



Second Quarter 2022  
Earnings Presentation

28 July 2022

CEO Stuart Fitzgerald | CFO Mark Hodgkinson

## Forward looking statements

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Forward-Looking Statements: This announcement may contain 'forward-looking statements'. 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' section of the Group's Annual Report. 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) unanticipated delays or cancellation of projects included in our backlog; (v) competition and price fluctuations in the markets and businesses in which we operate; (vi) the loss of, or deterioration in our relationship with, any significant clients; (vii) the outcome of legal proceedings or governmental inquiries; (viii) 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; (ix) the effects of a pandemic or epidemic or a natural disaster; (x) changes in, or our failure to comply with, applicable laws and regulations (including regulatory measures addressing climate change); (xi) operating hazards, including spills, environmental damage, personal or property damage and business interruptions caused by adverse weather; (xii) equipment or mechanical failures, which could increase costs, impair revenue and result in penalties for failure to meet project completion requirements; (xiii) the timely delivery of vessels on order and the timely completion of ship conversion programmes; (xiv) our ability to keep pace with technological changes and the impact of potential information technology, cyber security or data security breaches; and (xv) 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.

# Agenda

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1. Second Quarter 2022 results
2. Operations & new builds update
3. Financial performance
4. Market outlook
5. Q&A



Seaway Aimery on Seagreen Offshore Windfarm

## Second Quarter 2022 results

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### FINANCIAL HIGHLIGHTS

- Revenue \$260m.
- Adjusted EBITDA negative \$16m.
- Adjusted EBITDA margin negative 6%.
- Operating cash outflow \$11m.
- Net debt (excluding lease liabilities) \$109m.
- Order intake \$49m resulting in backlog of \$0.8bn at quarter end.
- Trading update issued 13 June 2022 highlighting challenges on several ongoing projects and revised guidance for full year 2022

### OPERATIONAL HIGHLIGHTS

- Continued good progress of jacket fabrication and re-commenced offshore installation of foundations and cables on Seagreen project.
- As advised in the June 2022 trading update, slower than expected progress for the Hollandse Kust Zuid and Formosa 2 projects.
- Fleet vessel utilisation increased to 77%.

### STRATEGIC HIGHLIGHTS

- *Seaway Swan* added to the Heavy Transportation fleet 8 July 2022.
- Strong bidding environment remains with two Very Large (in range of \$500-750m) preferred supplier positions announced

## Seagreen project – continues to perform well

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- Fabrication at yards continued to progress well with 94 of 114 foundation jackets now delivered to the UK.
- By quarter end, 30 foundation jackets and 21 cables were installed.
- Saipem's *S7000* heavy lift vessel returned to field on 1 June 2022 and *Seaway Phoenix* mobilised for cable lay in the quarter.
- All foundation jackets are scheduled for installation in 2022, as originally planned.



## New build program - *Seaway Alfa Lift*

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- As advised in June 2022 trading update, *Seaway Alfa Lift's* delivery schedule is delayed with vessel now expected to be completed second half of 2023.
- Assumed deployment onto the Doggerbank A&B project is end Q1 2024.
- Crane repair works ongoing and expected to complete late 2022, challenges lie with mission equipment for monopile handling.
- Build team leadership has been strengthened.
- Significant delay compared to original plan has required mitigating actions and alternative vessels towards the execution of Doggerbank A&B.

