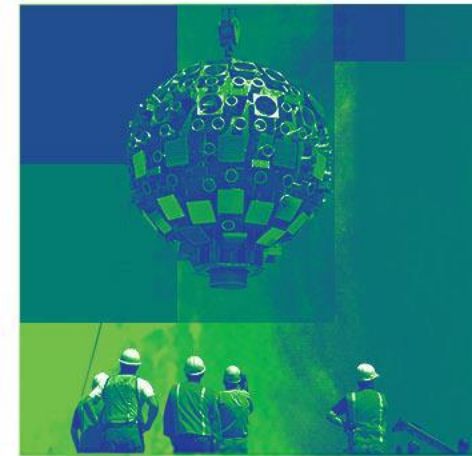


# 2026 Annual Business Plan

April 10, 2026



**MCDERMOTT**

**BUILDING  
ENERGY'S  
FUTURE.**



## Disclosures

### Forward-Looking Statements

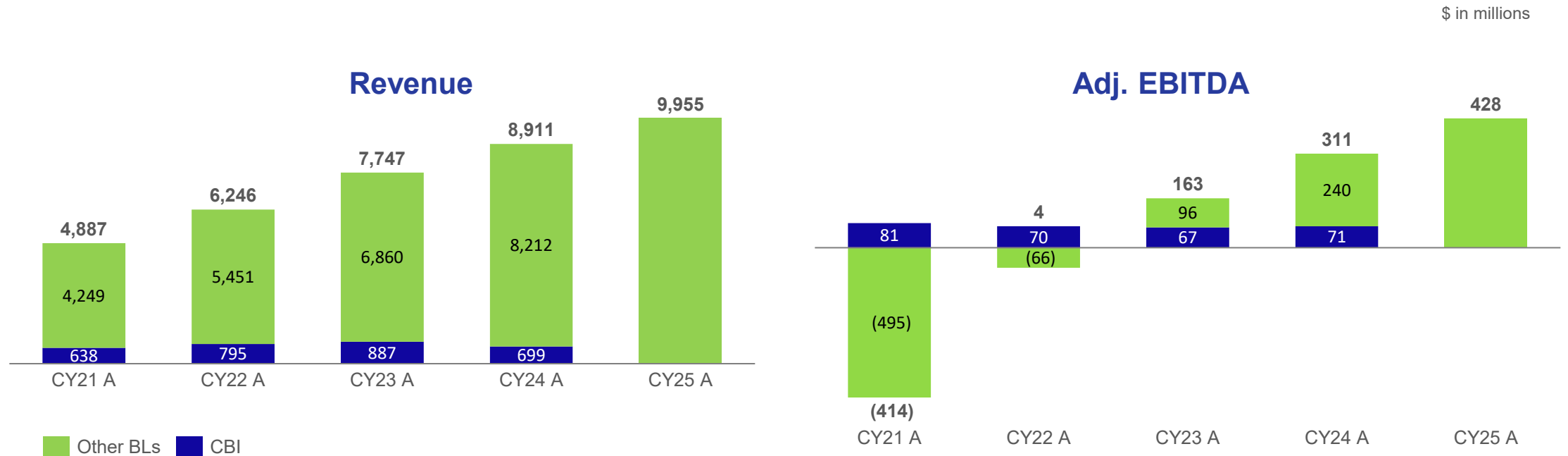
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# Driving operational and financial transformation for long-term growth since 2022...

- Adjusted EBITDA of \$428 million for 2025 and strong operating cashflow of \$340 million, ahead of the prior business plan (“PrB”)
- New orders of \$10.4 billion in 2025, demonstrating continued customer confidence in our business
- Current backlog at Q4’25 of \$18.2 billion at a gross profit margin of 10.5%

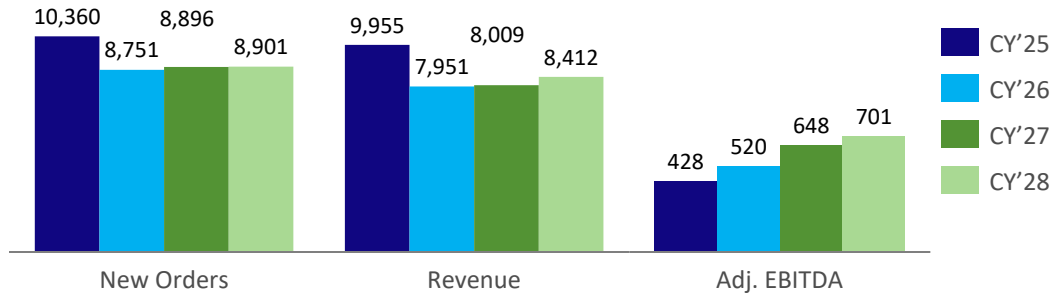




## From turnaround to growth: scaling performance and shareholder value into 2026 and beyond

- Continued focus on selective bidding, project execution, cost management, and customer engagement resulting in improvement of backlog health, with newer backlog at much improved profit margin, and risk managed contract structure
- Positioning for long term growth with new awards of ~\$8.8 billion, revenue of \$8.0 billion, adjusted EBITDA of ~\$520.0 million, and adjusted EBITDA margin of ~6.5% in 2026, all key metrics ahead of previous budget
- Continued focus on liquidity
  - Continued discipline around cash management, settling unapproved change orders, stabilizing vendor base, and driving project progress
  - Management of LC constraints through customer negotiations, expansion of bilateral facilities, and efficient roll-offs for completed projects
  - Impacts of the expected near-term refinancing of our secured credit facility is not included in this business plan; the refinancing is expected to provide a solid foundation for future growth with additional LC capacity, liquidity levers, and stronger balance sheet

