

DEEP WATER INTELLIGENCE

-200M

-800M

Margin picks the *project.*

Tier one has more work than it needs. It bids what pays and leaves the rest to whoever turns up.



STORY ONE · TERMS

Clients are paying for *certainty*.

Contractors have stopped competing on risk. Clients are conceding terms because the alternative is a later slot.

Tier-one contractors have more work on offer than ships and teams to deliver it. That changes what a bid is for. It no longer wins the work. It decides whether the contractor wants the risk, and the ones that pay and carry the least exposure get the sharpest pencil.

The margins show who holds the leverage. Subsea7 and TechnipFMC's subsea business have lifted theirs by 8 and 5 points since 2024 and both guide higher again for 2026. Saipem, with a heavier asset base and Gulf exposure, earns about half of that and cut its 2026 guidance in July. Same market, different appetite for selling risk cheaply.

Backlogs explain why contractors can wait. Subsea7 has \$4.1bn of work beyond 2027 and TechnipFMC has \$6.8bn executing in 2028 or later, against a market where Westwood expects offshore development capex to rise 30% this year.

Subsea7's chief executive said a recent Vår Energi award in Norway carried more favourable risk terms than the company has seen before, and that clients are offering better commercial conditions. Read that as a statement about who is conceding. Operators that spent years pushing weather risk and liquidated damages onto contractors are finding that the contractor can say no.

Ship supply is not the constraint, or not in the way it sounds. Pipelay and heavy-lift hulls are built for particular water depths, diameters and lay methods, so a contractor with a full order book can still have a vessel between jobs. What it rations is the combination: the right ship, the right team and a project it expects to profit from. A job that fails that test waits, however good the vessel looks on paper.

A contractor that can afford to wait is telling you which projects it considers worth the risk. This issue takes that position. No contractor will confirm it on the record.

16 → 24%

Subsea7 adjusted EBITDA margin, 2024 to 2026 guidance

17 → 21.5%

TechnipFMC subsea adjusted EBITDA margin, 2024 to 2026 guidance midpoint (21-22%)

9.1 → 11.3%

Saipem group adjusted EBITDA margin, 2024 to 2026 guidance, after a July cut

A full order book is a licence to say no.

Contingency is how a contractor declines without declining. A bid on a package with few credible bidders arrives with high allowances for weather, vessel availability and interface risk, and a margin built on the assumption that something will go wrong. The client reads that number as the market. Often it is the contractor's price for tolerating the scope.

The client pays because the alternative is a later slot. A 2028 offshore window is worth more to an operator than a lower price on a 2029 one, particularly with Brent at \$100. The contractor knows it, and Subsea7's own comment on better terms suggests the operators know it too.

That leaves a gap between what the ITT asks and what tier one offers back. Lump sum with capped weather exposure, strict liquidated damages and parent guarantees come back as qualifications, exclusions and contingency. We read this as a pattern in the numbers. Contractors will not describe their bids this way.

A contractor with a full order book and a 24% margin has no reason to sharpen a pencil.

TENDEROS

Price the risk before the client does

Run allowances, contingency and T&C deviations from ITT to submission.

bravoenergy.app

→

KEY INFORMATION

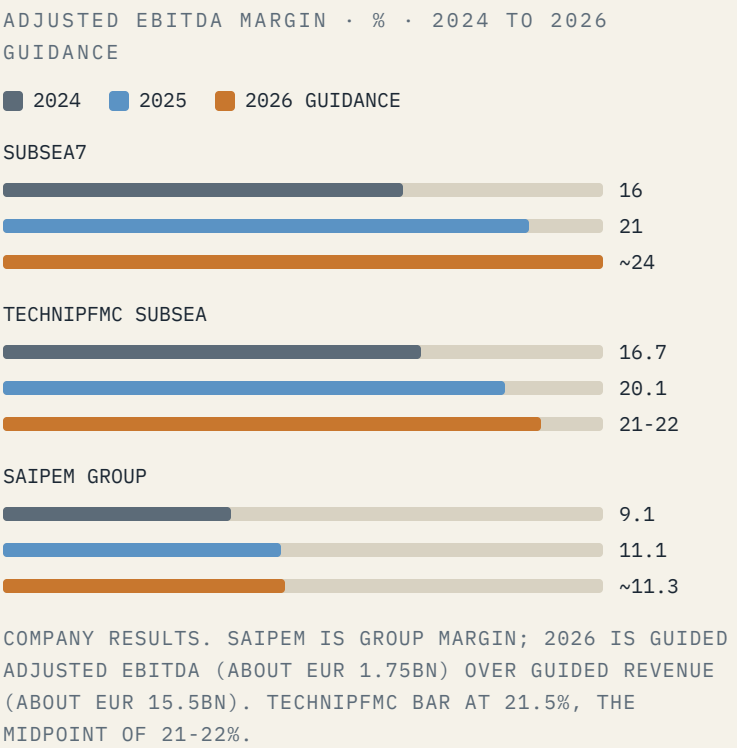
Subsea7 adjusted EBITDA margin: 16% (2024), 21% (2025), about 24% (2026 guidance, raised 30 Jul)

