



## Q4 2024 Supplemental Information

March 28, 2025

# Disclosures

## Forward-Looking Statements

McDermott cautions that statements in this presentation which are forward-looking, and provide other than historical information, involve risks, contingencies and uncertainties. Although we believe that the expectations reflected in those forward-looking statements are reasonable, we can give no assurance that those expectations will prove to have been correct. Those statements are made by using various underlying assumptions and are subject to numerous risks, contingencies and uncertainties, including, among others: negotiations with third parties; regulatory and other approvals; adverse changes in the markets in which McDermott operates or credit or capital markets; the inability of McDermott to execute on contracts in backlog successfully; changes in project design or schedules; the availability of qualified personnel; changes in the terms, scope or timing of contracts; actions by lenders, other creditors, customers and other business counterparties of McDermott; and adverse outcomes in legal or other dispute resolution proceedings. If one or more of these risks materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected. You should not place undue reliance on forward-looking statements. This presentation reflects the views of McDermott's management as of the date hereof. Except to the extent required by applicable law, McDermott undertakes no obligation to update or revise any forward-looking statement.

## Non-GAAP Disclosures

This presentation includes several “non-GAAP” financial measures. McDermott reports its financial results in accordance with U.S. generally accepted accounting principles, but McDermott believes that certain non-GAAP financial measures provide useful supplemental information to investors regarding the underlying business trends and performance of its ongoing operations and are useful for period-over-period comparisons of those operations. The non-GAAP measures in this presentation are EBITDA, Adjusted EBITDA, Net Working Capital and Free Cash Flow. These non-GAAP financial measures should be considered as supplemental to, and not as a substitute for or superior to, financial measures prepared in accordance with GAAP.

Reconciliations of these non-GAAP financial measures to the most comparable GAAP measures are provided in the Appendix to this presentation.

# QHSES Update

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# Global HSES Performance

As of December 31, 2024



## COMBINED

FAT = 0

LTi = 7

RWC = 18

MTC = 30

FAC = 299

PD = 293 | SEC = 24 | ENV = 282 | VI = 73

NM = 385 | HIPO's = 8

LTI-Free Days

30

Recordable-Free Days

12

MCDERMOTT OVERALL

SAF

OME

LCS

CB&I

GLOBAL OPS

Workhours

147,604,514

29,853,240

68,369,278

33,423,691

10,840,497

5,117,808

LTIR (0)

0.01

0.01

0.01

0.01

0.02

0.00

TRIR (0.12)

0.07

0.07

0.05

0.11

0.09

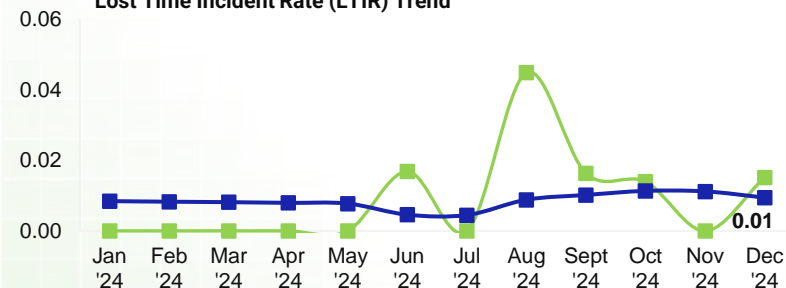
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## PERFORMANCE SUMMARY