# ABP'26 Executive Summary



	CY'25 Actuals	CY'26 ABP	CY'27 Budget	CY'28 Budget
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<b>Revenue</b>	<b>9,955</b>	<b>7,951</b>	<b>8,009</b>	<b>8,412</b>
<b>Gross Profit</b>	<b>439</b>	<b>629</b>	<b>752</b>	<b>811</b>
<b>Operating Income</b>	<b>227</b>	<b>345</b>	<b>483</b>	<b>551</b>
<b>Adj EBITDA</b>	<b>428</b>	<b>520</b>	<b>648</b>	<b>701</b>
Adj. EBITDA % of Revenue	4.3%	6.5%	8.1%	8.3%
<b>CFOA</b>	<b>340</b>	<b>325</b>	<b>224</b>	<b>384</b>
<b>CFIA</b>	<b>(88)</b>	<b>(124)</b>	<b>(90)</b>	<b>(87)</b>
<b>CFFA</b>	<b>(29)</b>	<b>(28)</b>	<b>(27)</b>	<b>(27)</b>
<b>Net Working Capital</b>	<b>(2,205)</b>	<b>(2,271)</b>	<b>(2,073)</b>	<b>(1,964)</b>
<b>Available Global Cash</b>	<b>731</b>	<b>628</b>	<b>701</b>	<b>917</b>
<b>New Orders</b>	<b>10,360</b>	<b>8,751</b>	<b>8,896</b>	<b>8,901</b>
<b>Backlog</b>	<b>18,151</b>	<b>18,951</b>	<b>19,838</b>	<b>20,327</b>
<b>Capex</b>	<b>79</b>	<b>124</b>	<b>90</b>	<b>87</b>

## Highlights

### CY'26

- Approximately 94% revenue is driven by booked projects; revenue is lower than in 2025 due to unusually high, non-recurring revenue from certain hybrid projects recognized in 2025
- Profitability driven by sizable increase in higher margin and managed risk projects, resulting in increase in EBITDA from current 4.3% to 6.5%
- Positive cash flows from settlement of unapproved change orders (“UCO”) and profitability from newer portfolio, partially offset by unwinding of advance billings
- Order intake across all business lines with the continuing push towards hybrid contracting; legacy backlog expected to be approximately 1.4% by the end of the year

### CY'27

- Approximately 60% revenue is driven by booked projects while generating adjusted EBITDA margin of over 8%; this is largely in line with the trend in previous years
- CFOA in CY'27 driven by collections from prospective work

### CY'28

- YoY revenue growth of 5% with ~\$8.4B revenue, generating adjusted EBITDA margin >8%
- Approximately 32% of revenue is driven by booked projects, which is largely in line with trend in previous years



# Hydrocarbon supercycle and accelerating transition to clean energy are driving strong growth opportunities for our business in 2026

**2025 ended with ~\$18.2 billion of backlog; 2026 outlook is positive with major project awards across all business lines**

We believe that the ongoing conflict in the Persian Gulf will not fundamentally change Middle East investment plans over the longer term, and will likely lead to energy autonomy projects offshore East Asia where we have a unique positioning

## Low Carbon Solutions (LCS)

- Developments driven by an increasing awareness of the longevity of traditional energy alongside a transition to low and zero carbon production
- Low carbon modularized LNG, leveraging our modular design experience in London and Houston coupled with our fabrication facilities in Qingdao and Batam and construction expertise in the US and Canada ensure that we have a differentiated offering.
- In Europe, focus on leveraging our assets and experience – high voltage substations for offshore wind development substation platforms fabricated in our Batam and Dubai yards

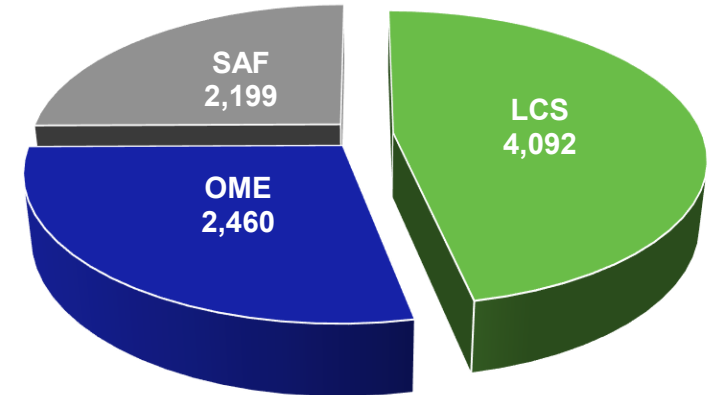
## Offshore Middle East (OME)

- Saudi Arabia, Qatar, and United Arab Emirates continue to invest in traditional energy, and we are unique in our *'engineer and build local'* delivery model – often mandated by our customers
- Portfolio diversification through adding ADNOC and KJO as a key customer, built where possible on our FEED to EPC *'build local'* delivery model

