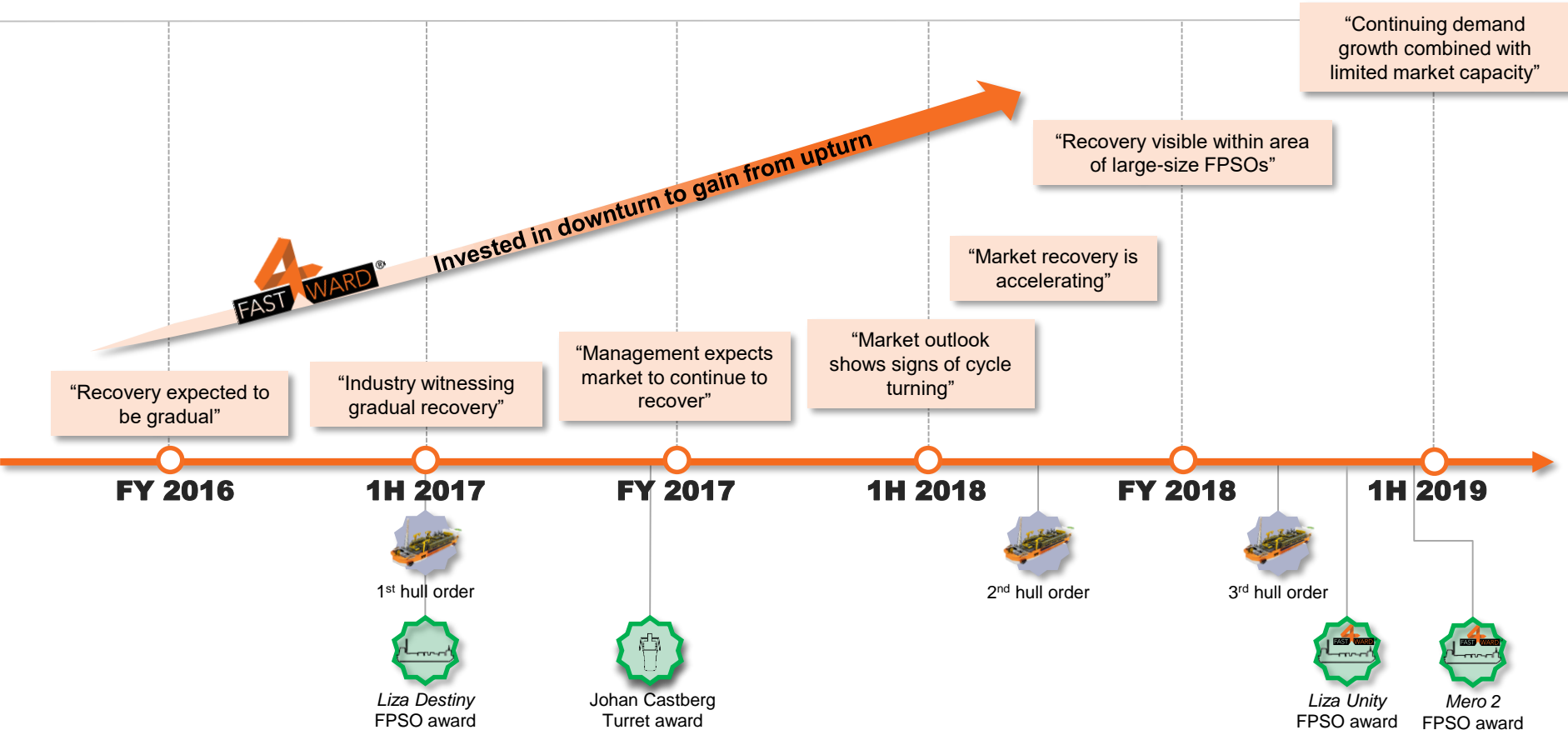


**The Market**

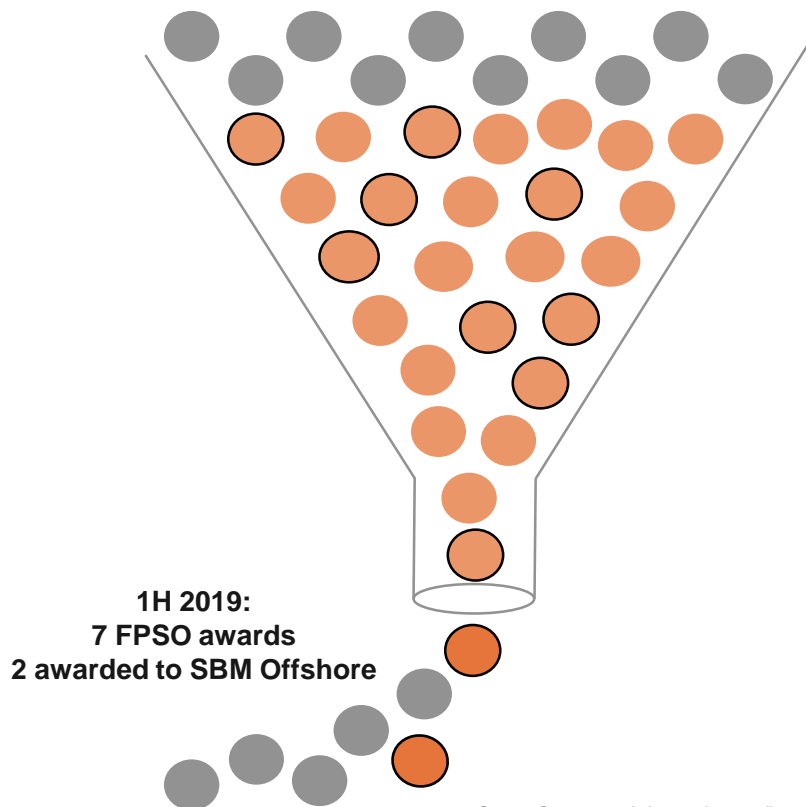
**SBM Offshore's Strategy**

**Financial Positioning**

# SBM Offshore's market growing



# FPSO Market – prospects funnel 2019-2021



**~ 35 prospects**

**> 25 potential awards**

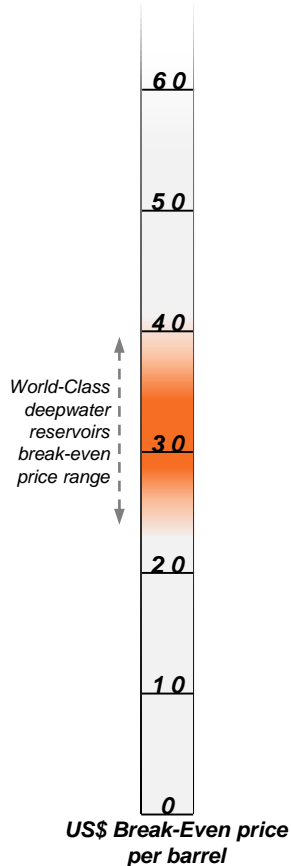
**~ 9 projects within target market**

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

**promising turret prospects pipeline**

Source: Company websites, various media sources, Rystad Energy