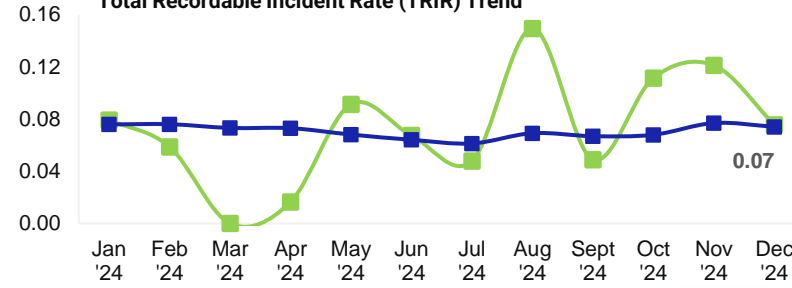
- In 2024, 55 recordable incidents were reported, including 7 LTIs, 18 RWCs, and 30 MTCs. The year-end TRIR was 0.07 (target was 0.12).
- 8 High Potential Incidents (HIPOs) recorded in 2024. Root cause analyses have been completed, and preventive actions have been established and implemented and are currently monitored for effectiveness.
- Focus remains on Readiness Planning, Risk of Impact, Plant and Equipment, and Mechanical Lifting Operational Values.
- Improper material lifting, manual handling, and incorrect body positioning were primary sources of injuries
- Mental health awareness continues to be a focus, including available resources for employees
- Subcontractor Management processes, systems and tools were reviewed for continuous improvement, with established actions monitored for implementation and effectiveness.
- The enhanced Behavior-Based Safety Process (BEEPS) was rolled out. Its implementation effectiveness will be evaluated in 2025.
- Effective implementation of HSE Risk Management at the worksites continues to be a key focus
- The Business Continuity Management System has been aligned with ISO 22301 standards. Organization-wide training sessions are currently in progress, and updates to the business continuity plans are being implemented.
- 2024 CEO Awards for Taking the Lead with QHSES received over 200 nominations; top 10 finalists have been selected, and winners will be announced and awarded in Q1 2025.

FAT: Fatality LTI: Lost Time Incident RWC: Restricted Work Case MTC: Medical Treatment Case FAC: First Aid Case PD: Property Damage SEC: Security ENV: Environmental VI: Vehicle Incident NM: Near Miss HIPOs: High Potential

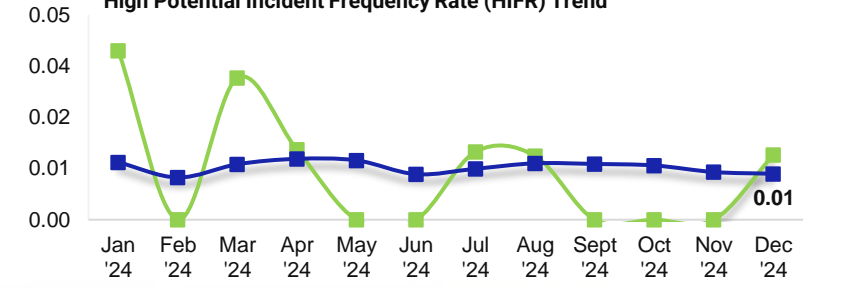
Lost Time Incident Rate (LTIR) Trend



Total Recordable Incident Rate (TRIR) Trend



High Potential Incident Frequency Rate (HIFR) Trend



Note: (1) The Lost Time Incident Rate (LTIR) is the number of Lost Time injuries occurring annually among 100 full-time workers (2,000 hours per worker per year).  
(2) The Total Recordable Incident Rate (TRIR) is the number of recordable injuries occurring annually among 100 full-time workers (2,000 hours per worker per year).  
(3) The High Potential Incident Frequency Rate (HIFR) is the number of HIPO incident occurring annually among 100 full-time workers (2,000 hours per worker per year).

