Subsea 7 S.A. Announces Fourth Quarter and Full Year 2022 Results

Luxembourg – 2 March 2023 – Subsea 7 S.A. (Oslo Børs: SUBC, ADR: SUBCY, ISIN: LU0075646355, the Company) announced today results of Subsea7 Group (the Group, Subsea7) for the fourth quarter and full year which ended 31 December 2022. Unless otherwise stated the comparative period is the full year which ended 31 December 2021.

Full year highlights

- Full year Adjusted EBITDA of $559 million resulting in a margin of 11%
- Highest order intake since 2013 at over $7 billion
- Backlog of $9.0 billion, of which $4.2 billion to be executed in 2023 and $3.0 billion in 2024
- Cash and cash equivalents of $646 million and net cash of $33 million including lease liabilities
- High tendering activity with continued momentum in pricing
- Recent awards and ongoing bids underpin management's confidence in the outlook, including a return of Adjusted EBITDA margins to through-cycle levels of 15-20% over the coming four years
- Reflecting the Board's confidence in the outlook for Subsea7, it will propose for approval by shareholders at April's AGM a dividend of NOK 4.00 per share, including the NOK 1.00 per share regular dividend

	Fourth Quarter		**Full Year**	
For the period (in $ millions, except Adjusted EBITDA margin and per share data)	**Q4 2022 Unaudited**	Q4 2021 Unaudited	**2022 Audited**	2021 Audited
Revenue	**1,291**	1,365	**5,136**	5,010
Adjusted EBITDA[(a)]	**169**	143	**559**	521
Adjusted EBITDA margin[(a)]	**13%**	10%	**11%**	10%
Net operating income	**108**	31	**149**	72
Net income	**27**	4	**36**	36
Earnings per share – in $ per share				
Basic	**0.10**	(0.01)	**0.20**	0.11
Diluted[(b)]	**0.09**	(0.01)	**0.19**	0.11

At (in $ millions)	**2022 31 Dec**	2021 31 Dec
Backlog[(a)]	**9,008**	7,212
Book-to-bill ratio – full year[(a)]	**1.4x**	1.2x
Cash and cash equivalents	**646**	598
Borrowings	**(356)**	(422)
Net cash excluding lease liabilities[(a)]	**290**	176
Net cash/(debt) including lease liabilities[(a)]	**33**	(55)

(a) For explanations and reconciliations of Adjusted EBITDA, Adjusted EBITDA margin, Backlog, Book-to-bill ratio and Net cash/(debt) refer to the 'Alternative Performance Measures' section of the Condensed Consolidated Financial Statements.

(b) For the explanation and a reconciliation of diluted earnings per share refer to Note 7 'Earnings per share' to the Condensed Consolidated Financial Statements.

John Evans, Chief Executive Officer, said:

2022 was a year of strong momentum for Subsea7 as the recovery in our subsea market gathered pace. The cumulative impact of years of underinvestment by the oil and gas industry combined with a new urgency for energy security supported a resurgence in demand for our services. The increase in tendering and early engineering activity that we were experiencing twelve months ago translated into strong order intake over the course of 2022, driving a rapid tightening of vessel availability and an improvement in new project margins. Total order intake for the year was over $7 billion – the highest since 2013 – with a backlog of over $9 billion. This resulted in high revenue visibility for 2024 and beyond.

Our success in subsea in 2022 has been underpinned by our long-held strategy of early engagement, and collaboration and partnerships. In the fourth quarter we booked new orders in Norway totalling $1.8 billion as a result of our subsea alliance with Aker BP and Aker Solutions. This partnership enabled us to engage early in the field development process, optimising design solutions and enhancing field economics to unlock these developments. During 2022 we also reinforced our relationship with SLB with the agreement to invest in its new subsea hardware joint venture with Aker Solutions. The joint venture will become our new partner in Subsea Integration Alliance and our investment will strengthen this partnership as well as offering strong returns on a standalone basis.

Our energy transition strategy includes carbon capture, floating wind and hydrogen, and in 2022, we prepared for the pipelay on our first CCUS project at Northern Lights in Norway, and executed our third floating wind project at Hywind Tampen. We also successfully engaged Ørsted as a strategic investor in our Salamander floating wind project with Simply Blue Energy, and we joined a consortium of companies working on the design of the Gray Whale 3 floating wind project in South Korea. In hydrogen, we formed an alliance with OneSea to develop solutions for offshore green hydrogen and we advanced our evaluation of this potentially significant market.

Within Renewables, Seaway7 did not perform as we had expected during 2022. The problems encountered originated from the combination with OHT ASA primarily linked to issues with the construction of *Seaway Alfa Lift*. Specifically, the design and fabrication of the mission equipment led to an overrun on the vessel construction schedule and budget with a knock-on impact on Dogger Bank A&B, for which a provision was taken in 2022. Among other factors, this development contributed to the Group being unable to realise its initial objective to increase the free float of Seaway7, and necessitated recapitalising Seaway7 through a combination of debt and equity rights issue.

Seaway7's two leading-edge new build vessels are expected to be delivered towards the end of 2023 and will ensure that it remains a market leader in the high growth fixed offshore wind market. While order inflow was subdued in 2022, our pre-backlog of over $1 billion, combined with a tendering pipeline of over $7 billion, gives us confidence in the future for this important part of our energy transition strategy.

Overall, Subsea7 delivered a good financial and operational performance in 2022, while making important progress on several aspects of our strategy, and we are well-placed to deliver growth, both near and longer term.

Operational highlights – good progress on major projects

During 2022 the Subsea and Conventional business unit made good progress in engineering and procurement activities on several large projects including Mero 3 and Bacalhau in Brazil, Marjan 2 in Saudi Arabia, Sanha Lean Gas in Angola and Scarborough in Australia, while offshore activities continued on the major, fast-track Sakarya project in Turkey. Our global enabler vessels were active on several projects in the Gulf of Mexico including Jack St Malo, King's Quay, Mad Dog 2, TOPR and Vito, as well as Jubilee in Ghana, Johan Sverdrup Phase 2 in Norway, Sangomar in Senegal and 28 Jackets in Saudi Arabia. The vessels also executed the Hywind Tampen floating wind development in Norway.

In the Renewables business unit, good progress was made on the Seagreen project in the UK, which neared completion. By year-end, a total of 93 foundation jackets had been installed and more than 50% of the associated inner-array cables. The challenging Formosa 2 project in Taiwan and monopile scope of the Hollandse Kust Zuid project in the Netherlands were completed. Installation activity at Dogger Bank A&B in the UK progressed as planned. We also successfully executed the inner-array cable lay scopes of Hornsea 2 in the UK and Hollandse Kust Zuid. In total we supported the installation of 2.9GW renewable energy during the year.

Fourth quarter financial review – a strong finish to the year

Revenue of $1.3 billion declined 5% compared to the prior year period reflecting modest growth of 3% in Subsea and Conventional, offset by a 33% decline in Renewables, due to the phasing of the Seagreen project. Adjusted EBITDA of $169 million equated to an Adjusted EBITDA margin of 13.1%, up from 10.5% in Q4 2021. After depreciation and amortisation charges of $117 million and net impairment reversals of $57 million, primarily related to property, plant and equipment, net operating income increased to $109 million. Net income for the quarter increased to $27 million from $4 million in the prior year, despite a $28 million net foreign currency loss and a $52 million taxation, which equates to an effective tax rate of 66%.

Net cash generated from operations was $143 million including a $36 million beneficial movement in net working capital. Net cash used in investing activities was $42 million while net cash generated by financing activities was $11 million which included the $55 million positive net impact of the equity rights issue of $200 million by Seaway 7 ASA. Overall, cash and cash equivalents increased by $113 million from 30 September 2022 to $646 million at year end.

Fourth quarter order intake was $3.0 billion comprising new awards of $2.3 billion, escalations of $0.6 billion, and a beneficial foreign exchange movement of approximately $0.2 billion, resulting in a book-to-bill ratio of 2.3x.

Full year financial review – solid overall performance

Revenue of $5.1 billion increased by 3% compared to the prior year reflecting 6% growth in Subsea and Conventional, offset by an 11% reduction in Renewables. Adjusted EBITDA of $559 million equates to an Adjusted EBITDA margin of 10.9%, slightly higher than 10.4% in 2021. After depreciation and amortisation charges of $468 million, net operating income increased to $149 million from $72 million in 2021. After a tax charge of $100 million, equating to an effective tax rate of 73%, net income was flat year-on-year at $36 million.

Net cash generated from operations was $486 million including a $28 million favourable movement in net working capital. Net cash used in investing activities was $220 million, including $231 million related to purchases of property, plant and equipment. Net cash used in financing activities was $211 million, which included $55 million positive net impact related to Seaway7's equity rights issue. Overall, cash and cash equivalents increased by $48 million during the year with closing net cash of $33 million, including lease liabilities of $257 million.

Full year order intake was $7.1 billion comprising new awards of $5.3 billion, escalations of $1.8 billion, and adverse foreign exchange movements of $0.2 billion, resulting in a book-to-bill ratio of 1.4x. Backlog at the end of December was $9.0 billion, of which $4.2 billion is expected to be executed in 2023 and $3.0 billion in 2024.

Continued commitment to return capital to shareholders

The Board will propose a NOK 4.00 per share dividend, equivalent to approximately $110 million, at the AGM on 18 April 2023. At arriving at this proposal, the Board took into consideration the financial performance and prospects of the Group, the NOK 1.00 regular dividend policy commitment and the status of the 2022 share repurchase programme.

