Subsea 7 S.A. Announces Third Quarter 2024 Results

Luxembourg – 21 November 2024 – Subsea 7 S.A. (Oslo Børs: SUBC, ADR: SUBCY, ISIN: LU0075646355, the Company) announced today results of Subsea7 Group (the Group, Subsea7) for the third quarter which ended 30 September 2024.

Highlights

- Third quarter Adjusted EBITDA of $321 million, up 59% on the prior year period, equating to a margin of 18%
- Robust free cash flow of $138 million in the third quarter, leading to a reduction in net debt of $170 million
- Adjusted EBITDA in the first nine months of 2024 of $775 million, exceeding the prior full year, driven by solid revenue growth and strong expansion of margins to 16% from 11% in the prior year
- On track to deliver full year 2024 Adjusted EBITDA between $1,025 and $1,075 million, growth of over 40% year-on-year
- A high-quality backlog of $11.3 billion implies around 75% visibility on 2025 revenue guidance and supports the outlook for Adjusted EBITDA margin expansion to 18 to 20%
- Approximately $250 million returned to shareholders in line with our commitment to return at least $1 billion to shareholders over the period from 2024 to 2027

	Third Quarter		Nine Months Ended	
For the period (in $ millions, except Adjusted EBITDA margin and per share data)	**Q3 2024 Unaudited**	Q3 2023 Unaudited	**30 Sep 2024 Unaudited**	30 Sep 2023 Unaudited
Revenue	**1,834**	1,578	**4,968**	4,342
Adjusted EBITDA[(a)]	**321**	201	**775**	470
Adjusted EBITDA margin[(a)]	**18%**	13%	**16%**	11%
Net operating income	**163**	64	**319**	50
Net income	**98**	36	**190**	21
Earnings per share – in $ per share				
Basic	**0.31**	0.11	**0.60**	0.11
Diluted[(b)]	**0.31**	0.11	**0.60**	0.11

At (in $ millions)	**30 Sep 2024 Unaudited**	30 June 2024 Unaudited
Backlog[(a)]	**11,300**	12,544
Book-to-bill ratio[(a)]	**0.3x**	2.3x
Cash and cash equivalents	**440**	290
Borrowings	**(803)**	(783)
Net debt excluding lease liabilities[(a)]	**(363)**	(494)
Net debt including lease liabilities[(a)]	**(857)**	(1,027)

(a) For explanations and reconciliations of Adjusted EBITDA, Adjusted EBITDA margin, Backlog, Book-to-bill ratio and Net 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:

Subsea7 delivered strong financial results in the third quarter, with solid progress on major projects in Subsea and Conventional, and high utilisation and good performance from our Renewables fleet. In the first nine months of 2024, the Group has delivered Adjusted EBITDA of $775 million, exceeding the prior full year period, and we are on track to meet our profitability objectives for 2024. With approximately three quarters of 2025 revenue already booked in backlog, and with a beneficial project margin mix, I am confident that the business will continue to deliver strong growth in profitability next year. Subsea7's senior management team is focused on ensuring high conversion of future profitability into cash flow and continues to prioritise shareholder returns within our capital allocation framework, alongside a disciplined approach to reinvestment. In February we committed to return *at least* $1 billion to shareholders over four years from 2024 to 2027, and the first tranche of approximately $250 million has been completed in November.

Third quarter project highlights

In Subsea and Conventional, our portfolio of projects in Brazil made good progress, particularly Mero 3&4, where *Seven Vega* completed its first rigid pipelay trip. Yggdrasil, in Norway, also made a good contribution with offshore activities for *Seven Arctic* and *Seven Navica*, while in Guyana, the Gas-to-Energy project approached operational completion. Marjan 2, in Saudi Arabia neared completion, with the final platform float-over operation expected by year end.

In Renewables, utilisation of our key installation vessels was very high including *Seaway Aimery*, at the Revolution inter-array cable project in the US, *Seaway Ventus*, installing turbines at Borkum Riffgrund 3 in Germany, and *Seaway Strashnov* and *Seaway Alfa Lift* at Dogger Bank B in the UK. We were also active with cable lay in Taiwan where *Seaway Phoenix* and *Seaway Moxie* were working on the Yunlin project while *Maersk Connector* continued to progress Hai Long.

Third quarter financial review

Revenue of $1.8 billion increased 16% compared to the prior year period. Adjusted EBITDA of $321 million equated to an Adjusted EBITDA margin of 18%, up from 13% in Q3 2023. This was driven by a strong performance in both business units as major projects made good operational progress.

After depreciation and amortisation of $158 million, net operating income was $163 million, compared to net operating income of $64 million in the prior year period. Net finance costs of $20 million and taxation of $70 million, resulted in net income for the quarter of $98 million compared with $36 million in the prior year period.

Net cash generated from operating activities in the third quarter was $270 million, including a $27 million increase in net working capital. Net cash used in investing activities was $126 million mainly comprising $132 million related to the purchases of property, plant and equipment and intangible assets, including *Seven Merlin*. Net cash used in financing activities was $78 million including share repurchases of $20 million and lease payments of $60 million. Overall, cash and cash equivalents increased by $150 million to $440 million at 30 September 2024. This resulted in net debt of $363 million excluding lease liabilities, or $857 million including lease liabilities of $495 million.

Third quarter order intake was $0.6 billion comprising new awards of $0.3 billion and escalations of $0.3 billion resulting in a book-to-bill ratio of 0.3 times. Book-to-bill for the first nine months of 2024 was 1.2 times. Backlog at the end of September was $11.3 billion, of which $1.8 billion is expected to be executed in 2024, $5.3 billion in 2025 and $4.2 billion in 2026 and beyond.

Outlook

Management remains confident in the outlook for the Group supported by a high backlog, a robust tendering pipeline and positive conversations with clients in both the subsea and offshore wind industries.

Regarding full year 2024, revenue is expected to be towards the upper end of the range from $6.5 to $6.8 billion while Adjusted EBITDA is expected to be between $1,025 and $1,075 million.

Looking ahead to full year 2025, revenue is anticipated to be between $6.8 and $7.2 billion. As the mix of activity continues to shift to projects won in a more favourable environment, our Adjusted EBITDA margin is expected to be between 18 and 20%. This margin is expected to continue to improve, exceeding 20% in full year 2026.

