



OFFSHORE

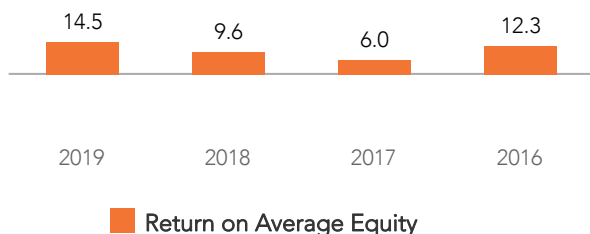
ENERGY. COMMITTED.



ANNUAL REPORT 2019

RETURN ON AVERAGE EQUITY

Return on average equity (ROAE) measures the performance of the Company based on the average equity attributable to the shareholders of the parent company. ROAE is calculated as Underlying profit attributable to shareholders divided by the annual average of equity attributable to shareholders of the parent company. It should be noted that historically the Company used profit attributable to shareholders as opposed to Underlying profit attributable to shareholders to calculate ROAE. Historical numbers have been updated to reflect this change.



2019 ROAE stood at 14.5%, well above the past three year average of 9.3%. This is driven by a higher underlying profit attributable to shareholders, mainly explained by the increase in Turnkey activity.

4.1.5 OUTLOOK AND GUIDANCE

The outlook for the market segment in which the Company operates continues to improve in line with expectation: the demand for complex, large capacity FPSOs remains strong. Major offshore developments which are sanctioned are characterized by attractive economics and low break-even oil prices, provided that production systems are delivered reliably and on time. Projects awarded in 2019 have significantly reduced available capacity in the Company's market segment. Therefore, the Company reiterates the fact that it will remain selective regarding the market opportunities it will focus on.

The Company's 2020 Directional revenue guidance is above US\$2.3 billion, of which around US\$1.6 billion is expected from the cash generating Lease and Operate segment and around US\$700 million from the Turnkey segment. Directional EBITDA guidance is around US\$900 million for the Company.