



Archer

Q3 2024 results

30 October 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 2024 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, 2023. 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



\$1.3bn
LTM revenue



\$129m
LTM EBITDA



\$2.4bn
Contract backlog



50 years
Operational experience



40
Locations globally

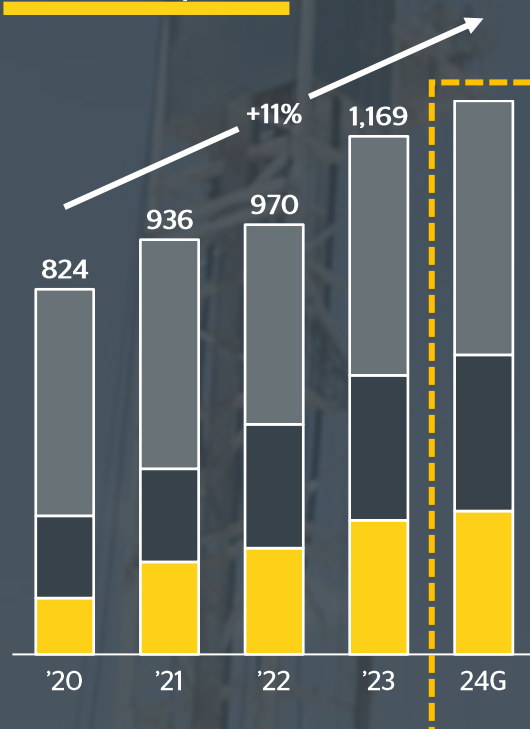


4,900+
Global personnel

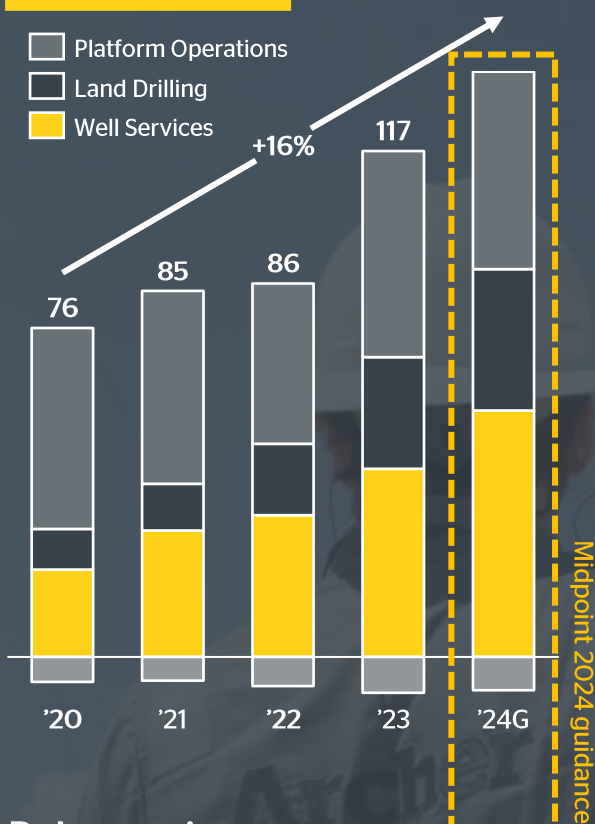


Carbon neutrality since '22
Scope 1 & 2 outside Argentina and Bolivia

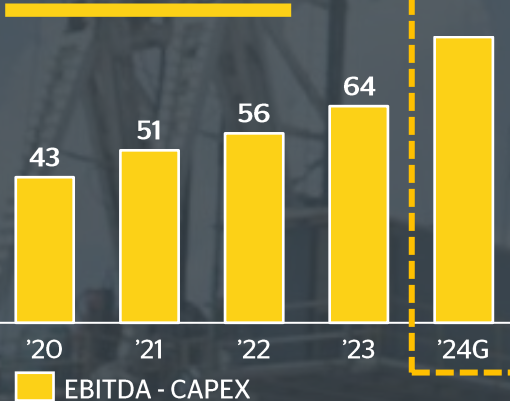
Revenue (\$m)