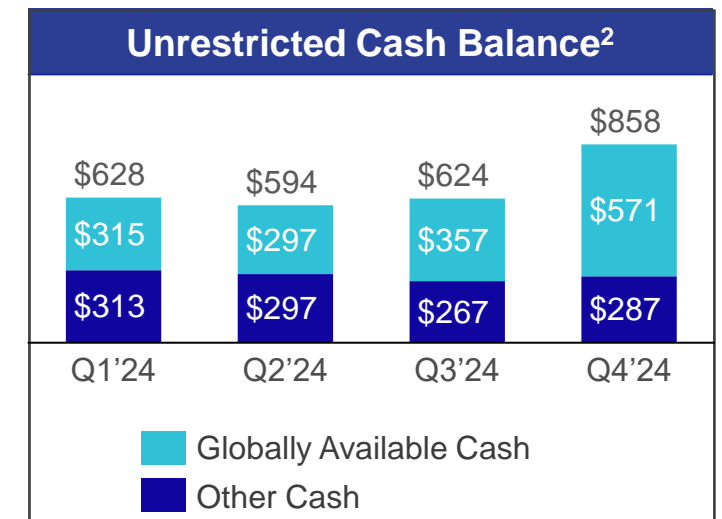
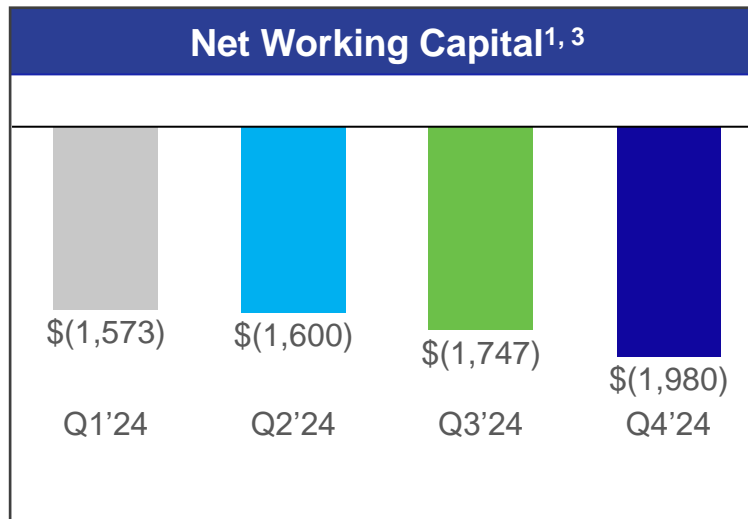
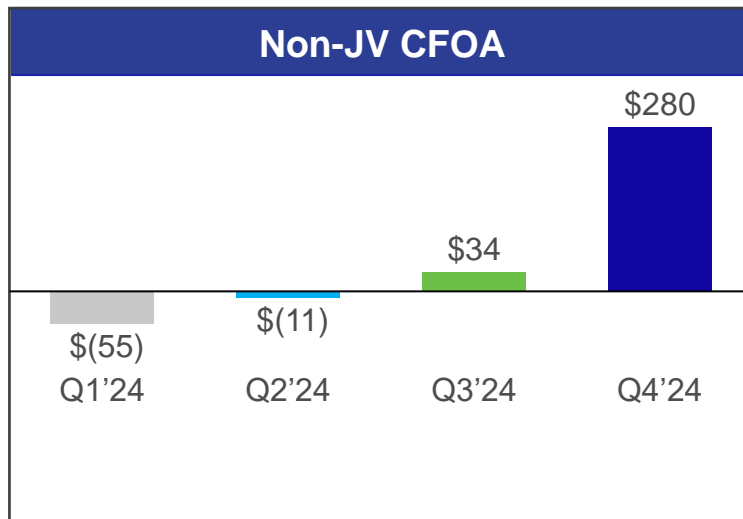
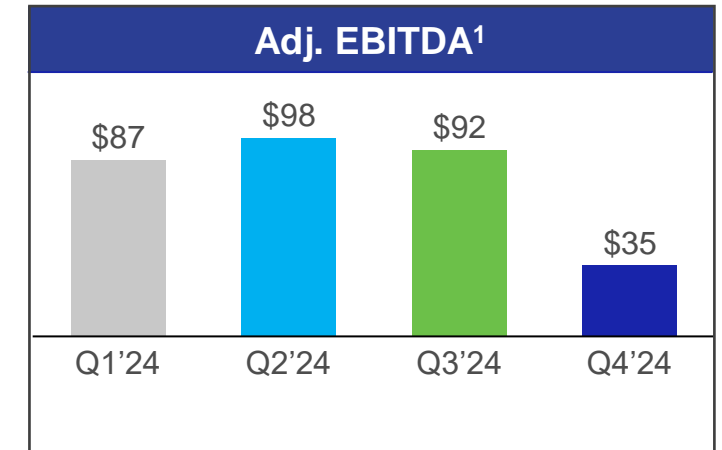
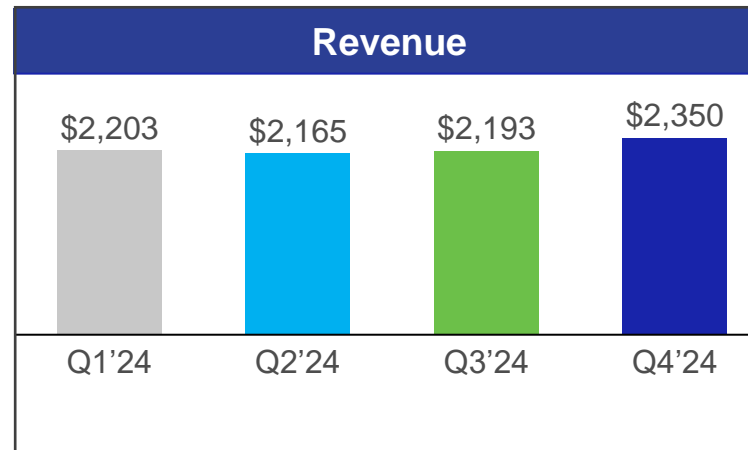
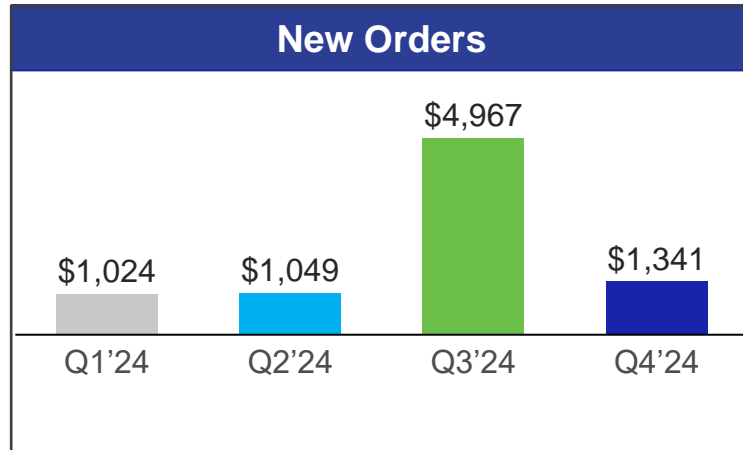
# Financial Results