TechnipFMC subsea: 16.7% (2024), 20.1% (2025), 21-22% (2026 guidance); Q2 2026 23.2%

Saipem group: 9.1% (2024), 11.1% (2025), about 11.3% implied by 2026 guidance, cut from EUR 1.9bn to about EUR 1.75bn EBITDA in July

Westwood: 2026 capex \$137bn, subsea EPC \$17bn, SURF about 4,000 km

Brent about \$100/bbl on 5 Oct 2026



SO WHAT, FOR THE BID TEAM

On a package with few credible bidders, ask for the risk register behind the tier-one number before you ask for a discount. A firm lump sum with capped weather exposure is the offer an incumbent with a full 2027 will not match.

STORY TWO · ALLOCATION

Every project fights its own *employer*.

Inside a tier-one contractor, ships, teams and risk appetite are scarce, and each geography bids for them against the others.

A tier-one contractor does not bid a market. It bids a portfolio, and every region competes inside it for the same ships and people. The regions that win are the ones with the best margin, repeat scope and terms. Subsea7 says as much about Brazil, Norway and the US Gulf, and its recent awards sit there.

Those projects share a profile: a named client, repeat scope, a host unit already chosen and a vessel nearby. They score well on margin, schedule certainty and terms before anyone opens the ITT. A bid manager asking head office for a 2028 vessel slot is competing with these projects, not with another contractor. Head office is the toughest client in the building.

The installation record shows the same sorting. Northern Europe and South America stay entirely with tier one. Asia Pacific is the one region where its share rose, and Saipem is the reason.

The Middle East and West Africa score worse on the same test. Saipem's own results show why: extra logistics and safety costs in the Gulf took margin it could not pass on, and it cut its guidance. That is the kind of cost risk a tier-one contractor with other options has little reason to take.

Tier one still signs the very large packages with a strong client and a clear scope. What it passes on is the mid-sized work with no incumbent advantage, and the packages where the client wants the contractor to carry the weather and the interfaces. In India its pipelay share fell to zero.

Tier one is not leaving these regions. It is rationing them, and the rationing shows up in who lays the pipe.

73 → 59%

tier-1 share of Middle East pipelay km,
2020-22 vs 2023 to Sep 2026

100 → 56%

tier-1 share of West Africa pipelay km
over the same periods

~\$350m

Saipem's Agogo West Hub Tails award
from Azule Energy, 14 Sep

The geography follows the margin.

Money is not the constraint. Every region has an offshore budget, so the contractor chooses on risk, terms and schedule, and the capital goes on being spent in the regions it chooses to skip.

The scopes tier one leaves have owners. They are national and regional champions with a flag, a client relationship and a vessel already in the field. The volumes in the box are small next to a tier-one year. They matter because each finished scope lands on a reference list, and the next ITT asks for one.

That is the cost of rationing. A package tier one declines does not leave the market. It goes to a contractor that needed it more, and who will price the next one with a track record behind it.

Where tier one leaves a gap, a contractor with a home flag and a client relationship fills it.

KEY INFORMATION

Subsea7 names Brazil, Norway and the US Gulf as its margin-expanding geographies

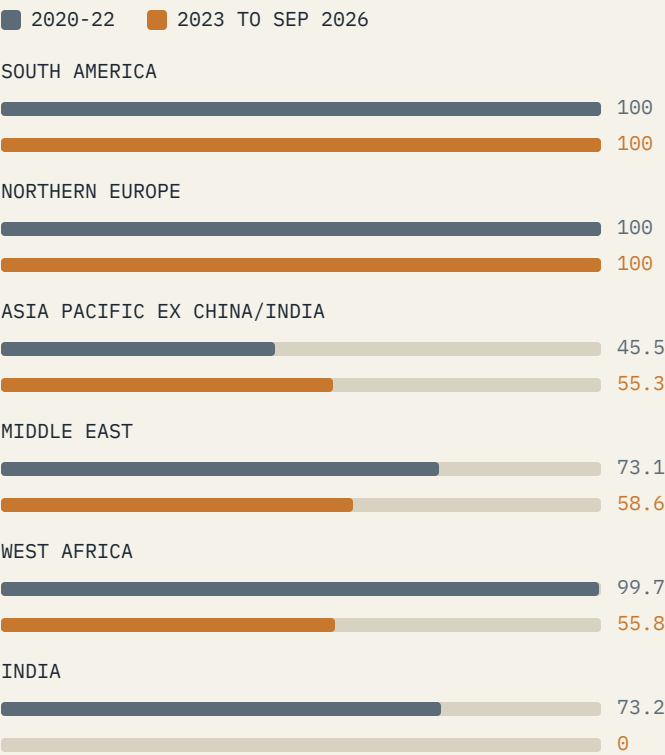
Saipem: about EUR 70m Middle East extra cost in H1 2026

