



Q4 2023 results

February 29, 2024

Archer



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.



At a glance

Archer

The Well Company



\$1,169m
2023 revenue



\$117m
2023 EBITDA
reported



\$1.7bn
Contract backlog



50 years
Operational experience



40
Locations globally



4,800+
Global personnel



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





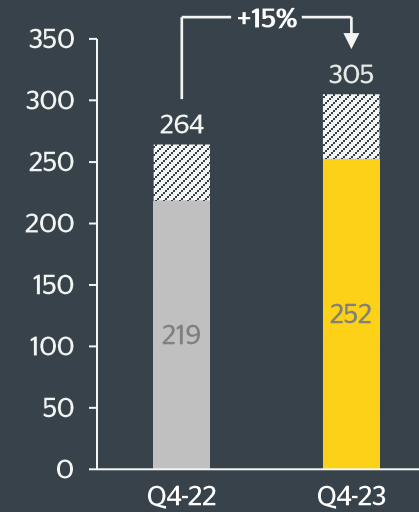
Continued strong financial performance in Q4

- ✓ Revenue of \$305 million; up 15% YOY
- ✓ Adjusted EBITDA of \$33.4 million; up 14% YOY
- ✓ EBITDA of \$30.9 million, or 10.1% of revenue
- ✓ EBIT-margin of 5.5%, totaling \$17.0 million
- ✓ EBITDA-growth of 10% in average each quarter since Q1 2022
- ✓ Positive net income in Q4 of \$8.5 million

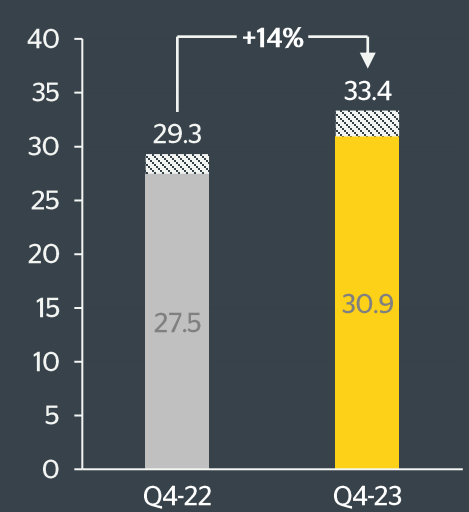
Subsequent event

- ✓ Award of \$125 million contracts in Argentina

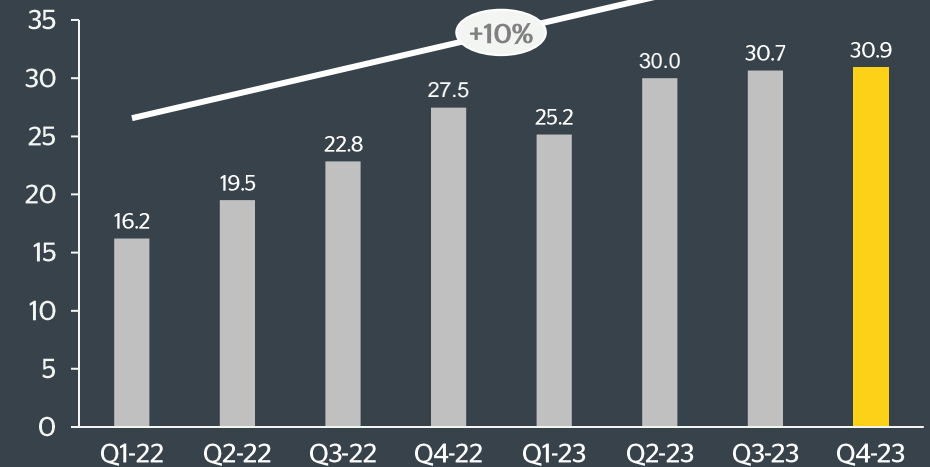
Revenue (\$m)



Adjusted EBITDA (\$m)



EBITDA (\$m)



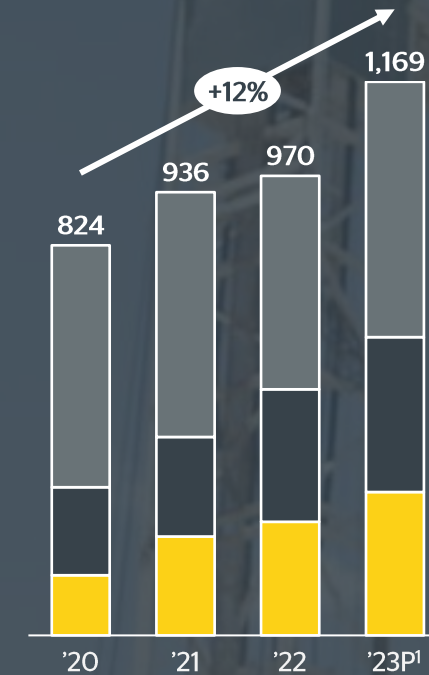


2023 Summary

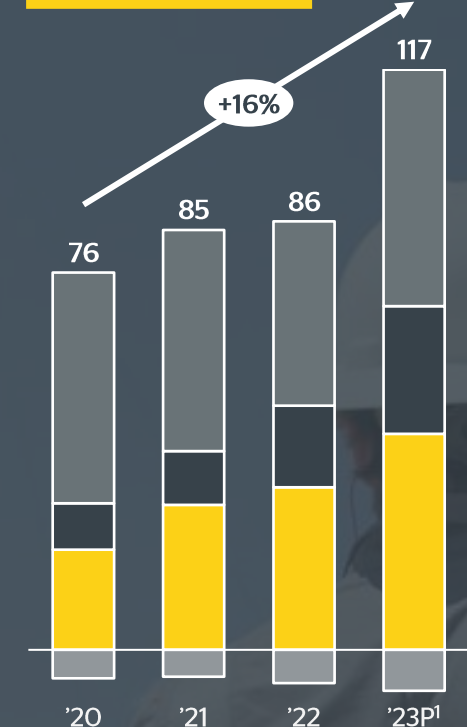
Archer grew EBITDA by 36% in 2023 and delevered to 2.9

- ✓ Revenue of \$1,169 million; up 20% YOY
- ✓ EBITDA of \$116.8 million; up 36% YOY
- ✓ EBIT of \$64.8 million; up 121% YOY
- ✓ Exceeded upper range of our financial guidance for 2023
- ✓ Refinanced and leverage at 2.9 at year-end
- ✓ Expanded P&A portfolio by acquiring Romar Abrado
- ✓ Strengthened UK offering by acquiring Coiled Tubing business
- ✓ Strong HSE performance and zero HIPO incidents in 2023

Revenue (\$m)



EBITDA (\$m)

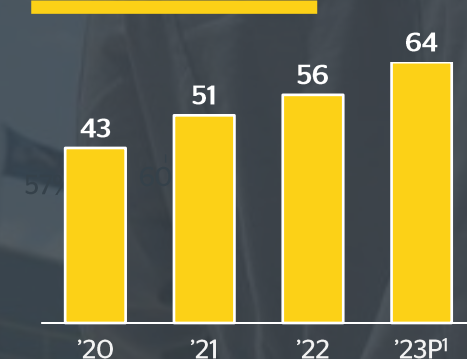


Platform Operations Land Drilling Well Services

Deleveraging



Cash contribution



Reported NIBD/adj. EBITDA



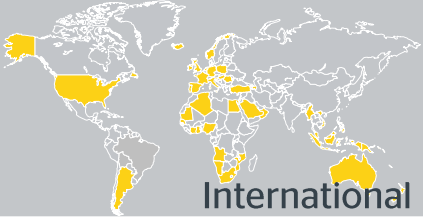





EBITDA - CAPEX

1) Preliminary unaudited 2023 figures

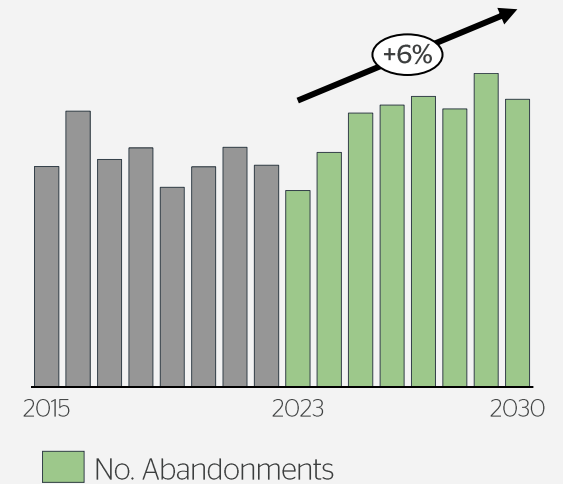
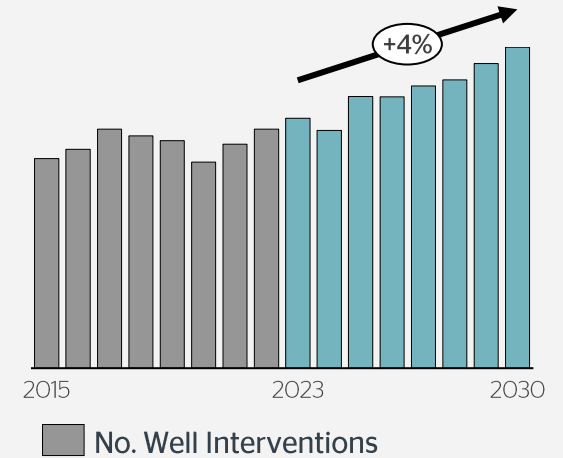


