



PRESS RELEASE

Oceaneering Reports Third Quarter 2019 Results

HOUSTON, October 30, 2019 – Oceaneering International, Inc. ("Oceaneering") (NYSE:OII) today reported a net loss of \$25.5 million, or \$(0.26) per share, on revenue of \$498 million for the three months ended September 30, 2019. Adjusted net loss was \$29.7 million, or \$(0.30) per share, excluding the impact of \$7.0 million of certain tax adjustments and the after-tax effects of \$3.5 million of foreign currency exchange losses.

During the prior quarter ended June 30, 2019, Oceaneering reported a net loss of \$35.2 million, or \$(0.36) per share, on revenue of \$496 million, and an adjusted net loss of \$31.5 million, or \$(0.32) per share.

Adjusted operating income (loss), operating margins, net income (loss) and earnings (loss) per share, EBITDA and adjusted EBITDA (as well as EBITDA and adjusted EBITDA margins and forecasted 2019 EBITDA) and free cash flow are non-GAAP measures that exclude the impacts of certain identified items. Reconciliations to the corresponding GAAP measures are shown in the tables Adjusted Net Income (Loss) and Diluted Earnings (Loss) per Share (EPS), EBITDA and EBITDA Margins, 2019 EBITDA Estimates, Free Cash Flow, Adjusted Operating Income (Loss) and Margins by Segment, and EBITDA and Adjusted EBITDA and Margins by Segment. These tables are included below under the caption Reconciliations of Non-GAAP to GAAP Financial Information.

Summary of Results

(in thousands, except per share amounts)

| | Three Months Ended | | | Nine Months Ended | |
|-----------------------------------|--------------------|------------|------------|-------------------|--------------|
| | Sep 30, | | Jun 30, | Sep 30, | |
| | 2019 | 2018 | 2019 | 2019 | 2018 |
| Revenue | \$ 497,647 | \$ 519,300 | \$ 495,781 | \$ 1,487,314 | \$ 1,414,387 |
| Gross Margin | 49,061 | 47,635 | 41,983 | 118,631 | 96,191 |
| Income (Loss) from Operations | (5,194) | (1,552) | (9,635) | (36,543) | (48,338) |
| Net Income (Loss) | (25,523) | (65,979) | (35,182) | (85,532) | (148,188) |
| Diluted Earnings (Loss) Per Share | \$ (0.26) | \$ (0.67) | \$ (0.36) | \$ (0.87) | \$ (1.50) |

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Roderick A. Larson, President and Chief Executive Officer of Oceaneering, stated, "Our consolidated third quarter 2019 operating results met our expectations and our adjusted EBITDA exceeded the consensus estimate. Overall, we were encouraged by the better-than-expected contribution from our energy segments.

"Our operating results for the third quarter 2019 improved by \$4.4 million over the prior quarter, largely due to increased contributions from Subsea Products and Remotely Operated Vehicle (ROV) segments, which were partially offset by a less-than-expected contribution from our Advanced Technologies segment.

"Each of our operating segments, except for Asset Integrity, generated positive EBITDA, and on a consolidated basis we generated adjusted EBITDA of \$45.4 million. Our cash position of \$340 million at September 30, 2019 declined \$15.5 million from June 30, 2019, as we increased capital expenditure spending associated with projected higher ROV activity, and with purchases of equipment to support our drill pipe riser contract in Brazil.

"Operationally, for the third quarter 2019, ROV days on hire declined by 2%, translating to a lower fleet utilization of 60%, as compared to 62% in the second quarter. Average ROV revenue per day on hire was slightly lower, declining 4% sequentially, as a result of changes in geographic mix. However, this decline was offset by a decrease in costs. ROV operating results for the quarter included the effect of a \$2.8 million gain associated with the sale of ROV accessory equipment integrated into a customer's rigs. Excluding the impact of this gain, EBITDA margin was consistent with second quarter EBITDA margin.

"Our fleet use mix during the quarter was 63% in drill support and 37% in vessel-based activity, the same as the second quarter. At the end of September, we had ROV contracts on 97 of the 159 floating rigs under contract, or 61%. At June 30, 2019, we had ROV contracts on 101 of the 161 floating rigs under contract, or 63%. At the end of September 2019, our fleet count remained at 276 vehicles.

"Subsea Product's operating income during the third quarter 2019 was better than expected, on a 9% increase in quarterly revenue. The improved operating results were primarily due to greater activity and better-than-expected profitability within our service and rental business. Our Subsea Products backlog at September 30, 2019 was \$609 million, compared to our June 30, 2019 backlog of \$596 million. The backlog improvement was largely attributable to an increase in order intake for our manufactured products business. Our book-to-bill ratio, year to date, was 1.7 and for the past twelve months was 1.5.

"Sequentially, Subsea Projects third quarter revenue and operating results were relatively flat with the second quarter. Call-out work during the third quarter was consistent with that of the second quarter. Asset Integrity operating results decreased on slightly lower revenue as compared to the second quarter, as pricing for inspection services continues to remain very competitive.

"For our non-energy segment, Advanced Technologies, third quarter 2019 operating results were much lower than forecast. This was primarily due to the combination of delays and cost overruns on certain projects within our commercial businesses, which resulted in lower revenue and lower operating margins than projected. Unallocated Expenses for the third quarter 2019 were lower than the second quarter 2019 due primarily to lower accruals for incentive-based compensation.