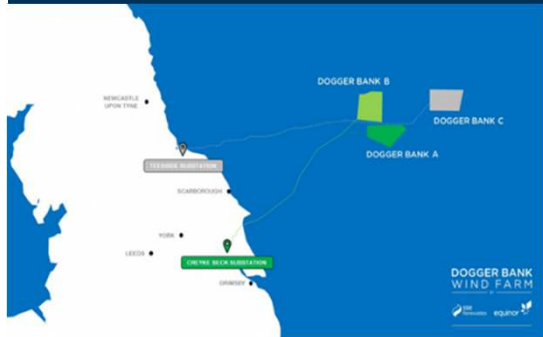




## Other ongoing Project Highlights

### Doggerbank

T&I foundations



### Formosa 2

T&I foundation  
pin-piles



### Taiwan Cable Lay projects

Yunlin / CFXD / Zhong Neng



### Hollandse Kust Zuid

Integrated



### Heavy Transport

All five vessels on journeys



## Seaway Ventus and Seaway Swan

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- *Seaway Ventus*

- *Seaway Ventus* has moved into the next phase of construction following the keel laying which occurred on 6 June 2022.
- Continuation of good progress at shipyard, and crane fabrication progressing with GustoMSC.
- The vessel remains on course for delivery in mid 2023.

- *Seaway Swan*

- Finalised during June 2022 a 5 year charter with purchase options for the semi-submersible Heavy Transport Vessel *Seaway Swan*.
- Successful sea trials during April 2022. Seaway 7 took delivery of the vessel early July 2022.
- Newbuild DP2 vessel extends Seaway 7 capabilities and capacities within strengthening heavy transportation segment.
- Maiden voyage will commence early August 2022.





## Income Statement summary – Q2 2022

(in \$ millions, unless otherwise indicated)	Three months ended	
	30 June 2022 Unaudited	30 June 2021 Unaudited
Revenue	260	315
Net operating income/(loss)	(38)	(32)
Net income/(loss)	(67)	(40)
Adjusted EBITDA <sup>(a)</sup>	(16)	(18)
Adjusted EBITDA margin	(6%)	(6%)
Diluted earnings per share \$ <sup>(b)</sup>	(0.15)	(0.13)
Weighted average number of shares	436,562,575	314,325,054

(a) Adjusted EBITDA is explained and reconciled in Note 8 'Adjusted EBITDA and Adjusted EBITDA margin' to the Condensed Consolidated Financial Statements.

(b) Diluted earnings per share is explained and reconciled in Note 7 'Earnings per share' to the Condensed Consolidated Financial Statements.

## Supplementary details – Q2 2022

	Three months ended	
	30 June 2022 Unaudited	30 June 2021 Unaudited
(in \$ millions)		
Administrative expenses	(10)	(6)
Depreciation and amortisation	(22)	(14)
Net operating income/(loss)	(38)	(32)
Net finance cost	-	(2)
Other gains and losses	(8)	-
Income/(loss) before taxes	(46)	(34)
Taxation	(21)	(6)
Net income/(loss)	(67)	(40)

## Balance Sheet summary – Q2 2022

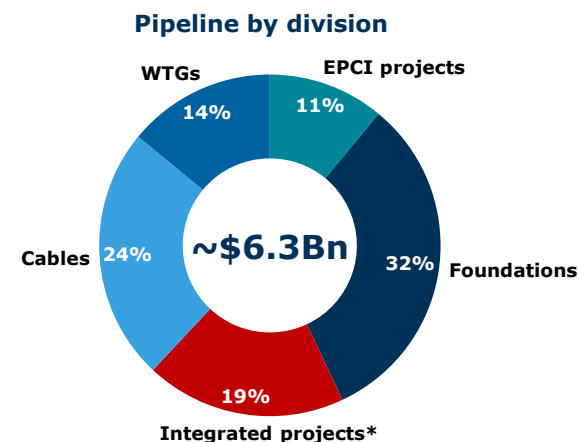
(in \$ millions)	30 June 2022 Unaudited	(revised) 31 December 2021 Unaudited
Non-current assets	1,042	1,060 <sup>(a)</sup>
Cash and cash equivalents	11	22
Other current assets	368	306
<b>Total assets</b>	<b>1,421</b>	<b>1,388</b>
Total equity	794	864
Non-current liabilities	51	56 <sup>(a)</sup>
Current borrowings	120	101
Other current liabilities	456	367 <sup>(a)</sup>
<b>Total equity and liabilities</b>	<b>1,421</b>	<b>1,388</b>

(a) The 31 December 2021 balance includes the revised onerous contract provision as per the fair value exercise conducted in Q2 2022.