Market outlook

Well-positioned in segments with attractive long-term outlook

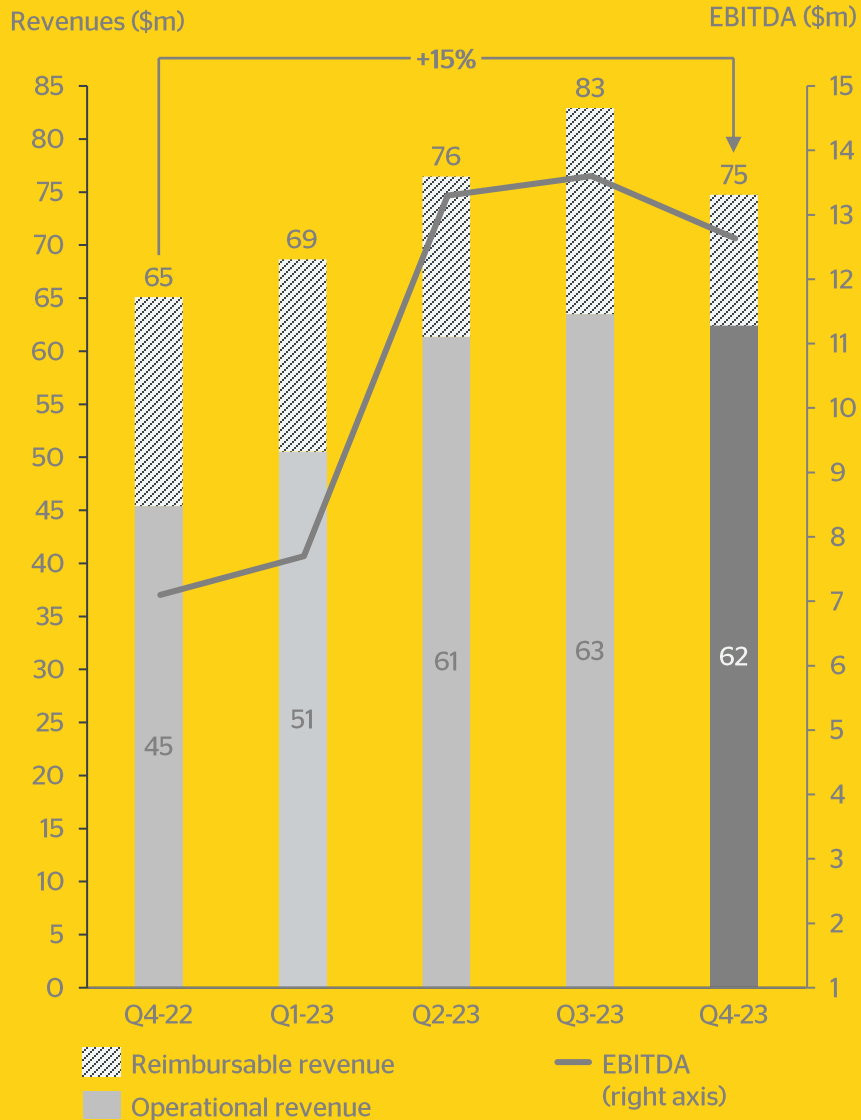
Business Area	Archer sentiment ¹	Outlook
 <p>UK</p>		<p>Strong growth as we expand service offering and growing P&A market</p> <ul style="list-style-type: none"> • Production focused with intervention and workover services • Integrated P&A projects
 <p>International</p>		<p>Market for Archer’s core services continue to grow</p> <ul style="list-style-type: none"> • Significantly growth opportunity as Archer have moderate international well services presence today • P&A market set to double next 10 years regardless of oil-price
 <p>Norway</p>		<p>Stable activity and growth for Archer services</p> <ul style="list-style-type: none"> • Production focused with intervention and workover services • Continue to expand service offering and value for clients
 <p>Argentina</p>		<p>Increased activity on new transport infrastructure and demand</p> <ul style="list-style-type: none"> • Drilling services activity to follow increased capacity for transport • Workover services to maintain production in existing wells

1) Medium-term growth outlook





Well Services

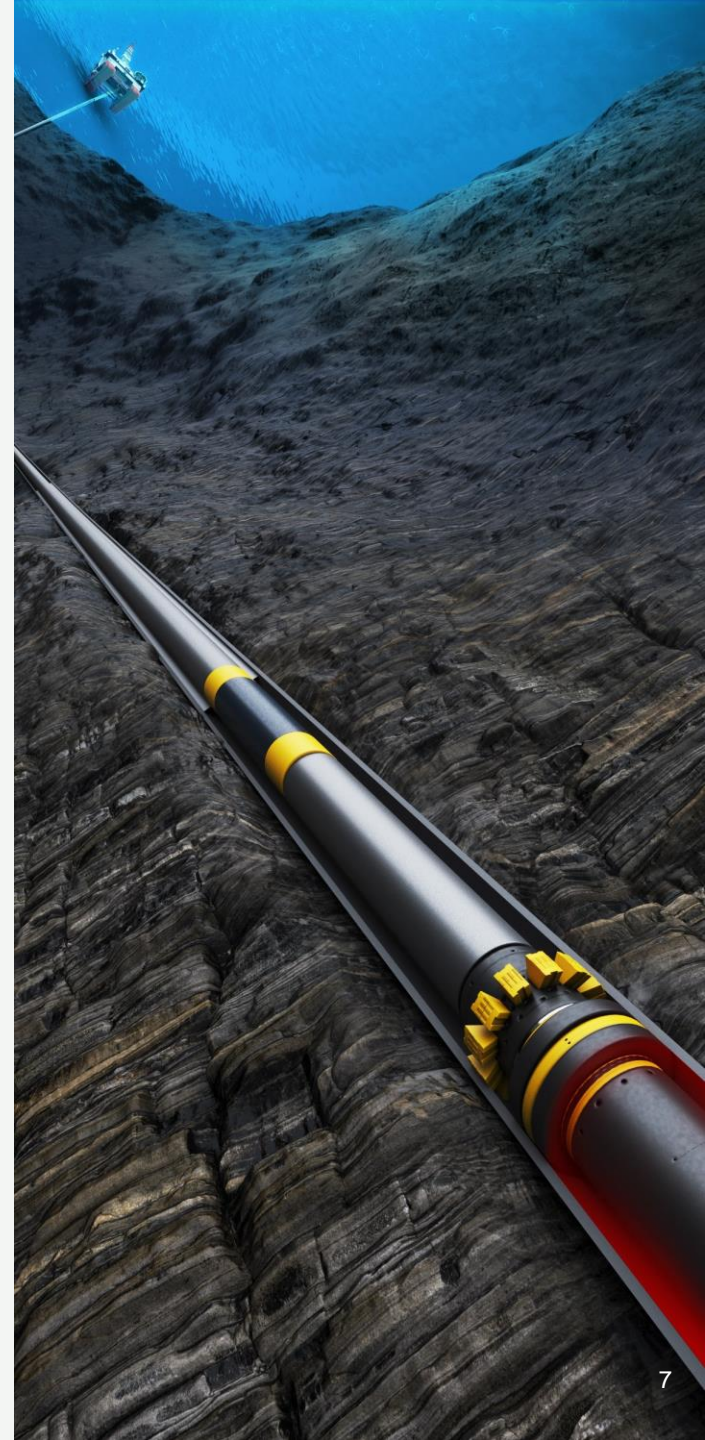


Financials

- Operational revenue decreased by 2% over the quarter, ending at \$62.4 million
- Compared to same quarter last year, EBITDA grew by 77%. Total year EBITDA increased by 57%
- EBITDA decreased by 7% from previous quarter, to \$12.6 million
- EBITDA margin, excluding reimbursables of about 20%

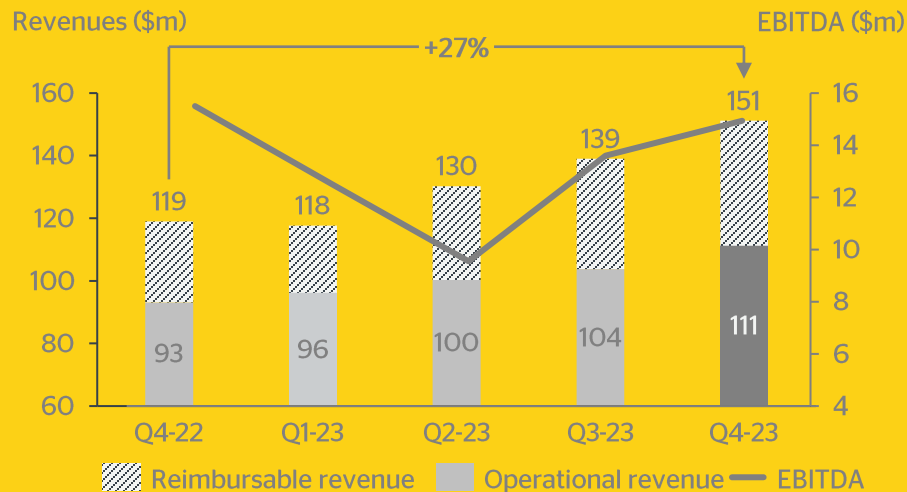
Operations

- Increasing activity for our international logging business and growth in Americas for our tools segment
- Fourth quarter activity normally lower due seasonality and we had delays in operations, related to waiting on weather.