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

Conference Call Information

Date: 21 November 2024
Time: 11:00 UK Time, 12:00 CET
Access the webcast at subsea7.com or https://edge.media-server.com/mmc/p/5nrn5bvo/
Register for the conference call https://register.vevent.com/register/BI6983efafda664e1f94fb1a5d355e684b

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Special Note Regarding Forward-Looking Statements

This stock exchange release was published by Katherine Tonks, Investor Relations, Subsea7, on 21 November 2024 08:00 CET.

Third Quarter 2024

Income Statement

Revenue
Revenue for the third quarter was $1.8 billion, an increase of $256 million or 16% compared to Q3 2023. The increase was due to high activity levels in both the Subsea and Conventional and Renewables business units with strong demand for the Group's services.

Adjusted EBITDA
Adjusted EBITDA was $321 million, an increase of $120 million or 59% compared to Q3 2023, resulting in an Adjusted EBITDA margin of 18% compared to 13% in the prior year period. The year-on-year increase was largely driven by high activity levels and the execution of projects awarded at improved margins in both the Subsea and Conventional and Renewables business units.

Net operating income
Net operating income was $163 million compared to $64 million in Q3 2023. The increase was driven by net operating income of $127 million in the Subsea and Conventional business unit compared to $76 million in Q3 2023. The year-on-year increase in profitability was mainly due to high activity levels and the execution of projects awarded at improved margins.

Net income
Net income was $98 million compared to $36 million in Q3 2023. The year-on-year improvement of $62 million was mainly driven by:

- an increase in net operating income of $99 million;
- net gain within other gains and losses of $26 million, mainly driven by non-cash foreign exchange gains of $26 million, compared to a net loss within other gains and losses of $6 million, which was mainly driven by losses on foreign exchange of $7 million

partly offset by:

- finance costs of $25 million, reflecting higher levels of borrowings, compared with finance costs of $18 million in Q3 2023; and
- taxation of $70 million, representing an effective tax rate of 42%, compared to $10 million in Q3 2023.

Earnings per share
Diluted earnings per share was $0.31 compared to $0.11 in Q3 2023, calculated using a weighted average number of shares of 299 million and 301 million, respectively.

Business Unit Highlights

Subsea and Conventional
Revenue for the third quarter was $1.4 billion, an increase of $151 million or 12% compared to Q3 2023.

During the quarter Sanha Lean Gas (Angola); Gas-to-Energy (Guyana); and Northern Lights (Norway) neared completion. Work progressed on CLOV 3 and Agogo (Angola); Barossa and Scarborough (Australia); Raven Infills (Egypt); Cypre, Salamanca and Shenandoah (Gulf of Mexico); Skarv Satellites, Yggdrasil, Fenris, and Trell and Trine (Norway); Marjan 2 (Saudi Arabia); Sakarya Phase 2a (Türkiye); and Penguins Redevelopment (UK).

In Brazil, there were high levels of utilisation of the PLSVs and work progressed on Bacalhau, Mero 3&4, Búzios 8, Búzios 9 and BJP Salema.

Net operating income was $127 million compared to $76 million in Q3 2023. The year-on-year increase reflected high activity levels, the execution of projects awarded at improved margins and the Group's share of net income in its associate, OneSubsea, of $10 million.

Renewables
Revenue for the third quarter was $376 million, an increase of $107 million or 40% compared to Q3 2023.

During the quarter Zhong Neng (Taiwan); Dogger Bank B and Moray West (UK) neared completion. Work progressed on Baltyk II and III (Poland); Yunlin and Hai Long (Taiwan); East Anglia THREE and Dogger Bank C (UK); and Revolution (US).

Net operating income was $32 million in Q3 2024, compared to $4 million in Q3 2023, the year-on-year increase reflected higher activity levels.

Corporate
Revenue, which was mainly driven by the Group's autonomous wholly-owned subsidiaries Xodus and 4Subsea, was $25 million, compared to $27 million in the prior year period. Net operating income was $4 million compared to net operating loss of $16 million in Q3 2023.

Vessel utilisation and fleet
Vessel utilisation for the third quarter was 92% compared with 86% in Q3 2023. During the quarter *Seven Merlin* joined the fleet and at 30 September 2024, there were 41 vessels in the Group's fleet, including 12 chartered vessels.

Cash flow

Cash flow statement
At 30 September 2024, cash and cash equivalents were $440 million, an increase of $150 million in the quarter. The movement in cash and cash equivalents was mainly attributable to:

- net cash generated from operating activities of $270 million, which included an unfavourable movement of $27 million in net working capital

partly offset by:

- net cash used in investing activities of $126 million, comprising $132 million related to purchases of property, plant and equipment and intangible assets which included the acquisition of *Seven Merlin*; and
- net cash used in financing activities of $78 million, which included payments related to lease liabilities of $60 million, scheduled repayments of borrowings of $31 million and share repurchases of $20 million. At the end of the quarter, the Group had drawn $50 million under the multi-currency revolving credit and guarantee facility.

Free cash flow
During the third quarter, the Group generated free cash flow of $138 million (Q3 2023: $223 million) which is defined as net cash generated from operating activities of $270 million (Q3 2023: $289 million) less purchases of property, plant and equipment and intangible assets of $132 million (Q3 2023: $67 million).

Nine months ended 30 September 2024

Income Statement

Revenue
Revenue for the nine months ended 30 September 2024 was $5.0 billion, an increase of $626 million or 14% compared to the prior year period. The increase was mainly due to increased activity in the Subsea and Conventional business unit with strong demand for the Group's services.

Adjusted EBITDA
Adjusted EBITDA was $775 million, an increase of $305 million or 65% compared to Q3 2023, resulting in an Adjusted EBITDA margin of 16% compared to 11% in the prior year period. The year-on-year increase was driven by higher activity levels and the execution of projects awarded at improved margins in both the Subsea and Conventional and Renewables business units.

Net operating income
Net operating income was $319 million compared to $50 million in the prior year period.

Net operating income in the nine months ended 30 September 2024 was mainly driven by:

- net operating income of $300 million in the Subsea and Conventional business unit compared to $68 million in Q3 2023. The year-on-year increase in profitability was mainly driven by high activity levels and the execution of projects awarded at improved margins; and
- net operating income of $16 million in the Renewables business unit compared to net operating loss of $5 million in the prior year period.

Net income
Net income was $190 million for the nine months ended 30 September 2024 compared to $21 million in the prior year period. The year-on-year improvement of $169 million was mainly driven by:

- an increase in net operating income of $269 million;
- net gain within other gains and losses of $66 million compared to $50 million in Q3 2023, mainly driven by non-cash foreign exchange gains in both periods

partly offset by:

- finance costs of $78 million for the nine months ended 30 September 2024, which reflected higher levels of borrowings, compared with finance costs of $47 million in the prior year period; and
- taxation of $137 million, equivalent to an effective tax rate of 42%, compared to taxation of $51 million in Q3 2023.