# What the industry says about Deepwater



**ExxonMobil**

"Our portfolio of deepwater opportunities is key to long-term growth plans."

**BR PETROBRAS**

"We will continue prioritizing our activities in deep waters"



"We have a leading global deepwater business and have an exciting funnel of competitive, high-margin projects to develop."



RYSTAD ENERGY

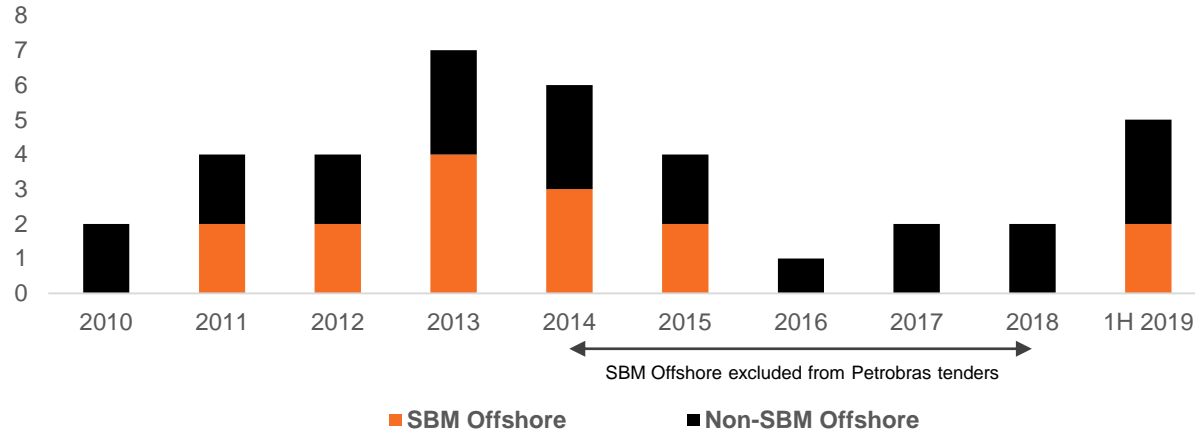
"Deepwater leads the way in oil, gas discoveries in 2019"