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# CY'24 Financial Highlights

\$ in millions



1) Reconciliations of Adjusted EBITDA and Net Working Capital, which are non-GAAP measures, to the most comparable GAAP measures, are provided in the Financial Appendix in this presentation

2) Other Cash consists of JV cash, In country cash, Captive insurance cash, and CBISS cash (CBISS cash is not applicable post divestment)

3) Net Working Capital (NWC) in Q1'24 excludes \$27M on Reficar resolution agreement. NWC excludes CBISS post divestment

Note: Financial results include CBISS until the divestment on December 4, 2024. Refer to the reconciliation of MDR and CBISS activity on Slide 19.

# Financial Summary: Q4'24 Vs. Annual Business Plan 2024 (“ABP'24”)

\$ in millions

	Q4'24 Actuals	Q4'24 ABP'24	Delta
New orders	1,341	1,850	(509)
Revenue	2,350	1,807	543
Gross profit	47	114	(67)
Adj. EBITDA	35	84	(49)
Adj. EBITDA % of Revenue	1.5%	4.6%	(3.1)%
Cash Flow from Operating Activities	264	45	219
Non-JV CFOA	280	34	246
JV CFOA	(16)	11	(27)
Capex	19	21	(2)
Cash Flow from Investing Activities	333	(20)	353
Cash Flow from Financing Activities	(420)	(6)	(414)

## Highlights

- New orders mainly driven by change orders on our TenneT HVDC projects and the Golden Pass Train 1 scope re-assigned from another contractor
- Higher revenue mainly driven by Golden Pass Train 1, progress on multiple projects, and change orders across the portfolio
- Lower Adj. EBITDA mainly due to adverse marine productivity on Offshore Middle East projects, partly offset by lower overhead spend across business lines
- Improvement in cash flow from operating activities driven by accelerated collections in our Offshore Middle East and Low Carbon Solutions business lines
- Increase in cash flow from investing activities largely driven by divestiture of CBI Storage Solutions (“CBISS”)
- Decrease in cash flow from financing activities due to settlement of long-term debt following CBISS divestiture

1. Reconciliations of Adjusted EBITDA and Free Cash Flow, which are non-GAAP measures, to the most comparable GAAP measures, are provided in the Financial Appendix in this presentation
2. Financial results include CBISS until the divestment on December 4, 2024. Refer to the reconciliation of MDR and CBISS activity on Slide 19.