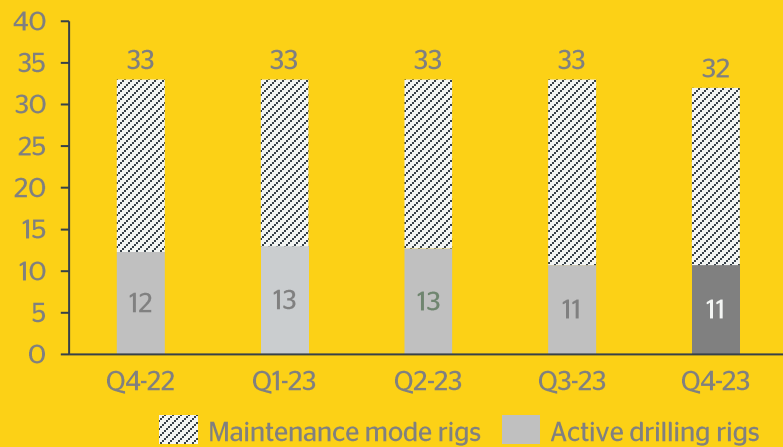




Platform Operations



Platform Drilling contracted rigs [# of rigs]

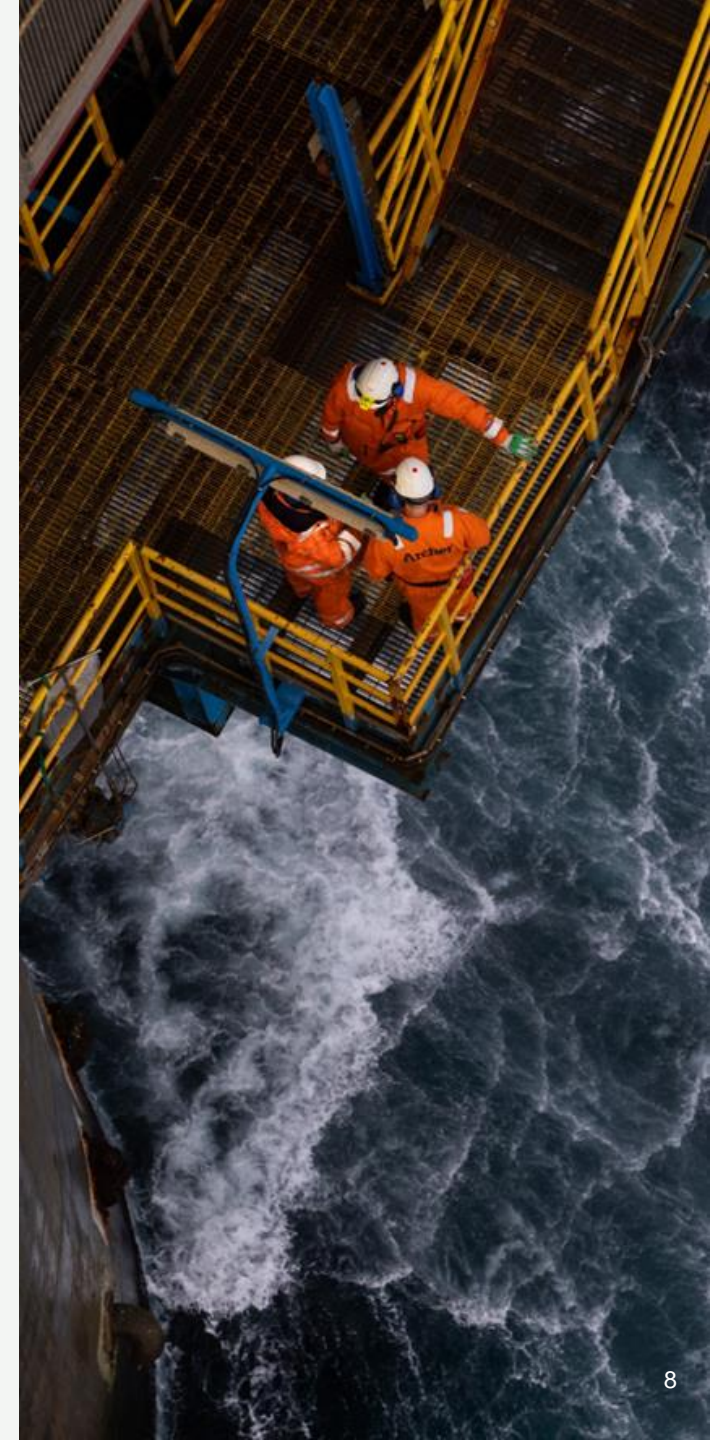


Financials

- Revenue increased by 9% over the quarter, ending at \$151.2 million
- EBITDA increased by 10% from previous quarter, to \$14.9 million, based on fall through from increased activity and final positive outturns on some completed projects

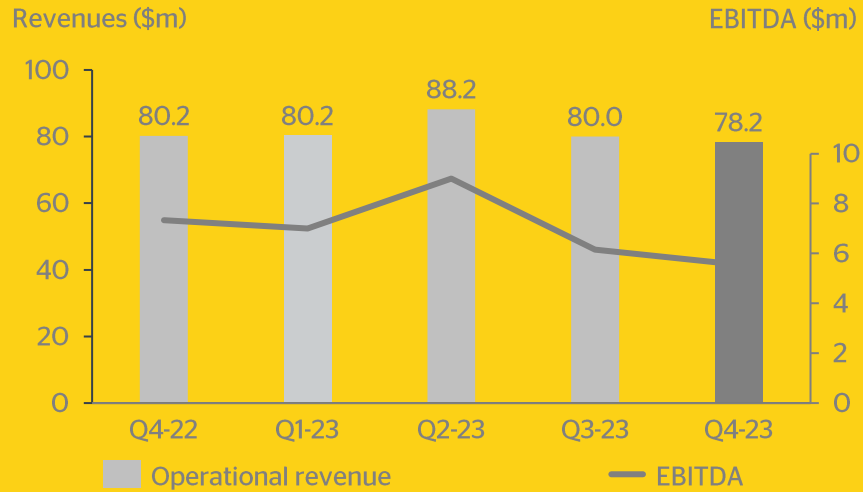
Operations

- High activity for Engineering in the quarter, preparing the Fulmar platform in UK for the integrated P&A scope and a large reactivation project for Trident in Brazil
- Modular rig continue with safe and efficient operations, with low down time during the quarter