Earnings per share
Diluted earnings per share was $0.60 compared to $0.11 in the nine months ended 30 September 2023, calculated using a weighted average number of shares of 300 million and 299 million, respectively.

Business Unit Highlights

Subsea and Conventional
Revenue for the nine months ended 30 September 2024 was $4.1 billion, an increase of $531 million or 15% compared to the prior year period.

During the period Sanha Lean Gas (Angola); Gas-to-Energy (Guyana); and Sangomar (Senegal) neared completion. Work progressed on CLOV 3 and Agogo (Angola); Barossa and Scarborough (Australia); Cypre and Shenandoah (Gulf of Mexico); Marjan 2 (Saudi Arabia); Sakarya Phase 2a (Türkiye); Skarv Satellites and Yggdrasil (Norway); and Penguins Redevelopment (UK)

In Brazil, there were high levels of utilisation of the PLSVs and work progressed on Bacalhau, Mero 3&4, Búzios 8, Búzios 9 and BJP Salema.

Net operating income for the nine months ended 30 September 2024 was $300 million compared to $68 million in the prior year period. The year-on-year increase reflected high activity levels, the execution of projects awarded at improved margins and the Group's share of net income in its associate, OneSubsea, of $28 million.

Renewables
Revenue for the nine months ended 30 September 2024 was $835 million, an increase of $98 million or 13% compared to the prior year period.

During the period, Dogger Bank B and Moray West (UK); and Zhong Neng (Taiwan) neared completion. Work progressed on East Anglia THREE and Dogger Bank C (UK); Revolution (US); Baltyk II and III (Poland); and Yunlin and Hai Long (Taiwan).

Net operating income for the nine months ended 30 September 2024 was $16 million compared to net operating loss of $5 million in the prior year period.

Corporate
Revenue, which was mainly driven by the Group's autonomous wholly-owned subsidiaries Xodus and 4Subsea, was $77 million, compared to $81 million in the prior year period. Net operating income was $3 million compared to net operating loss of $14 million in the prior year period.

Vessel utilisation and fleet
Vessel utilisation for the nine months ended 30 September 2024 was 85% compared with 80% for the prior year period.

Cash flow

Cash flow statement

Cash and cash equivalents were $440 million at 30 September 2024, a decrease of $311 million in the nine months ended 30 September 2023. The movement in cash and cash equivalents was mainly attributable to:

- net cash generated from operating activities of $445 million, which included an unfavourable movement of $195 million in net working capital

more than offset by:

- net cash used in investing activities of $345 million, comprising $270 million related to purchases of property, plant and equipment and intangible assets, $153 million in relation to the final instalment for the Group's investment in its associate, OneSubsea, partly offset by $59 million related to vessel disposal proceeds; and
- net cash used in financing activities of $409 million, which included payments related to lease liabilities of $164 million, scheduled repayments of borrowings of $94 million, the first instalment of $82 million related to dividends payable to the shareholders of the parent company and share repurchases of $54 million. At 30 September 2024, the Group had drawn $50 million under the multi-currency revolving credit and guarantee facility.

Free cash flow

During the nine months ended 30 September 2024, the Group generated free cash flow of $174 million (nine months ended 30 September 2023: negative $224 million) which is defined as net cash generated from operating activities of $445 million (nine months ended 30 September 2023: $131 million) less purchases of property, plant and equipment and intangible assets of $270 million (nine months ended 30 September 2023: $356 million).

Balance Sheet

Non-current assets

At 30 September 2024, non-current assets were $5.3 billion (31 December 2023: $5.2 billion). The movement of $64 million was largely driven by an increase in derivative financial instruments of $31 million and interests in associates and joint ventures of $24 million.

Non-current liabilities

At 30 September 2024, total non-current liabilities were $1.0 billion (31 December 2023: $1.1 billion). The decrease of $128 million was largely driven by $94 million reclassified to current borrowings in line with repayment schedules.

Net current assets

At 30 September 2024, current assets were $3.0 billion (31 December 2023: $2.9 billion) and current liabilities were $2.9 billion (31 December 2023: $2.6 billion), resulting in net current assets of $45 million (31 December 2023: $249 million). The decrease of $204 million in the period was largely driven by:

- decrease in cash and cash equivalents of $311 million;
- increase in trade and other liabilities of $140 million;
- increase in tax liabilities of $101 million

partly offset by:

- increase in construction contract assets of $284 million; and
- increase in other accrued income and prepaid expenses of $82 million.

Equity

At 30 September 2024, total equity was $4.3 billion (31 December 2023: $4.4 billion). The movement of $12 million was largely driven by dividends declared of $163 million, of which $82 million was paid in the prior quarter, and share repurchases of $54 million partly offset by net income of $190 million.

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

Borrowings

At 30 September 2024, total borrowings were $803 million (31 December 2023: $845 million). The decrease of $42 million was largely driven by scheduled repayments of $94 million. During the nine months ended 30 September 2024, the Group made a net drawdown of $50 million under the multi-currency revolving credit and guarantee facility.

A summary of the borrowing facilities available at 30 September 2024 is as follows:

(in $ millions)	Total facility	Drawn[(a)]	Undrawn	Maturity Date
Multi-currency revolving credit and guarantee facility	600.0	(50.0)	550.0	June 2029[(b)]
2021 UK Export Finance (UKEF 2021) facility	350.0	(350.0)	–	February 2028
2023 UK Export Finance (UKEF 2023) facility	450.0	(292.4)	157.6	July 2030
South Korean Export Credit Agency (ECA) facility	116.7	(116.7)	–	January 2027[(c)]
Total	**1,516.7**	**(809.1)**	**707.6**	

(a) Borrowings presented in the Condensed Consolidated Balance Sheet are shown net of capitalised fees of $6.4 million, which are amortised over the period of the facility.

(b) During the third quarter 2024, the Group's multi-currency revolving credit and guarantee facility reduced from $700 million to $600 million. The facility will reduce further to $500 million in June 2028 until maturity in June 2029.

(c) 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

At 30 September 2024, lease liabilities were $495 million, an increase of $36 million compared with 31 December 2023. The increase was mainly driven by vessel leases, including options, related to vessels on long-term charters.

