



# Archer

Pareto Securities' Energy  
Conference 2023

Dag Skindlo - CEO

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## Disclaimer – forward looking statements

### Cautionary Statement Regarding Forward-Looking Statements

In addition to historical information, this presentation contains statements relating to our future business and/or results. These statements include certain projections and business trends that are “forward-looking.” All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements preceded by, followed by or that include the words “estimate,” pro forma numbers, “plan,” project,” “forecast,” “intend,” “expect,” “predict,” “anticipate,” “believe,” “think,” “view,” “seek,” “target,” “goal” or similar expressions; any projections of earnings, revenues, expenses, synergies, margins or other financial items; any statements of the plans, strategies and objectives of management for future operations, including integration and any potential restructuring plans; any statements concerning proposed new products, services, developments or industry rankings; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Financials figures presented for 2023 are unaudited.

Forward-looking statements do not guarantee future performance and involve risks and uncertainties. Actual results may differ materially from projected results due to certain risks and uncertainties. Further information about these risks and uncertainties are set forth in our most recent annual report for the Year ending December 31, 2022. These forward-looking statements are made only as of the date of this press release. We do not undertake any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in our records and other data available from Fourth parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies, which are impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.



# Key financials

# Archer

The Well Company



**\$1,066m**  
LTM revenue



**\$112m**  
Adj. EBITDA LTM



**\$2.1bn**  
Contract backlog



**50 years**  
Operational experience



**40**  
Locations globally

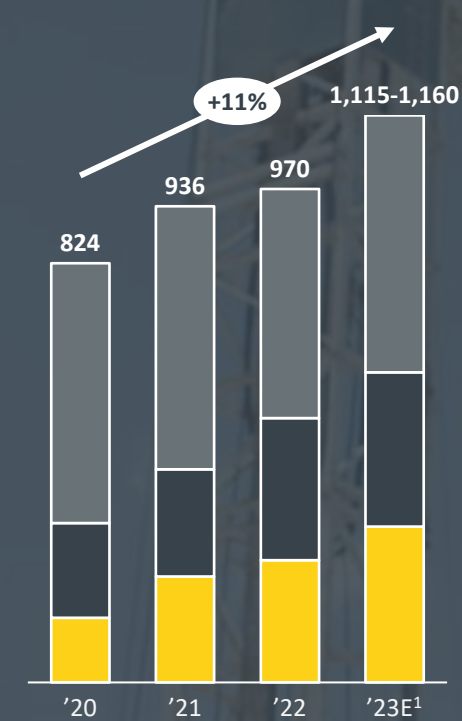


**4,500+**  
Global personnel

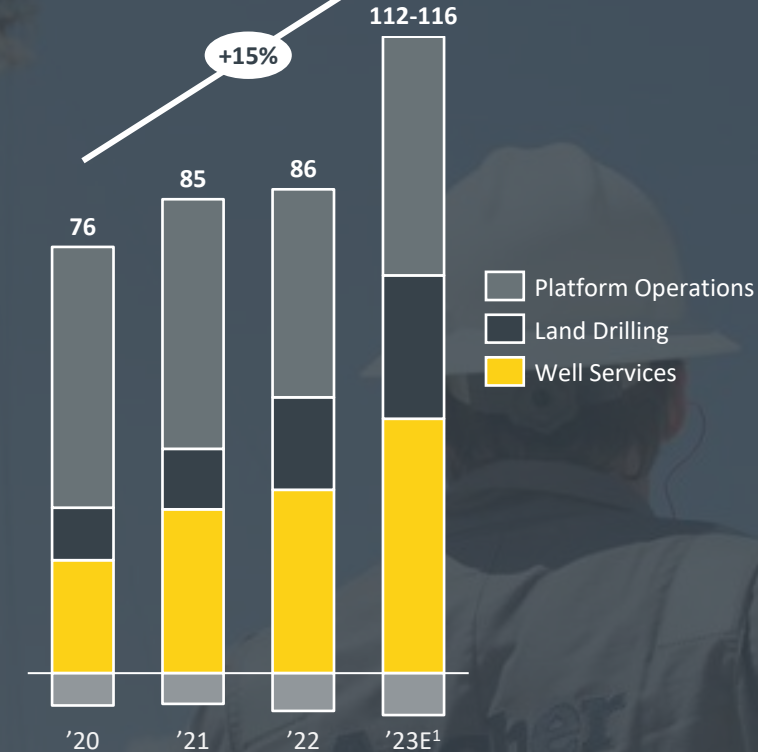


**Carbon neutral in '22**  
Scope 1 & 2 outside Argentina and Bolivia

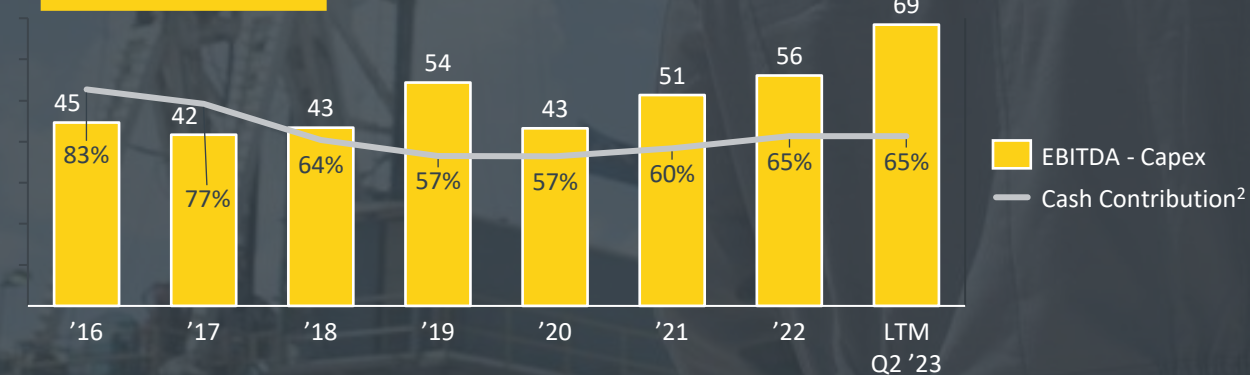
## Revenue (\$m)



## EBITDA (\$m)



## Generating consistent cash flow (\$m)



1) Upper range of 2023 revenue and EBITDA estimate 2) Cash contribution defined as (Reported EBITDA - Capex)



# Archer

The Well Company

- Market leading position and high-end offering
- Multiyear upcycle to drive growth
- Proven organic growth over time
- Robust cash generation through cycles
- Brownfield and P&A exposure for the long term
- Proven ability for accretive bolt-on acquisitions
- Committed to the energy transition and on track towards net zero by 2050

## Platform Operations



- Leading market position in the North Sea
- Production and late life operation
- Well positioned to capture increasing P&A activity
- Consistent high cash flow generation

## Well Services



- The broadest and the most advanced P&A tools offering within the industry
- Leading position in core markets and key products
- Revenue increased 3X last five years

## Land Drilling



- Largest provider of land drilling and workover services in Argentina
- Six high spec rigs
- Cash positive with significant asset value