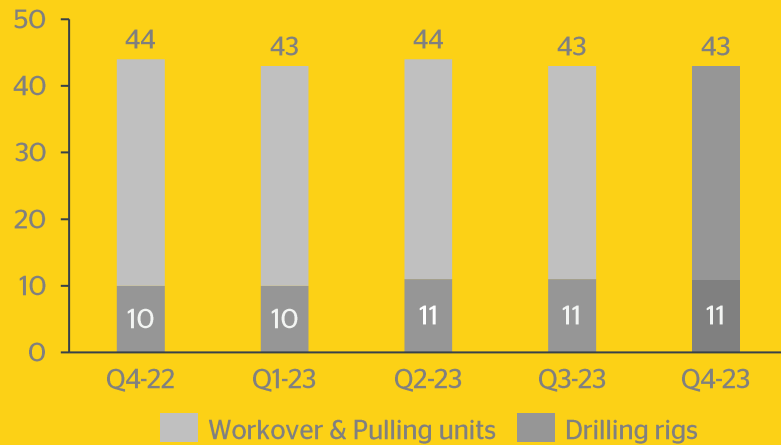




Land Drilling



Number of active Archer rigs

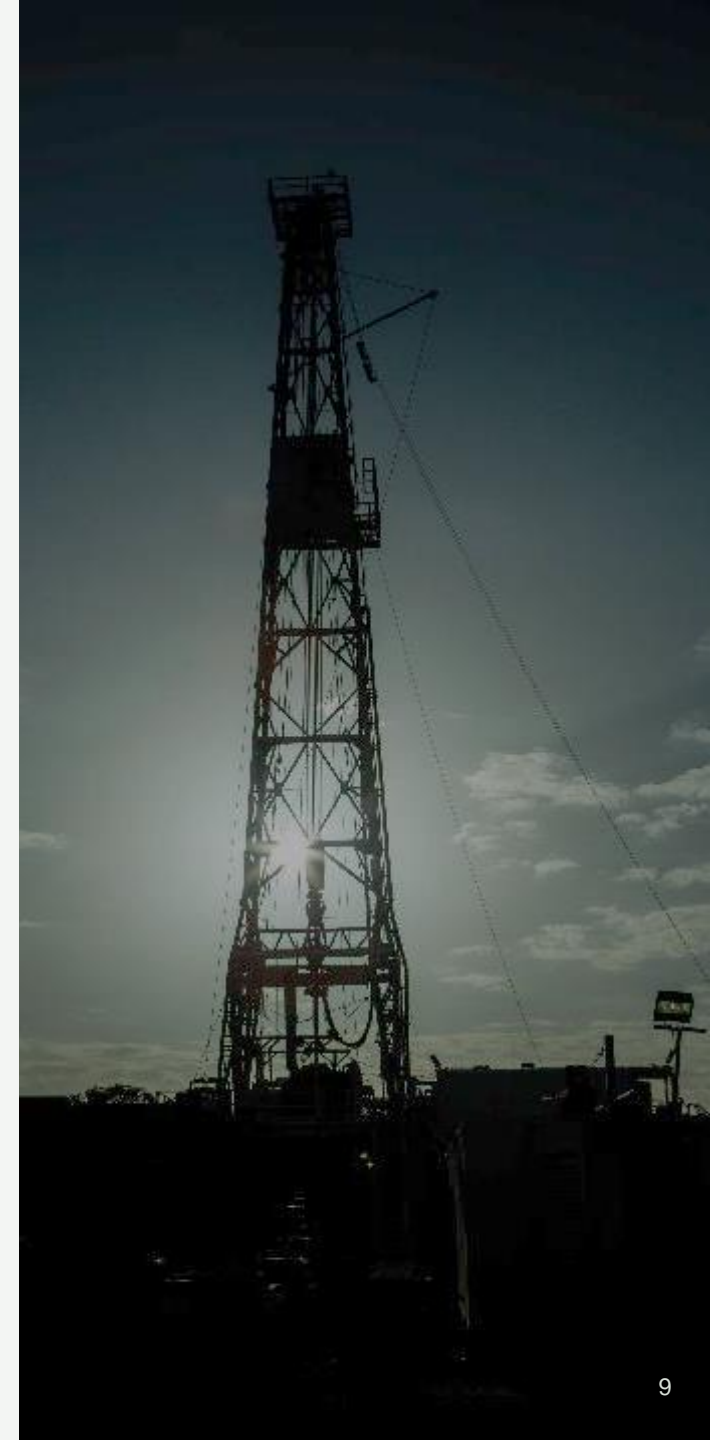


Financials

- Revenue reduced by 2.3 % to \$78.2 million compared with previous quarter, following the sharp depreciation of ARS in December
- Revenue reported in USD will fluctuate when inflation and devaluation diverge, but EBITDA in USD will be stable as largely hedged
- EBITDA of \$5.5 million, in-line with our expectations, based on drilling programs and utilization.

Operations

- Signed new drilling contract Pan American Energy for three rigs with improved commercial terms
- In relation to the new contract, we acquired three rigs to support higher activity and improved efficiency/ performance
- Operational performance continues to be solid, with minimal downtime
- We are mobilizing one additional rig in January for a two-year contract





Condensed profit & loss

- Total revenue of \$305.1 million in Q4 2023 represent an increase of \$40.8 million from same quarter last year, driven by growth in all business areas
- Adjusted EBITDA margin of 10.9%
- EBITDA of \$30.9 million is an increase of \$3.5 million or 13% compared to Q4 2022
- EBIT of \$17.0 million
- Other financial items include positive FX effects of \$3.3 million in Q4 and negative effects of \$19.0 million for the full year
- Adjusted net income of \$7.6 million in the quarter and \$14.4 million for full year 2023

<i>\$ million</i>	Q4 2023	Q4 2022	2023	2022
Operating revenues	252.4	218.5	977.2	823.3
Reimbursable revenue	52.7	45.8	192.1	146.9
Total Revenues	305.1	264.3	1,169.3	970.2
EBITDA before exceptional items	33.4	29.2	124.9	95.0
<i>EBITDA margin before exceptional items</i>	<i>10.9%</i>	<i>11.0%</i>	<i>10.7%</i>	<i>9.8%</i>
Exceptional items	(2.4)	(1.8)	(8.2)	(9.0)
EBITDA	30.9	27.4	116.8	86.0
<i>EBITDA margin</i>	<i>10.1%</i>	<i>10.3%</i>	<i>10.0%</i>	<i>8.9%</i>
Impairments	(0.7)	(2.3)	(2.7)	(7.3)
Deprecation, amortization, other	(49.8)	(12.1)	(13.7)	(49.5)
EBIT	17.0	13.0	64.8	29.2
Gain on bargain purchase	-	-	(0.3)	9.2
Result from associated entities	(0.4)	(0.1)	(4.4)	(0.6)
Net interest expense	(11.1)	(10.0)	(46.2)	(30.8)
Amortization of prepaid debt fees	(1.6)	(0.2)	(5.6)	(1.3)
Other financial items	4.5	17.6	(30.5)	17.3
Net income before tax	8.2	20.2	(22.2)	23.1
Tax benefit (cost)	0.3	(3.8)	(5.9)	(13.3)
Net (loss) income	8.5	16.4	(28.1)	9.8
Net adjustments*	(0.9)	(15.0)	42.5	(21.6)
Adjusted net (loss) income*	7.6	1.4	14.4	(11.8)

*adjusted for impairments, gain on bargain purchase, MtM of financial assets, amortization of prepaid debt fees, FX and transaction cost



<i>\$ million</i>	31.12.2023	31.12.2022
Cash and cash equivalents	52.1	82.1
Restricted cash	3.5	10.9
Accounts receivables	183.8	152.6
Inventories	75.0	55.2
Other current assets	38.7	39.0
Investments and loans to associates	12.3	27.8
Property, plant and equipment	313.1	310.7
Right of use assets	34.4	26.4
Goodwill	156.0	149.4
Other non-current assets	37.0	52.2
Total assets	905.7	906.2
Current portion of interest-bearing debt	17.6	562.9
Accounts payable	75.5	47.2
Lease liability current	11.4	5.6
Other current liabilities	176.7	162.3
Long-term interest-bearing debt	402.5	8.7
Subordinated related party loan	-	15.9
Deferred taxes	0.3	0.4
Lease liability	22.9	20.8
Other noncurrent liabilities	2.6	0.8
Shareholder's equity	196.2	81.5
Total liabilities and shareholders' equity	905.7	906.2

Condensed balance sheet

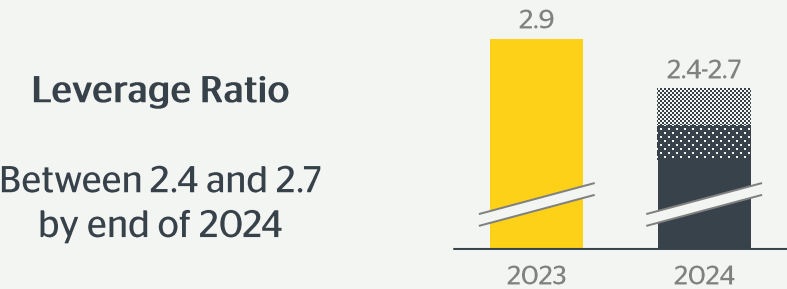
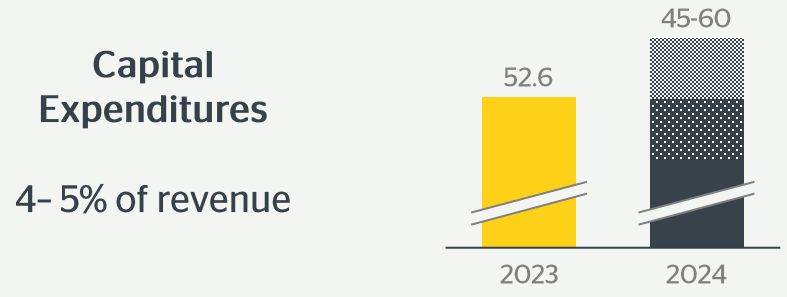
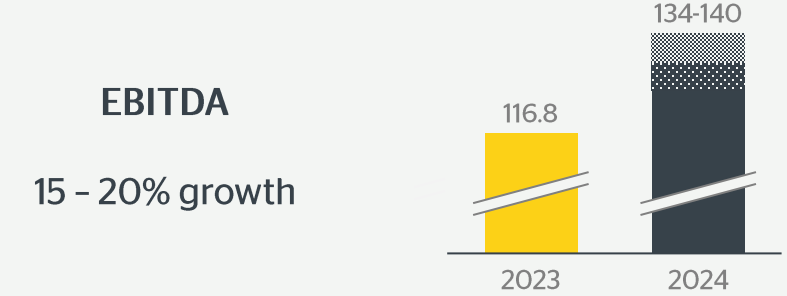
- Cash and cash equivalents of \$52.1 million, following the establishment of an overdraft facility of \$25 million to replace drawing under the RCF during Q4
- Equity of \$196.2 million increased by roughly \$115 million from 31.12.2022 as a result of the private placement of \$100 million in March 2023 and the conversion of subordinated related party loan of \$15.9 million