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"Looking forward, we believe our fourth quarter 2019 EBITDA will be slightly lower than our adjusted third quarter results, with the onset of seasonally lower offshore activity within our energy segments being slightly offset by improved contribution from our non-energy segment. Sequentially for our energy segments, we expect lower operating results from ROV, Subsea Products, and Subsea Projects segments and a marginal improvement in our Asset Integrity segment. For Advanced Technologies, we are projecting improved performance from our commercial businesses that will result in a meaningful revenue increase and an operating margin in the low double-digit range. Unallocated Expenses are forecast to be in the low- to mid-\$30 million range.

"For the full year of 2019, we affirm the \$160 million midpoint of our previously provided EBITDA guidance. We are increasing our capital expenditures guidance for the year to \$150 million, primarily driven by increased spending within our ROV segment to support projected higher levels of activity anticipated for 2020. However, we continue to expect positive free cash flow generation for the year as we anticipate generating cash from positive working capital changes in the fourth quarter.

"We continue to believe that the long-term fundamentals for the offshore energy industry are improving and that our energy segments are positioned to benefit from this recovery. We know that this recovery is gradual so we remain focused on continuing to adapt our business structure to the current market to improve returns. We are also implementing a stricter capital discipline approach, which we expect to help us ensure that we generate meaningful free cash flow in the future.

"Accordingly, looking into 2020, we are anticipating increased activity and improved operating performance across all of our segments, led by gains from ROV and Subsea Products. At this time, we anticipate generating \$180 million to \$220 million of EBITDA in 2020 with positive operating income from each of our operating segments. Unallocated Expenses are expected to be approximately \$140 million and we project capital expenditures to be in the range of \$70 million to \$100 million. As a result, we expect to generate a significant increase in free cash flow in 2020 relative to 2019. In this dynamic market we will necessarily continue to review our forecast as we develop a definitive operating plan for 2020, and we will update our guidance range during the year-end reporting process."

This release contains "forward-looking statements," as defined in the Private Securities Litigation Reform Act of 1995, including, without limitation, statements as to the expectations, beliefs and future expected business, financial performance and prospects of Oceaneering. More specifically, the forward-looking statements in this press release include the statements concerning Oceaneering's: projected fourth quarter 2019 operating results and margins by segment, forecasted Unallocated Expenses, positive free cash flow and working capital improvements; full-year 2019 EBITDA guidance, capital expenditure guidance, and anticipated positive free cash flow; full-year 2020 activity and operating performance by segment, EBITDA, Unallocated Expenses, and capital expenditure guidance and projected positive free cash flow; and expectations regarding offshore energy industry market conditions, including a gradual recovery and levels of activity in 2020. The forward-looking statements included in this release are based on our current expectations and are subject to certain risks, assumptions, trends and uncertainties that could cause actual results to differ materially from those indicated by the forward-looking statements. Among the factors that could cause actual results to differ materially include: factors affecting the level of activity in the oil and gas industry; supply and demand of drilling rigs; oil and natural gas demand and production growth; oil and natural gas prices;

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fluctuations in currency markets worldwide; future global economic conditions; the loss of major contracts or alliances; future performance under our customer contracts; and the effects of competition. For a more complete discussion of these and other risk factors, please see Oceaneering's latest annual report on Form 10-K and subsequent quarterly reports on Form 10-Q filed with the Securities and Exchange Commission.

Oceaneering is a global provider of engineered services and products, primarily to the offshore energy industry. Through the use of its applied technology expertise, Oceaneering also serves the defense, entertainment, and aerospace industries.

For more information on Oceaneering, please visit www.oceaneering.com.

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OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

| | Sep 30, 2019 | Dec 31, 2018 |
|---|-----------------|-----------------|
| <i>(in thousands)</i> | | |
| ASSETS | | |
| Current assets (including cash and cash equivalents of \$340,323 and \$354,259) | \$ 1,167,197 | \$ 1,244,889 |
| Net property and equipment | 946,381 | 964,670 |
| Other assets | 772,114 | 615,439 |
| Total Assets | \$ 2,885,692 | \$ 2,824,998 |
| LIABILITIES AND EQUITY | | |
| Current liabilities | \$ 510,414 | \$ 494,741 |
| Long-term debt | 799,855 | 786,580 |
| Other long-term liabilities | 272,344 | 128,379 |
| Equity | 1,303,079 | 1,415,298 |
| Total Liabilities and Equity | \$ 2,885,692 | \$ 2,824,998 |