**Wood Mackenzie**

"For all big majors, deepwater is a growth element. Deepwater is where all the big discoveries are made"

# Premium for experienced contractors

Major FPSOs under construction by active contractors



**Significant capacity booked**

Source: Company presentations, various media sources





The Market  
SBM Offshore's Strategy  
Financial Positioning

# Our Strategy



Best in class

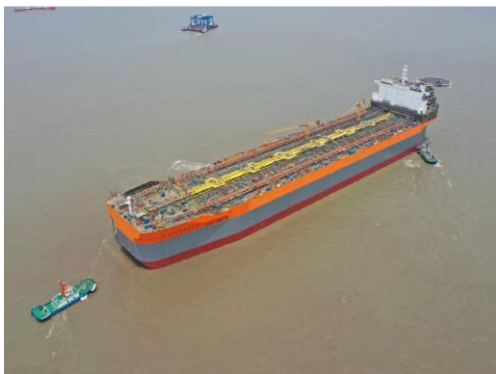


Change our ways  
of working



The energy transition





**CLIENT FIRST**



**STANDARDIZATION**



**DIGITAL SOLUTIONS**



**FLAWLESS  
EXECUTION**



**INTEGRATED  
SUPPLY CHAIN**

## OIPOC



## The Engineer 4.0 & Connected Operator



## Digital Twin

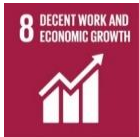


## The Unmanned FPSO

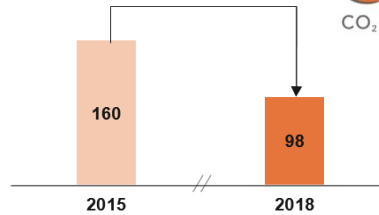




Selected 2019 SDGs

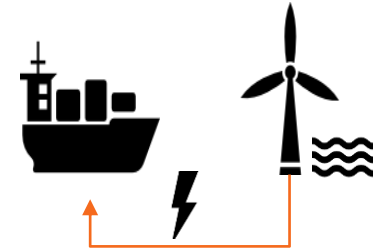


## CO<sub>2</sub> Challenge

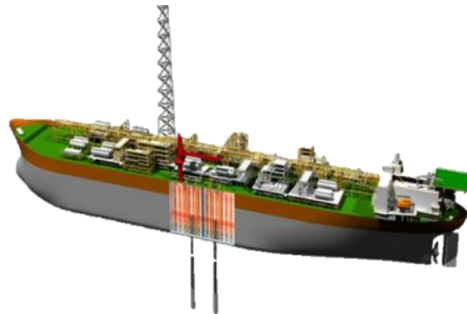


Reduction of GHG emission

## Renewable Power




## Seawater Intake Riser




## Human Rights

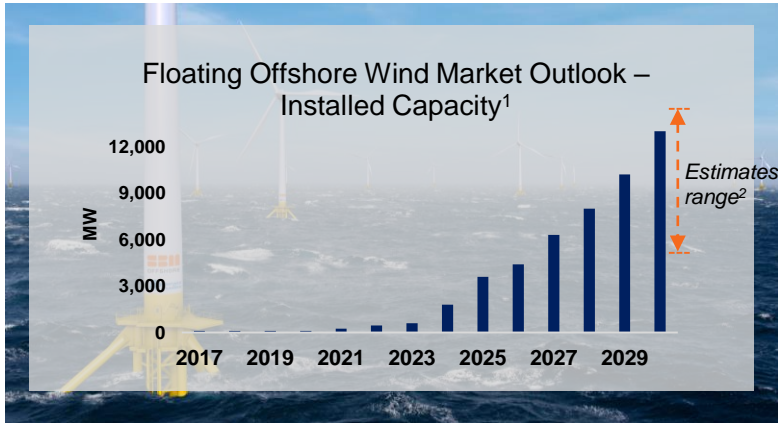




 SBM Offshore focus

 Outside of SBM Offshore focus

## Floating Offshore Wind



- Estimated installed floating wind capacity by 2030: 5 – 15 GW

## Wave Energy Converter

- First investment in 2009
- Investment decision taken 1<sup>st</sup> offshore prototype, launch in 2021
- US\$20 million gross investment committed coming 3 years