# Financial Summary: 2024 Vs. ABP'24

\$ in millions

	2024 Actuals	2024 ABP'24	Delta
New orders	8,381	8,114	267
Revenue	8,911	7,372	1,539
Gross profit	245	414	(169)
Adj. EBITDA	311	305	6
Adj. EBITDA % of Revenue	3.5%	4.1%	(0.6)%
Cash Flow from Operating Activities	232	20	212
Non-JV CFOA	248	8	240
JV CFOA	(16)	12	(28)
Capex	96	131	(35)
Cash Flow from Investing Activities	282	(138)	420
Cash Flow from Financing Activities	(474)	(70)	(404)

## Highlights

- New orders include award of ADNOC Umm Shaif LTDP2, QE LNG North Field South Offshore Pipelines and Cables Project, Shell Manatee, Phu Quoc Block B Gas Development, a change order on our TenneT HVDC projects, and the Golden Pass Train 1 scope re-assigned from another contractor
- Higher revenue mainly driven by progress improvements on multiple projects and change orders across the portfolio
- Adjusted EBITDA driven by progress in our Offshore Middle East and Subsea and Floating Facilities, consistently higher asset utilization in our fabrication and marine assets, and lower overhead spend across business lines
- Improvement in cash flow from operating activities driven by accelerated collections in our Offshore Middle East and Low Carbon Solutions business lines
- Increase in cash flow from investing activities largely driven by CBISS divestiture, as well as timing on capital expenditure spending
- Decrease in cash flow from financing activities due to settlement of long-term debt following CBISS divestiture

1. Reconciliations of Adjusted EBITDA and Free Cash Flow, which are non-GAAP measures, to the most comparable GAAP measures, are provided in the Financial Appendix in this presentation
2. Financial results include CBISS until the divestment on December 4, 2024. Refer to the reconciliation of MDR and CBISS activity on Slide 19.



# Financial Summary: Q4'24 Vs. Q3'24

\$ in millions

	Q4'24 Actuals	Q3'24 Actuals	Delta
New orders	1,341	4,967	(3,626)
Revenue	2,350	2,193	157
Gross profit	47	13	34
Adj. EBITDA	35	92	(57)
Adj. EBITDA % of Revenue	1.5%	4.2%	(2.7)%
Cash Flow from Operating Activities	264	40	224
Non-JV CFOA	280	34	246
JV CFOA	(16)	6	(22)
Capex	19	32	(13)
Cash Flow from Investing Activities	333	(31)	364
Cash Flow from Financing Activities	(420)	(6)	(414)

## Highlights

- New orders in Q3 include QE LNG North Field South Offshore Pipelines and Cables Project while in Q4 new orders driven by change order on our TenneT HVDC projects and the Golden Pass Train 1 scope re-assigned from another contractor
- Higher revenue mainly driven by Golden Pass Train 1
- Deterioration in Adj EBITDA mainly due to adverse marine productivity on Offshore Middle East projects during Q4'24
- Improvement in cash flow from operating activities driven by accelerated collections in our Offshore Middle East and Low Carbon Solutions business lines
- Increase in cash flow from investing activities largely driven by CBISS divestiture
- Decrease in cash flow from financing activities due to settlement of long-term debt following CBISS divestiture

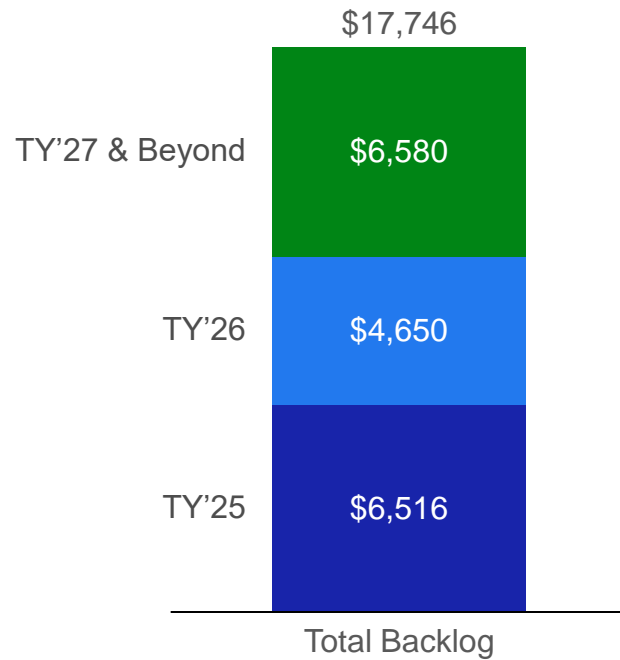
1. Reconciliations of Adjusted EBITDA and Free Cash Flow, which are non-GAAP measures, to the most comparable GAAP measures, are provided in the Financial Appendix in this presentation

2. Financial results include CBISS until the divestment on December 4, 2024. Refer to the reconciliation of MDR and CBISS activity on Slide 19.