## UK CfD awards support the overall strong tender pipeline

- An important industry milestone on 7<sup>th</sup> July 2022.
- Announcement of UK Government Contracts for Difference (CfD) for approximately 6 GW of offshore wind projects.
- Supporting continued strong activity in the coming years in the worlds largest offshore wind market outside of China.
- Potential some UK projects may be progressed also without CfD support.

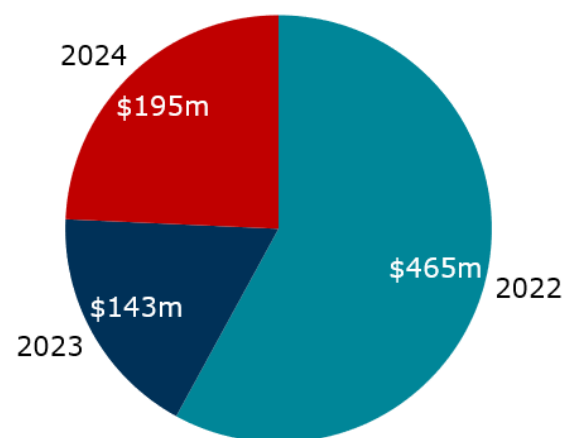
~\$6.3Bn tender pipeline



\* Integrated projects relate to Cables and Foundations

## Backlog of \$0.8 billion at 30 June 2022

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**Backlog**  
**\$0.8 billion**

### **Backlog**

- New awards of \$34 million (Includes Heavy Transportation voyages)
- Escalations of \$15 million

### **Announcements of pre-backlog**

- Seagreen 1A (\*) selected as preferred supplier
- East Anglia THREE (\*) - signed Letter of Exclusivity towards finalizing preferred bidder Agreement
- He Dreiht(\*\*) awarded contract subject to FID
- US Wind farm project (\*\*) awarded contract subject to Financial Close

(\*) Very large contracts - between \$500m and \$750m.

(\*\*) Sizeable contracts - between \$50m and \$150m



# Outlook – significant offshore wind prospects

**UK**

- Iberdrola** East Anglia Hub (LOE)
- Red Rock** Inch Cape
- EDPR** Moray West
- SSE** Seagreen 1A (PS)
- Vattenfall** Vanguard & Boreas