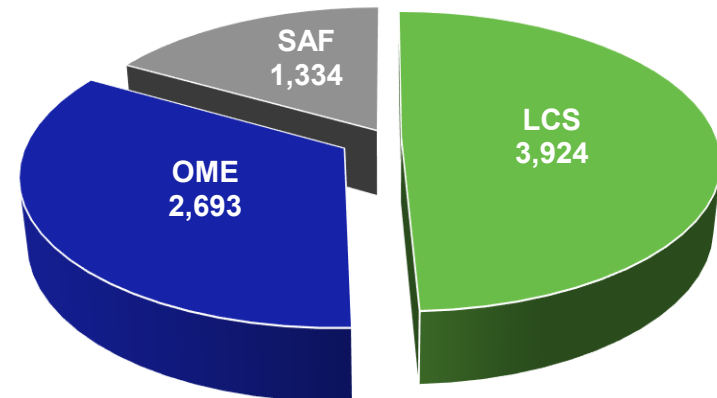
## Subsea and Floating Facilities (SAF)

- Deepwater production continues to be competitive driving our business in West Africa and Brazil, and recent competitor consolidation will improve our positioning.
- In Asia and Australia, energy autonomy driven subsea developments allow us to leverage our advantageously positioned yards and marine assets

**2026 New Orders \$8.7 billion**



**2026 Revenue \$7.9 billion**

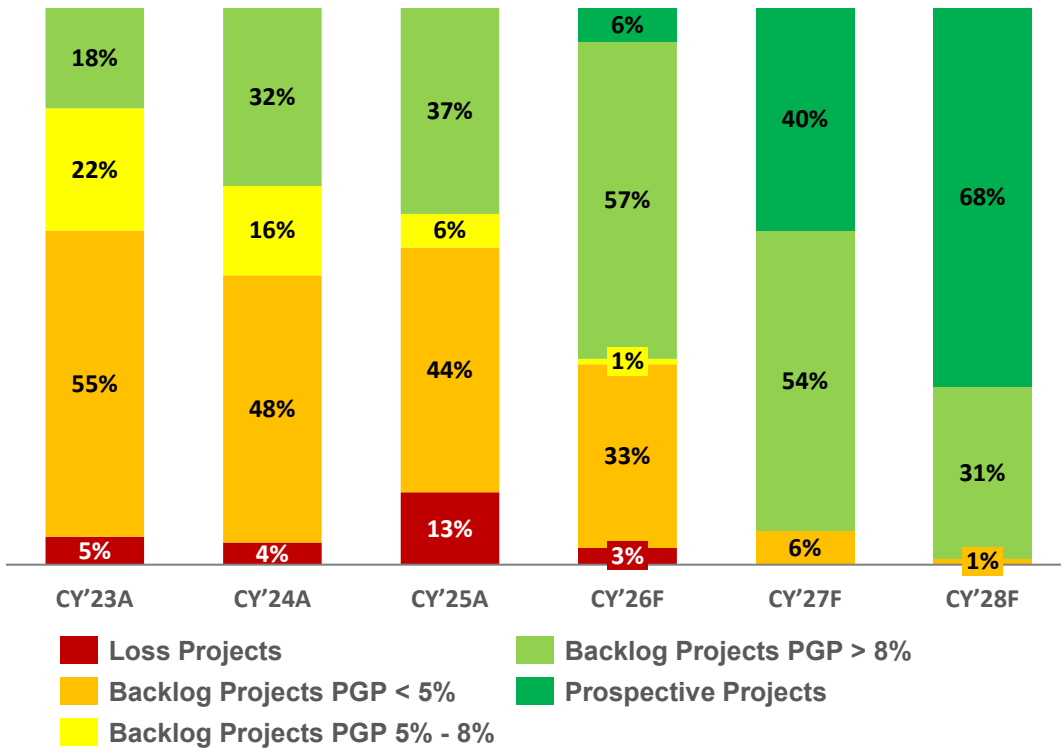




# Revenue and backlog mix continue to reflect positive changes in strategy

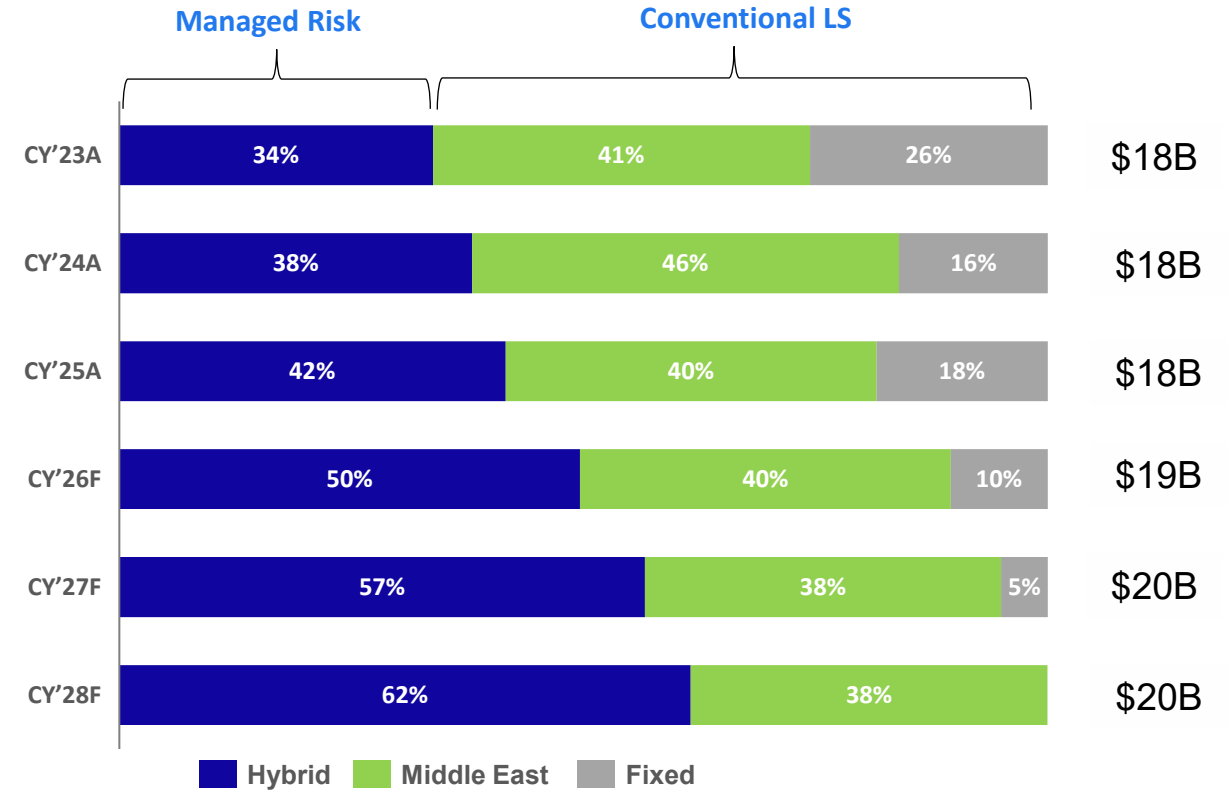
## Revenue Stratification

% of Total Revenue



## Backlog by Contract Type

\$ in billions