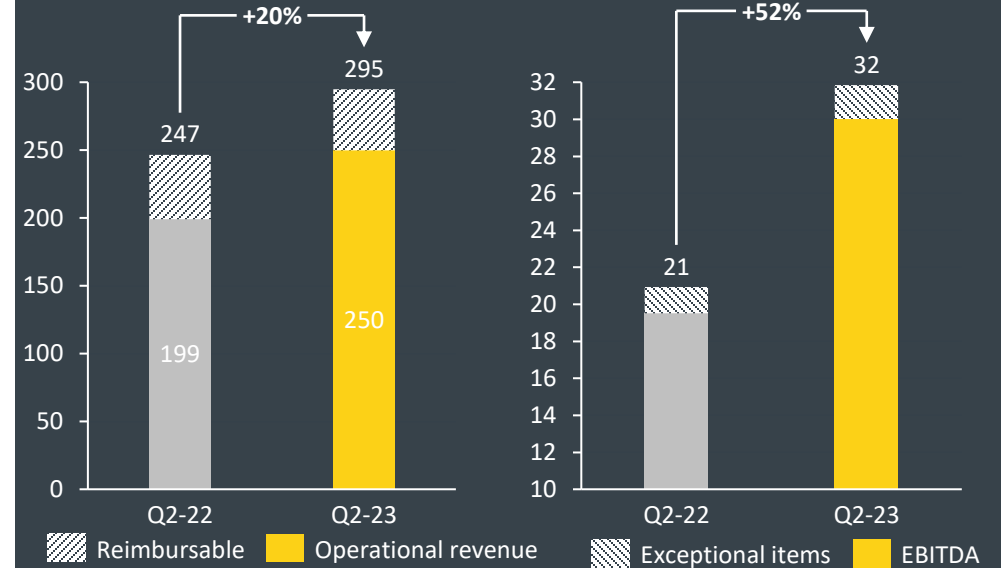
## Q2 Highlights

- Revenue of \$295 million; up 20% YOY
- Adjusted EBITDA of \$31.9 million; up 52% YOY
- EBITDA of \$30.0 million; up 54% YOY
- EBIT-margin of 6.3%, totaling \$18.7 million
- Adjusted net income positive in the quarter
- On track to meet upper range of our financial guidance for 2023
- Secured a five-year \$50 million coiled tubing contract

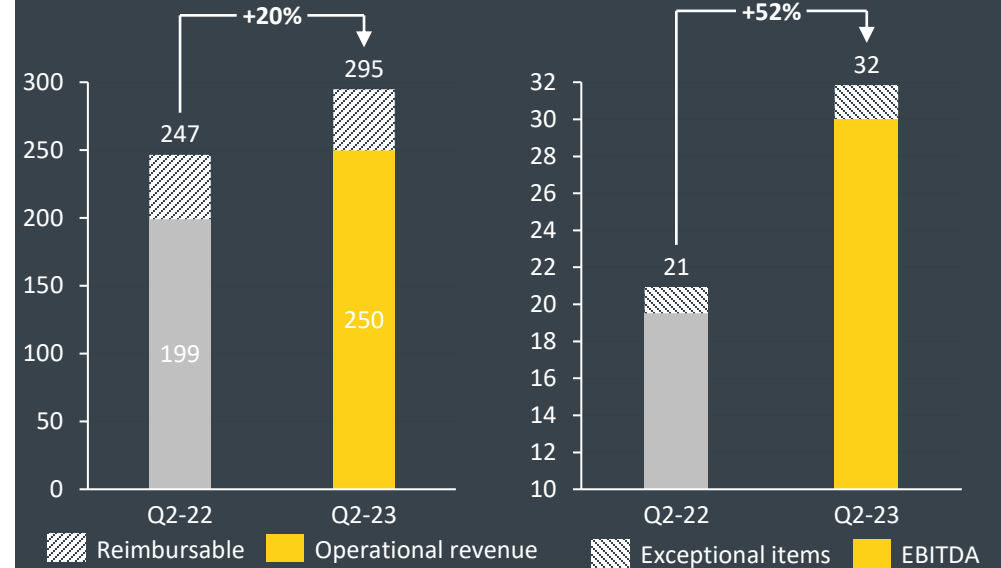
## Subsequent events

- Awarded a \$165 million contract for permanent abandonment of 32 wells in UK

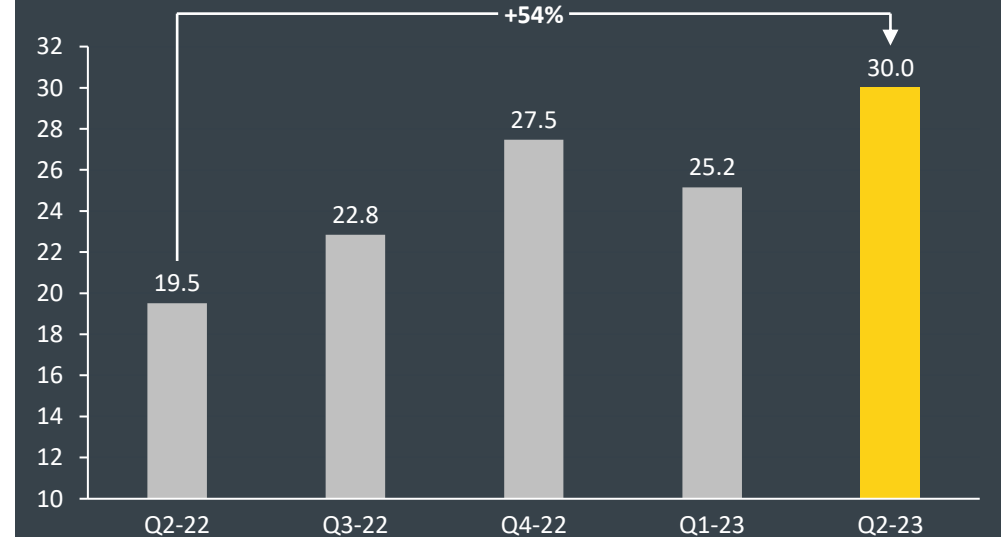
### Revenue (\$m)