Net debt

At 30 September 2024:

- net debt (excluding lease liabilities) was $363 million compared to $94 million at 31 December 2023; and
- net debt (including lease liabilities) was $857 million, compared to $552 million at 31 December 2023.

Gearing

At 30 September 2024, gross gearing (borrowings divided by total equity) was 18.5% (31 December 2023: 19.4%).

Liquidity

At 30 September 2024, the Group's liquidity, represented by cash and cash equivalents and undrawn borrowing facilities was $1.1 billion (31 December 2023: $1.6 billion).

Shareholder distributions

Share repurchase programme

During the third quarter, 1.0 million shares were repurchased for a cost of $20 million, in accordance with the Group's share repurchase programme authorised on 24 July 2019, extended on 19 April 2023. At 30 September 2024, the Group had cumulatively repurchased 13.2 million shares for a total cost of $131 million under this programme. At 30 September 2024, the Group directly held 4.9 million shares (31 December 2023: 3.8 million) as treasury shares, representing 1.62% (31 December 2023: 1.26%) of the total number of issued shares.

Backlog

At 30 September 2024, backlog was $11.3 billion compared to $12.5 billion at 30 June 2024. Order intake was $0.6 billion representing a book-to-bill ratio of 0.3 times. Order intake included new awards of approximately $300 million, including Murlach (UK) and Vito Waterflood (Gulf of Mexico). Escalations of approximately $300 million were recognised during the quarter and the impact of foreign exchange was not significant.

$9.8 billion of the backlog at 30 September 2024 related to the Subsea and Conventional business unit (which included approximately $1.5 billion related to long-term day-rate contracts for PLSVs in Brazil) and $1.5 billion related to the Renewables business unit. $1.8 billion of the backlog is expected to be executed in 2024, $5.3 billion in 2025 and $4.2 billion in 2026 and thereafter. Backlog related to associates and joint ventures is excluded from these amounts.

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Condensed Consolidated Income Statement

(in $ millions)	Third Quarter Q3 2024 Unaudited	Third Quarter Q3 2023 Unaudited	Nine Months Ended 30 Sep 2024 Unaudited	Nine Months Ended 30 Sep 2023 Unaudited
Revenue	**1,833.9**	1,578.2	**4,968.2**	4,342.4
Operating expenses	**(1,607.8)**	(1,450.3)	**(4,463.9)**	(4,093.0)
Gross profit	**226.1**	127.9	**504.3**	249.4
Administrative expenses	**(74.0)**	(64.3)	**(213.2)**	(199.5)
Share of net income of associates and joint ventures	**10.7**	0.6	**28.3**	0.1
Net operating income	**162.8**	64.2	**319.4**	50.0
Finance income	**4.9**	5.9	**20.1**	19.5
Other gains and losses	**25.5**	(6.1)	**66.1**	49.6
Finance costs	**(25.1)**	(17.5)	**(78.3)**	(47.3)
Income before taxes	**168.1**	46.5	**327.3**	71.8
Taxation	**(69.8)**	(10.2)	**(137.0)**	(50.5)
Net income	**98.3**	36.3	**190.3**	21.3
Net income attributable to:				
Shareholders of the parent company	**93.3**	34.4	**179.4**	32.7
Non-controlling interests	**5.0**	1.9	**10.9**	(11.4)
	98.3	36.3	**190.3**	21.3

Earnings per share	**$ per share**	$ per share	**$ per share**	$ per share
Basic	**0.31**	0.11	**0.60**	0.11
Diluted[(a)]	**0.31**	0.11	**0.60**	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)	Third Quarter Q3 2024 Unaudited	Third Quarter Q3 2023 Unaudited	Nine Months Ended 30 Sep 2024 Unaudited	Nine Months Ended 30 Sep 2023 Unaudited
Net income	**98.3**	36.3	**190.3**	21.3
Items that may be reclassified to the income statement in subsequent periods:				
Net foreign currency translation gains/(losses)	**23.4**	(26.0)	**23.0**	(8.5)
Net commodity cash flow hedge (losses)/gains	**(4.3)**	4.3	**(3.1)**	(0.1)
Share of other comprehensive loss of associates and joint ventures	**(3.8)**	–	**(3.8)**	–
Tax relating to components of other comprehensive income	**(0.2)**	3.6	**0.4**	0.4
Other comprehensive income/(loss)	**15.1**	(18.1)	**16.5**	(8.2)
Total comprehensive income	**113.4**	18.2	**206.8**	13.1
Total comprehensive income attributable to:				
Shareholders of the parent company	**108.1**	16.6	**195.9**	24.7
Non-controlling interests	**5.3**	1.6	**10.9**	(11.6)
	113.4	18.2	**206.8**	13.1

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Condensed Consolidated Balance Sheet

(in $ millions)	30 Sep 2024 Unaudited	31 Dec 2023 Audited
Assets		
Non-current assets		
Goodwill	**194.0**	192.2
Intangible assets	**78.8**	58.5
Property, plant and equipment	**4,047.6**	4,070.0
Right-of-use assets	**438.0**	419.4
Interest in associates and joint ventures	**366.4**	342.0
Advances and receivables	**61.1**	67.0
Derivative financial instruments	**60.4**	29.5
Other financial assets	**1.1**	1.1
Deferred tax assets	**46.9**	50.9
	5,294.3	5,230.6
Current assets		
Inventories	**62.8**	60.1
Trade and other receivables	**954.3**	921.8
Current tax assets	**137.4**	100.5
Derivative financial instruments	**71.1**	31.4
Assets classified as held for sale	**–**	57.0
Construction contracts – assets	**975.6**	691.8
Other accrued income and prepaid expenses	**326.0**	244.0
Restricted cash	**4.5**	7.4
Cash and cash equivalents	**439.9**	750.9
	2,971.6	2,864.9
Total assets	**8,265.9**	8,095.5
Equity		
Issued share capital	**604.4**	608.6
Treasury shares	**(67.8)**	(31.1)
Paid in surplus	**2,570.5**	2,579.7
Translation reserve	**(590.2)**	(607.2)
Other reserves	**(14.2)**	(7.3)
Retained earnings	**1,801.6**	1,780.3
Equity attributable to shareholders of the parent company	**4,304.3**	4,323.0
Non-controlling interests	**40.9**	34.1
Total equity	**4,345.2**	4,357.1
Liabilities		
Non-current liabilities		
Borrowings	**629.2**	721.4
Lease liabilities	**271.4**	290.5
Retirement benefit obligations	**9.4**	8.4
Deferred tax liabilities	**42.0**	43.2
Provisions	**34.7**	24.6
Contingent liabilities recognised	**0.5**	0.5
Derivative financial instruments	**6.0**	32.6
Other non-current liabilities	**1.1**	1.1
	994.3	1,122.3
Current liabilities		
Trade and other liabilities	**1,823.6**	1,683.9
Derivative financial instruments	**12.9**	35.3
Tax liabilities	**177.1**	76.4
Borrowings	**173.5**	123.5
Lease liabilities	**223.1**	167.8
Provisions	**59.0**	100.5
Construction contracts – liabilities	**436.9**	424.8
Deferred revenue	**20.3**	3.9
	2,926.4	2,616.1
Total liabilities	**3,920.7**	3,738.4
Total equity and liabilities	**8,265.9**	8,095.5