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | For the Three Months Ended | | | For the Nine Months Ended | |
|--|---|-----------------|-----------------|---------------------------|-----------------|
| | Sep 30, 2019 | Sep 30, 2018 | Jun 30, 2019 | Sep 30, 2019 | Sep 30, 2018 |
| | <i>(in thousands, except per share amounts)</i> | | | | |
| Revenue | \$ 497,647 | \$ 519,300 | \$ 495,781 | \$ 1,487,314 | \$ 1,414,387 |
| Cost of services and products | 448,586 | 471,665 | 453,798 | 1,368,683 | 1,318,196 |
| Gross margin | 49,061 | 47,635 | 41,983 | 118,631 | 96,191 |
| Selling, general and administrative expense | 54,255 | 49,187 | 51,618 | 155,174 | 144,529 |
| Income (loss) from operations | (5,194) | (1,552) | (9,635) | (36,543) | (48,338) |
| Interest income | 2,089 | 2,645 | 1,848 | 6,541 | 8,187 |
| Interest expense, net of amounts capitalized | (11,382) | (9,885) | (10,199) | (31,005) | (28,058) |
| Equity in income (losses) of unconsolidated affiliates | 554 | (1,684) | — | 390 | (3,264) |
| Other income (expense), net | (3,660) | 5,632 | 7 | (2,934) | (6,398) |
| Income (loss) before income taxes | (17,593) | (4,844) | (17,979) | (63,551) | (77,871) |
| Provision (benefit) for income taxes | 7,930 | 61,135 | 17,203 | 21,981 | 70,317 |
| Net Income (Loss) | \$ (25,523) | \$ (65,979) | \$ (35,182) | \$ (85,532) | \$ (148,188) |
| Weighted average diluted shares outstanding | 98,930 | 98,533 | 98,929 | 98,858 | 98,483 |
| Diluted earnings (loss) per share | \$ (0.26) | \$ (0.67) | \$ (0.36) | \$ (0.87) | \$ (1.50) |

The above Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Operations should be read in conjunction with the Company's latest Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

SEGMENT INFORMATION

| | For the Three Months Ended | | | For the Nine Months Ended | |
|-----------------------------------|----------------------------|--------------|--------------|---------------------------|--------------|
| | Sep 30, 2019 | Sep 30, 2018 | Jun 30, 2019 | Sep 30, 2019 | Sep 30, 2018 |
| | <i>(\$ in thousands)</i> | | | | |
| Remotely Operated Vehicles | | | | | |
| Revenue | \$ 113,101 | \$ 105,045 | \$ 120,363 | \$ 333,810 | \$ 298,065 |
| Gross margin | \$ 18,908 | \$ 8,757 | \$ 17,360 | \$ 45,689 | \$ 25,888 |
| Operating income (loss) | \$ 10,145 | \$ 772 | \$ 8,688 | \$ 20,251 | \$ 2,916 |
| Operating income (loss) % | 9 % | 1% | 7 % | 6 % | 1 % |
| Days available | 25,392 | 25,668 | 25,006 | 74,904 | 76,192 |
| Days utilized | 15,146 | 14,249 | 15,423 | 43,511 | 38,937 |
| Utilization | 60 % | 56% | 62 % | 58 % | 51 % |
| Subsea Products | | | | | |
| Revenue | \$ 150,836 | \$ 137,099 | \$ 138,910 | \$ 418,590 | \$ 385,491 |
| Gross margin | \$ 28,030 | \$ 18,748 | \$ 21,029 | \$ 61,374 | \$ 49,828 |
| Operating income (loss) | \$ 13,219 | \$ 5,367 | \$ 7,413 | \$ 20,156 | \$ 9,417 |
| Operating income (loss) % | 9 % | 4% | 5 % | 5 % | 2 % |
| Backlog at end of period | \$ 609,000 | \$ 333,000 | \$ 596,000 | \$ 609,000 | \$ 333,000 |
| Subsea Projects | | | | | |
| Revenue | \$ 75,996 | \$ 104,972 | \$ 75,104 | \$ 240,828 | \$ 239,868 |
| Gross margin | \$ 5,213 | \$ 10,829 | \$ 5,472 | \$ 19,718 | \$ 6,801 |
| Operating income (loss) | \$ (616) | \$ 6,088 | \$ 87 | \$ 2,363 | \$ (6,629) |
| Operating income (loss) % | (1)% | 6% | — % | 1 % | (3)% |
| Asset Integrity | | | | | |
| Revenue | \$ 59,274 | \$ 62,346 | \$ 61,156 | \$ 181,119 | \$ 191,056 |
| Gross margin | \$ 5,273 | \$ 9,430 | \$ 6,423 | \$ 17,968 | \$ 26,909 |
| Operating income (loss) | \$ (2,453) | \$ 2,275 | \$ (1,302) | \$ (4,468) | \$ 7,311 |
| Operating income (loss) % | (4)% | 4% | (2)% | (2)% | 4 % |
| Advanced Technologies | | | | | |
| Revenue | \$ 98,440 | \$ 109,838 | \$ 100,248 | \$ 312,967 | \$ 299,907 |
| Gross margin | \$ 9,413 | \$ 14,824 | \$ 13,386 | \$ 38,047 | \$ 36,645 |
| Operating income (loss) | \$ 2,958 | \$ 8,960 | \$ 7,241 | \$ 19,798 | \$ 18,514 |
| Operating income (loss) % | 3 % | 8% | 7 % | 6 % | 6 % |
| Unallocated Expenses | | | | | |
| Gross margin | \$ (17,776) | \$ (14,953) | \$ (21,687) | \$ (64,165) | \$ (49,880) |
| Operating income (loss) | \$ (28,447) | \$ (25,014) | \$ (31,762) | \$ (94,643) | \$ (79,867) |
| Total | | | | | |
| Revenue | \$ 497,647 | \$ 519,300 | \$ 495,781 | \$ 1,487,314 | \$ 1,414,387 |
| Gross margin | \$ 49,061 | \$ 47,635 | \$ 41,983 | \$ 118,631 | \$ 96,191 |
| Operating income (loss) | \$ (5,194) | \$ (1,552) | \$ (9,635) | \$ (36,543) | \$ (48,338) |
| Operating income (loss) % | (1)% | —% | (2)% | (2)% | (3)% |