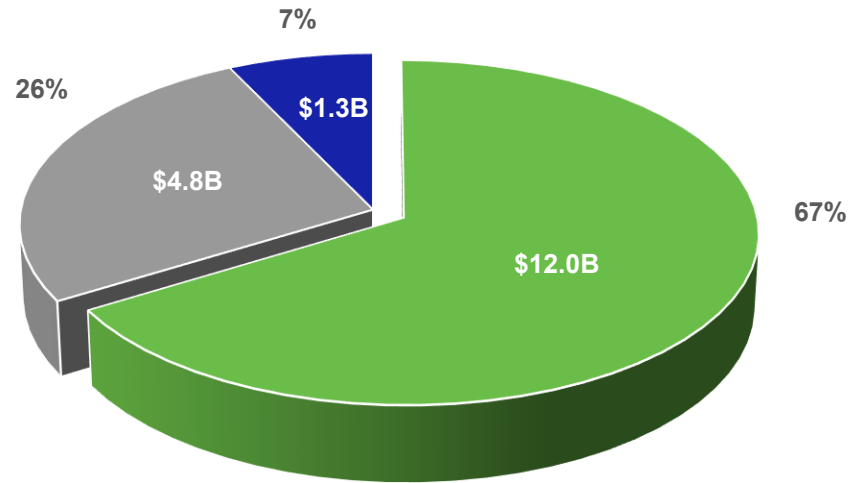


- Impact of zero and low margin projects declining since CY'23 and is expected to further decline gradually over next two years; 2025 is skewed given significant increase in revenue from certain low margin hybrid projects
- Backlog mix trend toward hybrid / reimbursable throughout forecast period, consistent with current contracting and bidding model



## Focus continues to be on growth of healthy backlog while progressing and improving our legacy portfolio

Q4'25 Actual Backlog \$18.2 billion



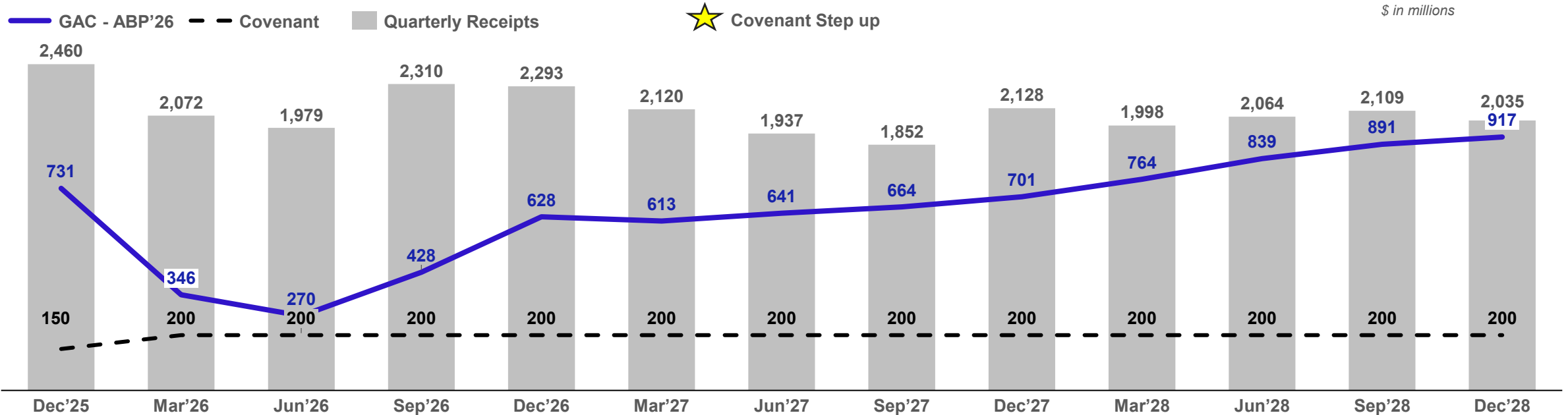
- New portfolio <sup>1</sup>
- Legacy Re-negotiated <sup>2</sup>
- Legacy portfolio - other