Outlook – continued backlog growth and improving project margins

We expect revenue and Adjusted EBITDA in 2023 to be higher than 2022, with a weighting towards the second half of the year.

The outlook for both traditional and new energy is robust supported by a vast portfolio of potential developments in both subsea and offshore wind with attractive economics, all of which will be necessary if the industry is to meet the demand for global energy and provide energy security in Europe. Subsea7 is well positioned to address both markets, with a large and capable fleet of modern vessels. Availability of installation capacity for subsea and offshore fixed wind markets continues to tighten for 2024 and 2025, and we are now tendering projects for 2026 and beyond. Pricing and contract terms improved during 2022 and recent awards, as well as ongoing tenders, support our view that long-term Adjusted EBITDA margins should trend back to a through-cycle range of 15-20% over the long term.

Conference Call Information

Date: 2 March 2023

Time: 12:00 UK Time

Access the webcast at subsea7.com or https://edge.media-server.com/mmc/p/unwkh4rt

Register for the conference call at https://register.vevent.com/register/BI168b055453614ec7809c9f72edb6876c

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Special Note Regarding Forward-Looking Statements

Certain statements made in this announcement may contain 'forward-looking statements' (within the meaning of the safe harbour provisions of the U.S. Private Securities Litigation Reform Act of 1995). These statements relate to our current expectations, beliefs, intentions, assumptions or strategies regarding the future and are subject to known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements may be identified by the use of words such as 'anticipate', 'believe', 'estimate', 'expect', 'future', 'goal', 'intend', 'likely' 'may', 'plan', 'project', 'seek', 'should', 'strategy' 'will', and similar expressions. The principal risks which could affect future operations of the Group are described in the 'Risk Management' section of the Group's Annual Report and Consolidated Financial Statements. Factors that may cause actual and future results and trends to differ materially from our forward-looking statements include (but are not limited to): (i) our ability to deliver fixed price projects in accordance with client expectations and within the parameters of our bids, and to avoid cost overruns; (ii) our ability to collect receivables, negotiate variation orders and collect the related revenue; (iii) our ability to recover costs on significant projects; (iv) capital expenditure by oil and gas companies, which is affected by fluctuations in the price of, and demand for, crude oil and natural gas; (v) unanticipated delays or cancellation of projects included in our backlog; (vi) competition and price fluctuations in the markets and businesses in which we operate; (vii) the loss of, or deterioration in our relationship with, any significant clients; (viii) the outcome of legal proceedings or governmental inquiries; (ix) uncertainties inherent in operating internationally, including economic, political and social instability, boycotts or embargoes, labour unrest, changes in foreign governmental regulations, corruption and currency fluctuations; (x) the effects of a pandemic or epidemic or a natural disaster; (xi) liability to third parties for the failure of our joint venture partners to fulfil their obligations; (xii) changes in, or our failure to comply with, applicable laws and regulations (including regulatory measures addressing climate change); (xiii) operating hazards, including spills, environmental damage, personal or property damage and business interruptions caused by adverse weather; (xiv) equipment or mechanical failures, which could increase costs, impair revenue and result in penalties for failure to meet project completion requirements; (xv) the timely delivery of vessels on order and the timely completion of ship conversion programmes; (xvi) our ability to keep pace with technological changes and the impact of potential information technology, cyber security or data security breaches; and (xvii) the effectiveness of our disclosure controls and procedures and internal control over financial reporting. Many of these factors are beyond our ability to control or predict. Given these uncertainties, you should not place undue reliance on the forward-looking statements. Each forward-looking statement speaks only as of the date of this announcement. We undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Fourth Quarter 2022

Income Statement

Revenue
Revenue for the fourth quarter was $1.3 billion, a decrease of $74 million or 5% compared to Q4 2021. The reduction was mainly due to decreased revenue in the Renewables business unit as the Seagreen project, UK, neared completion.

Adjusted EBITDA
Adjusted EBITDA was $169 million resulting in Adjusted EBITDA margin of 13%, an increase of $26 million or 18% compared to Q4 2021. The increase was driven by higher Adjusted EBITDA in both the Subsea and Conventional and Renewables business units.

Net operating income
Net operating income was $109 million, which benefitted from impairment reversals of $56 million, related to property, plant and equipment, compared to $31 million in Q4 2021.

Net operating income in the quarter was driven by:

- net operating income of $111 million in the Subsea and Conventional business unit (Q4 2021: $50 million) and $6 million in the Renewables business unit (Q4 2021: net operating loss $12 million)

partly offset by:

- net operating loss of $8 million in the Corporate business unit (Q4 2021: net operating loss of $7 million).

Net income
Net income was $27 million in the quarter, compared to net income of $4 million in Q4 2021.

The year-on-year movement was primarily due to:

- an increase in net operating income of $78 million, including the impact of impairment reversals of $56 million related to property, plant and equipment

partly offset by:

- a net loss of $29 million within other gains and losses, which included net foreign currency losses of $28 million, compared to a net loss of $6 million in the prior year period, which included net foreign currency gains of $8 million; and
- taxation of $52 million, equivalent to an effective tax rate of 66%, compared to $16 million in Q4 2021.

Earnings per share
Diluted earnings per share was $0.09 compared to diluted loss per share of $0.01 in Q4 2021, calculated using a weighted average number of shares of 291 million and 298 million, respectively.

Business Unit Highlights

Subsea and Conventional
Revenue for the fourth quarter was $1.1 billion, an increase of $28 million or 3% compared to the prior year.

During the quarter the Vito Construction project in the Gulf of Mexico and the Blythe & Vulcan Satellite hubs project in the UK, were substantially completed.

Work progressed on the Sakarya project, Turkey, Sangomar project, Senegal, the TOPR project in the Gulf of Mexico, the Sanha Lean Gas and CLOV 3 projects, Angola, the Scarborough project, Australia, and the Trell & Trine and Northern Lights projects in Norway.

In Brazil, there were high levels of utilisation of the PLSVs and work progressed on the Bacalhau and Mero 3 projects.

Net operating income was $111 million compared to $50 million in Q4 2021, the year-on-year increase was mainly due to impairment reversals of $56 million related to property, plant and equipment following an upward revision in forecast asset utilisation.

Renewables
Revenue was $217 million compared to $326 million in Q4 2021. During the quarter work progressed on the Seagreen project, UK as the project neared completion. Work continued with the offshore phase of the Dogger Bank A&B project, UK, the Zhong Neng, Changfang and Xidao, and Yunlin projects, Taiwan and the Hollandse Kust Zuid project, Dutch North Sea.

Net operating income was $6 million in Q4 2022 compared to net operating loss of $12 million in Q4 2021.

Corporate
Revenue, which was mainly driven by the Group's autonomous wholly owned subsidiaries Xodus and 4Subsea and the Group's floating wind activities, was $24 million compared to $17 million in Q4 2021. During the quarter the Hywind Tampen Cable floating wind farm project, Norway was substantially completed. Net operating loss was $8 million compared to net operating loss of $7 million in the prior year period.

Vessel utilisation and fleet
Active Vessel Utilisation for the fourth quarter was 78% compared with 87% for Q4 2021. Total Vessel Utilisation was 74% compared to 82% in Q4 2021.

At 31 December 2022 there were 38 vessels in the Group's fleet, comprising 36 active vessels and 2 vessels under construction. During the fourth quarter, *Seven Antares* and *Seven Inagha* were classified as assets held for sale and no longer form part of the Group's fleet.

Cash flow

Cash flow statement

Cash and cash equivalents were $646 million at 31 December 2022, an increase of $113 million in the quarter. The movement in cash and cash equivalents during the quarter was mainly attributable to:

- net cash generated from operating activities of $143 million, which included favourable movements of $36 million in net working capital;
- net cash generated from financing activities of $11 million, which included net cash received of $55 million following the Seaway 7 ASA equity rights issuance partly offset by payments related to lease liabilities of $32 million and repayment of borrowings of $6 million

partly offset by:

- net cash used in investing activities of $42 million, which included purchases of property, plant and equipment and intangible assets of $48 million. This amount is lower than expected as stage gate payments in relation to the construction of the *Seaway Alfa Lift* and *Seaway Ventus* were moved into 2023.

Free cash flow

During the fourth quarter, the Group generated free cash flow of $95 million (Q4 2021: $143 million) which is defined as cash generated from operations of $143 million (Q4 2021: $227 million) less purchases of property, plant and equipment and intangible assets of $48 million (Q4 2021: $85 million).

Full Year 2022

Income Statement

Revenue

Revenue for the full year was $5.1 billion, an increase of $126 million or 3% compared to the prior year. The increase was driven by higher revenue in the Subsea and Conventional business unit partly offset by reduced revenue in the Renewables business unit.

Adjusted EBITDA

Adjusted EBITDA and Adjusted EBITDA margin for the year were $559 million and 11% respectively, compared to $521 million and 10% in 2021.

Net operating Income

Net operating income for the year was $149 million, which included impairment reversals of $56 million, related to property, plant and equipment, compared to net operating income of $72 million in the prior year.

The main items contributing to the net operating income in the year were:

- net operating income of $229 million in the Subsea and Conventional business unit;
- net operating income of $5 million related to the Corporate business unit

partly offset by:

- net operating loss of $85 million in the Renewables business unit, which reflected costs incurred on the Formosa 2 project, Taiwan.