SELECTED CASH FLOW INFORMATION

| | For the Three Months Ended | | | For the Nine Months Ended | |
|--|----------------------------|--------------|--------------|---------------------------|--------------|
| | Sep 30, 2019 | Sep 30, 2018 | Jun 30, 2019 | Sep 30, 2019 | Sep 30, 2018 |
| | <i>(in thousands)</i> | | | | |
| Capital Expenditures, including Acquisitions | \$ 57,985 | \$ 30,389 | \$ 40,898 | \$ 128,847 | \$ 152,317 |
| Depreciation and amortization: | | | | | |
| Energy Services and Products | | | | | |
| Remotely Operated Vehicles | \$ 26,767 | \$ 27,428 | \$ 26,871 | \$ 81,628 | \$ 83,339 |
| Subsea Products | 12,055 | 12,349 | 12,366 | 37,412 | 41,288 |
| Subsea Projects | 8,130 | 7,464 | 7,550 | 23,562 | 28,830 |
| Asset Integrity | 1,634 | 1,635 | 1,570 | 4,838 | 5,319 |
| Total Energy Services and Products | 48,586 | 48,876 | 48,357 | 147,440 | 158,776 |
| Advanced Technologies | 761 | 792 | 765 | 2,356 | 2,295 |
| Unallocated Expenses | 1,220 | 1,035 | 1,182 | 3,561 | 3,603 |
| Total Depreciation and Amortization | \$ 50,567 | \$ 50,703 | \$ 50,304 | \$ 153,357 | \$ 164,674 |

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION

In addition to financial results determined in accordance with U.S. generally accepted accounting principles ("GAAP"), this Press Release also includes non-GAAP financial measures (as defined under SEC Regulation G). We have included Adjusted Net Income (Loss) and Diluted Earnings (Loss) per Share, each of which excludes the effects of certain specified items, as set forth in the tables that follow. As a result, these amounts are non-GAAP financial measures. We believe these are useful measures for investors to review because they provide consistent measures of the underlying results of our ongoing business. Furthermore, our management uses these measures as measures of the performance of our operations. We have also included disclosures of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), EBITDA Margins, 2019 EBITDA Estimates and Free Cash Flow, as well as the following by segment: Adjusted Operating Income and Margins, EBITDA, EBITDA Margins, Adjusted EBITDA and Adjusted EBITDA Margins. We define EBITDA Margin as EBITDA divided by revenue. Adjusted EBITDA and Adjusted EBITDA Margins as well as Adjusted Operating Income and Margin and related information by segment exclude the effects of certain specified items, as set forth in the tables that follow. EBITDA and EBITDA Margins, Adjusted EBITDA and Adjusted EBITDA Margins, and Adjusted Operating Income and Margin and related information by segment are each non-GAAP financial measures. We define Free Cash Flow as cash flow provided by operating activities less organic capital expenditures (*i.e.*, purchases of property and equipment other than those in business acquisitions). We have included these disclosures in this press release because EBITDA, EBITDA Margins and Free Cash Flow are widely used by investors for valuation and comparing our financial performance with the performance of other companies in our industry, and the adjusted amounts thereof (as well as Adjusted Operating Income and Margin by Segment) provide more consistent measures than the unadjusted amounts. Furthermore, our management uses these measures for purposes of evaluating our financial performance. Our presentation of EBITDA, EBITDA Margins and Free Cash Flow (and the Adjusted amounts thereof) may not be comparable to similarly titled measures other companies report. Non-GAAP financial measures should be viewed in addition to and not as substitutes for our reported operating results, cash flows or any other measure prepared and reported in accordance with GAAP. The tables that follow provide reconciliations of the non-GAAP measures used in this press release to the most directly comparable GAAP measures.

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION
(continued)

Adjusted Net Income (Loss) and Diluted Earnings (Loss) per Share (EPS)

| | For the Three Months Ended | | | | | |
|--|---|-------------|----------------------|-------------|----------------------|-------------|
| | Sep 30, 2019 | | Sep 30, 2018 | | Jun 30, 2019 | |
| | Net Income (Loss) | Diluted EPS | Net Income (Loss) | Diluted EPS | Net Income (Loss) | Diluted EPS |
| | <i>(in thousands, except per share amounts)</i> | | | | | |
| Net income (loss) and diluted EPS as reported in accordance with GAAP | \$ (25,523) | \$ (0.26) | \$ (65,979) | \$ (0.67) | \$ (35,182) | \$ (0.36) |
| Pre-tax adjustments for the effects of: | | | | | | |
| Gain on sale of investment | | | (9,293) | | | |
| Foreign currency (gains) losses | 3,516 | | 3,745 | | (59) | |
| Total pre-tax adjustments | 3,516 | | (5,548) | | (59) | |
| Tax effect on pre-tax adjustments at the applicable jurisdictional statutory rate in effect for respective periods | (738) | | 1,165 | | 12 | |
| Discrete tax items: | | | | | | |
| Share-based compensation | — | | — | | 1 | |
| Uncertain tax positions | (520) | | 3,571 | | 1,268 | |
| Tax reform | (8,492) | | 7,932 | | — | |
| Valuation allowances | (32) | | 39,136 | | — | |
| Other | 2,079 | | 5,853 | | 2,436 | |
| Total discrete tax adjustments | (6,965) | | 56,492 | | 3,705 | |
| Total of adjustments | (4,187) | | 52,109 | | 3,658 | |
| Adjusted Net Income (Loss) | \$ (29,710) | \$ (0.30) | \$ (13,870) | \$ (0.14) | \$ (31,524) | \$ (0.32) |
| Weighted average diluted shares outstanding utilized for Adjusted Net Income (Loss) | | 98,930 | | 98,533 | | 98,929 |