(1) Source: Equinor  
(2) Source: Recharge news, Roland Berger



**The Market**

**SBM Offshore's Strategy**

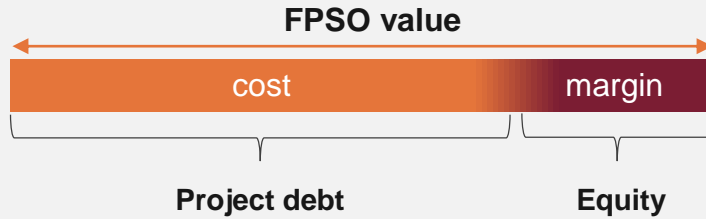
**Financial Positioning**



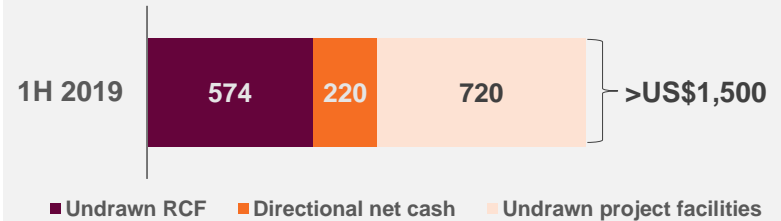
# Funding growth

Directional, US\$ millions

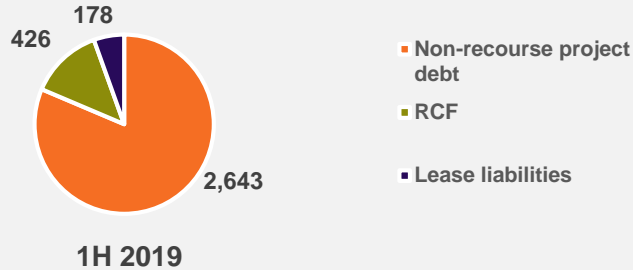
## Efficient financing model



## Undrawn facilities + cash



## Directional borrowings and lease liabilities

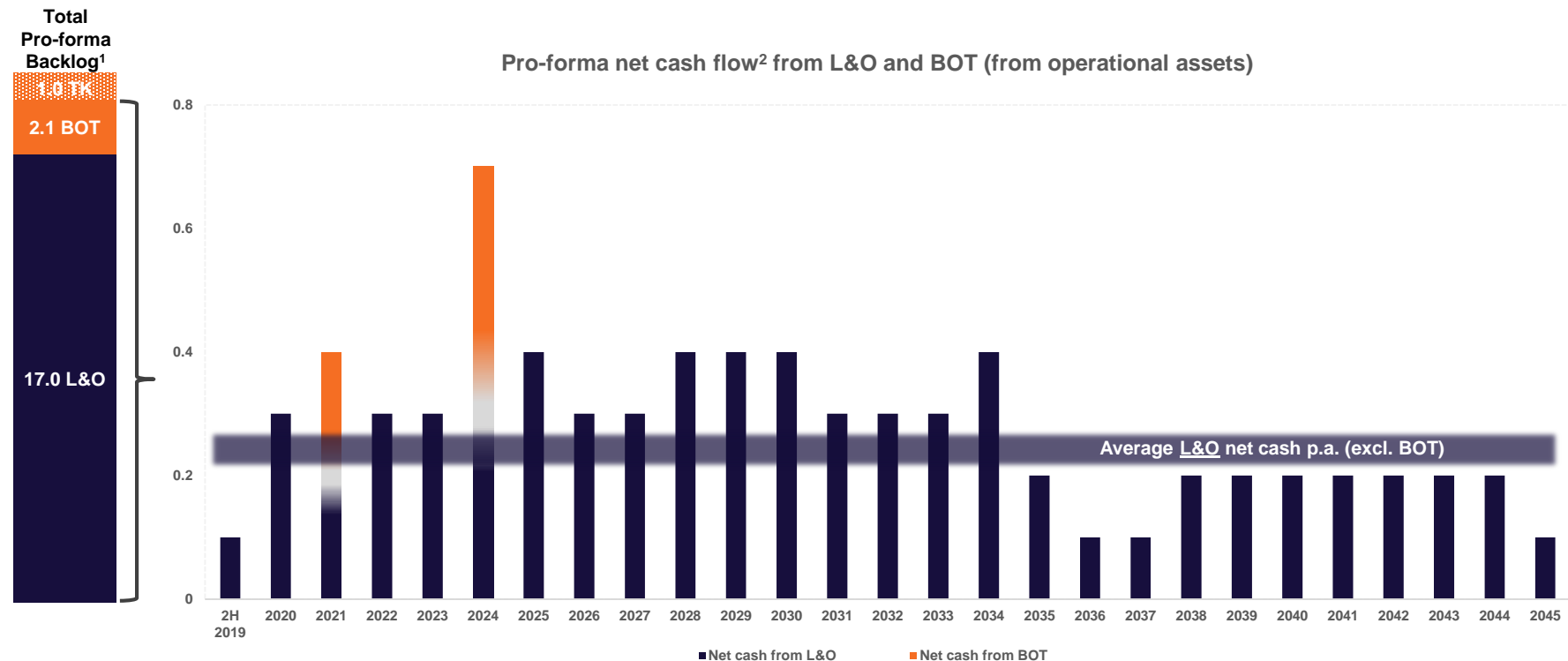


- ✓ *Liza Unity*: bank commitments received
- ✓ *Mero 2*: financing in progress

## Financing secured for growth

# 26 years of cash flow visibility

Directional, US\$ billions



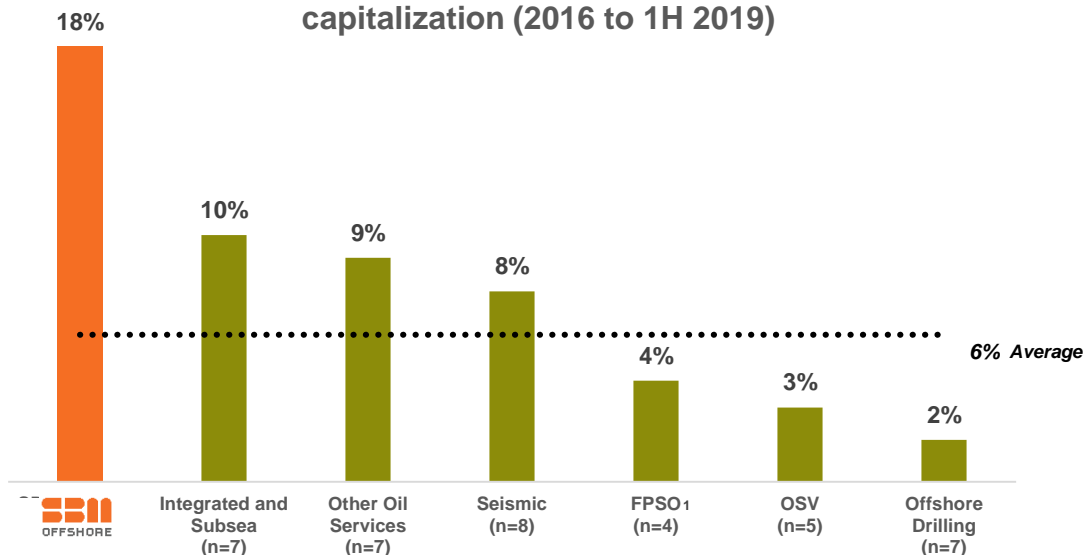
(1) Backlog is the undiscounted revenue over the confirmed portion of the contract. The pro-forma backlog includes following assumptions:

- Includes FPSO *Liza Unity* operating and maintenance scope, which is pending a final work order and a transfer of the FPSO to the client within a period of up to 2 years as contractually agreed.