Net Income

Net income was $36 million in 2022, which was in line with 2021.

Net income included:

- a net gain of $2 million within other gains and losses, which included net foreign currency loss of $7 million, compared to a net gain of $44 million in 2021 within other gains and losses, which included net foreign currency gains of $36 million; and
- an increase of $36 million in taxation compared to 2021, mainly driven by the increase in income before tax combined with irrecoverable withholding taxes in certain jurisdictions. The effective tax rate for 2022 was 73%.

Earnings per share

Diluted earnings per share was $0.19 in 2022, compared to diluted earnings per share of $0.11 for the prior year, calculated using a weighted average number of shares of 293 million and 299 million respectively.

Business Unit Highlights

Subsea and Conventional

Revenue for the year was $3.9 billion, an increase of $229 million or 6% compared to 2021.

During the year, the Mad Dog 2, King's Quay, Jack St Malo 4, Anchor, Vito Construction, and Colibri projects, in the Gulf of Mexico, the 28 Jackets, 3PDMs and Berri-Zuluf projects in Saudi Arabia, the Jubilee project, Ghana, the Terra Nova project, Canada, the Pierce, Blythe & Vulcan Satellite hubs projects, UK and the Johan Sverdrup Phase II project in Norway were substantially completed.

Work progressed on the Sangomar project, Senegal, the Sanha Lean Gas and CLOV 3 projects, Angola, the Sakarya project, Turkey, the TOPR project in the Gulf of Mexico, the Scarborough project, Australia, the Trell & Trine, Northern Lights and Kobra East Gekko projects in Norway, and the ACE project, Azerbaijan.

In Brazil, there were high levels of utilisation of the four PLSVs under long-term contracts with Petrobras as well as continued progress on the Bacalhau and Mero 3 projects.

Net operating income was $229 million in 2021 compared to net operating income of $103 million in the prior year. The improved net operating income included impairment reversals of $56 million, related to property, plant and equipment and reflected good operational performance and the close-out of certain projects.

Renewables

Revenue for the year was $1.1 billion compared to $1.3 billion in 2021. Net operating loss was $85 million compared to net operating loss of $60 million in 2021.

During the year work progressed on the Seagreen project, UK as the project neared completion. Work continued with the offshore phase of the Dogger Bank A&B projects, both UK, the Zhong Neng, Changfang and Xidao, and Yunlin projects, Taiwan and the Hollandse Kust Zuid project, Dutch North Sea. The results of the Renewables business unit include costs recognised in relation to the Formosa 2 project in Taiwan, which was substantially completed during the year, whose economic interest was retained by Subsea 7 S.A., although it is being executed by Seaway 7 ASA. The net operating loss in 2022 also reflected continued challenges on the monopile scope of the Hollandse Kust Zuid project in the Dutch North Sea.

Corporate

Revenue, which was mainly driven by the Group's autonomous wholly owned subsidiaries Xodus and 4Subsea and the Group's floating wind activities, was $116 million in 2022 compared to $76 million in 2021. The increased revenue reflected activity on the Hywind Tampen floating wind development project in Norway, which was substantially completed in the year. Net operating income was $5 million in 2022 compared to net operating income of $29 million in 2021. The net operating income in 2021 benefitted from a credit of $37 million related to the Group's resizing programme following downward revisions of restructuring cost estimates.

Vessel utilisation

Active Vessel Utilisation for the year was 78% compared with 83% for 2021. Total Vessel Utilisation was 74% compared to 77% in 2021.

Cash flow

Cash flow statement

Cash and cash equivalents were $646 million at 31 December 2022, an increase of $48 million in the year. The movement in cash and cash equivalents was mainly attributable to:

- net cash generated from operating activities of $486 million, which included favourable movements of $28 million in net working capital;
- net cash used in investing activities of $220 million, which included purchases of property, plant and equipment and intangible assets of $231 million. This amount is lower than expected as stage gate payments in relation to the construction of the *Seaway Alfa Lift* and *Seaway Ventus* were moved into 2023; and
- net cash used in financing activities of $211 million, which included payments related to lease liabilities of $111 million, repayment of borrowings of $62 million, dividends paid to equity shareholders of $32 million, share repurchases of $46 million partly offset by net cash received of $55 million following the Seaway 7 ASA's equity rights issuance.

Free cash flow

During the year, the Group generated free cash flow of $255 million (2021: $127 million) which is defined as cash generated from operations of $486 million (2021: $293 million) less purchases of property, plant and equipment and intangible assets of $231 million (2021: $167 million).

Balance Sheet

Non-current assets

At 31 December 2022, non-current assets were $4.5 billion (2021: $4.7 billion). The movement of $172 million was mainly due to a decrease in the carrying amount of property, plant and equipment, intangible assets and right of use assets of $127 million driven by depreciation and amortisation charges of $468 million partly offset by impairment reversals of $56 million related to property, plant and equipment and additions.

Non-current liabilities

At 31 December 2022 total non-current liabilities were $609 million (2021: $664 million). The decrease of $55 million was mainly driven by the reclassification of $58 million from non-current to current borrowings in line with repayment schedules.

Net current assets

Current assets were $2.4 billion (2021: $2.3 billion) and current liabilities were $1.9 billion (2021: $1.9 billion), resulting in net current assets of $537 million (2021: $457 million). The increase of $80 million in the year was driven by:

- decrease in trade and other liabilities of $82 million;
- increase in cash and cash equivalents of $48 million;
- increase in assets held for sale of $46 million

partly offset by:

- increase in construction contract liabilities of $114 million.

Equity

At 31 December 2022 total equity was $4.5 billion (2021: $4.5 billion). The decrease of $38 million in the year was driven by:

- net foreign currency translation losses of $51 million;
- share repurchases of $46 million;
- dividends of $34 million

partly offset by:

- Seaway 7 ASA's equity rights issuance of $54 million: and
- net income of $36 million.

Borrowings, lease liabilities, net cash/(debt) and liquidity

Borrowings

At 31 December 2022, total borrowings were $356 million (2021: $422 million). The decrease of $66 million was mainly driven by the repayment of the Seaway 7 ASA Revolving Credit Facility of $37 million in early 2022 and scheduled repayments of $25 million related to the Group's South Korean Export Credit Agency facility.

A summary of the borrowing facilities available to the Group at 31 December 2022 is as follows:

(in $ millions)	Total facility	Drawn[(a)]	Undrawn	Maturity Date
Multi-currency revolving credit and guarantee facility	700.0	–	700.0	June 2027
UK Export Finance (UKEF) facility	500.0	(200.0)	300.0	February 2028
South Korean Export Credit Agency (ECA) facility	159.8	(159.8)	–	January 2027[(b)]
Total	**1,359.8**	**(359.8)**	**1,000.0**	

(a) Borrowings presented in the Consolidated Balance Sheet are shown net of capitalised fees of $3.8 million, which are amortised over the period of the facility.
(b) 90% of the facility is provided by an Export Credit Agency (ECA) and 10% by commercial banks. The maturity of the ECA tranche is January 2029 and the maturity of the commercial tranche is January 2027.

Lease liabilities

Lease liabilities were $257 million, an increase of $26 million compared with 31 December 2021.

Net cash/(debt)

At 31 December 2022:

- net cash (excluding lease liabilities) was $290 million compared to net cash of $176 million at 31 December 2021; and
- net cash (including lease liabilities) was $33 million, compared to net debt of $55 million at 31 December 2021.

Gearing

At 31 December 2022, gross gearing (borrowings divided by total equity) was 8.0% (2021: 9.4%).

Liquidity

At 31 December 2022, the Group's liquidity, represented by cash and cash equivalents and undrawn borrowing facilities was $1.6 billion (2021: $1.6 billion).

Shareholder distributions

Share repurchase programme

During the year ended 31 December 2022, 5,648,072 shares were repurchased in accordance with the Group's share repurchase programme authorised on 24 July 2019, extended on 15 April 2021, for a total consideration of $46 million. At 31 December 2022, the Group had cumulatively repurchased 10,000,212 shares for a total consideration of $77 million under this programme. At 31 December 2022, the Group directly held 9,794,267 shares (31 December 2021: 4,534,107) as treasury shares, representing 3.26% (31 December 2021: 1.51%) of the total number of issued shares.

Backlog

At 31 December 2022 backlog was $9.0 billion compared to $7.1 billion at 30 September 2022. Order intake was $3 billion in the fourth quarter, representing a book-to-bill ratio of 2.3x. Order intake included new awards of $2.3 billion, which included the Yggdrasil, Skarv Satellites and Fenris projects in Norway and the Cypre project in Trinidad & Tobago. Escalations of approximately $600 million and favourable foreign exchange movements of approximately $200 million were recognised during the quarter.

Order intake for the year ended 31 December 2022 was $7.1 billion representing a book-to-bill ratio of 1.4x. Order intake included new awards of $5.3 billion, escalations of $1.8 billion and adverse foreign exchange movements of approximately $200 million.

$8.1 billion of the backlog at 31 December 2022 related to the Subsea and Conventional business unit (which included $0.5 billion related to long-term day-rate contracts for PLSVs in Brazil) and $0.8 billion related to the Renewables business unit. $4.2 billion of the backlog is expected to be executed in 2023, $3.0 billion in 2024 and $1.8 billion in 2025 and thereafter. Backlog related to associates and joint ventures, which is not significant to the Group, is excluded from these amounts.