- With the change in executive leadership in Q1'22, there was a focus on selective bidding and customer engagement. This drove the build up of the new healthy portfolio
  - Such new portfolio projects represent 67% of current backlog, at an average of 13.5% gross profit margin
- As the legacy portfolio i.e. projects awarded prior to Q1'22, continues to be executed, multiple efforts are ongoing to address the remaining risks
  - Some of the key projects have been restructured with improved terms on profitability, cash flow and LC terms
  - Continuous improvement on project execution
  - High levels of customer engagement and alignment on hybrid projects
  - Focus efforts on closing out loss projects, loss projects make up ~3.6% of current backlog

1. New portfolio represents all projects awarded after the current executive leadership assumed charge in Q1'22

2. Legacy portfolio represents all projects awarded prior to Q1'22

# Liquidity remains tight in the near term due to delays in UCO settlements; stabilization expected by 2H'26 as settlements conclude and new awards materialize



## Highlights

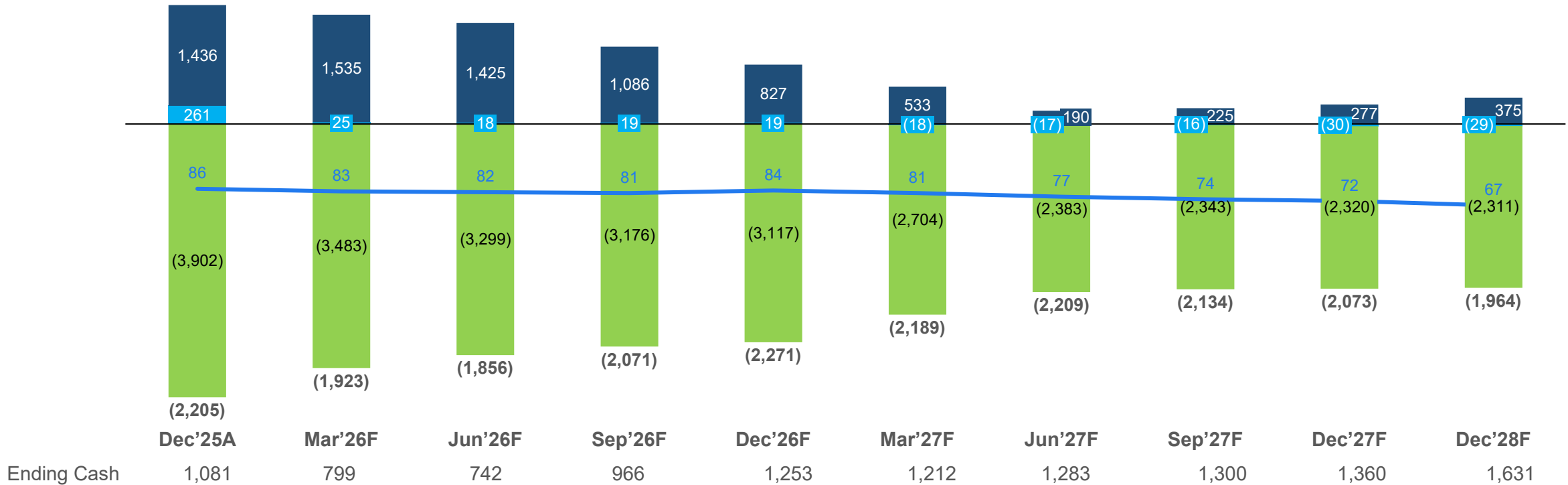
- Globally available cash projected to grow towards the end of 2026 from improved profitability from newer portfolio and prospective awards
- Although progress on resolution of UCOs has been slower than anticipated, including due to the delays driven by regional instability and logistical disruptions stemming from the Middle East conflict, we have successfully managed and will continue to manage our liquidity
- We continue to forecast minimum liquidity covenant at \$200 million during the forecast period. The covenant may change as part of our refinancing



# Net working capital expected to stabilize over time, supported by UCO settlements and improved profitability from newer portfolio and new awards