Financial outlook for 2024 – continued growth and reduced leverage

2024 Guidance

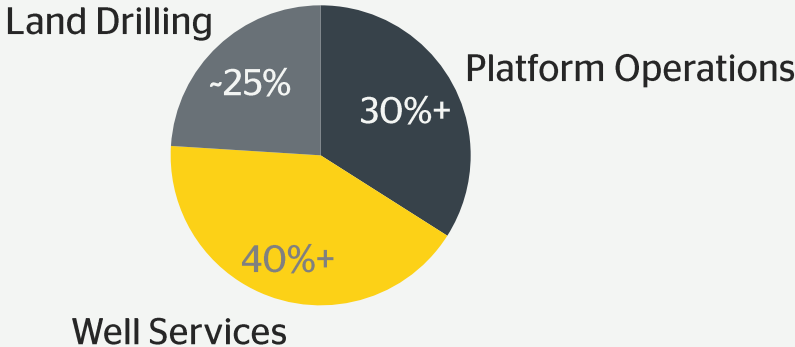
Figures in USD million



Key financial takeaways

- Continued EBITDA growth of between 15% and 20% for Archer in 2024
- Well Services continue with organic EBITDA growth above 20%
- Platform Operations 2024 activity slightly down from as Emerald will undergo recertification and wait for offshore drilling to commence 2025
- Land Drilling with increased revenue and drilling activity of 10-20%
- Capex somewhat elevated above historic level to support growth and Emerald recertification and upgrade for Fulmar project
- We will not guide overall revenue for 2024 as we are unable to predict billing rate development with highly volatile devaluation and inflation in Argentina (but no/limited impact in USD reported EBITDA)

EBITDA 2024 by division



All numbers estimates assumes stable USD/NOK and GBP/USD



Appendix / slides from 26.01.24 Trading Update



Strong quarter, significant growth and deleverage set to continue

Strong Q4 and full year 2023

Full year EBITDA:
\$117 million (+36% Y/Y)

Q4 Adjusted EBITDA:
\$33 million (+14% Y/Y)

Improved leverage ratio

Leverage ratio 2023 year-end:
2.9x

Positive outlook for 2024

EBITDA growth:
15-20%

Leverage ratio:
Down to 2.4-2.7x

Adjusted EBITDA: EBITDA before exceptional items

Leverage ratio: Reported net interest-bearing debt / Adjusted EBITDA



Delivered ahead of our 2023 promises

1

Revenues grew 20% in 2023 compared to 2022
(Guided 10-20% growth)



2

EBITDA for 2023 ended 36% higher than 2022
(Guided 25-35% growth)



3

Capex 4.4% of revenue
(Guided 3-4% of revenue)



4

Positive free cash flow



5

Continued reduction in NIBD



Archer



Platform Operations: ~50% market share on platforms in the North Sea

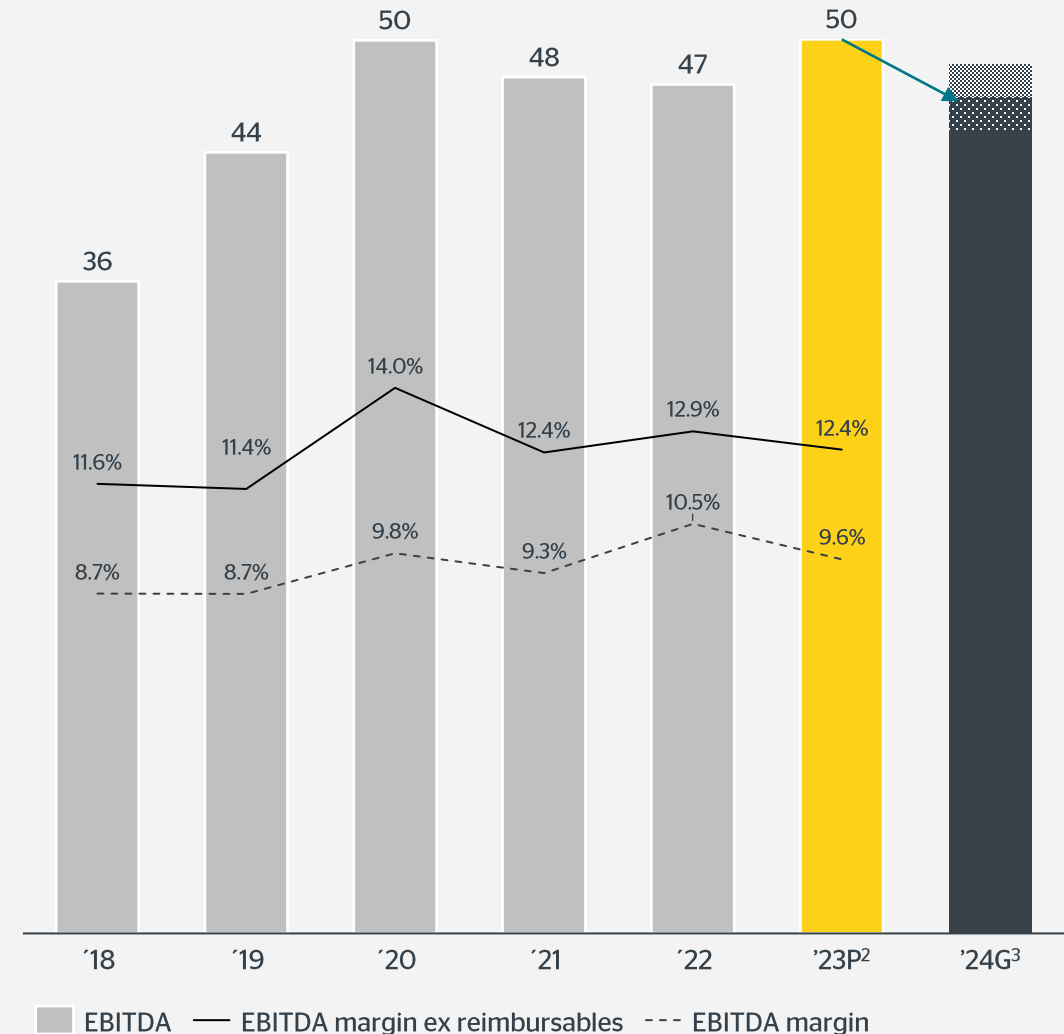
Platform Operations is production and late life operation

- North Sea focused operation based on long-term contracts with operators
- Stable annual cash contribution¹ of about \$40m during the last four years
- Primarily exposed to production, late life and decommissioning
- Well positioned to capture increasing P&A activity and cross selling of well services
- Reduced MDR activity in 2024 before Emerald mobilize for Fulmar in 2025

2024 focus areas:

- Drilling efficiency to increase production, in a safe manner
- Grow P&A market share and enhance service offering
- Execute first phase of Fulmar-project

Resilient EBITDA (\$m)



¹ Cash contribution defined as EBITDA - CAPEX ² Preliminary unaudited 2023 figures ³ 2024 guidance including range



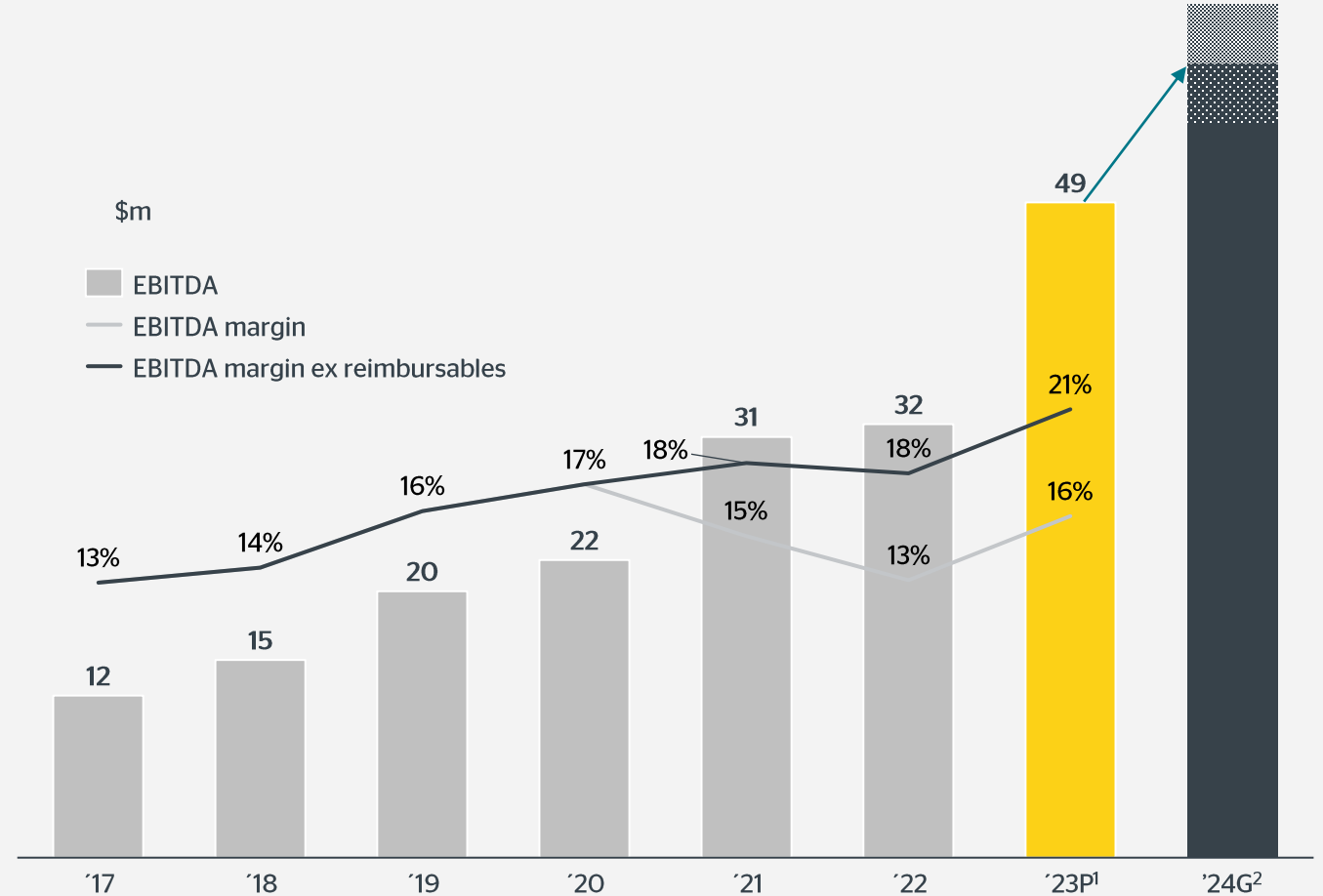
Well services: Continued growth and margin expansion