- Assumes that FPSO *Liza Destiny* will be purchased by the client within a period of two years of operation, which is not yet contractually committed as previously announced.
- The sale of both BOT projects (*Liza Destiny* and *Liza Unity*) is reflected in the Turnkey backlog whereby the first two years of operation are included in the Lease and Operate backlog.
- Assumes SBM ownership of 65% in FPSO *Mero 2*

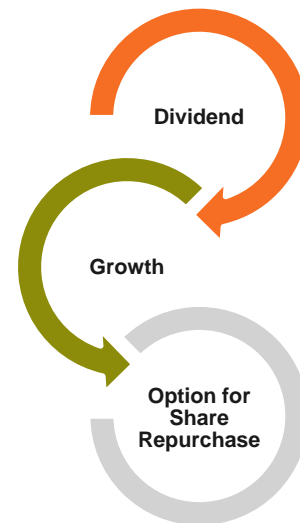
(2) Calculation is based on rounding applied to nearest hundred million in the L&O and BOT backlog and rounding applied to nearest hundred million in the outflow which includes opex, debt redemptions, interest and non-cash reversal of deferred income, does not include capex

# Cash returns to shareholders

Total cash to shareholders / average market capitalization (2016 to 1H 2019)



Capital allocation



(1) Excluding SBM Offshore  
 Note: represents cash dividend and share repurchase programs.  
 Source: Company financial statements, S&P Capital IQ, Bloomberg

# Q & A





ENERGY. COMMITTED.