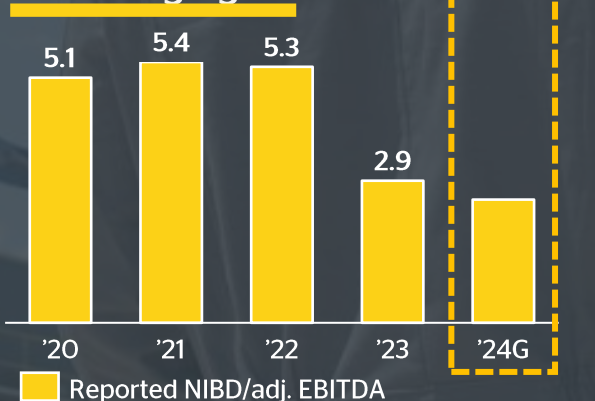
EBITDA (\$m)



Cash contribution



Deleveraging

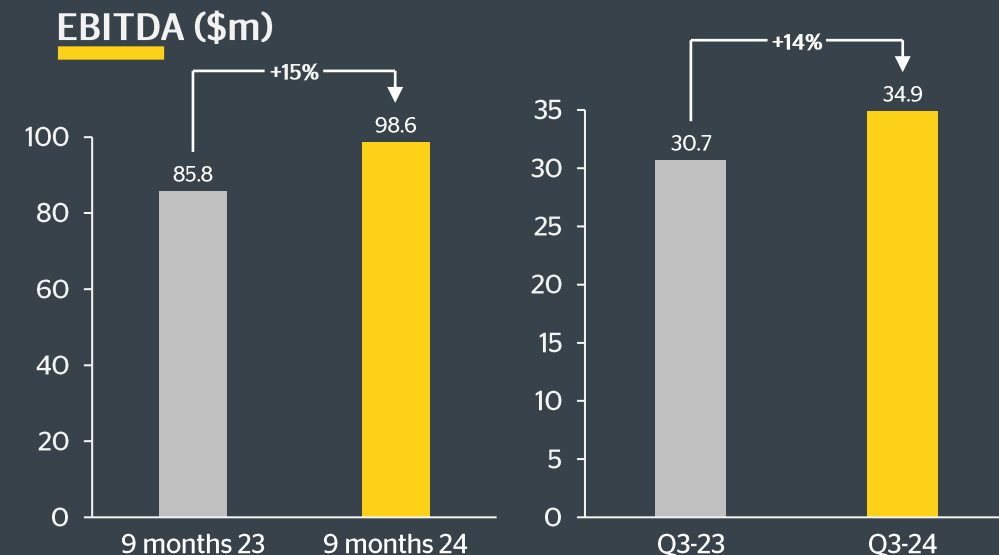
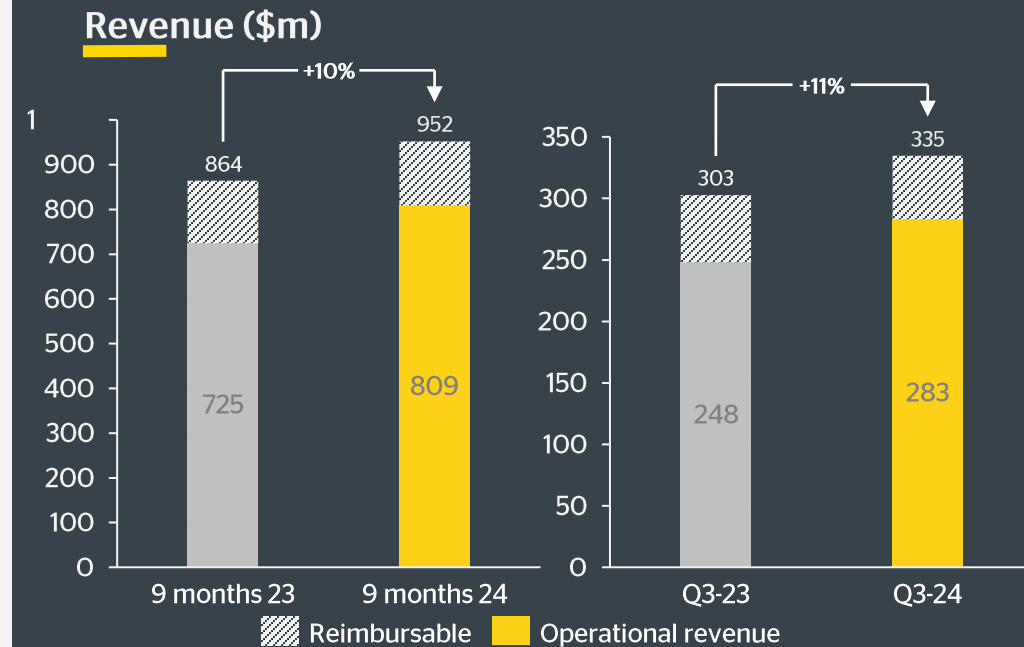