Intervention service and technology for well integrity and well performance

- Strong EBITDA growth 2017-2023 with CAGR of 29%, of which 26% is organic
- Consistent EBITDA margin expansion as we grow internationally and increase high end service offering
- Well services now the largest EBITDA contributor with 40-45% of total

2024 focus areas:

- Expand internationally and position the broader offering with major IOCs and NOCs
- 75% of the growth in 2024 is expected from international operations
- Develop and position as broadest provider of well services within well P&A, for both platforms and subsea



1) Preliminary unaudited 2023 figures 2) 2024 guidance including range



Land Drilling: Robust growth in improving market

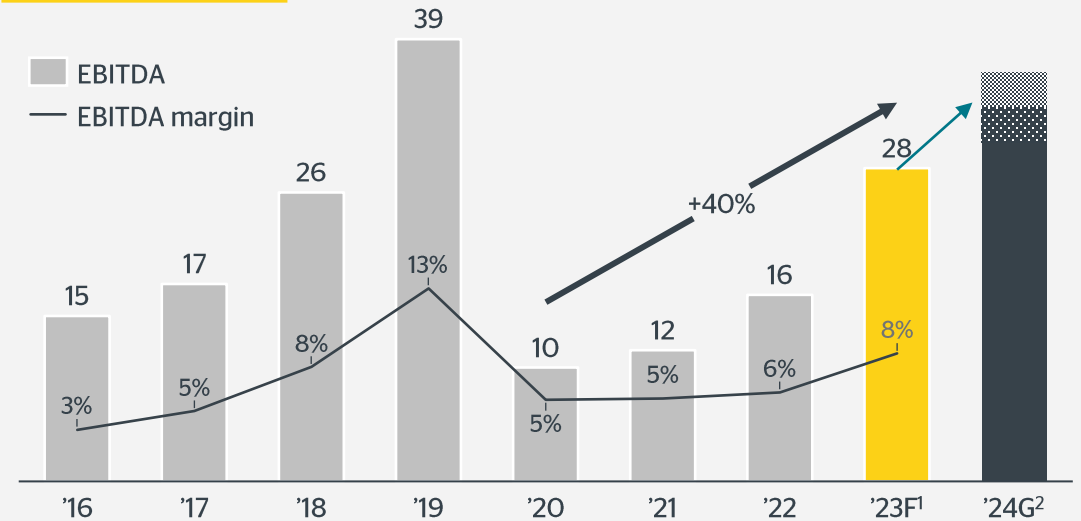
Key highlights

- Leading position as the largest provider of land drilling and workover services in Argentina
- Attractive oil & gas resources in place in Vaca Muerta where Archer is well placed with high spec rigs. Market is expected to improve as new transportation infrastructure coming in place
- Strong operational and financial results in 2023
- 2024 EBITDA set to grow by 15-20% over 2023 on one additional active drilling rig and new contract
- Inflation and currency fluctuation largely neutral for Archer EBITDA over time
- Currently restriction on repatriation of USD out of Argentina. However, Archer has taken out net \$66m of cash since 2015 of which \$4m in 2023

2024 focus areas:

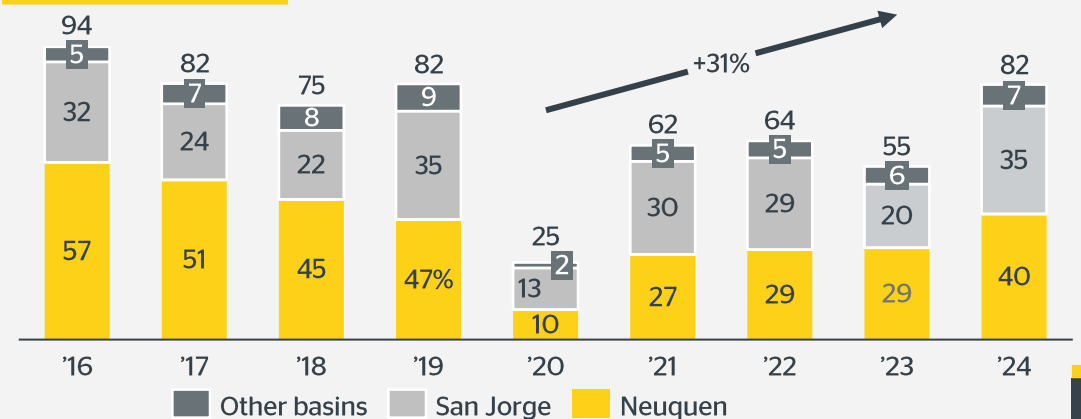
- Improve efficiency and operation of our fleet, following recent contract awards
- Protective measures against further devaluations and repatriate excess cash opportunistically

EBITDA and EBITDA margin from Land Drilling operations (\$m)



1) Preliminary unaudited 2023 2) 2024 guidance including range

Rig demand (rig-year) in Argentina



Source: Rystad



\$125 million contract awards in Argentina

Pan American Energy contract 1

- 3 rigs for Pan American Energy's Cerro Dragon Field
- 4-year contract award, adding 2.5-years to the current contract term
- Improved commercial terms
- Incremental scope \$100 million (from mid 2025 to end of 2027)

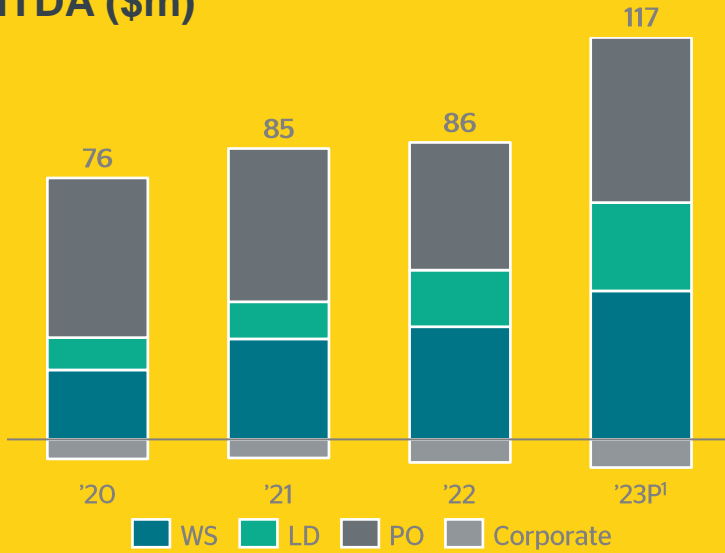
Pan American Energy contract 2

- Deployment of an additional drilling rig in Vaca Muerta
- Two-year contract
- Additional scope \$25 million (incremental revenue in 2024 and 2025)
- Mobilization for this rig is set to the first quarter of 2024.

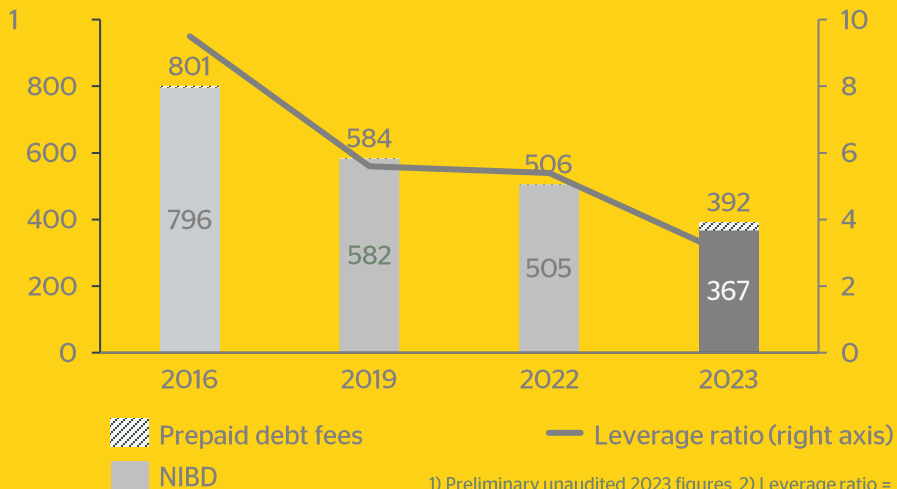




EBITDA (\$m)



NIBD (\$m) and leverage ratio²



1) Preliminary unaudited 2023 figures 2) Leverage ratio = NIBD as reported/LTM adjusted EBITDA