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Condensed Consolidated Statement of Changes in Equity
For the nine months ended 30 September 2024

(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 2024	**608.6**	**(31.1)**	**2,579.7**	**(607.2)**	**(7.3)**	**1,780.3**	**4,323.0**	**34.1**	**4,357.1**
Comprehensive income									
Net income	–	–	–	–	–	179.4	179.4	10.9	190.3
Net foreign currency translation gains	–	–	–	23.0	–	–	23.0	–	23.0
Commodity cash flow hedges	–	–	–	–	(3.1)	–	(3.1)	–	(3.1)
Share of other comprehensive loss of associates and joint ventures	–	–	–	–	(3.8)	–	(3.8)	–	(3.8)
Tax relating to components of other comprehensive income	–	–	–	0.4	–	–	0.4	–	0.4
Total comprehensive income	**–**	**–**	**–**	**23.4**	**(6.9)**	**179.4**	**195.9**	**10.9**	**206.8**
Transactions with owners									
Dividends declared	–	–	–	–	–	(163.4)	(163.4)	–	(163.4)
Shares repurchased	–	(54.2)	–	–	–	–	(54.2)	–	(54.2)
Share cancellation	(4.2)	17.5	(13.3)	–	–	–	–	–	–
Share-based payments	–	–	4.1	–	–	–	4.1	–	4.1
Reclassification adjustment relating to ownership interests	–	–	–	(6.4)	–	5.3	(1.1)	(4.1)	(5.2)
Total transactions with owners	**(4.2)**	**(36.7)**	**(9.2)**	**(6.4)**	**–**	**(158.1)**	**(214.6)**	**(4.1)**	**(218.7)**
Balance at 30 September 2024	**604.4**	**(67.8)**	**2,570.5**	**(590.2)**	**(14.2)**	**1,801.6**	**4,304.3**	**40.9**	**4,345.2**

Subsea 7 S.A.
Condensed Consolidated Statement of Changes in Equity
For the nine months ended 30 September 2023

(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 2023	**600.0**	**(75.0)**	**2,503.2**	**(628.0)**	**(18.4)**	**1,739.8**	**4,121.6**	**329.1**	**4,450.7**
Comprehensive income/(loss)									
Net income	–	–	–	–	–	32.7	32.7	(11.4)	21.3
Net foreign currency translation losses	–	–	–	(8.3)	–	–	(8.3)	(0.2)	(8.5)
Commodity cash flow hedges	–	–	–	–	(0.1)	–	(0.1)	–	(0.1)
Tax relating to components of other comprehensive income	–	–	–	0.4	–	–	0.4	–	0.4
Total comprehensive income/(loss)	**–**	**–**	**–**	**(7.9)**	**(0.1)**	**32.7**	**24.7**	**(11.6)**	**13.1**
Transactions with owners									
Dividends declared	–	–	–	–	–	(112.1)	(112.1)	–	(112.1)
Share issuance	20.0	–	107.0	–	–	–	127.0	(127.0)	–
Transaction costs	–	–	(0.5)	–	–	–	(0.5)	–	(0.5)
Share cancellation	(11.4)	41.6	(30.2)	–	–	–	–	–	–
Reclassification adjustment relating to ownership interests	–	–	–	–	–	150.2	150.2	(150.2)	–
Acquisition of non-controlling interest	–	–	–	–	–	–	–	(12.6)	(12.6)
Share-based payments	–	–	2.9	–	–	–	2.9	–	2.9
Shares reallocated related to share-based payments	–	0.2	–	–	–	(0.2)	–	–	–
Total transactions with owners	**8.6**	**41.8**	**79.2**	**–**	**–**	**37.9**	**167.5**	**(289.8)**	**(122.3)**
Balance at 30 September 2023	**608.6**	**(33.2)**	**2,582.4**	**(635.9)**	**(18.5)**	**1,810.4**	**4,313.8**	**27.7**	**4,341.5**

Subsea 7 S.A.
Condensed Consolidated Cash Flow Statement

(in $ millions)	Nine Months Ended 30 Sep 2024 Unaudited	Nine Months Ended 30 Sep 2023 Unaudited
Operating activities		
Income before taxes	**327.3**	71.8
Adjustments for non-cash items:		
Depreciation and amortisation charges	**455.7**	396.3
Impairment of property, plant and equipment	**–**	23.2
Credit impairment	**–**	19.0
Increase in foreign exchange embedded derivatives	**(123.5)**	(31.3)
Adjustments for investing and financing items:		
Share of net income of associates and joint ventures	**(28.3)**	(0.1)
Net gain on disposal of property, plant and equipment	**(0.3)**	–
Net (gain)/loss on maturity of lease liabilities	**(0.1)**	0.3
Release of contingent consideration post measurement period	**–**	(0.5)
Remeasurement loss on business combination	**0.9**	–
Finance income	**(20.1)**	(19.5)
Finance costs	**78.3**	47.3
Adjustments for equity items:		
Share-based payments	**4.1**	2.9
	694.0	509.4
Changes in working capital:		
Increase in inventories	**(3.0)**	(9.0)
Increase in trade and other receivables	**(67.2)**	(160.7)
Increase in construction contract – assets	**(363.7)**	(347.6)
Increase in other working capital assets	**(92.4)**	(81.5)
Increase in trade and other liabilities	**254.7**	230.1
Increase in construction contract – liabilities	**86.1**	50.1
(Decrease)/increase in other working capital liabilities	**(9.7)**	16.9
Net movement in working capital	**(195.2)**	(301.7)
Income taxes paid	**(54.3)**	(76.3)
Net cash generated from operating activities	**444.5**	131.4
Cash flows used in investing activities		
Proceeds from disposal of property, plant and equipment	**58.9**	–
Purchases of property, plant and equipment and intangible assets	**(270.3)**	(355.6)
Investments in associates and joint ventures	**(153.3)**	–
Acquisition of shares from non-controlling interest	**–**	(12.6)
Interest received	**20.1**	19.5
Net cash used in investing activities	**(344.6)**	(348.7)
Cash flows (used in)/generated from financing activities		
Interest paid	**(58.8)**	(36.2)
Repayment of borrowings	**(213.5)**	(230.9)
Proceeds from borrowings	**170.0**	604.6
Cost of share repurchases	**(54.2)**	–
Payments related to lease liabilities – principal	**(137.7)**	(101.6)
Payments related to lease liabilities – interest	**(26.2)**	(21.6)
Payments to non-controlling interests	**(6.4)**	–
Dividends paid to shareholders of the parent company	**(82.0)**	(112.1)
Net cash (used in)/generated from financing activities	**(408.8)**	102.2
Net decrease in cash and cash equivalents	**(308.9)**	(115.1)
Cash and cash equivalents at beginning of period	**750.9**	645.6
Decrease/(increase) in restricted cash	**2.9**	(3.1)
Effect of foreign exchange rate movements on cash and cash equivalents	**(5.0)**	2.4
Cash and cash equivalents at end of period	**439.9**	529.8