Midpoint 2024 guidance



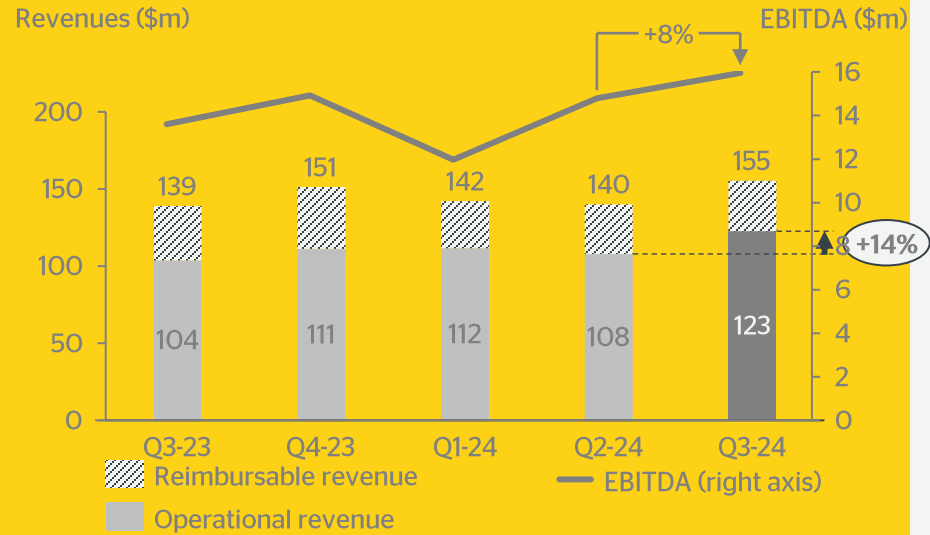
Record Q3 EBITDA

- ✓ Q3 Revenue of \$335 million; up 11% YOY
- ✓ Q3 EBITDA before exceptional \$36.4 million, up 13% YOY
- ✓ Record Q3 EBITDA of \$34.9 million, up 14% YOY
- ✓ YTD EBITDA of \$98.6 million, up 15% YOY
- ✓ Positive net income in Q3 of \$2.9 million
- ✓ Acquired MPD service provider in Argentina
- ✓ Acquired Moreld Ocean Wind in Norway
- ✓ Secured 5-year platform drilling contract with OKEA
- ✓ Secured contract with TotalEnergies for floating offshore wind project