Risks and uncertainties

The principal risks and uncertainties which could materially adversely impact the Group's reputation, operations and/or financial performance and position are noted on pages 24 to 36 of Subsea 7 S.A.'s 2021 Annual Report. Management has considered these principal risks and uncertainties and concluded that these have not changed significantly in the year ended 31 December 2022.

The principal risks within health, safety, security, environmental and quality include the risk of a pandemic virus. During 2022, management has continued to mitigate the impacts of the Covid-19 pandemic by monitoring health procedures and adhering to the guidance of world health organisations and local authorities. The principal risks within the business environment include risks related to civil or political unrest, including war. The outcome of the Russia-Ukraine conflict remains uncertain. However, management does not at this date foresee a material direct impact on the Group from the conflict and related sanctions. Management continues to monitor the development of the conflict, including sanctions and indirect impacts, and other associated risks in order to apply suitable mitigations where possible.

Responsibility statement

We confirm that, to the best of our knowledge, the financial statements for the period 1 January 2022 to 31 December 2022 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and the Group taken as a whole. We also confirm that, to the best of our knowledge, this report together with the Subsea 7 S.A. 2021 Annual Report include a fair review of the development and performance of the business and the position of the Group, including a description of the principal risks and uncertainties facing the Group.

Kristian Siem	**John Evans**
Chairman	Chief Executive Officer

Subsea 7 S.A.

Condensed Consolidated Income Statement

(in $ millions)	Three Months Ended 31 Dec 2022 Unaudited	Three Months Ended 31 Dec 2021 Unaudited	Year Ended 31 Dec 2022 Audited	Year Ended 31 Dec 2021 Audited
Revenue	**1,291.1**	1,365.2	**5,135.8**	5,010.0
Operating expenses	**(1,176.0)**	(1,282.8)	**(4,794.4)**	(4,714.2)
Reversal of impairments of property, plant and equipment	**55.6**	–	**55.6**	–
Gross profit	**170.7**	82.4	**397.0**	295.8
Administrative expenses	**(60.8)**	(51.5)	**(245.2)**	(228.0)
Share of net (loss)/income of associates and joint ventures	**(1.4)**	(0.4)	**(3.0)**	3.9
Net operating income	**108.5**	30.5	**148.8**	71.7
Finance income	**4.5**	1.4	**9.0**	4.7
Other gains and losses	**(28.8)**	(5.9)	**1.9**	44.4
Finance costs	**(5.7)**	(6.4)	**(23.4)**	(20.1)
Income before taxes	**78.5**	19.6	**136.3**	100.7
Taxation	**(51.8)**	(15.9)	**(99.9)**	(64.3)
Net income	**26.7**	3.7	**36.4**	36.4
Net income attributable to:				
Shareholders of the parent company	**27.6**	(3.1)	**57.1**	31.8
Non-controlling interests	**(0.9)**	6.8	**(20.7)**	4.6
	26.7	3.7	**36.4**	36.4

Earnings per share	**$ per share**	$ per share	**$ per share**	$ per share
Basic	**0.10**	(0.01)	**0.20**	0.11
Diluted[(a)]	**0.09**	(0.01)	**0.19**	0.11

(a) For the explanation and a reconciliation of diluted earnings per share refer to Note 7 'Earnings per share' to the Condensed Consolidated Financial Statements.

Subsea 7 S.A.
Condensed Consolidated Statement of Comprehensive Income

(in $ millions)	Three Months Ended 31 Dec 2022 Unaudited	Three Months Ended 31 Dec 2021 Unaudited	Year Ended 31 Dec 2022 Audited	Year Ended 31 Dec 2021 Audited
Net income	**26.7**	3.7	**36.4**	36.4
Items that may be reclassified to the income statement in subsequent periods:				
Net foreign currency translation gains/(losses)	**79.8**	(13.3)	**(50.9)**	(4.9)
Commodity cash flow hedges	**0.3**	12.8	**(9.0)**	12.8
Tax relating to components of other comprehensive income	**(1.2)**	(2.4)	**5.1**	(2.8)
Items that will not be reclassified to the income statement in subsequent periods:				
Remeasurement gains on defined benefit pension schemes	**3.1**	0.5	**3.1**	0.5
Tax relating to remeasurement gains on defined benefit pension schemes	**(0.7)**	(0.1)	**(0.7)**	(0.1)
Fair value adjustment on other financial assets	**–**	–	**–**	1.2
Other comprehensive income/(loss)	**81.3**	(2.5)	**(52.4)**	6.7
Total comprehensive income/(loss)	**108.0**	1.2	**(16.0)**	43.1
Total comprehensive income/(loss) attributable to:				
Shareholders of the parent company	**106.6**	(4.3)	**7.4**	40.4
Non-controlling interests	**1.4**	5.5	**(23.4)**	2.7
	108.0	1.2	**(16.0)**	43.1

Subsea 7 S.A.
Condensed Consolidated Balance Sheet

	31 Dec 2022 Audited	(Revised) 31 Dec 2021 Audited
Assets		
Non-current assets		
Goodwill	**191.3**	197.2
Intangible assets	**31.1**	35.0
Property, plant and equipment	**3,922.0**	4,081.0
Right-of-use assets	**242.0**	206.4
Interest in associates and joint ventures	**25.5**	28.6
Advances and receivables	**65.9**	57.4
Derivative financial instruments	**5.3**	24.7
Construction contracts – assets	**–**	4.4
Other financial assets	**1.1**	1.3
Deferred tax assets	**38.7**	58.7
	4,522.9	4,694.7
Current assets		
Inventories	**49.5**	40.3
Trade and other receivables	**586.2**	631.8
Current tax assets	**61.1**	24.1
Derivative financial instruments	**16.7**	35.8
Assets classified as held for sale	**45.5**	–
Construction contracts – assets	**807.7**	788.2
Other accrued income and prepaid expenses	**204.6**	204.5
Restricted cash	**4.4**	5.7
Cash and cash equivalents	**645.6**	597.6
	2,421.3	2,328.0
Total assets	**6,944.2**	7,022.7
Equity		
Issued share capital	**600.0**	600.0
Treasury shares	**(75.0)**	(32.9)
Paid in surplus	**2,503.2**	2,503.9
Translation reserve	**(628.0)**	(582.5)
Other reserves	**(18.4)**	(14.2)
Retained earnings	**1,739.8**	1,709.5
Equity attributable to shareholders of the parent company	**4,121.6**	4,183.8
Non-controlling interests	**329.1**	304.5
Total equity	**4,450.7**	4,488.3
Liabilities		
Non-current liabilities		
Borrowings	**302.2**	360.3
Lease Liabilities	**161.2**	142.9
Retirement benefit obligations	**9.2**	12.3
Deferred tax liabilities	**54.4**	46.0
Provisions	**47.7**	85.0
Contingent liabilities recognised	**0.4**	5.5
Derivative financial instruments	**28.7**	5.7
Other non-current liabilities	**5.3**	6.1
	609.1	663.8
Current liabilities		
Trade and other liabilities	**1,270.4**	1,352.5
Derivative financial instruments	**7.2**	23.7
Tax liabilities	**49.3**	41.5
Borrowings	**53.8**	61.6
Lease liabilities	**95.8**	88.0
Provisions	**87.0**	96.7
Construction contracts – liabilities	**319.4**	205.7
Deferred revenue	**1.5**	0.9
	1,884.4	1,870.6
Total liabilities	**2,493.5**	2,534.4
Total equity and liabilities	**6,944.2**	7,022.7

Subsea 7 S.A.
Condensed Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

(in $ millions)	Issued share capital	Treasury shares	Paid in surplus	Translation reserve	Other reserves	Retained earnings	Total	(Revised) Non-controlling interests	(Revised) Total equity
Balance at 1 January 2022	**600.0**	**(32.9)**	**2,503.9**	**(582.5)**	**(14.2)**	**1,709.5**	**4,183.8**	**304.5**	**4,488.3**
Comprehensive income/(loss)									
Net income/(loss)	–	–	–	–	–	57.1	57.1	(20.7)	36.4
Net foreign currency translation losses	–	–	–	(48.2)	–	–	(48.2)	(2.7)	(50.9)
Commodity cash flow hedges	–	–	–	–	(9.0)	–	(9.0)	–	(9.0)
Remeasurement gains on defined benefit pension schemes	–	–	–	–	3.1	–	3.1	–	3.1
Tax relating to components of other comprehensive income	–	–	–	2.7	1.7	–	4.4	–	4.4
Total comprehensive income/(loss)	**–**	**–**	**–**	**(45.5)**	**(4.2)**	**57.1**	**7.4**	**(23.4)**	**(16.0)**
Transactions with owners									
Shares repurchased	–	(46.0)	–	–	–	–	(46.0)	–	(46.0)
Dividends declared	–	–	–	–	–	(33.6)	(33.6)	–	(33.6)
Share-based payments	–	–	3.5	–	–	–	3.5	–	3.5
Vesting of share-based payments	–	–	(4.4)	–	–	4.4	–	–	–
Tax effects	–	–	0.2	–	–	–	0.2	–	0.2
Shares reallocated relating to share-based payments	–	3.9	–	–	–	(3.9)	–	–	–
Reclassification adjustment relating to ownership interests	–	–	–	–	–	6.3	6.3	(6.3)	–
Non-controlling interest share issuance	–	–	–	–	–	–	–	54.3	54.3
Total transactions with owners	**–**	**(42.1)**	**(0.7)**	**–**	**–**	**(26.8)**	**(69.6)**	**48.0**	**(21.6)**
Balance at 31 December 2022	**600.0**	**(75.0)**	**2,503.2**	**(628.0)**	**(18.4)**	**1,739.8**	**4,121.6**	**329.1**	**4,450.7**

Subsea 7 S.A.