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 20 November 2024.

2. Basis of preparation

The Condensed Consolidated Financial Statements for the period from 1 January 2024 to 30 September 2024 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 2023 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The Condensed Consolidated Financial Statements are unaudited.

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 2023.

No new International Financial Reporting Standards (IFRSs) were adopted by the Group for the financial year beginning 1 January 2024. Amendments to existing IFRSs, issued with an effective date of 1 January 2024 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 2023, 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 prospectively in the period in which the estimate is revised.

Management makes accounting judgements on the following aspects of the business as described in full in the Annual Report for the year ended 31 December 2023:

- Revenue recognition
- Goodwill carrying amount
- Property, plant and equipment
- Recognition of provisions and disclosure of contingent liabilities
- 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;
- Activities associated with carbon capture, utilisation and storage (CCUS); and
- Share of net income of the Group's associate, OneSubsea.

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.

Renewables

The Renewables business unit comprises activities related to the delivery of fixed offshore wind farm projects and floating wind activities. 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 activities in emerging energies such as hydrogen. A significant portion of the Corporate business unit's costs are allocated to the Subsea and Conventional and Renewables business units based on a percentage of external revenue.

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

For the three months ended 30 September 2024

(in $ millions) Unaudited	Subsea and Conventional	Renewables	Corporate	Total
Revenue				
Fixed-price contracts	**1,246.2**	**360.7**	**3.7**	**1,610.6**
Day-rate contracts	**187.4**	**14.9**	**21.0**	**223.3**
	1,433.6	**375.6**	**24.7**	**1,833.9**
Net operating income	**126.8**	**32.2**	**3.8**	**162.8**
Finance income				**4.9**
Other gains and losses				**25.5**
Finance costs				**(25.1)**
Income before taxes				**168.1**
Adjusted EBITDA[(a)]	***251.5***	***61.7***	***7.7***	***320.9***
Adjusted EBITDA margin[(a)]	***17.5%***	***16.4%***	***31.2%***	***17.5%***

For the three months ended 30 September 2023

(in $ millions) Unaudited	Subsea and Conventional	Renewables	Corporate	Total
Revenue				
Fixed-price contracts	1,076.8	268.1	4.1	1,349.0
Day-rate contracts	205.9	0.7	22.6	229.2
	1,282.7	268.8	26.7	1,578.2
Net operating income/(loss)	75.8	4.4	(16.0)	64.2
Finance income				5.9
Other gains and losses				(6.1)
Finance costs				(17.5)
Income before taxes				46.5
Adjusted EBITDA[(a)]	*181.9*	*31.4*	*(12.0)*	*201.3*
Adjusted EBITDA margin[(a)]	*14.2%*	*11.7%*	*(44.9%)*	*12.8%*

6. Segment information continued

For the nine months ended 30 September 2024

(in $ millions) Unaudited	Subsea and Conventional	Renewables	Corporate	Total
Revenue				
Fixed-price projects	**3,562.3**	**799.4**	**11.2**	**4,372.9**
Day-rate projects	**493.7**	**35.5**	**66.1**	**595.3**
	4,056.0	**834.9**	**77.3**	**4,968.2**
Net operating income	**300.2**	**15.8**	**3.4**	**319.4**
Finance income				**20.1**
Other gains and losses				**66.1**
Finance costs				**(78.3)**
Income before taxes				**327.3**
Adjusted EBITDA[(a)]	***657.8***	***101.0***	***15.9***	***774.7***
Adjusted EBITDA margin[(a)]	***16.2%***	***12.1%***	***20.6%***	***15.6%***

For the nine months ended 30 September 2023

(in $ millions) Unaudited	Subsea and Conventional	Renewables	Corporate	Total
Revenue				
Fixed-price projects	2,956.6	735.9	13.0	3,705.5
Day-rate projects	568.0	1.3	67.6	636.9
	3,524.6	737.2	80.6	4,342.4
Net operating income/(loss)	68.4	(4.6)	(13.8)	50.0
Finance income				19.5
Other gains and losses				49.6
Finance costs				(47.3)
Income before taxes				71.8
Adjusted EBITDA[(a)]	*399.8*	*71.7*	*(1.7)*	*469.8*
Adjusted EBITDA margin[(a)]	*11.3%*	*9.7%*	*(2.1%)*	*10.8%*

(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:

	Third Quarter		Nine Months Ended	
For the period (in $ millions)	**Q3 2024 Unaudited**	Q3 2023 Unaudited	**30 Sep 2024 Unaudited**	30 Sep 2023 Unaudited
Net income attributable to shareholders of the parent company	**93.3**	34.4	**179.4**	32.7
Earnings used in the calculation of diluted earnings per share	**93.3**	34.4	**179.4**	32.7

	Third Quarter		Nine Months Ended	
For the period (number of shares)	**Q3 2024 Unaudited**	Q3 2023 Unaudited	**30 Sep 2024 Unaudited**	30 Sep 2023 Unaudited
Weighted average number of common shares used in the calculation of basic earnings per share	**297,445,594**	300,196,904	**298,850,387**	297,385,438
Performance shares	**1,170,183**	1,230,034	**1,108,097**	1,196,620
Weighted average number of common shares used in the calculation of diluted earnings per share	**298,615,777**	301,426,938	**299,958,484**	298,582,058