| | For the Nine Months Ended | | | |
|--|---|-------------|----------------------|-------------|
| | Sep 30, 2019 | | Sep 30, 2018 | |
| | Net Income (Loss) | Diluted EPS | Net Income (Loss) | Diluted EPS |
| | <i>(in thousands, except per share amounts)</i> | | | |
| Net income (loss) and diluted EPS as reported in accordance with GAAP | \$ (85,532) | \$ (0.87) | \$ (148,188) | \$ (1.50) |
| Pre-tax adjustments for the effects of: | | | | |
| Fixed asset write-offs | | | — | 4,233 |
| Intangible asset write-offs | | | — | 3,458 |
| Gain on sale of investment | | | — | (9,293) |
| Foreign currency (gains) losses | 2,843 | | 2,843 | 15,478 |
| Total pre-tax adjustments | 2,843 | | 2,843 | 13,876 |
| Tax effect on pre-tax adjustments at the applicable jurisdictional statutory rate in effect for respective periods | | | (597) | (2,754) |
| Discrete tax items: | | | | |
| Share-based compensation | | | 987 | 1,820 |
| Uncertain tax positions | | | 1,770 | 4,833 |
| Tax reform | | | (8,492) | 7,932 |
| Valuation allowances | | | 1,507 | 39,136 |
| Other | | | 2,374 | 6,351 |
| Total discrete tax adjustments | | | (1,854) | 60,072 |
| Total of adjustments | | | 392 | 71,194 |
| Adjusted Net Income (Loss) | \$ (85,140) | \$ (0.86) | \$ (76,994) | \$ (0.78) |
| Weighted average diluted shares outstanding utilized for Adjusted Net Income (Loss) | | | 98,858 | 98,483 |

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION
(continued)

EBITDA and EBITDA Margins

| | For the Three Months Ended | | | For the Nine Months Ended | |
|---|----------------------------|-------------------|-------------------|---------------------------|---------------------|
| | Sep 30, 2019 | Sep 30, 2018 | Jun 30, 2019 | Sep 30, 2019 | Sep 30, 2018 |
| | <i>(\$ in thousands)</i> | | | | |
| Net income (loss) | \$ (25,523) | \$ (65,979) | \$ (35,182) | \$ (85,532) | \$ (148,188) |
| Depreciation and amortization | 50,567 | 50,703 | 50,304 | 153,357 | 164,674 |
| Subtotal | 25,044 | (15,276) | 15,122 | 67,825 | 16,486 |
| Interest expense, net of interest income | 9,293 | 7,240 | 8,351 | 24,464 | 19,871 |
| Amortization included in interest expense | (335) | (332) | (335) | (1,010) | (1,439) |
| Provision (benefit) for income taxes | 7,930 | 61,135 | 17,203 | 21,981 | 70,317 |
| EBITDA | <u>\$ 41,932</u> | <u>\$ 52,767</u> | <u>\$ 40,341</u> | <u>\$ 113,260</u> | <u>\$ 105,235</u> |
| Revenue | <u>\$ 497,647</u> | <u>\$ 519,300</u> | <u>\$ 495,781</u> | <u>\$ 1,487,314</u> | <u>\$ 1,414,387</u> |
| EBITDA margin % | <u>8%</u> | <u>10%</u> | <u>8%</u> | <u>8%</u> | <u>7%</u> |

2019 EBITDA Estimates

| | Low | High |
|--|-------------------|-----------------------|
| | | <i>(in thousands)</i> |
| Income (loss) before income taxes | \$ (90,000) | (70,000) |
| Depreciation and amortization | 205,000 | 205,000 |
| Subtotal | 115,000 | 135,000 |
| Interest expense, net of interest income | 35,000 | 35,000 |
| EBITDA | <u>\$ 150,000</u> | <u>\$ 170,000</u> |

Free Cash Flow

| | For the Nine Months Ended | |
|---|---------------------------|--------------------|
| | Sep 30, 2019 | Sep 30, 2018 |
| | <i>(in thousands)</i> | |
| Net Income (loss) | \$ (85,532) | \$ (148,188) |
| Depreciation and amortization | 153,357 | 164,674 |
| Other increases (decreases) in cash from operating activities | 44,342 | 19,170 |
| Cash flow provided by operating activities | 112,167 | 35,656 |
| Purchases of property and equipment | (128,847) | (83,919) |
| Free Cash Flow | <u>\$ (16,680)</u> | <u>\$ (48,263)</u> |

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION

(continued)