### Adjusted EBITDA (\$m)



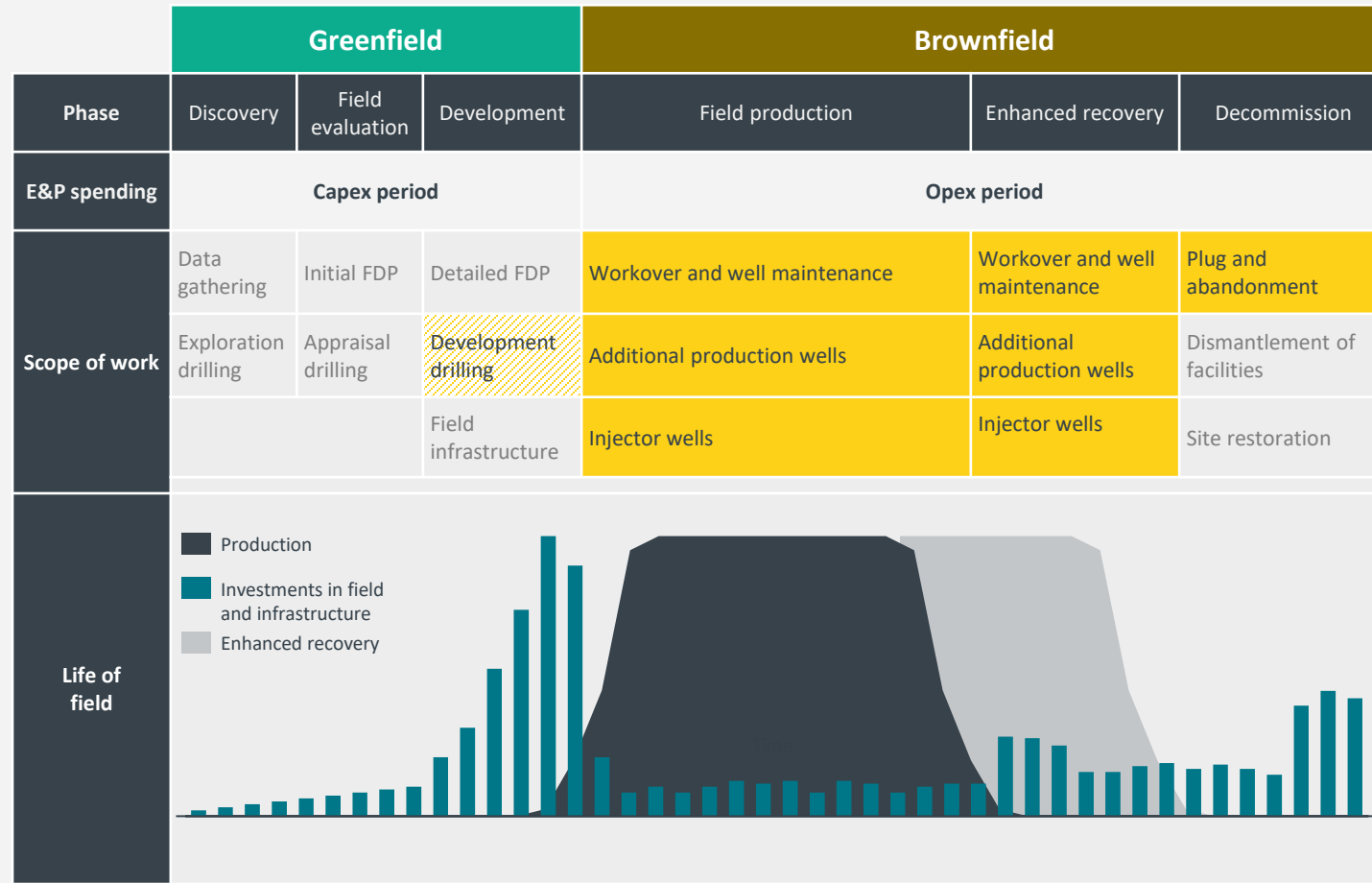
### EBITDA (\$m)