	Third Quarter		Nine Months Ended	
For the period (in $ per share)	**Q3 2024 Unaudited**	Q3 2023 Unaudited	**30 Sep 2024 Unaudited**	30 Sep 2023 Unaudited
Basic earnings per share	**0.31**	0.11	**0.60**	0.11
Diluted earnings per share	**0.31**	0.11	**0.60**	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:

	Third Quarter		Nine Months Ended	
For the period (number of shares)	**Q3 2024 Unaudited**	Q3 2023 Unaudited	**30 Sep 2024 Unaudited**	30 Sep 2023 Unaudited
Performance shares	**693,582**	544,581	**753,470**	585,052

8. Goodwill

The movement in goodwill during the period was as follows:

(in $ millions)	**30 Sep 2024 Unaudited**	30 Sep 2023 Unaudited
At year beginning	**192.2**	191.3
Exchange differences	**1.8**	(1.4)
At period end	**194.0**	189.9

9. Purchase of property, plant and equipment

On 18 July 2024, the Group completed the purchase of *Seven Merlin* (formerly *African Inspiration*), a heavy construction vessel, for a consideration of $83.0 million.

10. Treasury shares

At 30 September 2024, the Company directly held 4,885,804 shares (Q2 2024: 3,839,804) as treasury shares, representing 1.62% (Q2 2024: 1.27%) of the total number of issued shares.

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

	30 Sep 2024 Number of shares Unaudited	**30 Sep 2024 in $ millions Unaudited**	30 Sep 2023 Number of shares Unaudited	30 Sep 2023 in $ millions Unaudited
At year beginning	**3,839,804**	**31.1**	9,794,267	75.0
Shares repurchased	**3,152,000**	**54.2**	–	–
Shares cancelled	**(2,106,000)**	**(17.5)**	(5,681,967)	(41.6)
Shares reallocated relating to share-based payments	**–**	**–**	(19,036)	(0.2)
At period end	**4,885,804**	**67.8**	4,093,264	33.2

11. Share repurchase programme

During the third quarter, 1,046,000 shares were repurchased for a cost of $20.1 million, under the Group's $200 million share repurchase programme authorised by the Board of Directors on 24 July 2019. On 19 April 2023, the Board of Directors authorised a 24-month extension to this programme which will now expire on 18 April 2025.

At 30 September 2024, the Group had cumulatively repurchased 13,152,212 shares for a total cost of $131.0 million under this programme.

12. Borrowings

On 27 September 2024, the Group's multi-currency revolving credit and guarantee facility reduced from $700 million to $600 million. The facility will reduce further to $500 million in June 2028 until maturity in June 2029. At 30 September 2024, $50.0 million was drawn under the facility.

13. Commitments and contingent liabilities

Commitments

At 30 September 2024, the Group had contractual capital commitments totalling $82.1 million (31 December 2023: $204.4 million).

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 2023, 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 30 September 2024 amounted to BRL 993.6 million, equivalent to $182.1 million (31 December 2023: BRL 956.3 million, equivalent to $196.6 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 30 September 2024 amounted to BRL 179.3 million, equivalent to $32.9 million (31 December 2023: BRL 191.8 million, equivalent to $39.4 million). The Group has challenged these claims. A contingent liability has been disclosed for BRL 124.4 million, equivalent to $22.8 million as the disclosure criteria have been met (31 December 2023: BRL 137.2 million, equivalent to $28.2 million), however, management believes that the likelihood of payment is not probable. At 30 September 2024, a provision of BRL 54.9 million, equivalent to $10.1 million was recognised within the Consolidated Balance Sheet (31 December 2023: BRL 54.6 million, equivalent to $11.2 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 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 30 September 2024 was $0.5 million (31 December 2023: $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.

14. 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

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 30 September 2024, 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 Consolidated Balance Sheet and their level in the fair value hierarchy were as follows:

At (in $ millions)	**2024 30 Sep Level 1**	**2024 30 Sep Level 2**	**2024 30 Sep Level 3**	2023 31 Dec Level 1	2023 31 Dec Level 2	2023 31 Dec Level 3
Recurring fair value measurements						
Financial assets:						
Financial assets measured at fair value through profit and loss – embedded derivatives	**–**	**131.5**	**–**	–	58.5	–
Financial assets measured at fair value through profit and loss – forward foreign exchange contracts	**–**	**–**	**–**	–	0.8	–
Financial assets measured at fair value through other comprehensive income – commodity derivatives	**–**	**–**	**–**	–	1.6	–
Financial liabilities:						
Financial liabilities measured at fair value through profit and loss – embedded derivatives	**–**	**(13.7)**	**–**	–	(64.2)	–
Financial liabilities measured at fair value through profit and loss – forward foreign exchange contracts	**–**	**(0.8)**	**–**	–	(1.2)	–
Financial liabilities measured at fair value through profit and loss – commodity derivatives	**–**	**(0.5)**	**–**	–	(0.1)	–
Financial liabilities measured at fair value through other comprehensive income – commodity derivatives	**–**	**(3.9)**	**–**	–	(2.4)	–
Contingent consideration	**–**	**–**	**(0.8)**	–	–	(1.2)

During the period ended 30 September 2024 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.

14. Fair value and financial instruments continued

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 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.

15. Events after the reporting period

Share repurchase programme

Between 1 October 2024 and 5 November 2024, the Company repurchased 1,586,592 shares for consideration of $26.2 million under the Company's share repurchase programme authorised by the Board of Directors on 24 July 2019, extended on 19 April 2023. At 20 November 2024, the Company had cumulatively repurchased 14,738,804 shares for a total consideration of $157.3 million under this programme.

Dividend

On 7 November 2024, the Company paid a dividend of NOK 3.00 per share, equivalent to $80.8 million, being the final instalment of the NOK 6.00 dividend approved by the shareholders of the Company at the Annual General Meeting on 2 May 2024. The total dividend of NOK 6.00 per share was paid in two equal instalments during May and November respectively, resulting in shareholder returns of $162.8 million.