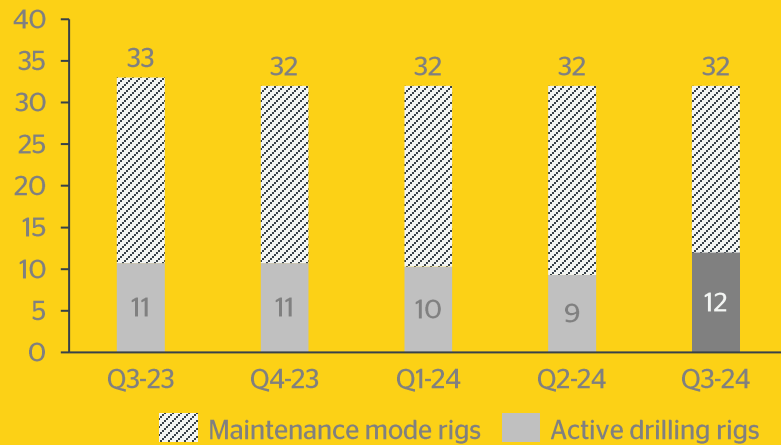




Platform Operations



Platform Drilling contracted rigs [# of rigs]

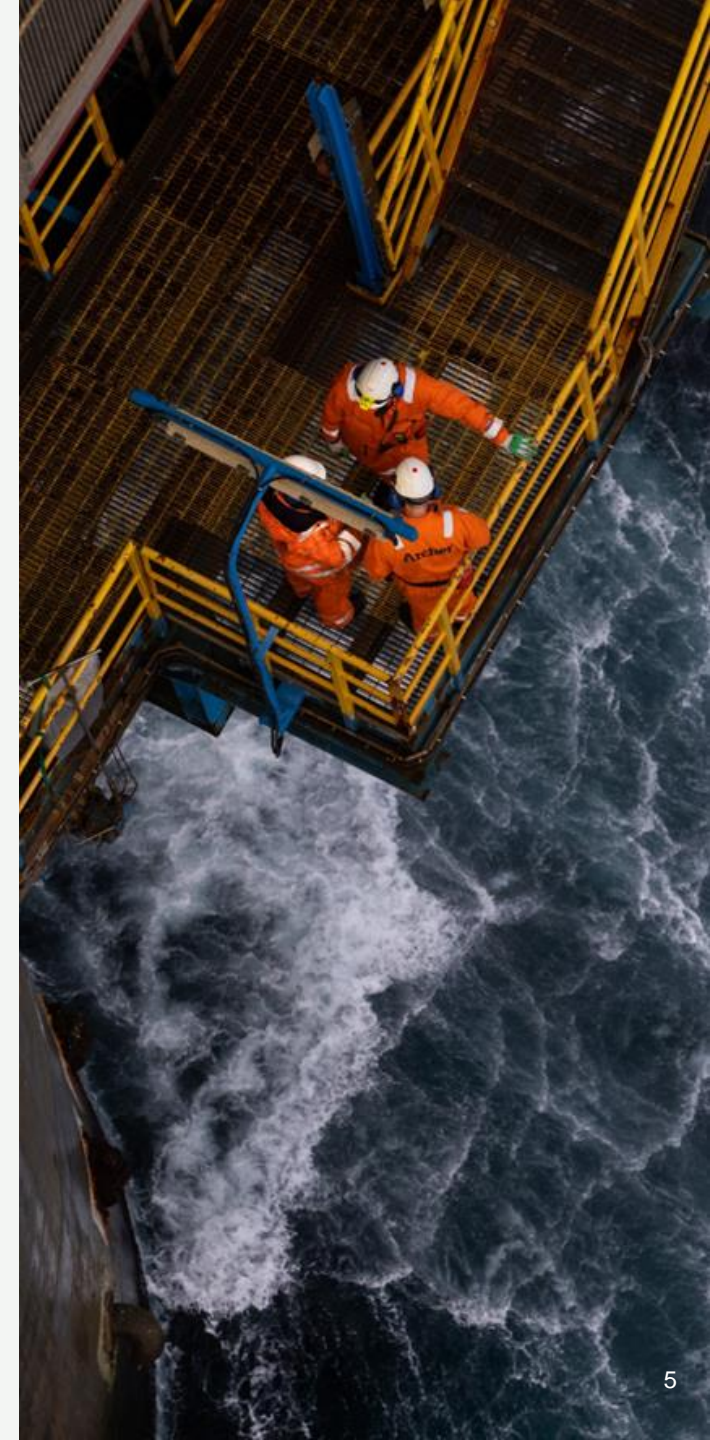


Financials

- Operational revenue increased by 14%, ending at \$123 million
- EBITDA of \$16 million represents an increase of 8% compared to previous quarter and 18% compared to Q3 last year, following strong performance in all areas
- Modular Rig Topaz delivered strong performance and uptime in the quarter