\$ in millions

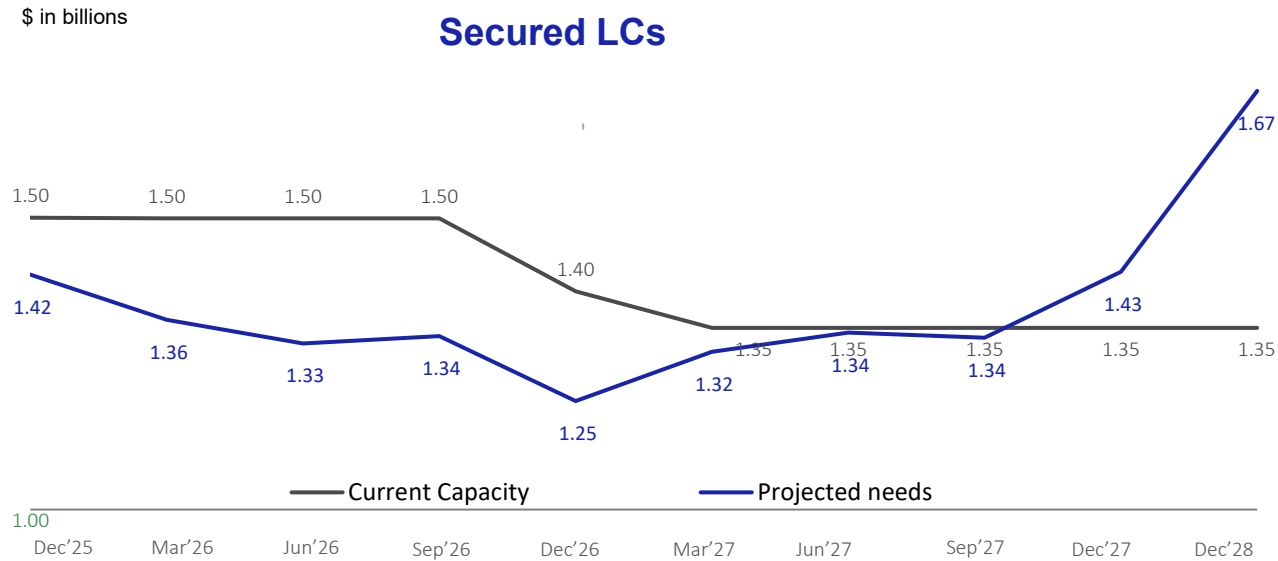
WIP + AR Others AP & Accrued Liabilities DPO



- AR + WIP includes UCOs and progressively unwinds as we settle the UCOs
- Accounts Payable reduction expected from 2H'26 onwards, driven by settlement of UCOs, improved profit margins and positive working capital on newer portfolio
- Gradual reduction in Accounts Payable forecasted in outer years and reduction in Days Payable Outstanding (DPO) from 2H'26



# LC constraints persist; future refinancing expected to provide a clear path to stability and growth



## Multiple workstreams in progress to manage capacity constraints

- Negotiate lower, no LC or LC on progressive basis for new awards
- Negotiate with customers for timely roll-offs
- Bilat and surety capacity in the Middle East, Asia, and other regions

## Recent achievements

- ✓ Increased bilateral capacity to support Qatari projects, upcoming Subsea and Floating Facilities projects
- ✓ Successfully negotiated lower LC on multiple projects

*Needs in excess of capacity beyond Sep'27 expected to be managed with the refinancing as well as the above initiatives*



→

## Appendix

←



# ABP'26 by quarter Vs PrB

	Q1'26	Q2'26	ABP Q3'26	Q4'26	CY'26	PrB CY'26	Delta CY'26
<b>Revenue</b>	1,946	2,051	1,859	2,095	7,951	① 7,541	410
<b>Gross Profit</b>	124	168	163	174	629	630	(1)
<b>Operating Income</b>	55	95	85	110	345	375	(30)
<b>Adj EBITDA</b>	99	137	134	150	520	② 512	8
Adj. EBITDA % of Revenue	5.1%	6.7%	7.2%	7.2%	6.5%	6.8%	(0.3)%
<b>CFOA</b>	(241)	(17)	259	324	325	③ 240	85
- Non- JV	(251)	(28)	207	285	213	66	147
- JV	10	11	52	39	112	174	(62)
<b>CFIA</b>	(33)	(33)	(28)	(30)	(124)	(64)	(60)
<b>CFFA</b>	(7)	(7)	(7)	(7)	(28)	(22)	(6)
<b>Net Working Capital</b>	(1,923)	(1,856)	(2,071)	(2,271)	(2,271)	(1,767)	(504)
<b>Available Global Cash</b>	346	270	428	628	628	427	201
<b>New Orders</b>	183	1,384	4,271	2,913	8,751	④ 8,708	43
<b>Backlog</b>	16,388	15,721	18,133	18,951	18,951	19,793	(842)
<b>Capex</b>	33	33	28	30	124	64	60