Westwood 2026 capex: Latin America \$28.5bn, Asia \$26bn, North America \$26bn, Africa \$23.3bn, Middle East \$22.8bn

Middle East pipelay km since 2023: NMDC 411 (ADNOC) and 120 (Aramco), AD Ports 133 (ADNOC), Telford 112 and Algihaz 99 (Aramco)

India: L&T 513 km (ONGC). West Africa: Micoperi 87 km (mostly Eni), Vantris 64 km

TIER-1 SHARE OF PIPELAY KM • % • BY REGION



BRAVO ENERGY ANALYSIS OF PIPELAY INSTALLATION RECORDS, EXCLUDING ALLSEAS

SO WHAT, FOR THE BID TEAM

Outside Brazil, Norway and the US Gulf, you compete against the incumbent's opportunity cost, not its capability. Sell schedule certainty and the client's local content score. Tier one will not price against its best geographies to win yours.

STORY THREE • ENTRY

The barrier is *lower* than it looks.

Regional champions and part-scope specialists are building references while tier one picks its geographies.

Entry barriers in this industry are high, but they fall when incumbents ration their own capacity. COOEC, CNOOC's engineering arm, is the clearest case. It started as the contractor that fabricated jackets in China for Gulf clients and has moved up the chain: from fabricator to EPCI contractor, and now to the subsea scope that tier one left on the table.

Its cost position explains the speed. It builds in Chinese yards, ships to Qatar and Saudi Arabia, and carries little local content. That is cheaper than anyone who fabricates in the region, and in the two Gulf markets where clients are tired of paying for contingency, cheaper wins attention. This is our reading of the pricing. COOEC does not publish it.

PTSC, Vietnam's state services group, took the second Maydan Mahzam package. Two Asian contractors are now splitting a Qatari redevelopment between them.

Speed is the honest counterargument. COOEC installs slower than the six leading contractors, and that gap is real. A client buying EPCI on a package basis prices the whole scope, though. A slower vessel on a cheaper, single-contractor package still wins when the alternative is a tier-one price with a contingency attached.

The risk to tier one is the sequence. A fabricator becomes an EPCI contractor, an EPCI contractor becomes a subsea installer, and each step goes on the reference list. COOEC owns fabrication yards, deepwater vessels and a flexible-pipe and cable installation capability in China that can also serve Asian tenders. Tier one still sees this as a pricing question.

It will be a market-share question by the time COOEC bids outside the Gulf.

12.1%

COOEC share of pipelay km since 2023, up from 2.7% in 2016-19

~\$7bn

COOEC Middle East awards over three years

+22%

tier-one S-lay median speed over COOEC (2.02 vs 1.65 km/day)

STORY THREE • SHARE OF PIPELAY KILOMETRES

Tier one's share has slipped and COOEC's has more than quadrupled. Read the orange segment: five contractors laid 59% of the kilometres since 2023, down from 69% in 2020 to 2022.

2016-19 • 9,767 KM LAID



2020-22 • 6,296 KM LAID



2023 TO SEP 2026 • 10,332 KM LAID



SAIPEM, SUBSEA7, TECHNIPFMC, MCDERMOTT, HEEREMA COOEC ALL OTHER CONTRACTORS

+28%

annual non-tier-one pipelay km, 2023-25 vs 2016-19 (884 to 1,132 km a year)

2.7 → 12.1%

COOEC share of pipelay km, 2016-19 vs 2023 to Sep 2026

+45%

tier-one S-lay median speed over all other contractors (2.02 vs 1.39 km/day)

SO WHAT, FOR THE BID TEAM

Expect a regional contractor to price the scope tier one declined at a thinner margin and tighter terms, and to carry the reference forward. Treat COOEC's Qatar awards as the template. Win the scope nobody priced for certainty, then bid the next one on a track record.