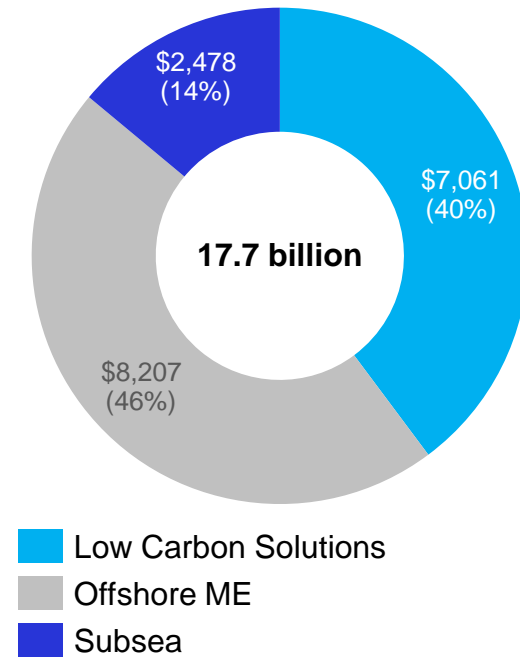
# Backlog at \$17.7 billion as of December 31st, 2024

\$ in millions

## Total Backlog <sup>1,2</sup>



## By Business Line

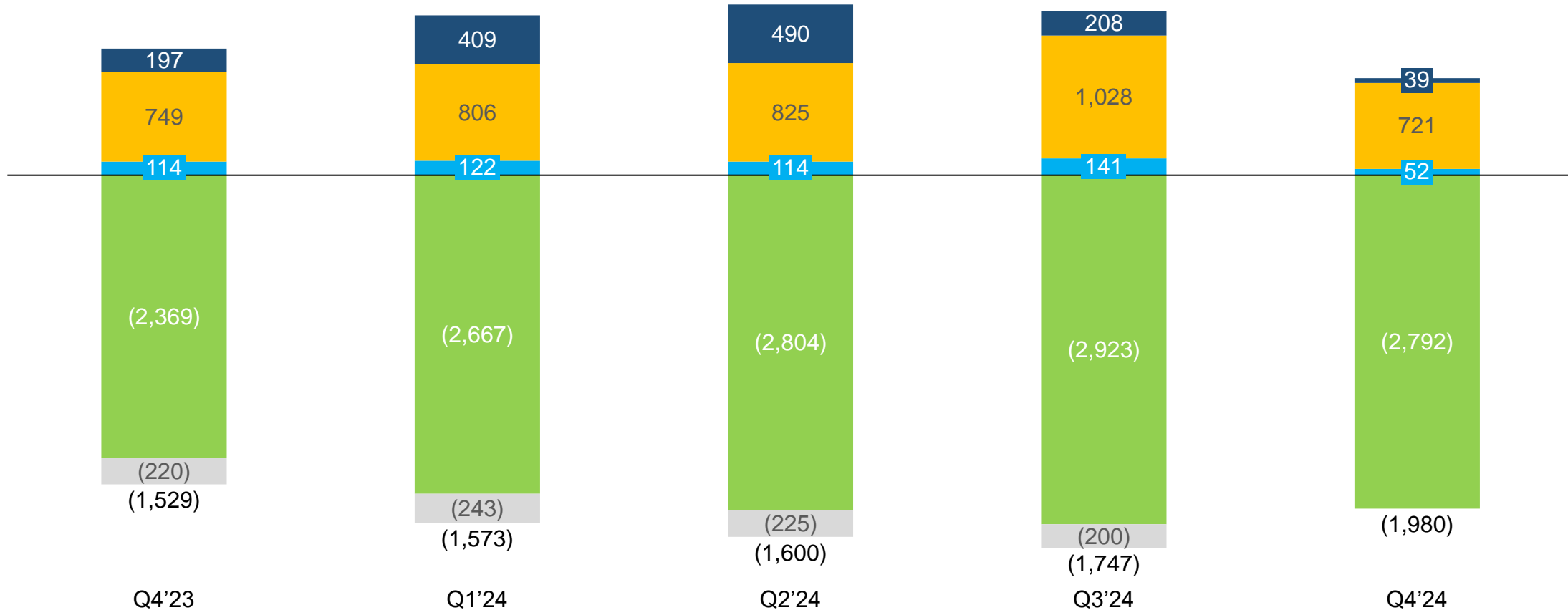


- 1) Backlog supported by \$1.72 billion secured letters of credit and \$1.31 billion of bilateral letters of credit and surety bonds
- 2) Loss projects make up ~1.8% of backlog

# Net Working Capital Trend

WIP AR Others AP & Accrued Liabilities CBISS NWC

\$ in millions



- QoQ NWC<sup>1</sup> increased by \$433 million (excluding CBISS) largely driven by cash improvement from advance billings and write off of deferred assets related to series A preferred shares
- YoY NWC increase largely driven by higher activity and advance billings on newer awards
- Growth in AP and Accrued Liabilities driven by increased activity levels and project commitments

1) Reconciliations of Net Working Capital, which is a non-GAAP measure, to the most comparable GAAP measure, are provided in the Financial Appendix in this presentation  
 2) Net Working Capital (NWC) until Q1'24 exclude impact of reserve on Reficar arbitration adjustments and Reficar resolution agreement

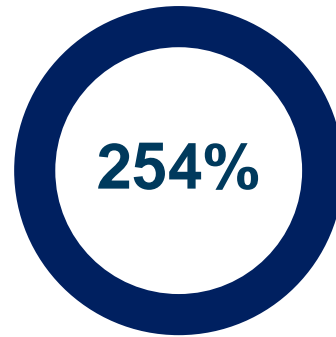
# Q4'24 Utilization

## FABRICATION (Wkhr 000s)



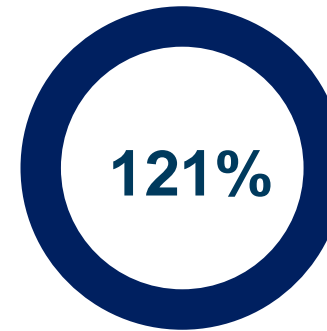
Actual: 8,307  
Standard: 5,125

## CONSTRUCTION (Wkhr 000s)



Actual: 2,539  
Standard: 1,000

## VESSELS (Days)

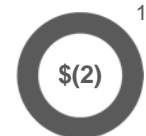


Actual: 469  
Standard: 388

## UNALLOCATED DIRECT OPERATING EXPENSES (in millions)



Q3'24



- Lower fabrication activity as compared to Q3'24 due to lower activity in Jebel Ali and Batam; Altamira began ramp up for Shell project in Q4
- Construction activity above standard levels, mainly driven by higher activity levels on Golden Pass