# Focused on production and late life operation – we are the well P&A company

## Greenfield vs Brownfield



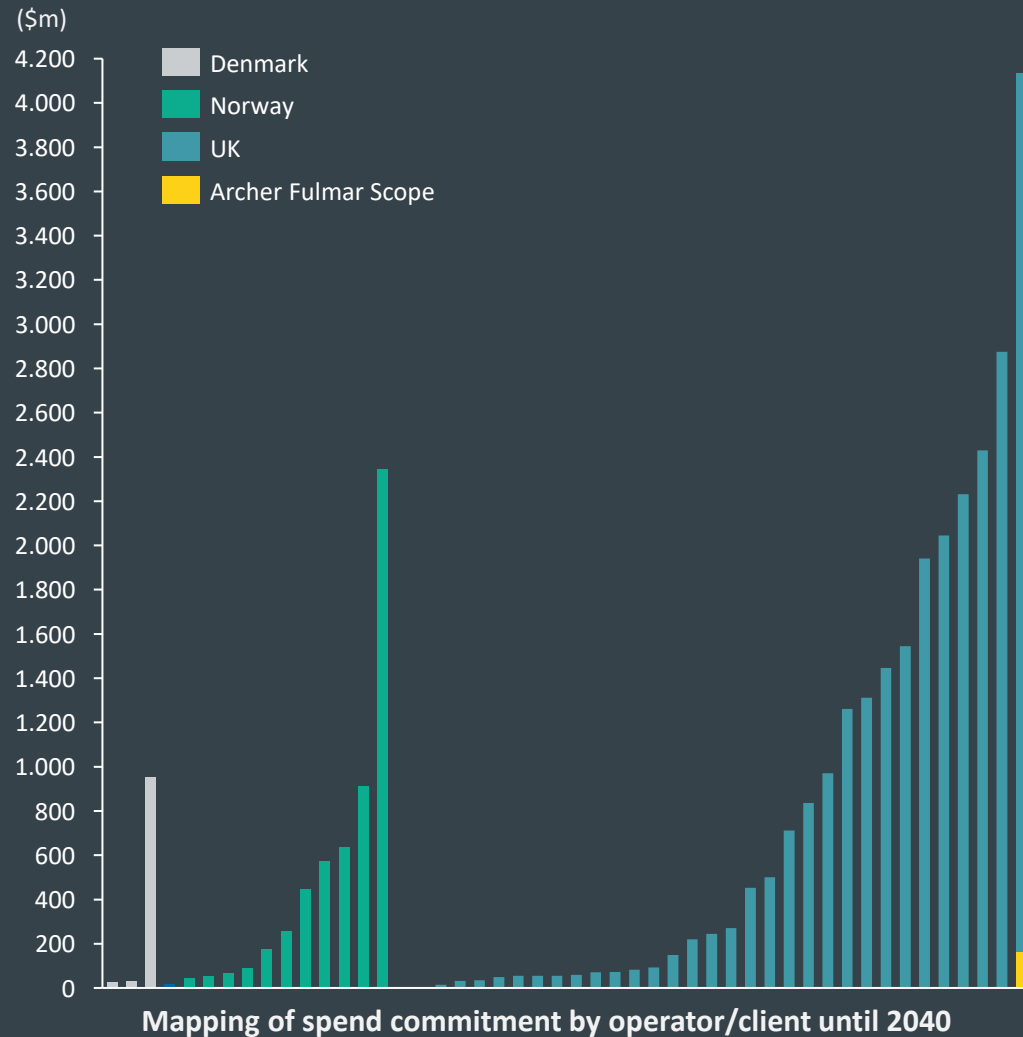
Archer service offering

## Archer position

- Archer offers a unique combination of drilling operation and a broad set of well services
- 90 % of Archers activity within production and late life operations
- Archer strategy is to become the preferred P&A service provider in the industry
- The permanent plugging and abandonment of oil and gas wells is an essential activity to tackle global climate challenges
- Archers brownfield market with high activity next 15-25 years