Condensed Consolidated Statement of Changes in Equity
For the year ended 31 December 2021

(in $ millions)	Issued share capital	Treasury shares	Paid in surplus	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2021	**600.0**	**(17.8)**	**2,505.2**	**(582.0)**	**(25.0)**	**1,747.4**	**4,227.8**	**27.3**	**4,255.1**
Comprehensive income/(loss)									
Net income	–	–	–	–	–	31.8	31.8	4.6	36.4
Net foreign currency translation gains/(losses)	–	–	–	(3.0)	–	–	(3.0)	(1.9)	(4.9)
Commodity cash flow hedges	–	–	–	–	12.8	–	12.8	–	12.8
Remeasurement gains on defined benefit pension schemes	–	–	–	–	0.5	–	0.5	–	0.5
Fair value adjustment on other financial assets	–	–	–	–	1.2	–	1.2	–	1.2
Tax relating to components of other comprehensive income	–	–	–	(0.4)	(2.5)	–	(2.9)	–	(2.9)
Total comprehensive income	**–**	**–**	**–**	**(3.4)**	**12.0**	**31.8**	**40.4**	**2.7**	**43.1**
Transactions with owners									
Shares repurchased	–	(21.0)	–	–	–	–	(21.0)	–	(21.0)
Dividends declared	–	–	–	–	–	(69.5)	(69.5)	–	(69.5)
Share-based payments	–	–	3.9	–	–	–	3.9	–	3.9
Vesting of share-based payments	–	–	(5.2)	–	–	5.2	–	–	–
Shares reallocated relating to share-based payments	–	5.9	–	–	–	(5.9)	–	–	–
Reclassification adjustment relating to business combinations	–	–	–	2.9	–	–	2.9	(2.9)	–
Transfer on disposal of other financial assets	–	–	–	–	(1.2)	1.2	–	–	–
Addition of non-controlling interest	–	–	–	–	–	(0.7)	(0.7)	278.3	277.6
Total transactions with owners	**–**	**(15.1)**	**(1.3)**	**2.9**	**(1.2)**	**(69.7)**	**(84.4)**	**275.4**	**191.0**
Balance at 31 December 2021	**600.0**	**(32.9)**	**2,503.9**	**(582.5)**	**(14.2)**	**1,709.5**	**4,183.8**	**305.4**	**4,489.2**
Adjustments to provisional amounts recognised (Note 8)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(0.9)**	**(0.9)**
Balance at 31 December 2021 (revised)	**600.0**	**(32.9)**	**2,503.9**	**(582.5)**	**(14.2)**	**1,709.5**	**4,183.8**	**304.5**	**4,488.3**

Subsea 7 S.A.
Condensed Consolidated Cash Flow Statement

(in $ millions)	Year Ended 31 Dec 2022 Audited	31 Dec 2021 Audited
Operating activities		
Income before taxes	**136.3**	100.7
Adjustments for non-cash items:		
Impairment of property, plant and equipment, right-of-use and intangible assets	**2.3**	9.1
Reversal of impairment of property, plant and equipment and right-of-use assets	**(59.3)**	(3.7)
Depreciation and amortisation charges	**467.6**	443.8
Adjustments for investing and financing items:		
Share of net loss/(income) of associates and joint ventures	**3.0**	(3.9)
Net gain on disposal of property, plant and equipment	**(0.3)**	(3.0)
Net gain on maturity of lease liabilities	**(2.2)**	(0.2)
Release of contingent consideration post measurement period	**(3.8)**	–
Finance income	**(9.0)**	(4.7)
Finance costs	**23.4**	20.1
Adjustments for equity items:		
Share-based payments	**3.5**	3.9
	561.5	562.1
Changes in working capital:		
Increase in inventories	**(9.7)**	(9.3)
Increase in trade and other receivables	**(20.7)**	(93.0)
Increase in construction contract – assets	**(14.5)**	(334.8)
Decrease/(increase) in other working capital assets	**4.2**	(18.4)
(Decrease)/increase in trade and other liabilities	**(26.3)**	408.9
Increase/(decrease) in construction contract – liabilities	**144.6**	(71.7)
Decrease in other working capital liabilities	**(50.1)**	(83.3)
Net decrease/(increase) in working capital	**27.5**	(201.6)
Income taxes paid	**(103.2)**	(67.5)
Net cash generated from operating activities	**485.8**	293.0
Cash flows used in investing activities		
Proceeds from disposal of property, plant and equipment	**0.8**	6.6
Purchases of property, plant and equipment and intangible assets	**(231.0)**	(166.5)
Acquisition of businesses (net of cash acquired)	**–**	4.5
Interest received	**9.0**	4.7
Loan to joint venture	**–**	(33.0)
Repayment of loan to joint venture	**1.1**	1.8
Proceeds from sale of other financial assets	**–**	2.8
Repayment of advances from joint ventures	**–**	(3.0)
Investment in other financial assets	**–**	(1.6)
Net cash used in investing activities	**(220.1)**	(183.7)
Cash flows used in financing activities		
Interest paid	**(15.8)**	(12.1)
Repayment of borrowings	**(61.6)**	(24.6)
Proceeds from borrowings	**–**	200.0
Proceeds from rights issue in non-wholly-owned subsidiary	**54.6**	–
Cost of share repurchases	**(46.0)**	(21.0)
Payments related to lease liabilities – principal	**(99.4)**	(86.4)
Payments related to lease liabilities – interest	**(11.3)**	(6.7)
Dividends paid to shareholders of the parent company	**(31.7)**	(72.0)
Net cash used in financing activities	**(211.2)**	(22.8)
Net increase in cash and cash equivalents	**54.5**	86.5
Cash and cash equivalents at beginning of year	**597.6**	511.6
Decrease in restricted cash	**1.3**	1.4
Effect of foreign exchange rate movements on cash and cash equivalents	**(7.8)**	(1.9)
Cash and cash equivalents at end of year	**645.6**	597.6

1. General information

Subsea 7 S.A. is a company registered in Luxembourg whose common shares trade on the Oslo Børs and over-the-counter as American Depositary Receipts (ADRs) in the US. The address of the registered office is 412F, route d'Esch, L-1471 Luxembourg. The Condensed Consolidated Financial Statements were authorised for issue by the Board of Directors on 1 March 2023.

2. Basis of preparation

The Condensed Consolidated Financial Statements for the year from 1 January 2022 to 31 December 2022 for Subsea 7 S.A. have been prepared on a going concern basis and in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU).

The Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2021 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

During the year ended 31 December 2022, the Group identified adjustments to provisional amounts recognised in relation to business combinations entered into during 2021. The adjustments were identified during the relevant measurement periods and related to facts and circumstances which existed at the date of acquisition, as a result 2021 comparative information has been revised as if the accounting had been completed at the acquisition dates. Further details are disclosed in Note 8 'Goodwill'.

The Condensed Consolidated Financial Statements are unaudited.

Covid-19 pandemic

During the year, management continued to monitor the operational and financial impacts to the Group of the Covid-19 pandemic and implement mitigating measures where appropriate.

3. Accounting policies

Basis of accounting

The accounting policies adopted in the preparation of the Condensed Consolidated Financial Statements are consistent with the Consolidated Financial Statements for the year ended 31 December 2021.

No new International Financial Reporting Standards (IFRSs) were adopted by the Group for the financial year beginning 1 January 2022. Several amendments to IFRS were applied for the first time in 2022 but did not have a material impact on the Consolidated Financial Statements of the Group. Amendments to existing IFRSs, issued with an effective date of 1 January 2022 but not yet endorsed by the EU, will be adopted by the Group following their adoption by the EU.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies which are described in the Consolidated Financial Statements for the year ended 31 December 2021, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other assumptions that management believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Management makes accounting judgements on the following aspects of the business as described in full in the Consolidated Financial Statements for the year ended 31 December 2021:

- Revenue recognition on long-term construction contracts
- Revenue recognition on variable consideration
- Goodwill carrying amount
- Property, plant and equipment
- Recognition of provisions and disclosure of contingent liabilities
- Measurement of fair value adjustments in business combinations
- Measurement of onerous fixed-price contract provisions in business combinations
- Taxation

5. Seasonality

A significant portion of the Group's revenue is generated from work performed offshore. During certain periods of the year, the Group may be affected by adverse weather conditions such as hurricanes, tropical storms and rough seas, which may cause delays. In the Northern Hemisphere seasonally adverse weather occurs typically during the period from October to March, whereas in the Southern Hemisphere it typically occurs during the period from May to September. Depending on project execution, each can affect the Group's offshore operations. Periods of adverse weather conditions usually result in low levels of activity.