Adjusted Operating Income (Loss) and Margins by Segment

For the Three Months Ended September 30, 2019

| | Remotely Operated Vehicles | Subsea Products | Subsea Projects | Asset Integrity | Advanced Tech. | Unallocated Expenses | Total |
|--|----------------------------------|--------------------|--------------------|--------------------|-------------------|-------------------------|------------|
| | (\$ in thousands) | | | | | | |
| Operating Income (Loss) as reported in accordance with GAAP | \$ 10,145 | \$ 13,219 | \$ (616) | \$ (2,453) | \$ 2,958 | \$ (28,447) | \$ (5,194) |
| Adjusted Operating Income (Loss) | \$ 10,145 | \$ 13,219 | \$ (616) | \$ (2,453) | \$ 2,958 | \$ (28,447) | \$ (5,194) |
| Revenue | \$ 113,101 | \$ 150,836 | \$ 75,996 | \$ 59,274 | \$ 98,440 | | \$ 497,647 |
| Operating income (loss) % as reported in accordance with GAAP | 9% | 9% | (1)% | (4)% | 3% | | (1)% |
| Operating income (loss)% using adjusted amounts | 9% | 9% | (1)% | (4)% | 3% | | (1)% |

For the Three Months Ended September 30, 2018

| | Remotely Operated Vehicles | Subsea Products | Subsea Projects | Asset Integrity | Advanced Tech. | Unallocated Expenses | Total |
|--|----------------------------------|--------------------|--------------------|--------------------|-------------------|-------------------------|------------|
| | (\$ in thousands) | | | | | | |
| Operating Income (Loss) as reported in accordance with GAAP | \$ 772 | \$ 5,367 | \$ 6,088 | \$ 2,275 | \$ 8,960 | \$ (25,014) | \$ (1,552) |
| Adjusted Operating Income (Loss) | \$ 772 | \$ 5,367 | \$ 6,088 | \$ 2,275 | \$ 8,960 | \$ (25,014) | \$ (1,552) |
| Revenue | \$ 105,045 | \$ 137,099 | \$ 104,972 | \$ 62,346 | \$ 109,838 | | \$ 519,300 |
| Operating income (loss) % as reported in accordance with GAAP | 1% | 4% | 6 % | 4 % | 8% | | — % |
| Operating income (loss)% using adjusted amounts | 1% | 4% | 6 % | 4 % | 8% | | — % |

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION
(continued)

Adjusted Operating Income (Loss) and Margins by Segment

| | For the Three Months Ended June 30, 2019 | | | | | | |
|--|--|--------------------|--------------------|--------------------|-------------------|-------------------------|------------|
| | Remotely Operated Vehicles | Subsea Products | Subsea Projects | Asset Integrity | Advanced Tech. | Unallocated Expenses | Total |
| | <i>(\$ in thousands)</i> | | | | | | |
| Operating Income (Loss) as reported in accordance with GAAP | \$ 8,688 | \$ 7,413 | \$ 87 | \$ (1,302) | \$ 7,241 | \$ (31,762) | \$ (9,635) |
| Adjusted Operating Income (Loss) | \$ 8,688 | \$ 7,413 | \$ 87 | \$ (1,302) | \$ 7,241 | \$ (31,762) | \$ (9,635) |
| Revenue | \$ 120,363 | \$ 138,910 | \$ 75,104 | \$ 61,156 | \$ 100,248 | | \$ 495,781 |
| Operating income (loss) % as reported in accordance with GAAP | 7% | 5% | —% | (2)% | 7% | | (2)% |
| Operating income (loss) % using adjusted amounts | 7% | 5% | —% | (2)% | 7% | | (2)% |

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION

(continued)

Adjusted Operating Income (Loss) and Margins by Segment

For the Nine Months Ended September 30, 2019

| | Remotely Operated Vehicles | Subsea Products | Subsea Projects | Asset Integrity | Advanced Tech. | Unallocated Expenses | Total |
|--|----------------------------------|--------------------|--------------------|--------------------|-------------------|-------------------------|--------------|
| | (\$ in thousands) | | | | | | |
| Operating Income (Loss) as reported in accordance with GAAP | \$ 20,251 | \$ 20,156 | \$ 2,363 | \$ (4,468) | \$ 19,798 | \$ (94,643) | \$ (36,543) |
| Adjusted Operating Income (Loss) | \$ 20,251 | \$ 20,156 | \$ 2,363 | \$ (4,468) | \$ 19,798 | \$ (94,643) | \$ (36,543) |
| Revenue | \$ 333,810 | \$ 418,590 | \$ 240,828 | \$ 181,119 | \$ 312,967 | | \$ 1,487,314 |
| Operating income (loss) % as reported in accordance with GAAP | 6% | 5% | 1 % | (2)% | 6% | | (2)% |
| Operating income (loss) % using adjusted amounts | 6% | 5% | 1 % | (2)% | 6% | | (2)% |