- Marine activities largely at the same level as prior quarter
- Unallocated DOE improvement as compared to Q3'24 mainly from higher level of construction activities

1) \$(2) million unallocated DOE for Q3'24 is net of \$17M of add back related to severance/pension adjustments  
2) Financial results includes CBISS until the date of divestment, refer Financial Appendix

# Financial Appendix

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# Additional Disclosures: Non-GAAP Reconciliations

\$ in millions

## Adjusted EBITDA

	Three months ended	Three months ended	Three months ended	Three months ended
	31-Dec-24	30-Sep-24	30-Jun-24	31-Mar-24
<b>Net (loss) income after preferred stock dividends and accretion</b>	132	(211)	(114)	(108)
(+) Depreciation & amortization	37	38	38	36
(+) Interest expense, net	154	67	65	62
(+) Income tax expense (benefit)	(7)	41	37	37
(+) Accretion & dividends on redeemable preferred stock	137	15	15	19
<b>EBITDA<sup>1,2</sup></b>	<b>453</b>	<b>(50)</b>	<b>41</b>	<b>46</b>
(+) Asset Sales & impairment	(366)	(1)	17	(2)
(+) FX (gains)/losses from intercompany transactions	(73)	30	2	(14)
(+) Pension mark to market / curtailment adjustments	(19)	12	1	1
(+) Restructuring Expense	2	1	-	30
(+) Transaction Expense	3	2	-	10
(+) Earnings impact from our equity method investments	1	-	8	2
(+) Impact of charges incurred on pre-emergence litigation matters	-	71	21	15
(+) Series B revaluation	34	17	-	-
(+) Others	(0)	10	8	(1)
<b>Adjusted EBITDA<sup>1,2</sup></b>	<b>35</b>	<b>92</b>	<b>98</b>	<b>87</b>
<b>CBISS Adjusted EBITDA<sup>1,2</sup></b>	<b>23</b>	<b>24</b>	<b>11</b>	<b>14</b>
<b>Adjusted EBITDA<sup>1,2</sup> MDR excluding CBISS</b>	<b>12</b>	<b>68</b>	<b>87</b>	<b>73</b>