6. Segment information

For management and reporting purposes, the Group is organised into three business units; Subsea and Conventional, Renewables and Corporate. These business units represent the Group's operating segments and are defined as follows:

Subsea and Conventional

The Subsea and Conventional business unit includes:

- Subsea Umbilicals, Risers and Flowlines (SURF) activities related to the engineering, procurement, installation and commissioning of highly complex subsea oil and gas systems in deep waters, including the long-term contracts for PLSVs in Brazil;
- Conventional services including the fabrication, installation, extension and refurbishment of fixed and floating platforms and associated pipelines in shallow water environments;
- Activities associated with the provision of inspection, repair and maintenance (IRM) services, integrity management of subsea infrastructure and remote intervention support;
- Activities associated with heavy lifting operations and decommissioning of redundant offshore structures; and
- Activities associated with carbon capture, utilisation and storage (CCUS).

This segment includes costs, including depreciation, amortisation and impairment charges, related to owned and long-term leased vessels, equipment and offshore personnel deployed in Subsea and Conventional activities. Specific services are provided to the Group's Renewables business unit, which includes the Group's non-wholly owned subsidiary Seaway 7 ASA, on an arm's length basis.

Renewables

The Renewables business unit comprises activities related to the delivery of fixed offshore wind farm projects. Following the business combination with OHT ASA (renamed Seaway 7 ASA) on 1 October 2021, the Group's fixed offshore wind farm activities are executed by Seaway 7 ASA, a non-wholly owned subsidiary of the Group from that date. Activities include the procurement and installation of offshore wind turbine foundations and inner-array cables as well as heavy lifting operations and heavy transportation services for renewables structures. This segment includes costs, including depreciation, amortisation and impairment charges, related to owned and long-term leased vessels, equipment and offshore personnel deployed in Renewables activities.

Corporate

The Corporate business unit includes group-wide activities, and associated costs, including captive insurance activities, operational support, corporate services and costs associated with discrete events such as restructuring. The Corporate business unit also includes the results of the Group's autonomous subsidiaries, Xodus and 4Subsea, and its non-wholly owned subsidiary Nautilus Floating Solutions, and its activities in emerging energies such as hydrogen. A significant portion of the Corporate business unit's costs are allocated to the Subsea and Conventional business unit based on a percentage of external revenue. The Corporate business unit provides specific services to the Renewables business unit, which includes the Group's non-wholly owned subsidiary Seaway 7 ASA, on an arm's length basis.

6. Segment information continued

Summarised financial information relating to each operating segment is as follows:

For the three months ended 31 December 2022

(in $ millions) Unaudited	Subsea and Conventional	Renewables	Corporate	Total
Revenue				
Fixed-price projects	**881.2**	**216.6**	**9.1**	**1,106.9**
Day-rate projects	**169.0**	**0.3**	**14.9**	**184.2**
	1,050.2	**216.9**	**24.0**	**1,291.1**
Net operating income/(loss)	**111.2**	**5.5**	**(8.2)**	**108.5**
Finance income				**4.5**
Other gains and losses				**(28.8)**
Finance costs				**(5.7)**
Income before taxes				**78.5**
Adjusted EBITDA[a]	***143.6***	***27.9***	***(2.6)***	***168.9***
Adjusted EBITDA margin[a]	***13.7%***	***12.9%***	***(10.8%)***	***13.1%***

For the three months ended 31 December 2021

(in $ millions) Unaudited	Subsea and Conventional	Renewables	Corporate	Total
Revenue				
Fixed-price projects	868.9	325.9	2.5	1,197.3
Day-rate projects	153.6	–	14.3	167.9
	1,022.5	325.9	16.8	1,365.2
Net operating income/(loss)	49.5	(12.4)	(6.6)	30.5
Finance income				1.4
Other gains and losses				(5.9)
Finance costs				(6.4)
Income before taxes				19.6
Adjusted EBITDA[a]	*132.9*	*9.5*	*0.5*	*142.9*
Adjusted EBITDA margin[a]	*13.0%*	*2.9%*	*3.0%*	*10.5%*

For the year ended 31 December 2022

(in $ millions) Unaudited	Subsea and Conventional	Renewables	Corporate	Total
Revenue				
Fixed-price projects	**3,210.3**	**1,093.0**	**38.7**	**4,342.0**
Day-rate projects	**693.0**	**23.9**	**76.9**	**793.8**
	3,903.3	**1,116.9**	**115.6**	**5,135.8**
Net operating income/(loss)	**229.2**	**(85.3)**	**4.9**	**148.8**
Finance income				**9.0**
Other gains and losses				**1.9**
Finance costs				**(23.4)**
Income before taxes				**136.3**
Adjusted EBITDA[a]	***531.6***	***4.8***	***23.0***	***559.4***
Adjusted EBITDA margin[a]	***13.6%***	***0.4%***	***19.9%***	***10.9%***

For the year ended 31 December 2021

(in $ millions) Unaudited	Subsea and Conventional	Renewables	Corporate	Total
Revenue				
Fixed-price projects	3,015.2	1,259.3	9.5	4,284.0
Day-rate projects	659.4	0.2	66.4	726.0
	3,674.6	1,259.5	75.9	5,010.0
Net operating income/(loss)	102.7	(59.5)	28.5	71.7
Finance income				4.7
Other gains and losses				44.4
Finance costs				(20.1)
Income before taxes				100.7
Adjusted EBITDA[a]	*468.0*	*3.8*	*49.1*	*520.9*
Adjusted EBITDA margin[a]	*12.7%*	*0.3%*	*64.7%*	*10.4%*

(a) Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. For explanations and reconciliations of Adjusted EBITDA and Adjusted EBITDA margin refer to the 'Alternative Performance Measures' section of the Condensed Consolidated Financial Statements.

7. Earnings per share

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net income attributable to shareholders of the parent company by the weighted average number of common shares in issue during the period, excluding common shares purchased by the Group and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potentially dilutive common shares. The net income and share data used in the calculation of basic and diluted earnings per share were as follows:

	Three Months Ended		Year Ended	
For the period (in $ millions)	**Q4 2022 Unaudited**	Q4 2021 Unaudited	**31 Dec 2022 Audited**	31 Dec 2021 Audited
Net income/(loss) attributable to shareholders of the parent company	**27.6**	(3.1)	**57.1**	31.8
Earnings used in the calculation of diluted earnings per share	**27.6**	(3.1)	**57.1**	31.8

	Three Months Ended		Year Ended	
For the period (number of shares)	**Q4 2022 Unaudited**	Q4 2021 Unaudited	**31 Dec 2022 Audited**	31 Dec 2021 Audited
Weighted average number of common shares used in the calculation of basic earnings per share	**290,190,006**	297,697,324	**291,955,196**	297,562,898
Performance shares	**862,545**	–	**1,037,990**	1,020,873
Weighted average number of common shares used in the calculation of diluted earnings per share	**291,052,551**	297,697,324	**292,993,186**	298,583,771

	Three Months Ended		Year Ended	
For the period (in $ per share)	**Q4 2022 Unaudited**	Q4 2021 Unaudited	**31 Dec 2022 Audited**	31 Dec 2021 Audited
Basic earnings per share	**0.10**	(0.01)	**0.20**	0.11
Diluted earnings per share	**0.09**	(0.01)	**0.19**	0.11

The following shares that could potentially dilute earnings per share were excluded from the calculation of diluted earnings per share due to being anti-dilutive:

	Three Months Ended		Year Ended	
For the period (number of shares)	**Q4 2022 Unaudited**	Q4 2021 Unaudited	**31 Dec 2022 Audited**	31 Dec 2021 Audited
Performance shares	**926,210**	1,777,808	**609,004**	807,361

8. Goodwill

The movement in goodwill during the year was as follows:

		(Revised)
(in $ millions)	**31 Dec 2022 Audited**	31 Dec 2021 Audited
At year beginning	**197.2**	84.5
Acquired in business combination	**–**	76.6
Adjustments to provisional amounts recognised	**–**	36.7
Exchange differences	**(5.9)**	(0.6)
At year end	**191.3**	197.2

During the year, the Group identified adjustments to provisional amounts recognised in relation to business combinations entered into during 2021. The adjustments were identified during the relevant measurement periods and related to facts and circumstances which existed at the date of acquisition, as a result 2021 comparative information has been revised as if the accounting had been completed at the acquisition dates.

On 1 October 2021, the Group combined its Renewable business unit (consisting of the Group's fixed offshore wind business) with OHT ASA (renamed Seaway 7 ASA). The Group increased provisional amounts recognised in respect of an onerous fixed-price contract provision by $35.3 million with a corresponding increase of the same amount to goodwill.

On 22 September 2021, an indirect subsidiary of Subsea 7 S.A. acquired a 59.12% shareholding of Nautilus Floating Solutions, S.L. The Group reduced provisional amounts recognised in respect of intangible assets by $2.3 million, increased goodwill by $1.4 million and reduced non-controlling interests by $0.9 million.

As a result of the above adjustments, the Group's goodwill balance at 31 December 2021 has been revised from $160.5 million to $197.2 million.

9. Treasury shares

At 31 December 2022, the Company directly held 9,794,267 shares (Q3 2022: 10,152,062) as treasury shares, representing 3.26% (Q3 2022: 3.38%) of the total number of issued shares.

The movement in treasury shares during the year was as follows:

	31 Dec 2022 Number of shares Audited	**31 Dec 2022 in $ millions Audited**	31 Dec 2021 Number of shares Audited	31 Dec 2021 in $ millions Audited
At year beginning	**4,534,107**	**32.9**	2,326,683	17.8
Shares repurchased	**5,648,072**	**46.0**	2,724,172	21.0
Shares reallocated relating to share-based payments	**(387,912)**	**(3.9)**	(516,748)	(5.9)
At year end	**9,794,267**	**75.0**	4,534,107	32.9

On 14 April 2021 at an extraordinary general meeting of the shareholders of the Company (the 2021 EGM), the Board of Directors were authorised, inter alia, to cancel shares repurchased at or after the time of the 2021 EGM under the Company's share repurchase programmes authorised under the 2021 EGM.