For the Nine Months Ended September 30, 2018

| | Remotely Operated Vehicles | Subsea Products | Subsea Projects | Asset Integrity | Advanced Tech. | Unallocated Expenses | Total |
|--|----------------------------------|--------------------|--------------------|--------------------|-------------------|-------------------------|--------------|
| | (\$ in thousands) | | | | | | |
| Operating Income (Loss) as reported in accordance with GAAP | \$ 2,916 | \$ 9,417 | \$ (6,629) | \$ 7,311 | \$ 18,514 | \$ (79,867) | \$ (48,338) |
| Adjustments for the effects of: | | | | | | | |
| Fixed asset write-offs | 617 | 1,531 | 2,085 | — | — | — | 4,233 |
| Intangible assets write-offs | — | — | 3,458 | — | — | — | 3,458 |
| Total of adjustments | 617 | 1,531 | 5,543 | — | — | — | 7,691 |
| Adjusted Operating Income (Loss) | \$ 3,533 | \$ 10,948 | \$ (1,086) | \$ 7,311 | \$ 18,514 | \$ (79,867) | \$ (40,647) |
| Revenue | \$ 298,065 | \$ 385,491 | \$ 239,868 | \$ 191,056 | \$ 299,907 | | \$ 1,414,387 |
| Operating income (loss) % as reported in accordance with GAAP | 1% | 2% | (3)% | 4 % | 6% | | (3)% |
| Operating income (loss) % using adjusted amounts | 1% | 3% | — % | 4 % | 6% | | (3)% |

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION

(continued)

EBITDA and Adjusted EBITDA and Margins by Segment

For the Three Months Ended September 30, 2019

| | Remotely Operated Vehicles | Subsea Products | Subsea Projects | Asset Integrity | Advanced Tech. | Unallocated Expenses and other | Total |
|---|----------------------------------|--------------------|--------------------|--------------------|-------------------|--------------------------------------|------------|
| | (\$ in thousands) | | | | | | |
| Operating income (loss) as reported in accordance with GAAP | \$ 10,145 | \$ 13,219 | \$ (616) | \$ (2,453) | \$ 2,958 | (28,447) | \$ (5,194) |
| Adjustments for the effects of: | | | | | | | |
| Depreciation and amortization | 26,767 | 12,055 | 8,130 | 1,634 | 761 | 1,220 | 50,567 |
| Other pre-tax | — | — | — | — | — | (3,441) | (3,441) |
| EBITDA | 36,912 | 25,274 | 7,514 | (819) | 3,719 | (30,668) | 41,932 |
| Adjustments for the effects of: | | | | | | | |
| Foreign currency (gains) losses | — | — | — | — | — | 3,516 | 3,516 |
| Total of adjustments | — | — | — | — | — | 3,516 | 3,516 |
| Adjusted EBITDA | \$ 36,912 | \$ 25,274 | \$ 7,514 | \$ (819) | \$ 3,719 | \$ (27,152) | \$ 45,448 |
| Revenue | \$ 113,101 | \$ 150,836 | \$ 75,996 | \$ 59,274 | \$ 98,440 | | \$ 497,647 |
| Operating income (loss) % as reported in accordance with GAAP | 9% | 9% | (1)% | (4)% | 3% | | (1)% |
| EBITDA Margin | 33% | 17% | 10 % | (1)% | 4% | | 8 % |
| Adjusted EBITDA Margin | 33% | 17% | 10 % | (1)% | 4% | | 9 % |

For the Three Months Ended September 30, 2018

| | Remotely Operated Vehicles | Subsea Products | Subsea Projects | Asset Integrity | Advanced Tech. | Unallocated Expenses and other | Total |
|---|----------------------------------|--------------------|--------------------|--------------------|-------------------|--------------------------------------|------------|
| | (\$ in thousands) | | | | | | |
| Operating income (loss) as reported in accordance with GAAP | \$ 772 | \$ 5,367 | \$ 6,088 | \$ 2,275 | \$ 8,960 | \$ (25,014) | \$ (1,552) |
| Adjustments for the effects of: | | | | | | | |
| Depreciation and amortization | 27,428 | 12,349 | 7,464 | 1,635 | 792 | 1,035 | 50,703 |
| Other pre-tax | — | — | — | — | — | 3,616 | 3,616 |
| EBITDA | 28,200 | 17,716 | 13,552 | 3,910 | 9,752 | (20,363) | 52,767 |
| Adjustments for the effects of: | | | | | | | |
| Gain on sale of investment | — | — | — | — | — | (9,293) | (9,293) |
| Foreign currency (gains) losses | — | — | — | — | — | 3,745 | 3,745 |
| Total of adjustments | — | — | — | — | — | (5,548) | (5,548) |
| Adjusted EBITDA | \$ 28,200 | \$ 17,716 | \$ 13,552 | \$ 3,910 | \$ 9,752 | \$ (25,911) | \$ 47,219 |
| Revenue | \$ 105,045 | \$ 137,099 | \$ 104,972 | \$ 62,346 | \$ 109,838 | | \$ 519,300 |
| Operating income (loss) % as reported in accordance with GAAP | 1% | 4% | 6 % | 4 % | 8% | | — % |
| EBITDA Margin | 27% | 13% | 13 % | 6 % | 9% | | 10 % |
| Adjusted EBITDA Margin | 27% | 13% | 13 % | 6 % | 9% | | 9 % |

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION
(continued)