**USA**

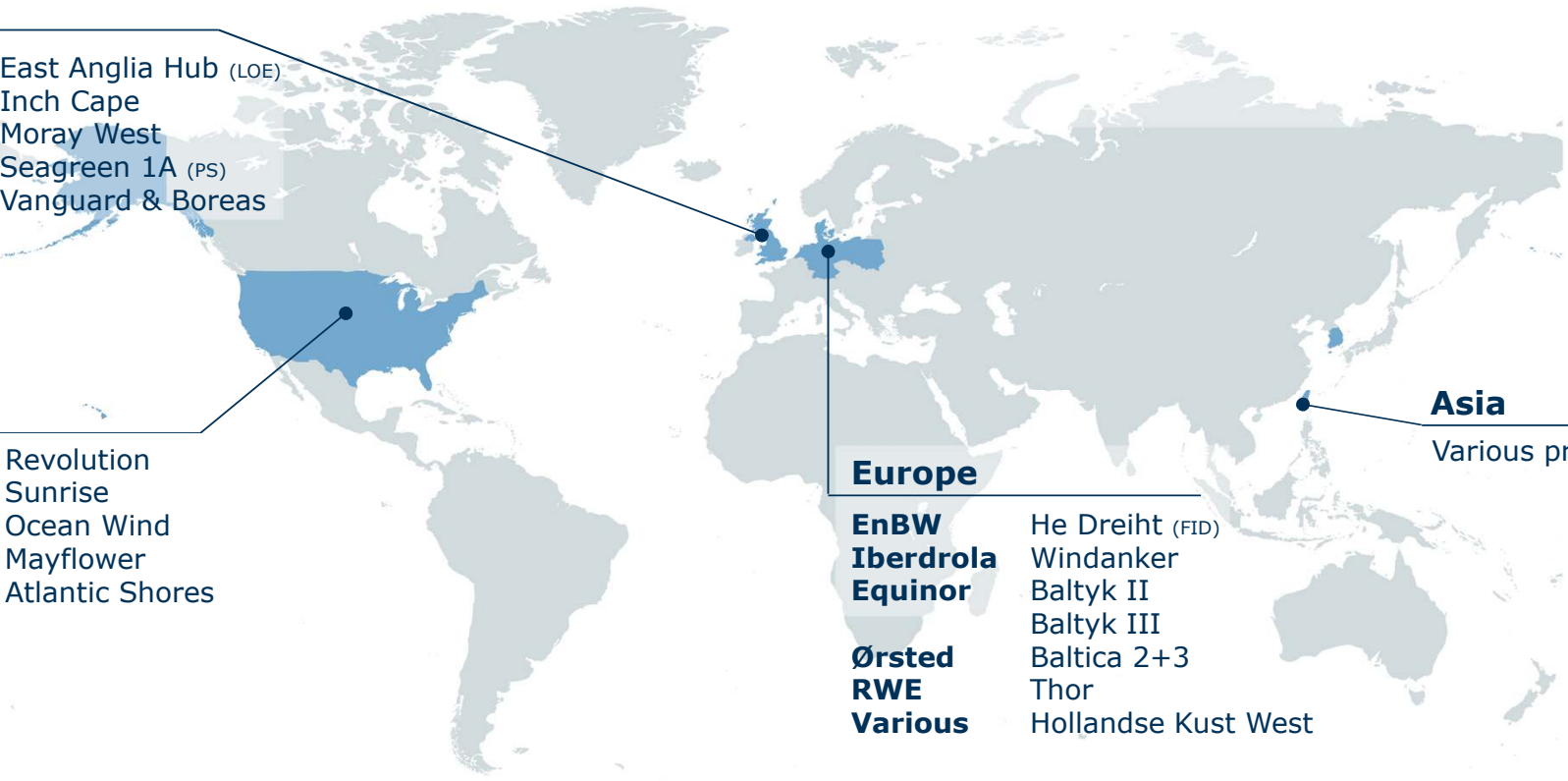
- Ørsted** Revolution
- Sunrise
- Ocean Wind
- Shell** Mayflower
- Atlantic Shores

**Europe**

- EnBW** He Dreiht (FID)
- Iberdrola** Windanker
- Equinor** Baltyk II
- Baltyk III
- Ørsted** Baltica 2+3
- RWE** Thor
- Various** Hollandse Kust West

**Asia**

Various prospects



(FID) awarded to Seaway 7 subject to project sanction; (LOE) Seaway 7 has a letter of exclusivity from the client; (PS) Seaway 7 is preferred supplier

## Summary

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- Company guidance given to the market in the 13 June 2022 trading update, confirming revenue for the full year 2022 to be in line with previous guidance towards \$1 billion with an Adjusted EBITDA margin expected to be approximately 6%.
- Continued good progress on Seagreen project, and progress on Hollandse Kust Zuid and Formosa 2 is in line with the June 2022 trading update.
- Significant delays on *Seaway Alfa Lift* mission equipment since project inception and actions taken to improve confidence of *Seaway Alfa Lift* delivery according to the revised schedule.
- Seaway 7 is selected as preferred supplier for the very large contracts of Seagreen 1A and East Anglia THREE.
- High bidding activity with Seaway 7 well positioned, but with a strong focus on acceptable risk and pricing profiles.
- We expect to present the financing plan during Q3 2022.

# Q&A



The evolution of Seagreen Offshore Windfarm

**THANK YOU**

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**seaway<sup>7</sup>**