## \$32B in North Sea decom spend before 2040<sup>1</sup>



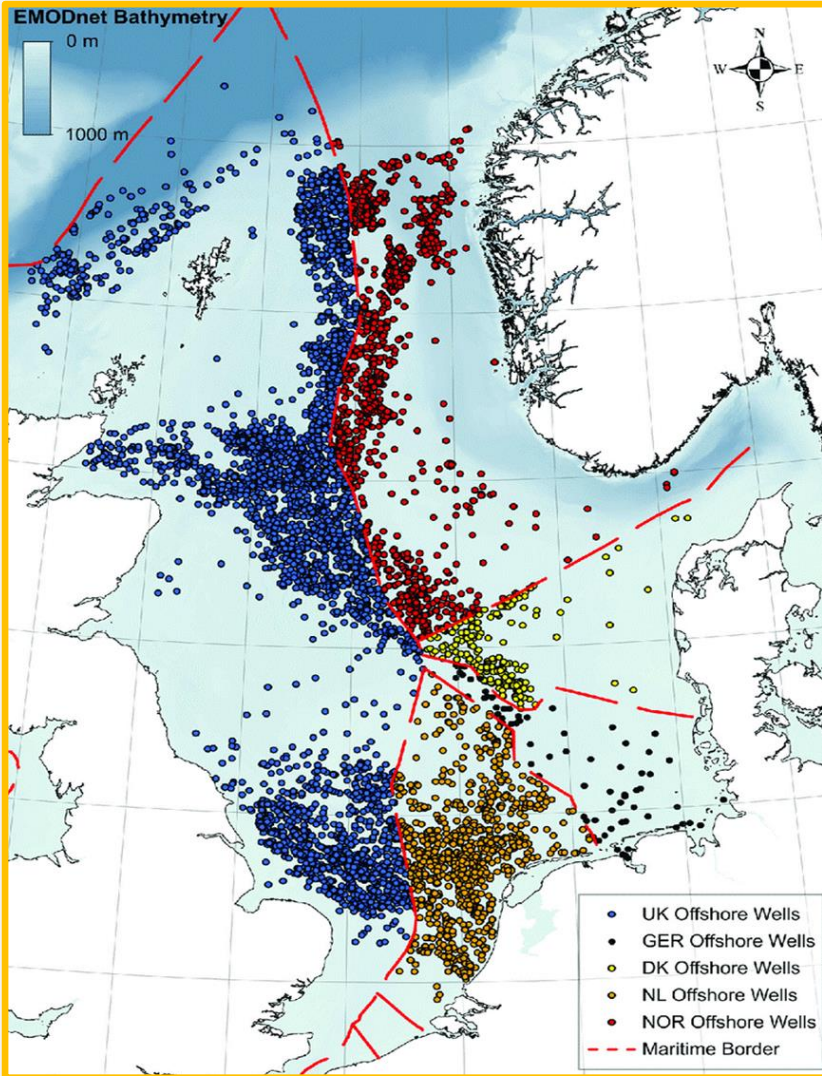
1) Source: Rystad Energy

## P&A market a huge opportunity

- Archer uniquely position as we offer both drilling and a broad well services offering for P&A
- P&A of wells is roughly 50% of total decom spend
- The largest market is in the UK with an estimated \$26 billion in decommissioning commitment
- P&A activity in the north sea will be a very strong foundation for Archer's growth
- Archer tendering 2-3 similar projects as the recently announced Fulmar project, which has potential to drive meaningful earnings growth
- Globally, the six largest IOCs have between \$12 and \$22 billion each in decom liabilities



## Massive decom and well P&A required to clean up the North Sea



## Key highlight Fulmar award



Contract value \$165 million



Total well scope



4-5 years contract



32 wells to be P&A

Repsol Sinopec has elected **Archer** and our fully **integrated operational model** for their **Fulmar P&A project**. The delivery model with **integrated drilling** and **well services**, supported by partners, is a **step change** in how operators permanently plug and abandon oil and gas wells.