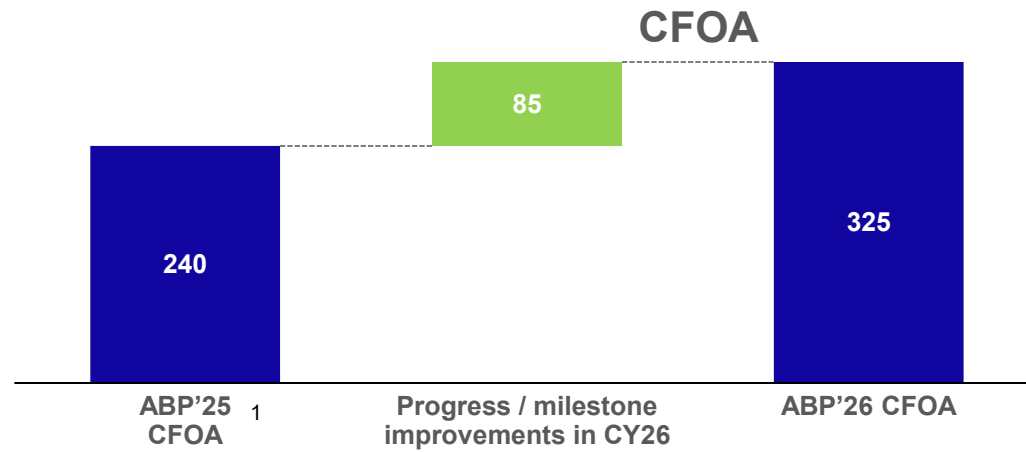
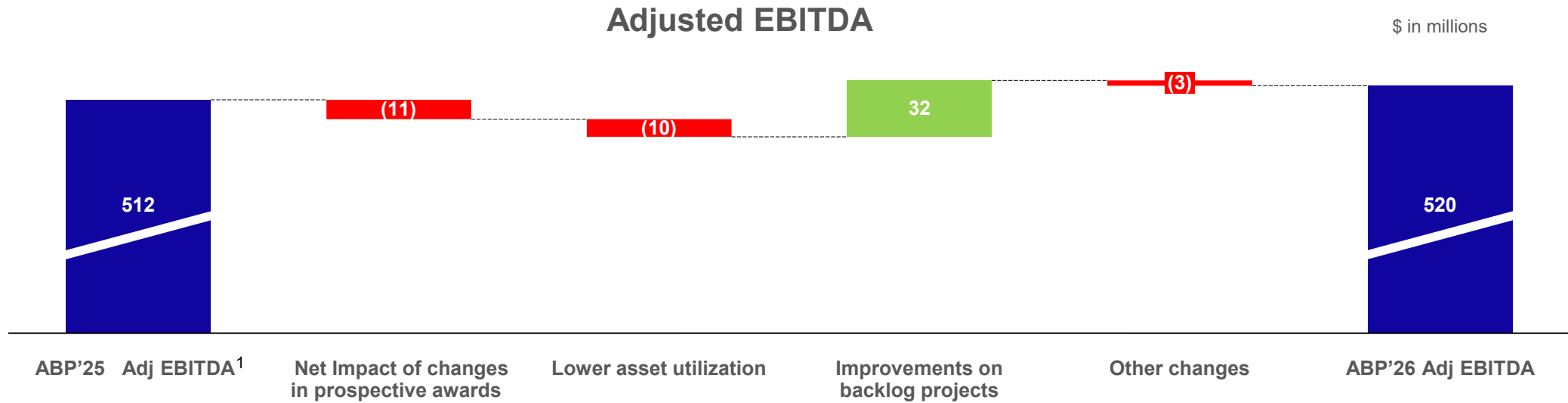
## Highlights

\$ in millions

- ① **Revenue** levels consistent across the year, marginally higher than PrB
- ② **Adj. EBITDA** marginally higher than PrB. Margin continue to increase quarter over quarter with the completion of lower margin projects, addition of more profitable projects, and increased asset utilization
- ③ **Cash** position improves during the 2H'26 driven by :
  - Several backlog projects unwinding their positive working capital in 1H'26
  - 2H'26 largely driven by a combination of backlog projects, collection of UCOs, and prospective projects
- ④ **New Orders** are mostly back ended in 2H'26 and balanced across the business lines



# 2026: Profitability and cash flow changes from prior budget



1. Represents previous business plan for 2026 (published in February 2025)



## Balance sheet

\$ in millions

<b>Assets</b>	<b>Q4'25A</b>	<b>Q1'26F</b>	<b>Q2'26F</b>	<b>Q3'26F</b>	<b>Q4'26F</b>	<b>Q1'27F</b>	<b>Q2'27F</b>	<b>Q3'27F</b>	<b>Q4'27F</b>	<b>CY'28F</b>
Cash, cash equivalents and restricted cash	1,081	799	742	966	1,253	1,212	1,283	1,300	1,360	1,631
Current assets	3,844	3,496	3,450	3,214	2,421	2,060	2,136	2,052	2,243	2,699
<b>Total current assets</b>	<b>4,925</b>	<b>4,295</b>	<b>4,192</b>	<b>4,180</b>	<b>3,674</b>	<b>3,272</b>	<b>3,419</b>	<b>3,352</b>	<b>3,603</b>	<b>4,330</b>
Property, plant, and equipment, net	1,023	1,033	1,051	1,061	1,071	1,080	1,083	1,082	1,075	1,075
Other Non-current assets	1,091	1,071	1,050	1,029	970	952	930	919	910	882
<b>Total assets</b>	<b>7,039</b>	<b>6,400</b>	<b>6,293</b>	<b>6,270</b>	<b>5,715</b>	<b>5,304</b>	<b>5,433</b>	<b>5,354</b>	<b>5,589</b>	<b>6,287</b>
<b>Liabilities and Stockholders' Equity</b>										
Current liabilities	6,049	5,419	5,305	5,285	4,692	4,249	4,345	4,186	4,316	4,664
Current portion of long-term debt	20	20	20	20	20	20	20	20	20	20
<b>Total current liabilities</b>	<b>6,069</b>	<b>5,439</b>	<b>5,325</b>	<b>5,305</b>	<b>4,712</b>	<b>4,269</b>	<b>4,365</b>	<b>4,206</b>	<b>4,336</b>	<b>4,684</b>
Long-term debt	839	854	846	850	854	858	861	866	870	887
Other non-current liabilities	789	781	792	782	795	810	794	797	821	748
<b>Total liabilities</b>	<b>7,697</b>	<b>7,073</b>	<b>6,963</b>	<b>6,937</b>	<b>6,361</b>	<b>5,937</b>	<b>6,021</b>	<b>5,868</b>	<b>6,027</b>	<b>6,318</b>
Stockholders' equity	2,899	2,902	2,905	2,909	2,912	2,916	2,920	2,924	2,928	3,081
Accumulated deficit	(3,519)	(3,538)	(3,537)	(3,539)	(3,520)	(3,511)	(3,470)	(3,400)	(3,327)	(3,074)
AOCI	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)
Noncontrolling Interest	1	1	0	1	0	0	0	0	0	0
<b>Total stockholders' equity</b>	<b>(658)</b>	<b>(674)</b>	<b>(671)</b>	<b>(667)</b>	<b>(646)</b>	<b>(633)</b>	<b>(588)</b>	<b>(514)</b>	<b>(438)</b>	<b>(31)</b>
<b>Total liabilities and stockholders' equity</b>	<b>7,039</b>	<b>6,400</b>	<b>6,293</b>	<b>6,270</b>	<b>5,715</b>	<b>5,304</b>	<b>5,433</b>	<b>5,354</b>	<b>5,589</b>	<b>6,287</b>