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 nor superior to 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/(loss) adjusted to exclude depreciation and amortisation costs, including amortisation of prepaid mobilisation expenses and amortisation of intangible assets, impairment charges or impairment reversals, gains and losses on disposal of property, plant and equipment and maturity of lease liabilities, 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/(used in) operating activities, add back income taxes paid, divided by Adjusted EBITDA, expressed as a percentage.	No direct equivalent	Calculated as net cash generated from/(used in) operating activities in the Group's Consolidated Cash Flow Statement, add back income taxes paid and divided 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/(used in) operating activities less purchases of property, plant and equipment and intangible assets.	No direct equivalent	Calculated as net cash generated from/(used in) 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.
Order intake	Order intake represents new project awards plus escalations on existing projects.	No direct equivalent	n/a	Order intake is in accordance with expected industry-wide terminology and primarily enables the book-to-bill APM to be calculated.
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

For the period (in $ millions)	Third Quarter Q3 2024 Unaudited	 Q3 2023 Unaudited	Nine Months Ended 30 Sep 2024 Unaudited	 30 Sep 2023 Unaudited
Net operating income	**162.8**	64.2	**319.4**	50.0
Depreciation, amortisation and mobilisation	**158.2**	136.8	**455.7**	396.3
Impairment of property, plant and equipment	**–**	–	**–**	23.2
Net (gain)/loss on disposal of property, plant and equipment and maturity of lease liabilities	**(0.1)**	0.3	**(0.4)**	0.3
Adjusted EBITDA	**320.9**	201.3	**774.7**	469.8
Revenue	**1,833.9**	1,578.2	**4,968.2**	4,342.4
Adjusted EBITDA margin	**17.5%**	12.8%	**15.6%**	10.8%

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

For the period (in $ millions)	Third Quarter Q3 2024 Unaudited	 Q3 2023 Unaudited	Nine Months Ended 30 Sep 2024 Unaudited	 30 Sep 2023 Unaudited
Net income	**98.3**	36.3	**190.3**	21.3
Depreciation, amortisation and mobilisation	**158.2**	136.8	**455.7**	396.3
Impairment of property, plant and equipment	**–**	–	**–**	23.2
Net (gain)/loss on disposal of property, plant and equipment and maturity of lease liabilities	**(0.1)**	0.3	**(0.4)**	0.3
Finance income	**(4.9)**	(5.9)	**(20.1)**	(19.5)
Other gains and losses	**(25.5)**	6.1	**(66.1)**	(49.6)
Finance costs	**25.1**	17.5	**78.3**	47.3
Taxation	**69.8**	10.2	**137.0**	50.5
Adjusted EBITDA	**320.9**	201.3	**774.7**	469.8
Revenue	**1,833.9**	1,578.2	**4,968.2**	4,342.4
Adjusted EBITDA margin	**17.5%**	12.8%	**15.6%**	10.8%

2. Effective tax rate

For the period (in $ millions)	Third Quarter Q3 2024 Unaudited	 Q3 2023 Unaudited	Nine Months Ended 30 Sep 2024 Unaudited	 30 Sep 2023 Unaudited
Taxation	**(69.8)**	(10.2)	**(137.0)**	(50.5)
Income before taxation	**168.1**	46.5	**327.3**	71.8
Effective tax rate (percentage)	**41.5%**	21.9%	**41.9%**	70.3%

3. Net debt excluding lease liabilities and net debt including lease liabilities

At (in $ millions)	30 Sep 2024 Unaudited	30 Sep 2023 Unaudited
Cash and cash equivalents	**439.9**	529.8
Total borrowings	**(802.7)**	(725.6)
Net debt excluding lease liabilities	**(362.8)**	(195.8)
Total lease liabilities	**(494.5)**	(409.8)
Net debt including lease liabilities	**(857.3)**	(605.6)

4. Cash conversion

For the period (in $ millions)	Third Quarter Q3 2024 Unaudited	 Q3 2023 Unaudited	Nine Months Ended 30 Sep 2024 Unaudited	 30 Sep 2023 Unaudited
Net cash generated from operating activities	**270.4**	289.1	**444.5**	131.4
Income taxes paid	**14.8**	11.2	**54.3**	76.3
	285.2	300.3	**498.8**	207.7
Adjusted EBITDA	**320.9**	201.3	**774.7**	469.8
Cash conversion	**0.9x**	1.5x	**0.6x**	0.4x

5. Free cash flow

For the period (in $ millions)	Third Quarter Q3 2024 Unaudited	Q3 2023 Unaudited	Nine Months Ended 30 Sep 2024 Unaudited	30 Sep 2023 Unaudited
Net cash generated from operating activities	**270.4**	289.1	**444.5**	131.4
Purchases of property, plant and equipment and intangible assets	**(132.2)**	(66.6)	**(270.3)**	(355.6)
Free cash flow	**138.2**	222.5	**174.2**	(224.2)

6. Backlog

IFRS 15 'Revenue from Contracts with Customers' disclosure in relation to remaining performance obligations is contained in the 'Construction contracts' note, in the Group's 2023 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)	30 Sep 2024 Unaudited	30 Sep 2023 Unaudited
Total backlog	**11,299.5**	10,794.3
Expected year of execution:		
2023	**–**	1,667.8
2024	**1,750.6**	4,842.2
2025	**5,311.0**	3,202.3
2026	**2,510.9**	1,082.0
2027 and thereafter	**1,727.0**	–

6b. Backlog reconciliation

(in $ millions)	Third Quarter Q3 2024 Unaudited	Q3 2023 Unaudited	Nine Months Ended 30 Sep 2024 Unaudited	30 Sep 2023 Unaudited
At period beginning	**12,543.8**	10,362.5	**10,586.8**	9,007.6
Order intake	**575.8**	2,106.2	**5,904.0**	6,218.8
Revenue	**(1,833.9)**	(1,578.2)	**(4,968.2)**	(4,342.4)
Effect of foreign exchange rate movements	**13.8**	(96.2)	**(223.1)**	(89.7)
At period end	**11,299.5**	10,794.3	**11,299.5**	10,794.3

7. Order intake

For the period (in $ millions)	Third Quarter Q3 2024 Unaudited	Q3 2023 Unaudited	Nine Months Ended 30 Sep 2024 Unaudited	30 Sep 2023 Unaudited
New project awards	**273.0**	1,447.5	**4,915.6**	4,184.2
Escalations on existing projects	**302.8**	658.7	**988.4**	2,034.6
Order intake	**575.8**	2,106.2	**5,904.0**	6,218.8

8. Book-to-bill ratio

For the period (in $ millions)	Third Quarter Q3 2024 Unaudited	Q3 2023 Unaudited	Nine Months Ended 30 Sep 2024 Unaudited	30 Sep 2023 Unaudited
Order intake	**575.8**	2,106.2	**5,904.0**	6,218.8
Revenue	**1,833.9**	1,578.2	**4,968.2**	4,342.4
Book-to-bill ratio	**0.3x**	1.3x	**1.2x**	1.4x