

## SBM Offshore First Quarter Trading Update

May 12, 2021

### Highlights

- Year-to-date Underlying<sup>1</sup> Directional<sup>2</sup> revenue of US\$536 million, in line with expectation
- Full year 2021 Revenues and EBITDA guidance maintained
- Awarded LOI for FPSO *Almirante Tamandaré*; fourth Fast4Ward® hull allocated to project
- Pro-forma backlog and cashflow visibility extended until 2050
- Cash dividend of US\$165 million paid, representing 10% year-on-year increase

Bruno Chabas, CEO of SBM Offshore, commented:

“SBM Offshore’s results over the first quarter of 2021 are in line with our expectation and we maintain our guidance for the full year. Despite the continuing challenging environment due to the pandemic, our operating performance was strong and our major projects under construction are progressing as expected.

Our increased dividend represents a cash yield of more than 5%. This dividend is underpinned by the infrastructure platform of our Lease and Operate backlog which now brings cash flow visibility up to 2050.

Our core business is going through a significant growth phase with four major FPSO projects under construction. World-class deep water projects continue to rank among the most attractive investments available to our clients. Our Fast4Ward® and emissionZERO™ FPSO programs provide industry-leading cost and carbon efficient solutions to help clients maximize value from these investments.

We believe that SBM Offshore has a significant role to play in satisfying the world’s future energy demand using our experience and technology both to offer low emission production solutions and new solutions for the energy transition. Our New Energies business is making good progress in maturing our innovative technology as well as strategically positioning the Company to benefit from expected growth in market demand.”

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<sup>1</sup> Underlying 2021 revenue and EBITDA exclude one-off effects to enable comparison of like-for-like underlying performance with 2020.

<sup>2</sup> Directional view, presented in the Financial Statements under Operating segments and Directional Reporting, represents a pro-forma accounting policy, which assumes all lease contracts are classified as operating leases and all vessel investees are proportionally consolidated. This explanatory note relates to all Directional reporting in this document.

## Financial Highlights

in US\$ million	YTD Directional		
	1Q 2021	1Q 2020	% Change
Revenue	513	607	-15%
Lease and Operate	360	407	-12%
Turnkey	153	200	-24%
Underlying Revenue	536	607	-12%
Lease and Operate	383	407	-6%
Turnkey	153	200	-24%

  

in US\$ million	1Q 2021	1Q 2020
Item impacting Underlying Revenue		
Deep Panuke redelivery - 2021 cash receipts	23	-

  

in US\$ billion	Mar-31-21	Dec-31-20	% Change
Net Debt	4.3	4.1	5%

Backlog calculation will be provided in HY21 Earnings Update

Underlying Directional revenues for the first quarter of the year came in at US\$536 million compared with US\$607 million in the first quarter of 2020. This decrease mainly resulted from a lower contribution from the Turnkey segment, where the first quarter in 2020 benefited from the Johan Castberg turret project delivery.

SBM Offshore's Turnkey division currently has four major projects under construction. Generally, SBM Offshore does not report Turnkey revenues on Lease and Operate projects that are 100% owned, such as the FPSOs *Liza Unity*, *Prosperity* and currently the FPSO *Almirante Tamandaré*. Contribution of these projects to Turnkey revenue is limited to upfront payments and variation orders directly paid by the clients before the start of the lease. Turnkey revenue is recognized on the 35% partners share in construction work for FPSO *Sepetiba*. The results of these projects will appear in future years as the vessels commence production.

First quarter Underlying revenue in Lease and Operate decreased by 6% compared with the same period last year. This decrease was mostly due to additional scope related to the decommissioning of Deep Panuke platform in the first quarter of 2020.

Underlying Directional revenue includes US\$23 million related to cash received from the client during the first quarter of 2021 from the Deep Panuke contract. The expected cash receipts in 2021 from this contract were excluded from the Underlying 2020 Revenues as reported in the Full Year 2020 Earnings Update. Please refer to Post-Period Events section for an update on the Deep Panuke contract.

Compared with year-end 2020, net debt as at the end of the first quarter increased by c. US\$200 million to US\$4.3 billion. While Lease and Operate continues to generate strong operating cash flow, with four major projects under construction, SBM Offshore continues to invest in growth.

## Project Review

Construction activities for SBM Offshore's major projects continue to face challenges related to the pandemic. The teams continue to overcome the difficulties posed by remote working, travel restrictions and protocols with compulsory quarantine. The ultimate delivery of major projects is not considered at risk, based on currently known circumstances.

### FPSO *Liza Destiny*

On FPSO *Liza Destiny*, further work is being done on elements of the flash gas compression system which is expected to be delivered during the month of July 2021. Additionally, plans initiated in 2020 are progressing to install a redesigned third stage flash gas compression system at the end of this year. SBM Offshore is continuing to work closely with the client and with the equipment manufacturer in order to expedite resolution of the situation.

## *FPSO Liza Unity*

Following the completion of the topside lifting campaign during Q1 2021, work is further progressing on integration and commissioning stages. The project continues to target first oil in 2022 in line with client planning.

## *FPSO Sepetiba*

The Fast4Ward® hull was successfully launched out of drydock during Q1 2021. Module fabrication is further progressing in China and Brazil. The planned completion of the FPSO project is at the end of 2022.

## *FPSO Prosperity*

The topsides fabrication started in the yards in Singapore. The project is progressing according to schedule with a planned completion in 2024. To further develop local capabilities, Guyanese companies were awarded contracts and started the fabrication of FPSO components in Guyana. In addition, Guyanese engineers have been hired and integrated into the project execution team.