## Highlights

- Cash balance is projected to improve in the forecast period driven by UCO settlements, and improved profitability from newer portfolio and new awards
- Positive net income starting Q4'26 and the stockholders' equity significantly improving by CY'28



# Cash flow statement

\$ in millions

	Q1'26F	Q2'26F	Q3'26F	Q4'26F	CY'26F	Q1'27F	Q2'27F	Q3'27F	Q4'27F	CY'27F	CY'28F
+ Net Income (loss)	(20)	0	(1)	19	(2)	9	41	70	72	192	253
DD&A	23	16	18	20	76	17	22	23	24	86	78
Intangible Amortization	14	14	14	14	57	14	14	14	14	57	49
Non-Cash Interest (Accretion, DIC, & PIK)	5	30	18	17	69	19	19	9	9	55	38
Stock Compensation	3	3	3	3	14	4	4	4	4	15	12
Asset Impairment	-	-	-	-	-	-	-	-	-	-	9
Other Non-Cash Items	16	(13)	(9)	13	7	11	(16)	1	21	17	54
<b>+ Income Statement Changes</b>	<b>61</b>	<b>50</b>	<b>45</b>	<b>67</b>	<b>223</b>	<b>65</b>	<b>43</b>	<b>51</b>	<b>71</b>	<b>230</b>	<b>240</b>
- Net Working Capital Changes	282	67	(215)	(200)	(66)	82	(21)	76	60	198	109
- Changes in Other Assets & Liabilities	-	-	-	(37)	(37)	-	-	-	-	-	-
<b>CFOA</b>	<b>(241)</b>	<b>(17)</b>	<b>259</b>	<b>324</b>	<b>325</b>	<b>(8)</b>	<b>104</b>	<b>45</b>	<b>83</b>	<b>224</b>	<b>384</b>
Property, Plant and Equipment	(33)	(33)	(28)	(30)	(124)	(26)	(26)	(22)	(16)	(90)	(87)
<b>CFIA</b>	<b>(33)</b>	<b>(33)</b>	<b>(28)</b>	<b>(30)</b>	<b>(124)</b>	<b>(26)</b>	<b>(26)</b>	<b>(22)</b>	<b>(16)</b>	<b>(90)</b>	<b>(87)</b>
Loans & Repayments	(7)	(7)	(7)	(7)	(28)	(7)	(7)	(6)	(7)	(27)	(27)
<b>CFFA</b>	<b>(7)</b>	<b>(7)</b>	<b>(7)</b>	<b>(7)</b>	<b>(28)</b>	<b>(7)</b>	<b>(7)</b>	<b>(6)</b>	<b>(7)</b>	<b>(27)</b>	<b>(27)</b>
<b>Total Cash Generated</b>	<b>(281)</b>	<b>(57)</b>	<b>224</b>	<b>287</b>	<b>173</b>	<b>(41)</b>	<b>72</b>	<b>17</b>	<b>60</b>	<b>108</b>	<b>270</b>
<b>Beginning Cash Balance</b>	<b>1,081</b>	<b>799</b>	<b>742</b>	<b>966</b>	<b>1,081</b>	<b>1,253</b>	<b>1,212</b>	<b>1,283</b>	<b>1,300</b>	<b>1,253</b>	<b>1,360</b>
<b>Ending Cash Balance</b>	<b>799</b>	<b>742</b>	<b>966</b>	<b>1,253</b>	<b>1,253</b>	<b>1,212</b>	<b>1,283</b>	<b>1,300</b>	<b>1,360</b>	<b>1,360</b>	<b>1,631</b>

## Highlights

- 1 Net income turning positive during Q4'26F
- 2 Net income expected to improve by ~\$200M in CY'27 vs. CY'26