Deleverage through growth, equity issuance and positive cashflow

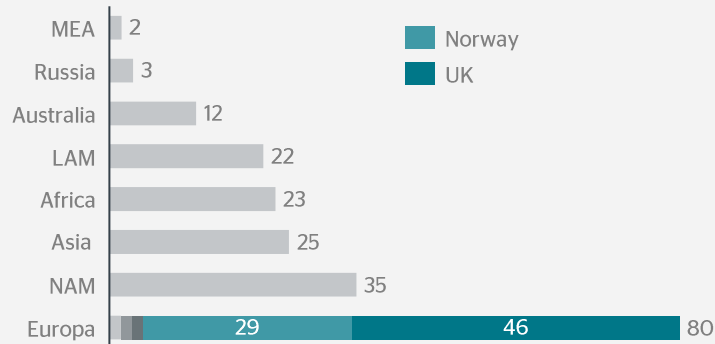
- Steadily declining net interest-bearing debt and net leverage
- Consistently decreasing net interest-bearing debt over time - down from \$796 million in 2016
- Available liquidity of \$77 million
- Debt maturities in Q2 2027
- Average cash interest around SOFR + 4.4% (Cost including PIK around SOFR + 6.9%)
- Archer has high degree of flexibility and can elect to settle interest under the bond by issuing additional bonds
- Continue disciplined capex management and strong cost control in positive market
- Historical capex levels have been modest compared to industry standard



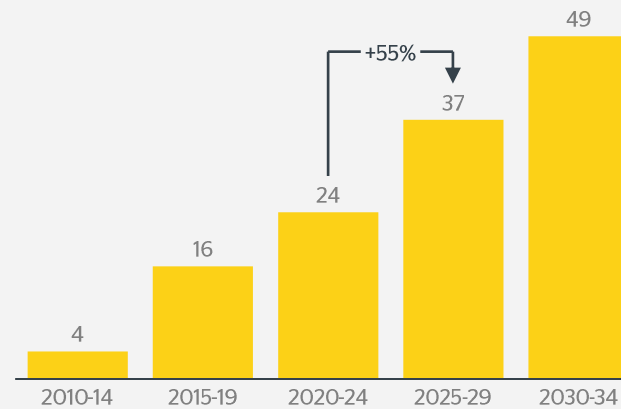


Positive market fundamentals for Archer’s P&A service offerings for decades

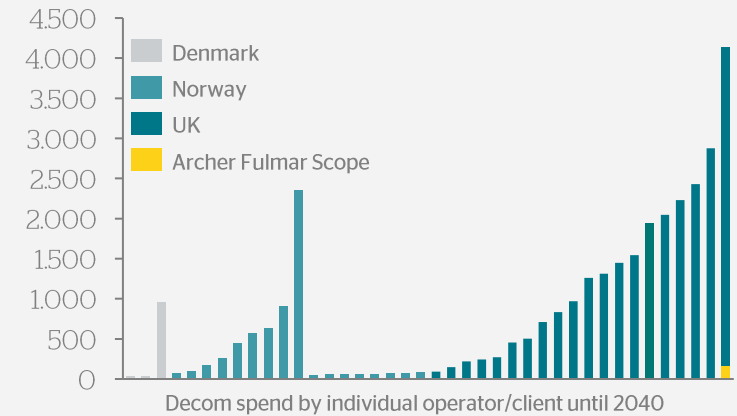
Total offshore decom. spend exceeding \$200B



Global offshore decom. set to double



\$32B in North Sea offshore decom before 2040



Offshore decom. is a substantial market

- Archer uniquely positioned with a combination of drilling and a broad well services offering for production and decommissioning of wells
- Approximately 40% of global activity related to cleaning up the North Sea basin (\$80B)
- Approximately 50% of offshore decom spend is well P&A

Offshore decom. is growing substantially

- Global offshore decom market to increase more than 50% from 2020-2024 to 2025-2029 and double the next decade
- Substantial P&A market for the next 30 years

UK the largest market before 2040

- Globally, the six largest IOCs have between \$12 and \$22 billion each in decom liabilities
- More than 10 clients in the North Sea with decom liabilities above \$1 billion
- Archer with main focus on UK, Brazil and Norway for large integrated contracts

“Archer has the broadest and most advanced P&A service offering in the industry”



Key highlight Fulmar project

Total scope of permanent plug and abandonment (P&A) for the Fulmar field :

- Drilling-services using our modular P&A rig
- Full well services offering including wireline, Coil Tubing, and down hole tools