EBITDA and Adjusted EBITDA and Margins by Segment

| | For the Three Months Ended June 30, 2019 | | | | | | |
|---|--|--------------------|--------------------|--------------------|-------------------|--------------------------------------|------------------|
| | Remotely Operated Vehicles | Subsea Products | Subsea Projects | Asset Integrity | Advanced Tech. | Unallocated Expenses and other | Total |
| | (\$ in thousands) | | | | | | |
| Operating income (loss) as reported in accordance with GAAP | \$ 8,688 | \$ 7,413 | \$ 87 | \$ (1,302) | \$ 7,241 | \$ (31,762) | \$ (9,635) |
| Adjustments for the effects of: | | | | | | | |
| Depreciation and amortization | 26,871 | 12,366 | 7,550 | 1,570 | 765 | 1,182 | 50,304 |
| Other pre-tax | — | — | — | — | — | (328) | (328) |
| EBITDA | <u>35,559</u> | <u>19,779</u> | <u>7,637</u> | <u>268</u> | <u>8,006</u> | <u>(30,908)</u> | <u>40,341</u> |
| Adjustments for the effects of: | | | | | | | |
| Foreign currency (gains) losses | — | — | — | — | — | (59) | (59) |
| Total of adjustments | — | — | — | — | — | (59) | (59) |
| Adjusted EBITDA | <u>\$ 35,559</u> | <u>\$ 19,779</u> | <u>\$ 7,637</u> | <u>\$ 268</u> | <u>\$ 8,006</u> | <u>\$ (30,967)</u> | <u>\$ 40,282</u> |
| Revenue | \$ 120,363 | \$ 138,910 | \$ 75,104 | \$ 61,156 | \$ 100,248 | | \$ 495,781 |
| Operating income (loss) % as reported in accordance with GAAP | 7% | 5% | —% | (2)% | 7% | | (2)% |
| EBITDA Margin | 30% | 14% | 10% | —% | 8% | | 8% |
| Adjusted EBITDA Margin | 30% | 14% | 10% | —% | 8% | | 8% |

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION
(continued)

EBITDA and Adjusted EBITDA and Margins by Segment

For the Nine Months Ended September 30, 2019

| | Remotely Operated Vehicles | Subsea Products | Subsea Projects | Asset Integrity | Advanced Tech. | Unallocated Expenses and other | Total |
|---|----------------------------------|--------------------|--------------------|--------------------|-------------------|--------------------------------------|--------------|
| | (\$ in thousands) | | | | | | |
| Operating income (loss) as reported in accordance with GAAP | \$ 20,251 | \$ 20,156 | \$ 2,363 | \$ (4,468) | \$ 19,798 | \$ (94,643) | \$ (36,543) |
| Adjustments for the effects of: | | | | | | | |
| Depreciation and amortization | 81,628 | 37,412 | 23,562 | 4,838 | 2,356 | 3,561 | 153,357 |
| Other pre-tax | — | — | — | — | — | (3,554) | (3,554) |
| EBITDA | 101,879 | 57,568 | 25,925 | 370 | 22,154 | (94,636) | 113,260 |
| Adjustments for the effects of: | | | | | | | |
| Foreign currency (gains) losses | — | — | — | — | — | 2,843 | 2,843 |
| Total of adjustments | — | — | — | — | — | 2,843 | 2,843 |
| Adjusted EBITDA | \$ 101,879 | \$ 57,568 | \$ 25,925 | \$ 370 | \$ 22,154 | \$ (91,793) | \$ 116,103 |
| Revenue | \$ 333,810 | \$ 418,590 | \$ 240,828 | \$ 181,119 | \$ 312,967 | | \$ 1,487,314 |
| Operating income (loss) % as reported in accordance with GAAP | 6% | 5% | 1% | (2)% | 6% | | (2)% |
| EBITDA Margin | 31% | 14% | 11% | —% | 7% | | 8% |
| Adjusted EBITDA Margin | 31% | 14% | 11% | —% | 7% | | 8% |

For the Nine Months Ended September 30, 2018

| | Remotely Operated Vehicles | Subsea Products | Subsea Projects | Asset Integrity | Advanced Tech. | Unallocated Expenses and other | Total |
|---|----------------------------------|--------------------|--------------------|--------------------|-------------------|--------------------------------------|--------------|
| | (\$ in thousands) | | | | | | |
| Operating income (loss) as reported in accordance with GAAP | \$ 2,916 | \$ 9,417 | \$ (6,629) | \$ 7,311 | \$ 18,514 | \$ (79,867) | \$ (48,338) |
| Adjustments for the effects of: | | | | | | | |
| Depreciation and amortization | 83,339 | 41,288 | 28,830 | 5,319 | 2,295 | 3,603 | 164,674 |
| Other pre-tax | — | — | — | — | — | (11,101) | (11,101) |
| EBITDA | 86,255 | 50,705 | 22,201 | 12,630 | 20,809 | (87,365) | 105,235 |
| Adjustments for the effects of: | | | | | | | |
| Gain on sale of investment | — | — | — | — | — | (9,293) | (9,293) |
| Foreign currency (gains) losses | — | — | — | — | — | 15,478 | 15,478 |
| Total of adjustments | — | — | — | — | — | 6,185 | 6,185 |
| Adjusted EBITDA | \$ 86,255 | \$ 50,705 | \$ 22,201 | \$ 12,630 | \$ 20,809 | \$ (81,180) | \$ 111,420 |
| Revenue | \$ 298,065 | \$ 385,491 | \$ 239,868 | \$ 191,056 | \$ 299,907 | | \$ 1,414,387 |
| Operating income (loss) % as reported in accordance with GAAP | 1% | 2% | (3)% | 4% | 6% | | (3)% |
| EBITDA Margin | 29% | 13% | 9% | 7% | 7% | | 7% |
| Adjusted EBITDA Margin | 29% | 13% | 9% | 7% | 7% | | 8% |