# Archer

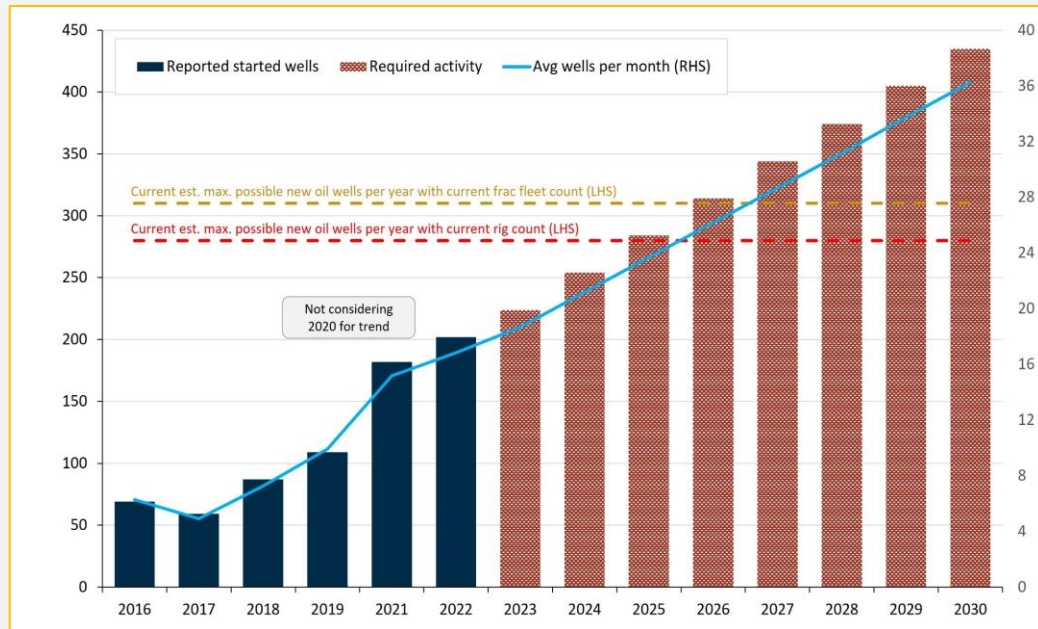






## Land Drilling – option for value creation

Production scenario to reach 1 million bpd by 2030»



- Positive outlook for Vaca Muerta production
- The combination of investments in new infrastructure and falling production costs is expected to boost rig demand
- Reduced import of gas and growing oil export is fundamental to improve the country's financial situation

## Argentina

- Attractive oil & gas resources in place and production required for internal consumption – ambition to grow export
- Growth in production has been limited by of pipelines for transportation. Several infrastructure project sanctioned, and first new capacity added in June '23
- Election in October '23

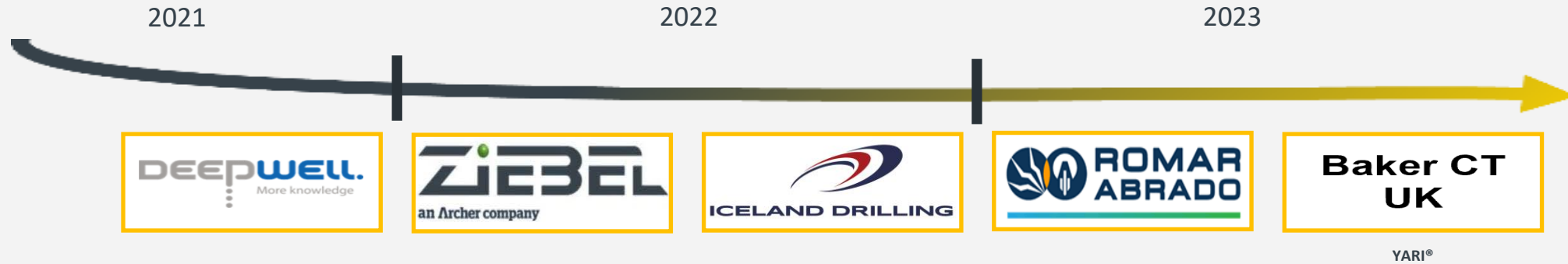
## Archer's land drilling operation

- Leading driller with high spec drilling rigs in Vaca Muerta in Argentina
- Strong operational and financial results in 2023
- Inflation and currency fluctuation largely neutral for Archer earnings over time
- Main challenge is currency restrictions limiting new investment and getting cash out
- Archer taken out \$66m of cash since 2015, \$4m so far this year



# Growth through accretive acquisitions

Demonstrated recent track record of accretive M&A



Future M&A initiatives will be targeted towards growth, synergies and broadened service offerings





## Archer is well financed,



NIBD/EBITDA at **3.5x**



Debt maturities in Q2 **2027**



Average cash interest around **SOFR + 4.4%** (Cost including PIK around SOFR + 6.9%)



Archer has high degree of flexibility and can elect to settle interest under the bond by issuing additional bonds

## and set to further delever





## Summary and key takeaways

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- 1) Positioned for continued growth, both organically and through M&A initiatives
- 2) Significant organic growth potential in the P&A market, particularly in the mature UK sector
- 3) Argentina option undervalued by investors
- 4) Committed to energy transition and net zero by 2050





**Thank you!**