Contract value \$165 million



4-5 years contract



32 wells to be P&A



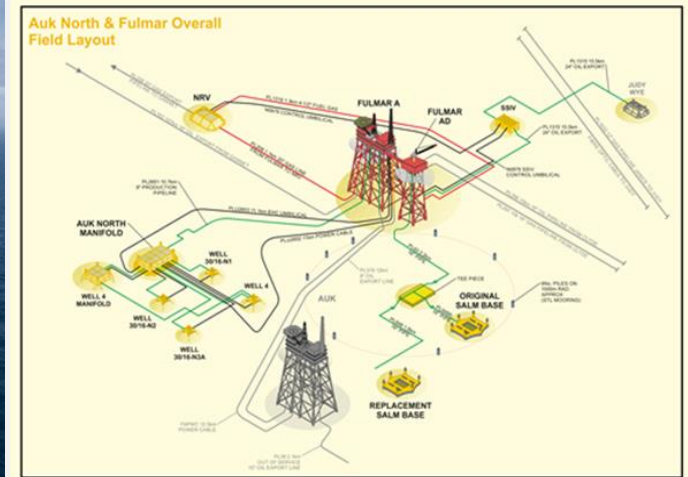
Key collaboration with partners

Integrated P&A project with modular rig

Archer



claxton

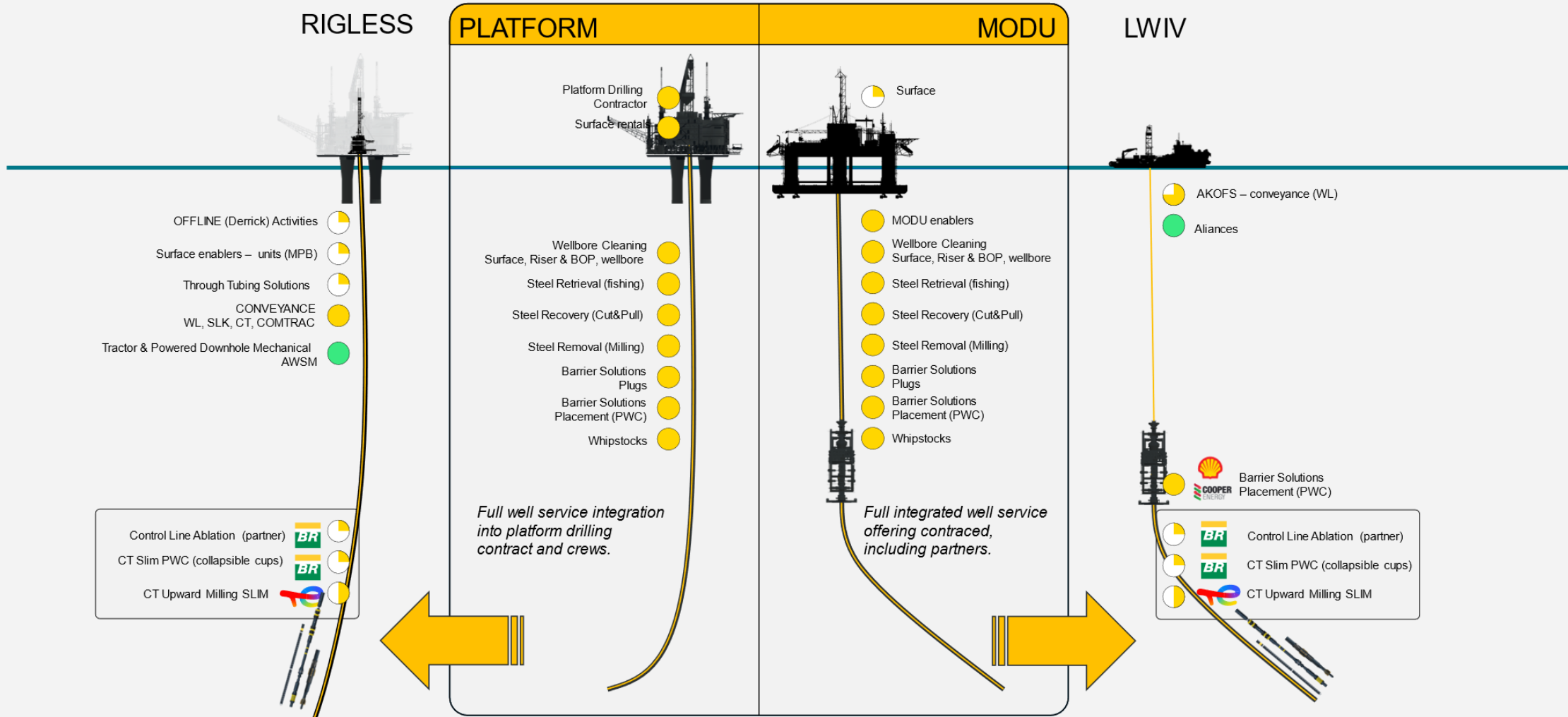


Archer will deliver integrated P&A projects with partners



The broadest full scope P&A offering in the industry today

Innovating for the future

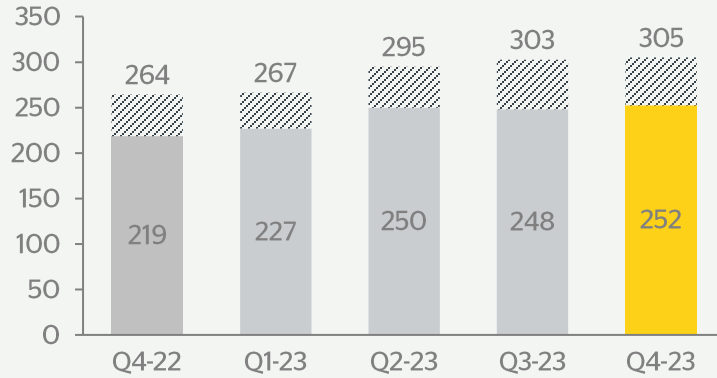




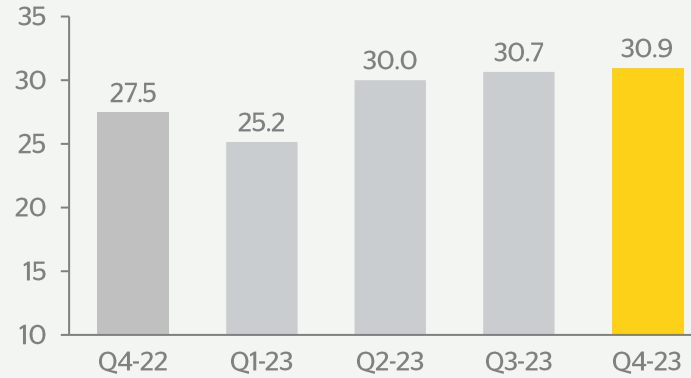
Key financials

Revenue [\$m]

Reimbursable
Operational revenue

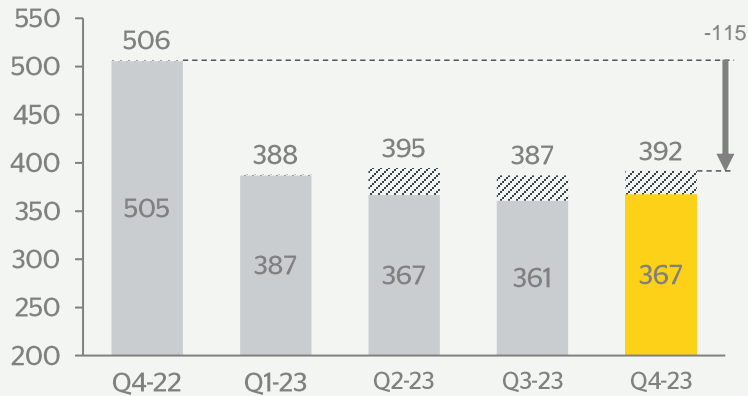


EBITDA [\$m]

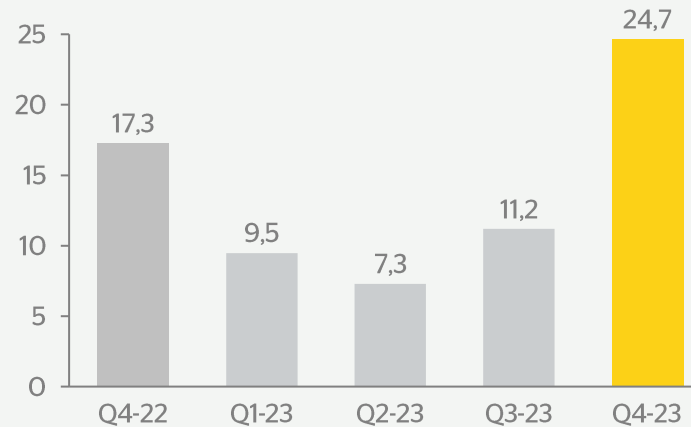


NIBD [\$m]

Prepaid debt fees
NIBD



CAPEX [\$m]





Condensed profit and loss statement (unaudited)

(Figures in \$ million)	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Operating revenues	218.5	226.9	249.8	248.1	252.4
Reimbursable revenue	45.8	39.7	45.1	54.6	52.7
Total Revenues	264.3	266.6	294.9	302.7	305.1
EBITDA before exceptional items	29.2	27.4	31.9	32.3	33.4
Severance payments	(0.8)	(1.8)	(1.7)	(0.7)	(0.8)
Other	(1.0)	(0.4)	(0.2)	(1.0)	(1.2)
Total Exceptional items*	(1.8)	(2.2)	(1.9)	(1.7)	(2.4)
EBITDA	27.4	25.2	30.0	30.7	30.9
Deprecation, amortization, impairments, other	(14.4)	(12.4)	(11.6)	(13.5)	(13.7)
EBIT	13.0	12.8	18.4	16.6	17.0
Gain from bargain purchase	-	(0.1)	0.1	(0.3)	-
Result from associated entities	(0.1)	(1.8)	(2.3)	0.2	(0.4)
Net interest expense	(10.2)	(11.4)	(15.0)	(12.6)	(12.8)
Other financial items	17.6	(15.7)	(15.3)	(4.0)	4.5
Net financial items	7.2	(28.9)	(32.6)	(16.5)	(8.7)
Net result before tax	20.2	(16.1)	(14.1)	(0.1)	8.2
Tax benefit / (expense)	(3.8)	(1.8)	(2.0)	(2.4)	0.3
Net income/(loss)	16.4	(17.9)	(16.2)	(2.5)	8.5
Net adjustments	(15.0)	18.7	18.4	6.3	(0.9)
Adjusted net income**	1.4	0.8	2.3	3.7	7.6

*Exceptional items include costs of non-recurring nature, including restructuring charges

**adjusted for impairments, gain on bargain purchase, MtM of financial assets, amortization of prepaid debt fees, FX and transaction cost



Condensed balance sheet (unaudited)

<i>\$ million</i>	31.12.2022	31.03.2023	30.06.2023	30.09.2023	31.12.2023
Cash, cash equivalents & restricted cash	93.0	198.2	73.1	76.3	55.6
Accounts receivables	152.6	147.1	161.2	173.4	183.8
Inventories	55.2	62.1	68.5	71.8	75.0
Other current assets	39.0	41.3	36.4	36.8	38.7
Investments and loans in associates	27.8	19.9	18.5	12.6	12.3
Property, plant and equipment, net	310.7	307.8	304.3	301.3	313.1
Right of use assets	26.4	25.2	24.7	23.9	34.4
Goodwill	149.4	149.1	147.9	148.8	156.0
Other non-current assets	52.2	39.7	39.1	35.6	37.0
Total assets	906.2	990.5	873.4	880.4	905.7
Current portion of interest-bearing debt	562.9	3.6	3.5	4.0	17.6
Accounts payable	47.2	58.0	62.9	63.5	75.5
Lease liability current	5.6	5.0	5.6	5.6	11.4
Other current liabilities	162.3	159.0	163.1	171.4	176.7
Long-term interest-bearing debt	8.7	564.7	430.7	432.7	402.5
Subordinated related party loan	15.9	15.9	-	-	-
Deferred taxes	0.4	0.3	0.3	0.6	0.3
Lease liability	20.8	20.2	19.1	18.3	22.9
Other noncurrent liabilities	0.8	3.7	4.6	4.7	2.6
Shareholder's equity	81.5	160.0	183.6	179.6	196.2
Total liabilities and shareholders' equity	906.2	990.5	873.4	880.4	905.7



Condensed cash flow statement - last 5 quarters (unaudited)

<i>(Figures in \$ million)</i>	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Operating activities	8.7	30.2	1.7	0.2	18.7
Investing activities	(26.7)	(17.7)	(10.9)	2.6	(22.7)
Financing activities	(3.2)	94.7	(114.8)	0.5	(19.3)
FX effect	5.4	(2.0)	(1.2)	-	2.6
Total*	(15.8)	105.2	(125.2)	2.9	(20.7)

*Includes net movements in restricted cash.

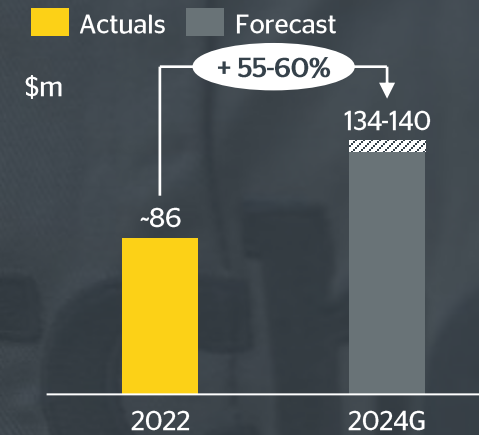


The Archer investment opportunity

Key takeaways

- Significant EBITDA growth as catalyst for value creation
- Leverage, expected to be halved by 2024 from 2022
- Limited market downside with brownfield and growing P&A long term exposure
- Current valuation-multiples well below historic averages for Archer and well below relevant peers

Expected EBITDA growth of 55-60%



Leverage ratio expected to be halved