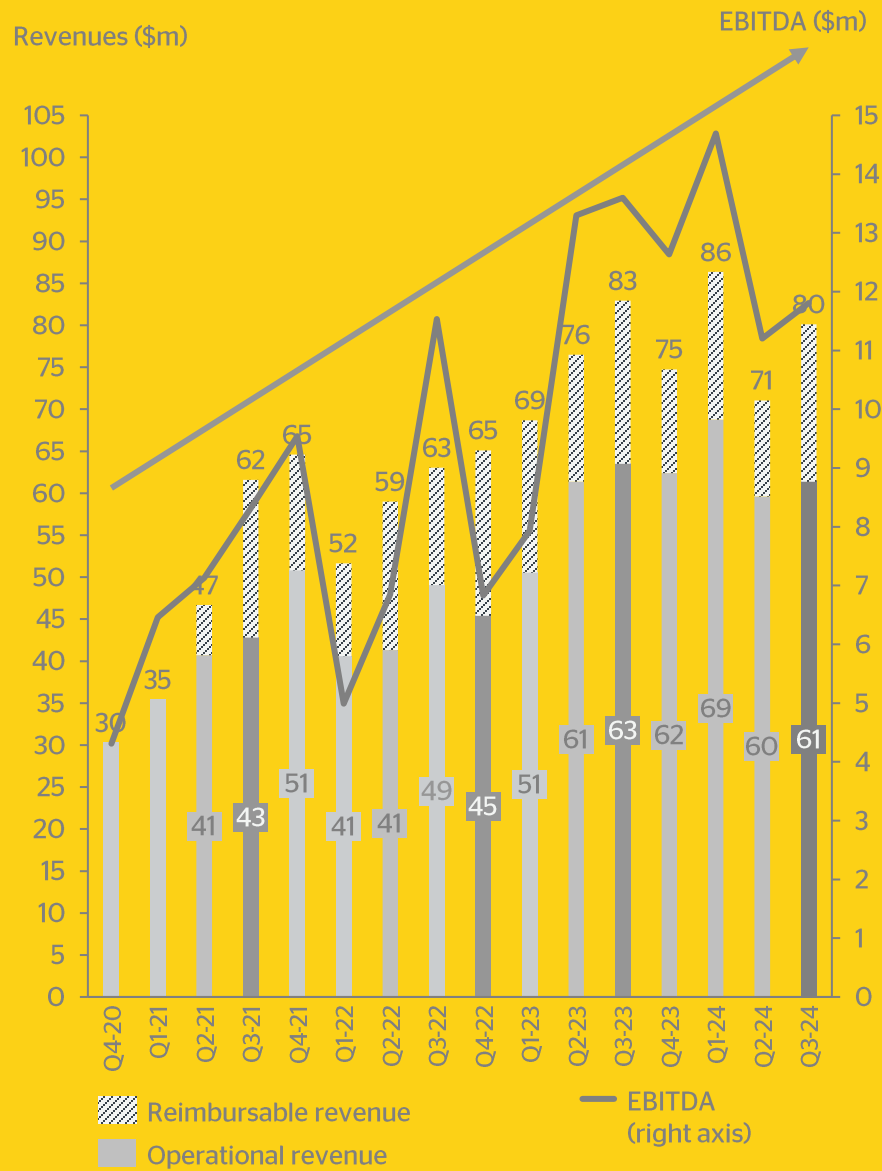
Operations

- Start up of the new contract with Trident in Brazil for the Pampo platform
- Secured a new 5-year platform drilling contract with OKEA in Norway