1. We define EBITDA as net income plus depreciation and amortization, interest expense, net, accretion of and dividends on redeemable preferred stock and provision for income taxes. We define Adjusted EBITDA as EBITDA adjusted to exclude significant, non-recurring transactions, both gains and charges, to our net (loss) income. Adjusted EBITDA includes the earnings impact from our equity method investments by incorporating our proportionate share of the EBITDA of such equity method investments
2. EBITDA and Adjusted EBITDA do not give effect to the cash that we must use to service our debt or pay our income taxes and thus do not reflect the funds available for capital expenditures, dividends or various other purposes. In addition, our presentation of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures in other companies' reports. You should not consider EBITDA and Adjusted EBITDA in isolation from, or as a substitute for, net income or cash flow measures prepared in accordance with U.S.GAAP
3. All amounts have been rounded to the nearest million. Individual line items may not sum to totals as a result of rounding



# Additional Disclosures: Non-GAAP Reconciliations

\$ in millions

## Free Cash Flow<sup>1,3</sup>

	Three months ended Dec 31, 2024	Three months ended Sep 30, 2024
Cash Flow from Operating Activities	264	40
(-) CAPEX	19	32
<b>Free Cash Flow</b>	<b>245</b>	<b>8</b>

## Net Working Capital<sup>1,2,4</sup>

	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Account receivable - trade	583	846	652	602	544
Account receivable - other	138	182	173	205	206
Contracts in progress	1,741	1,876	1,867	1,653	1,421
Other current assets	143	211	182	190	172
<b>Total Current Assets</b>	<b>2,605</b>	<b>3,115</b>	<b>2,874</b>	<b>2,649</b>	<b>2,343</b>
Lease obligations	91	71	67	68	58
Accounts payable	1,212	1,463	1,278	1,127	853
Advance billings on contracts	1,702	1,668	1,377	1,244	1,225
Accrued liabilities	1,580	1,460	1,525	1,540	1,516
<b>Total Current Liabilities</b>	<b>4,585</b>	<b>4,661</b>	<b>4,248</b>	<b>3,979</b>	<b>3,652</b>
<b>Net CBISS</b>	<b>-</b>	<b>(200)</b>	<b>(225)</b>	<b>(243)</b>	<b>(220)</b>
<b>Net Working Capital</b>	<b>(1,980)</b>	<b>(1,747)</b>	<b>(1,600)</b>	<b>(1,573)</b>	<b>(1,529)</b>

1. All amounts have been rounded to the nearest million. Individual line items may not sum to totals as a result of rounding
2. We define Net Working Capital as Current assets comprising Accounts receivable trade, Accounts receivable other, Contracts in progress and Other current assets minus Current liabilities comprising Lease obligations, Accounts payable, Advance billings on contracts and Accrued liabilities
3. We define Free Cash Flow as cash flows from operations less capital expenditures. We believe investors consider free cash flow as an important measure, because it generally represents funds available to pursue opportunities that may enhance stockholder value, such as making acquisitions or other investments. Our management uses free cash flow for that reason
4. Net Working Capital (NWC) excludes the impact of reserve on Reficar arbitration and the impact of Reficar resolution agreement. These impacts were \$196M in Q4'23, and \$27M in Q1'24

## Financial results - Reconciliation to 10K

CY24	As reported in 10K		As reported in the Supplemental Deck Total MDR Results
	Continuing Operations	Discontinued Operations - CBISS	
Revenue	8,212	699	8,911
Gross Profit	152	93	245