On 1 March 2023, the Board of Directors resolved to implement the share capital reduction decision of the 2021 EGM to approve the reduction of the issued share capital by an amount of $11,363,934 through the cancellation of 5,681,967 treasury shares held by the Company. After this transaction the Company directly held 4,112,300 shares as treasury shares.

10. Share repurchase programme

During the fourth quarter, no shares were repurchased under the Group's share repurchase programme authorised on 24 July 2019, extended on 15 April 2021. At 31 December 2022, the Group had cumulatively repurchased 10,000,212 shares for a total consideration of $76.8 million under this programme.

11. Commitments and contingent liabilities

Commitments

At 31 December 2022, the Group had contractual commitments totalling $402.4 million, including commitments related to *Seaway Alfa Lift*, an offshore wind foundation installation vessel, and *Seaway Ventus*, an offshore wind turbine installation vessel.

Contingent liabilities not recognised in the Consolidated Balance Sheet

The Group is subject to tax audits and receives tax assessments in a number of jurisdictions where it has, or has had, operations. The estimation of the ultimate outcome of these audits and disputed tax assessments is complex and subjective. The likely outcome of the audits and associated cash outflow, if any, may be impacted by technical uncertainty and the availability of supporting documentation.

Between 2009 and 2020, the Group's Brazilian businesses were audited and formally assessed for ICMS and federal taxes (including import duty) by the Brazilian state and federal tax authorities. The amount assessed, including penalties and interest, at 31 December 2022 amounted to BRL 908.8 million, equivalent to $174.7 million (31 December 2021: BRL 821.5 million, equivalent to $145.1 million). The Group has challenged these assessments. A contingent liability has been disclosed for the total amounts assessed as the disclosure criteria have been met however management believes that the likelihood of payment is not probable.

During 2018, 2019 and 2020, the Group's Brazilian business received several labour claims. The amount assessed at 31 December 2022 amounted to BRL 205.1 million, equivalent to $39.4 million (31 December 2021: BRL 234.8 million, equivalent to $41.5 million). The Group has challenged these claims. A contingent liability has been disclosed for BRL138.6 million, equivalent to $26.6 million as the disclosure criteria have been met (31 December 2021: BRL177.4 million, equivalent to $31.3 million), however, management believes that the likelihood of payment is not probable. At 31 December 2022, a provision of BRL 66.5 million, equivalent to $12.8 million was recognised within the Consolidated Balance Sheet (31 December 2021: BRL 57.4 million, equivalent to $10.1 million), as the IAS 37 'Provisions, contingent liabilities and contingent assets' recognition criteria were met.

Contingent liabilities recognised in the Consolidated Balance Sheet

As part of the accounting for the business combination in 2011 with Subsea 7 Inc., IFRS 3 'Business combinations' (IFRS 3) required the Group to recognise as a provision, as of the acquisition date, the fair value of contingent liabilities assumed if there was a present obligation that arose from past events, even where payment was not probable. Following a favourable legal ruling, management now consider this previously recognised liability to have expired. As a result, during the year, the contingent liability of $5.4 million (31 December 2021: $5.0 million) was derecognised in full and recognised within the Group's Consolidated Income Statement.

As part of the accounting for the business combination of Pioneer Lining Technology Limited, IFRS 3 required the Group to recognise a provision in respect of contingent consideration payable to a third party following the acquisition of intangible assets in 2009. The value of the provision recognised within the Consolidated Balance Sheet at 31 December 2022 was $0.4 million (31 December 2021: $0.5 million). While complying with the requirements of IFRS 3, management continues to believe that payment relating to the remaining recognised contingent liabilities is not probable.

12. Fair value and financial instruments

The carrying values of the Group's financial assets and financial liabilities recorded at amortised cost in the Condensed Consolidated Financial Statements approximate their fair values.

Borrowings – South Korean Export Credit Agency (ECA) facility and UK Export Finance (UKEF) facility

Fair value is determined by matching the maturity profile of amounts utilised under each facility to market interest rates available to the Group for borrowings with similar security, maturity and repayment profiles. At 31 December 2022 interest charged under each facility is representative of market rates currently available to the Group and therefore the carrying amount approximates fair value.

Fair value measurements

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Recurring and non-recurring fair value measurements

Recurring fair value measurements are those that IFRS require at the end of each reporting period and non-recurring fair value measurements are those that IFRS require or permit in particular circumstances.

Assets and liabilities which are measured at fair value in the Condensed Consolidated Balance Sheet and their level in the fair value hierarchy were as follows:

At (in $ millions)	**2022 31 Dec Level 1**	**2022 31 Dec Level 2**	**2022 31 Dec Level 3**	2021 31 Dec Level 1	2021 31 Dec Level 2	2021 31 Dec Level 3
Recurring fair value measurements						
Financial assets:						
Financial assets measured at fair value through profit and loss – embedded derivatives	**–**	**16.7**	**–**	–	43.5	–
Financial assets measured at fair value through profit and loss – forward foreign exchange contracts	**–**	**1.1**	**–**	–	1.3	–
Financial assets measured at fair value through profit and loss – commodity derivatives	**–**	**–**	**–**	–	2.9	–
Financial assets measured at fair value through other comprehensive income – commodity derivatives	**–**	**4.2**	**–**	–	12.8	–
Financial liabilities:						
Financial liabilities measured at fair value through profit and loss – embedded derivatives	**–**	**(34.3)**	**–**	–	(25.5)	–
Financial liabilities measured at fair value through profit and loss – forward foreign exchange contracts	**–**	**(1.1)**	**–**	–	(3.9)	–
Financial liabilities measured at fair value through profit and loss – commodity derivatives	**–**	**(0.2)**	**–**	–	–	–
Financial liabilities measured at fair value through other comprehensive income – commodity derivatives	**–**	**(0.3)**	**–**	–	–	–
Contingent consideration	**–**	**–**	**(1.6)**	–	–	(6.6)

During the year ended 31 December 2022 there were no transfers between levels of the fair value hierarchy. The Group accounts for transfers between levels of the fair value hierarchy from the date of the event or change in circumstance that caused the transfer.

Fair value techniques and inputs

Financial assets and liabilities mandatorily measured at fair value through profit or loss

The Group's financial assets and liabilities measured at fair value through profit or loss comprised:

- Forward foreign exchange contracts and embedded derivatives
  The fair value of outstanding forward foreign exchange contracts and embedded derivatives were calculated using quoted foreign exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.
- Contingent consideration
  The fair value of contingent consideration is determined based on current expectations of the achievement of specific targets and milestones and calculated using the discounted cash flow method and unobservable inputs.

Financial assets and liabilities measured at fair value through other comprehensive income

The Group's financial assets and liabilities measured at fair value through other comprehensive income comprised:

- Commodity derivatives in designed hedge accounting relationships
  The fair value of outstanding commodity contracts were calculated using quoted commodity rates matching maturities of the contracts.

Financial assets measured at fair value through other comprehensive income and designated as such at initial recognition

The Group's financial assets measured at fair value through other comprehensive income and designated as such at initial recognition comprised:

- Other financial assets
  Strategic financial investments in unlisted companies are disclosed as other financial assets within non-current assets on the Condensed Consolidated Balance Sheet. Management concluded that due to the nature of these investments, there are a wide range of possible fair value measurements and in some cases, there may be insufficient recent information available to enable the Group to accurately measure fair value. Management review investments annually to ensure the carrying amount can be supported by expected future cash flows and have concluded cost is considered to represent the best estimate of fair value of each investment within a range of possible outcomes.

13. Events after the reporting period

Borrowings

On 23 February 2023, the Group borrowed an additional $300.0 million under the UK Export Finance (UKEF) facility. The facility's availability period ended on 24 February 2023. At 2 March 2023, the amount outstanding under the facility, net of facility fees, was $494.6 million.

Dividends

The Board will propose a NOK 4.00 per share dividend, equivalent to a total of approximately $110 million, at the Annual General Meeting on 18 April 2023. At arriving at this proposal, the Board took into consideration the financial performance and prospects of the Group, the NOK 1.00 regular dividend policy commitment and the status of the 2022 share repurchase programme.

Alternative Performance Measures (APMs) - definitions

The Group uses Alternative Performance Measures (APMs) when evaluating financial performance, financial position and cash flows which are not defined or specified under International Financial Reporting Standards (IFRS), as adopted by the EU. Management considers that these non-IFRS measures, which are not a substitute for IFRS measures, provide stakeholders with additional information to further understand the Group's financial performance, financial position and cash flows.