Well Services

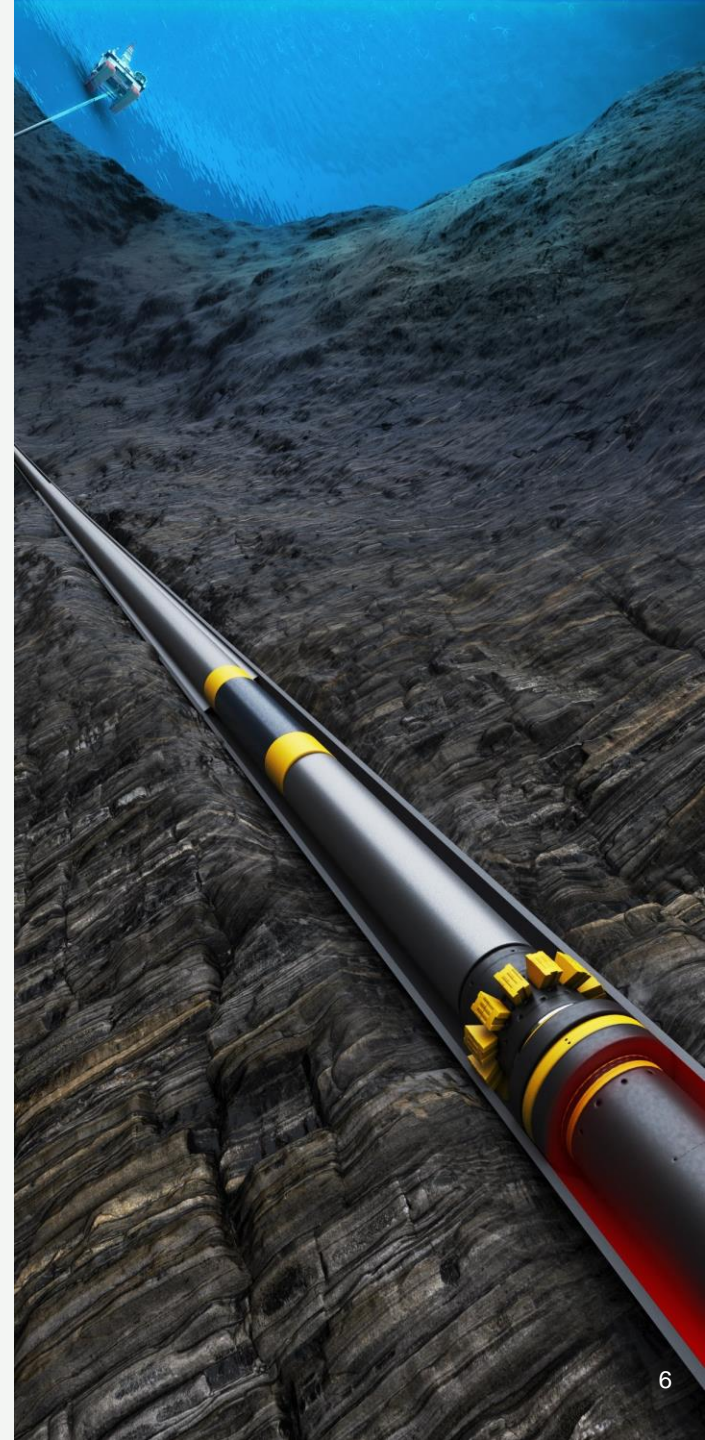


Financials

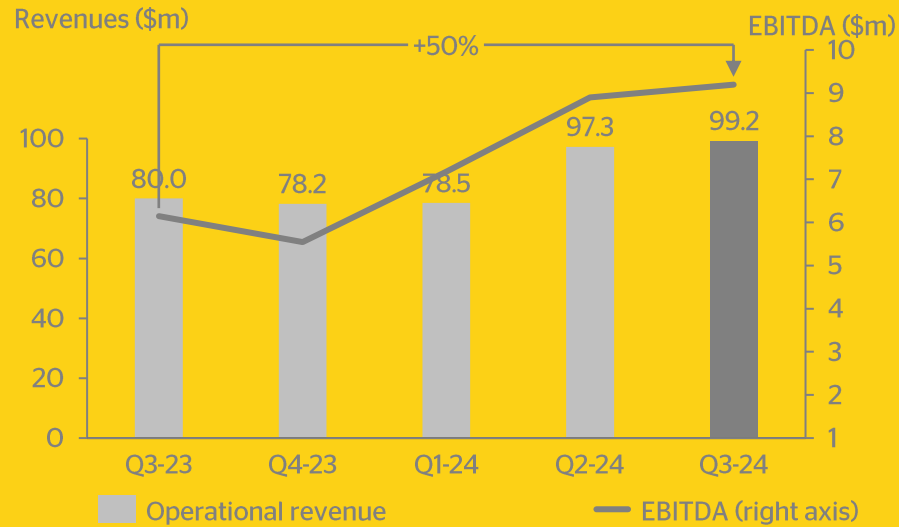
- Revenue up with \$9 million from last quarter
- EBITDA increase by \$0.6 million from last quarter

Operations

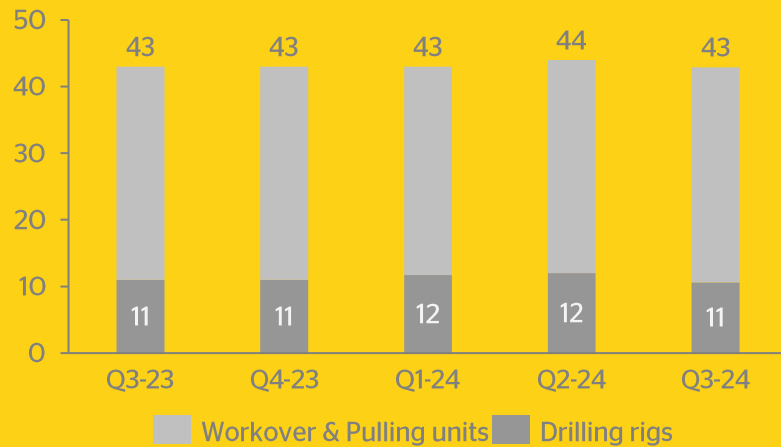
- Well Services continue to see international growth
- Lower and delayed activity in Europe in the quarter