## *FPSO Almirante Tamandaré*

The Letter of Intent for FPSO *Almirante Tamandaré* was signed during Q1 2021. The Fast4Ward® multipurpose floater (MPF) hull construction as well as engineering and procurement activities are progressing in line with project schedule. Delivery of the FPSO is expected in the second half of 2024.

## *Fast4Ward® MPF hulls*

Under the Company's Fast4Ward® program, the total number of MPF hulls ordered to date stands at six. Four MPF hulls are allocated to FPSOs *Liza Unity*, *Sepetiba*, *Prosperity* and *Almirante Tamandaré*. Two MPF hulls are supporting ongoing tendering activity.

## **Operational Update**

Fleet uptime during the first quarter of 2021 was 98.6% despite continued challenges brought by the COVID-19 pandemic. The health of our staff and safe operations remain the Company's priority. Preventive and reactive measures implemented offshore and onshore last year have been successful to date and remain in place. After working for more than a year under these special conditions, attention is given to fatigue management with additional personnel mobilized for critical positions. The Company will continue to focus on protecting its personnel while minimizing impact on operations.

## **Energy Transition and ESG**

SBM Offshore is playing an active role in developing technology to support the energy transition. This is demonstrated by the progress of the Floating Offshore Wind project and Wave Energy Converter S3® prototype.

The Company measures performance against the United Nations' Sustainable Development Goals related targets and seeks improvement opportunities. This program includes emission reduction from the fleet. SBM Offshore is also investing in emissionZERO™ which aims to bring to market an FPSO with near zero emissions.

SBM Offshore's sustainability performance continues to be recognized by external rating agencies with inclusion in the S&P Global Sustainability Yearbook 2021 and the award of "Industry Mover" distinction demonstrating continuous commitment to sustainability and related performance improvement.

The Total Recordable Injury Frequency Rate was 0.13 over the first quarter of 2021, compared with the 2021 target of 0.18.

## Post-Period Events

### *Deep Panuke*

During the first quarter of 2021, SBM Offshore received notification, effective as of April 1, 2021, from the client of Deep Panuke project who elected to pay the contractually agreed lump sum amount replacing the initial contractual charter payments up to Q4 2021. The lump-sum payment (c. US\$55 million) was received in April. The cash balance in the debt service account combined with part of the lump-sum payment was used to redeem the outstanding debt held by the noteholders who opted for early repayment, for an amount of c. US\$50 million. The noteholders owning the remainder of the debt (c. US\$20 million) opted to retain the notes until expiry in December 2021.

### *Dividends*

On April 7, 2021, shareholders of the Company voted in favor of the proposed dividend of US\$165 million, which represents an increase of 10% compared to last year. It resulted in a dividend distribution of US\$0.8854 or €0.7439 per ordinary share. The dividend was paid on May 6, 2021 to all shareholders of record as at April 12, 2021.

## Guidance

The Company's 2021 Directional revenue guidance is maintained at around US\$2.6 billion, of which around US\$1.6 billion is expected from the Lease and Operate segment and around US\$1 billion from the Turnkey segment. 2021 Directional EBITDA guidance is maintained at around US\$900 million for the Company.

This guidance includes Directional revenues and EBITDA of US\$75 million related to the cash received in 2021 from the Deep Panuke contract, which was recognized in 2020 and excluded from the 2020 underlying results. It also considers the currently foreseen COVID-19 impacts on projects and fleet operations. The Company highlights that the direct and indirect impact of the pandemic could continue to have a material impact on the Company's business and results and the realization of the guidance for 2021.

## Conference Call

SBM Offshore has scheduled a conference call, which will be followed by a Q&A session, to discuss the First Quarter 2021 Trading Update.

The event is scheduled for Wednesday, May 12, 2021 at 10.00 AM (CEST) and will be hosted by Bruno Chabas (CEO), Douglas Wood (CFO), Philippe Barril (COO) and Erik Lagendijk (CGCO).

Interested parties are invited to register prior to the call using the link:  
<https://www.kpneventcall.nl/EventRegistration/6e5808a0-6b80-4b69-be24-ed0872382e3b>

Please note that the conference call can only be accessed with a personal identification code, which is sent to you by email after completion of the registration.

A replay will be available shortly after the end of the conference call. Interested parties can listen to the replay by dialing +31 (0) 20 785 1180 and using access code 244995# until June 12, 2021.

## Corporate Profile

The Company's main activities are the design, supply, installation, operation and the life extension of floating production solutions for the offshore energy industry over the full lifecycle. The Company is market leading in leased floating production systems, with multiple units currently in operation.

As of December 31, 2020, the Company employed approximately 4,570 people worldwide spread over offices in our key markets, operational shore bases and the offshore fleet of vessels.

SBM Offshore N.V. is a listed holding company headquartered in Amsterdam, the Netherlands. It holds direct and indirect interests in other companies.

Where references are made to SBM Offshore N.V. and /or its subsidiaries in general, or where no useful purpose is served by identifying the particular company or companies "SBM Offshore" or "the Company" are sometimes used for convenience.

For further information, please visit our website at [www.sbmoffshore.com](http://www.sbmoffshore.com).

The Management Board  
Amsterdam, the Netherlands, May 12, 2021

<b>Financial Calendar</b>	<b>Date</b>	<b>Year</b>
Half Year 2021 Earnings – Press Release	August 5	2021
Trading Update 3Q 2021 – Press Release	November 11	2021
Full Year 2021 Earnings – Press Release	February 10	2022
Annual General Meeting	April 6	2022
Trading Update 1Q 2022 – Press Release	May 12	2022

For further information, please contact:

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