APM	Description	Closest equivalent IFRS measure	Adjustments to reconcile to primary financial statements	Rationale for utilising APM
Income Statement APMs				
Adjusted EBITDA and Adjusted EBITDA margin	Adjusted earnings before interest, taxation, depreciation and amortisation represents net income/(loss) before additional specific items that are considered to impact the comparison of the Group's performance either period-on-period or with other businesses. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue, expressed as a percentage.	Net income/(loss)	Net income adjusted to exclude depreciation and amortisation costs, including amortisation of prepaid mobilisation expenses and amortisation of intangible assets, impairment charges or impairment reversals, finance income, remeasurement gains and losses on business combinations, other gains and losses (including foreign exchange gains and losses, gains on disposal of subsidiaries, gains and losses resulting from remeasurement of contingent consideration, gains on distributions and bargain purchase gains on business combinations), finance costs and taxation.	Adjusted EBITDA and Adjusted EBITDA margin are important indicators of the operational strength and the performance of the Group and provide a meaningful comparative for its business units. The presentation of Adjusted EBITDA is also useful as it is similar to measures used by companies within Subsea7's peer group. Adjusted EBITDA margin may also be a useful ratio to compare performance to the Group's competitors and is widely used by shareholders and analysts. Notwithstanding the foregoing, Adjusted EBITDA and Adjusted EBITDA margin as presented by the Group may not be comparable to similarly titled measures reported by other companies.
Effective tax rate (ETR)	The effective tax rate is expressed as a percentage, calculated as the taxation expense/(credit) divided by the income/(loss) before taxes.	Taxation	n/a	Provides a useful and relevant measure of the effectiveness of the Group's tax strategy and tax planning.
Balance Sheet APM				
Net cash/(debt) excluding lease liabilities and net cash/(debt) including lease liabilities	Net cash/(debt) is defined as cash and cash equivalents less borrowings. The Group utilises both net cash/(debt) excluding lease liabilities and net cash/(debt) including lease liabilities as financial position measures.	No direct equivalent	Calculated as cash and cash equivalent less borrowings (current and non-current). The measure may exclude lease liabilities (current and non-current) or include them.	Net cash/(debt) provides a meaningful and reliable basis to evaluate financial strength and liquidity of the Group.

Cash flow APMs				
Cash conversion	Cash conversion is defined as net cash generated from operating activities, add back income taxes paid, divided by Adjusted EBITDA, expressed as a percentage.	No direct equivalent	Calculated as net cash generated from operating activities in the Group's Consolidated Cash Flow Statement, add back income taxes paid and divide by Adjusted EBITDA.	Cash conversion is a financial management tool to determine the efficiency of the Group's ability to generate cash from its operating activities.
Free cash flow	Free cash flow is defined as net cash generated from operating activities less purchases of property, plant and equipment and intangible assets.	No direct equivalent	Calculated as net cash generated from operating activities from the Group's Consolidated Cash Flow Statement less purchases of property, plant and equipment and intangible assets.	Free cash flow is a relevant metric for shareholders and analysts when determining cash available to the Group to invest or potentially distribute.
Other APMs				
Backlog	Backlog represents expected future revenue from projects. Awards to associates and joint ventures are excluded from backlog figures, unless otherwise stated. Despite being a non-IFRS term, the Group recognises backlog in accordance with the requirements of IFRS 15, 'Revenue from Contracts with Customers', which represents revenue expected to be recognised in the future related to performance obligations which are unsatisfied, or partially unsatisfied, at the reporting date.	Transaction price allocated to the remaining performance obligations	n/a	Utilising the term backlog is in accordance with expected industry-wide terminology. It is similarly used by companies within Subsea7's peer group and is a helpful term for those evaluating companies within Subsea7's industry. Backlog may also be useful to compare performance with competitors and is widely used by shareholders and analysts. Notwithstanding this, backlog presented by the Group may not be comparable to similarly titled measures reported by other companies.
Book-to-bill ratio	Book-to-bill ratio represents total order intake divided by revenue for the reporting period.	No direct equivalent	n/a	The book-to-bill metric is widely used in the energy sector by shareholders and analysts and is a helpful term for those evaluating companies within Subsea7's industry. Notwithstanding this, the book-to-bill ratio presented by the Group may not be comparable to similarly titled measures reported by other companies.

Alternative Performance Measures - calculations

1a. Reconciliation of net operating income to Adjusted EBITDA and Adjusted EBITDA margin

	Three Months Ended		Year Ended	
For the period (in $ millions)	**Q4 2022 Unaudited**	Q4 2021 Unaudited	**31 Dec 2022 Unaudited**	31 Dec 2021 Unaudited
Net operating income	**108.5**	30.5	**148.8**	71.7
Depreciation, amortisation and mobilisation	**117.4**	112.5	**467.6**	443.8
Impairment of property, plant and equipment	**2.3**	0.2	**2.3**	4.1
Impairment reversal of property, plant and equipment	**(55.6)**	–	**(55.6)**	–
Impairment of intangible assets	**–**	3.2	**–**	4.8
Net Impairment reversal of right-of-use assets	**(3.7)**	(3.5)	**(3.7)**	(3.5)
Adjusted EBITDA	**168.9**	142.9	**559.4**	520.9
Revenue	**1,291.1**	1,365.2	**5,135.8**	5,010.0
Adjusted EBITDA margin	**13.1%**	10.5%	**10.9%**	10.4%

1b. Reconciliation of net income to Adjusted EBITDA and Adjusted EBITDA margin

	Three Months Ended		Year Ended	
For the period (in $ millions)	**Q4 2022 Unaudited**	Q4 2021 Unaudited	**31 Dec 2022 Unaudited**	31 Dec 2021 Unaudited
Net income	**26.7**	3.7	**36.4**	36.4
Depreciation, amortisation and mobilisation	**117.4**	112.5	**467.6**	443.8
Impairment of property, plant and equipment	**2.3**	0.2	**2.3**	4.1
Impairment reversal of property, plant and equipment	**(55.6)**	–	**(55.6)**	–
Impairment of intangible assets	**–**	3.2	**–**	4.8
Net impairment reversal of right-of-use assets	**(3.7)**	(3.5)	**(3.7)**	(3.5)
Finance income	**(4.5)**	(1.4)	**(9.0)**	(4.7)
Other gains and losses	**28.8**	5.9	**(1.9)**	(44.4)
Finance costs	**5.7**	6.4	**23.4**	20.1
Taxation	**51.8**	15.9	**99.9**	64.3
Adjusted EBITDA	**168.9**	142.9	**559.4**	520.9
Revenue	**1,291.1**	1,365.2	**5,135.8**	5,010.0
Adjusted EBITDA margin	**13.1%**	10.5%	**10.9%**	10.4%

2. Effective tax rate

	Three Months Ended		Year Ended	
For the period (in $ millions)	**Q4 2022 Unaudited**	Q4 2021 Unaudited	**31 Dec 2022 Unaudited**	31 Dec 2021 Unaudited
Taxation	**51.8**	15.9	**99.9**	64.3
Income before taxation	**78.5**	19.6	**136.3**	100.7
Effective tax rate (percentage)	**66.0%**	81.1%	**73.3%**	63.9%

3. Net cash/(debt) excluding lease liabilities and net cash/(debt) including lease liabilities

	Year Ended	
At (in $ millions)	**31 Dec 2022 Unaudited**	31 Dec 2021 Unaudited
Cash and cash equivalents	**645.6**	597.6
Total borrowings	**(356.0)**	(421.9)
Net cash excluding lease liabilities	**289.6**	175.7
Total lease liabilities	**(257.0)**	(230.9)
Net cash/(debt) including lease liabilities	**32.6**	(55.2)

4. Free cash flow

	Three Months Ended		Year Ended	
For the period (in $ millions)	**Q4 2022 Unaudited**	Q4 2021 Unaudited	**31 Dec 2022 Unaudited**	31 Dec 2021 Unaudited
Cash generated from operating activities	**142.9**	227.0	**485.8**	293.0
Purchases of property, plant and equipment and intangible assets	**(47.7)**	(84.5)	**(231.0)**	(166.5)
Free cash flow	**95.2**	142.5	**254.8**	126.5

5. Cash conversion

For the period (in $ millions)	Three Months Ended **Q4 2022** **Unaudited**	Three Months Ended Q4 2021 Unaudited	Year Ended **31 Dec 2022** **Unaudited**	Year Ended 31 Dec 2021 Unaudited
Cash generated from operating activities	**142.9**	227.0	**485.8**	293.0
Income taxes paid	**36.8**	12.5	**103.2**	67.5
	179.7	239.5	**589.0**	360.5
Adjusted EBITDA	**168.9**	142.9	**559.4**	520.9
Cash conversion	**1.1**	1.7	**1.1**	0.7

6a. Backlog

The IFRS 15 'Revenue from Contracts with Customers' disclosure in relation to remaining performance obligations is contained in Note 23, 'Construction Contracts', in the Group's 2022 Annual Report. Unless otherwise stated, backlog and remaining performance obligations, as required by IFRS 15, will be the same number. Backlog by year of execution is as follows:

At (in $ millions)	Year Ended **31 Dec 2022** **Unaudited**	Year Ended 31 Dec 2021 Unaudited
Total backlog	**9,007.6**	7,211.7
Expected year of utilisation:		
2022	**–**	4,299.7
2023	**4,204.0**	1,982.6
2024	**2,959.5**	801.1
2025	**1,262.8**	128.3
2026 and thereafter	**581.3**	–

6b. Book-to-bill ratio

For the period (in $ millions)	Three Months Ended **Q4 2022** **Unaudited**	Three Months Ended Q4 2021 Unaudited	Year Ended **31 Dec 2022** **Unaudited**	Year Ended 31 Dec 2021 Unaudited
Order intake	**2,969.1**	1,991.1	**7,096.1**	6,088.5
Revenue	**1,291.1**	1,365.2	**5,135.8**	5,010.0
Book-to-bill ratio	**2.3x**	1.3x	**1.4x**	1.2x