BRAVO ENERGY ANALYSIS OF PIPELAY INSTALLATION RECORDS, JAN 2016 TO 26 SEP 2026, KM BY VESSEL MANAGER, EXCLUDING ALLSEAS LONG-HAUL TRUNKLINES FROM THE BASE. SPEED FIGURES INCLUDE ALLSEAS AND EXCLUDE STATIONARY TIME. 2023 TO 2026 COVERS 3.75 YEARS.

MARKET BRIEFS

In *brief.*

Selected intelligence from the offshore construction market. Sourced and curated for the bid and commercial desk.

TENDERS & CONTRACTING

US GULF • LLOG / HARBOUR ENERGY • 02 SEP 2026

Subsea7 takes Who Dat East SURF installation

29 km steel catenary riser and pipe-in-pipe system at about 1,300 m, plus umbilical and controls installation. Value in the \$50m to \$150m band. Offshore work starts in 2028.

ANGOLA • AZULE ENERGY • 14 SEP 2026

Saipem wins Agogo West Hub Tails

About \$350m for 62 km of flowlines, risers and umbilicals tied to the Agogo FPSO. FDS and Normand Maximus carry the work over roughly 2.5 years.

TÜRKIYE • TP-OTC • 23 SEP 2026

Subsea7 extends on Sakarya Phase 3

Towing and mooring line installation for the floating production unit, in the \$50m to \$150m band. Commissioning of the unit is set for 2028.

VESSELS & ASSETS

QATAR • QATARENERGY • 03 OCT 2026

COOEC takes Maydan Mahzam EPIC2

More than 100 km of pipelines, cables and umbilicals inside a 45-well redevelopment. COOEC cites a 19-vessel fleet with DP3 pipelay and a 7,500t crane vessel.

TENDERS & CONTRACTING • CONT.

NETHERLANDS • VATTENFALL / CIP • 01 OCT 2026

Boskalis books Zeevonk inter-array cable

About 149 km of 66kV for 69 turbines in phase 1 of the 2 GW site. BOKA Ocean and a rock installation vessel install in 2029. Value band EUR 50m to EUR 150m.

CORPORATE & MARKETS

QATAR • QATARENERGY • 16 SEP 2026

PTSC named for second Maydan Mahzam package

Value undisclosed and reported near \$3bn. Signing is expected in October 2026.

MIDDLE EAST • SAUDI ARAMCO • 05 OCT 2026

Brent holds near \$100 as Aramco cuts Asia pricing

Aramco offered November Arab Light to Asian buyers at discounts of up to \$5 a barrel to regional benchmarks. The G7 plans to release 100m barrels over four months. Gulf exports topped 18m b/d on several days.

OPEC+ • 06 SEP 2026

Quotas held for October after four increases

The group paused output hikes after four straight monthly rises. Brent stays about 40% above its pre-war level.

DOSSIER

COOEC *at the door.*

The clearest case of a regional contractor stepping up to the scope that tier one left on the table.

What it is	CNOOC Engineering (COOEC) , Tianjin. CNOOC's engineering arm: fabrication, offshore EPCI and marine installation.
Base	Fabricates jackets and topsides in its own Chinese yards, Qingdao for Bul Hanine. Little local content in the Gulf, which is where its cost edge comes from.
Saudi Arabia	Sole Chinese contractor on Aramco's offshore EPC shortlist since 2018. Aramco long-term agreement renewed in Dhahran in April 2025.
Qatar	Ru'ya , about \$900m of subsea pipelines and cables (Feb 2024). Bul Hanine , about \$4bn, over 60 facilities and 40 subsea pipelines and cables, completion June 2031. Maydan Mahzam EPIC2 , 3 Oct 2026.
Fleet	Five deepwater multi-support vessels, DP2 and DP3. The HYSY 286 flagship carries a 400t crane and a 325t vertical lay system and installs flexible pipe to 1,500 m. A new pipelay vessel is due in 2028.
The number	RMB 50bn+ , about \$7bn, of Middle East awards in three years.
Watch	Asian cable and flexible-pipe tenders, where its China-based installation vessels already sit.

"Tier one chose its geographies. COOEC took the ones left over."

COOEC sells a Gulf client one price for jacket, topsides, pipeline, cable and installation, fabricated in China at Chinese cost. Tier one has to match a scope it used to split across several packages, and it carries local content COOEC does not. The same yards and vessels face the Asian market next.

Each award goes on the reference list the next bid leans on. Together they make COOEC a fabricator, an EPCI contractor and a subsea installer under one parent.

TENDEROS

Bidding against a rising competitor?

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B.

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