Land Drilling



Number of active Archer rigs

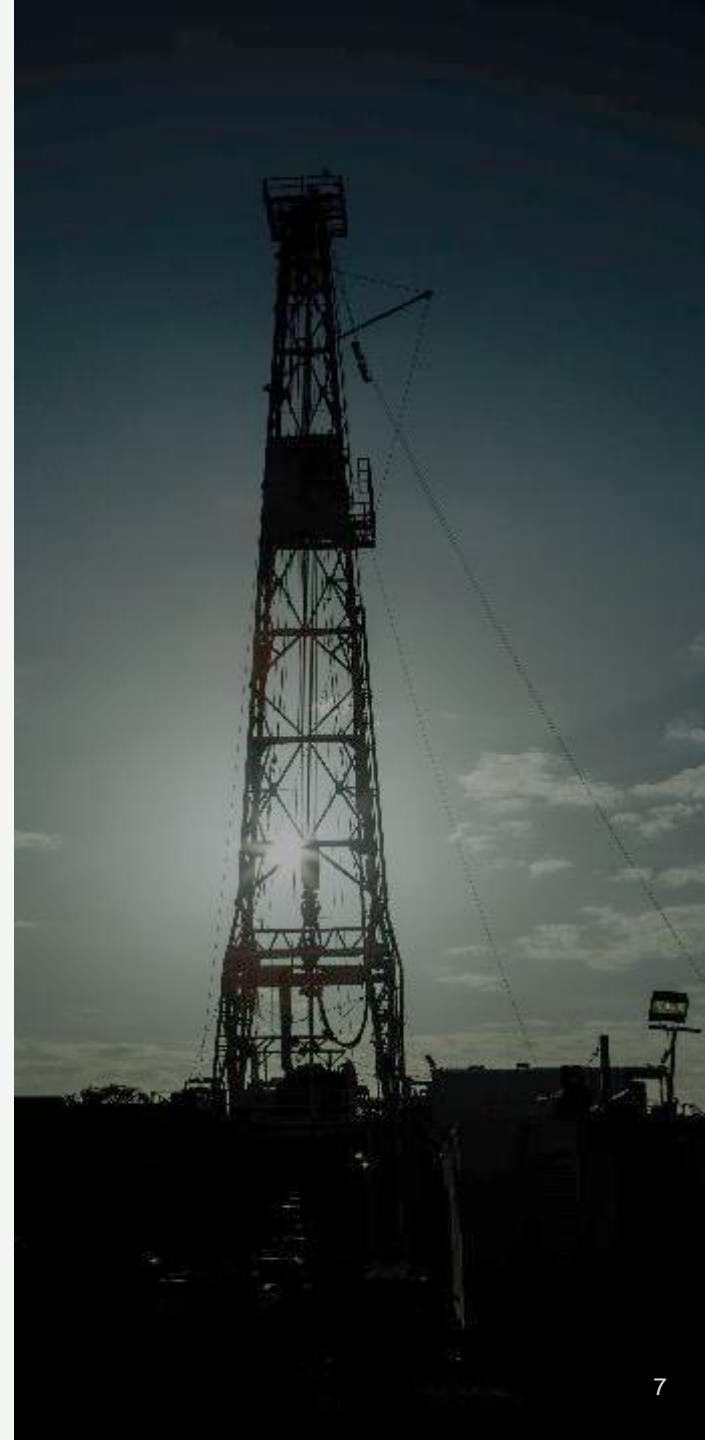


Financials

- Revenue moderately increased by 2% over the quarter, to \$99.2 million
- EBITDA increased by 3% compared to Q2, and by 50% compared to Q3 2023, ending at \$9.2 million in the quarter on the back of strong operational performance and high activity

Operations

- Acquired the manage pressure drilling provider ADA in Argentina. ADA will by end of year have 4 complete manage pressure drilling sets which will be integrated with our drilling rigs in order to improve our service offering
- Argentina has in 2024 seen inflation well above devaluation, leading to cost increase in USD and lower margins.





Condensed profit & loss

- Total revenue of \$335.1 million in Q3 2024 represent an increase of \$32.4 million from same quarter last year, driven by growth in all business areas
- EBITDA before exceptional of \$36.4 million, with a margin 10.8%
- EBITDA of \$34.9 million is an increase of \$4.2 million or 14% compared to Q3 2023
- EBIT of \$19.8 million
- Net income of \$2.9 million, before non-controlling interest
- Adjusted net income of \$0.9 million

\$ million	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Operating revenues	283.5	248.1	809.0	724.8
Reimbursable revenue	51.6	54.6	143.4	139.4
Total Revenues	335.1	302.7	952.4	864.2
EBITDA before exceptional items	36.4	32.3	101.6	91.6
<i>EBITDA margin before exceptional items</i>	<i>10.8%</i>	<i>10.7%</i>	<i>10.5%</i>	<i>10.6%</i>
Exceptional items	(1.4)	(1.7)	(2.9)	(5.8)
EBITDA	34.9	30.7	98.6	85.8
<i>EBITDA margin</i>	<i>10.4%</i>	<i>10.1%</i>	<i>10.3%</i>	<i>9.9%</i>
Impairments	-	-	(2.0)	(2.0)
Depreciation, amortization, other	(15.5)	(13.5)	(44.0)	(36.2)
EBIT	19.8	16.6	53.2	47.8
Gain on bargain purchase	2.6	(0.3)	2.6	(0.3)
Result from associated entities	0.9	0.2	1.8	(4.0)
Net interest expense	(13.3)	(10.6)	(37.8)	(35.1)
Amortization of prepaid debt fees	(1.7)	(2.0)	(5.1)	(3.9)
Other financial items	0.1	(4.0)	(12.8)	(35.0)
Profit (loss) before tax	8.3	(0.1)	1.6	(30.4)
Income tax	(5.4)	(2.4)	(8.5)	(6.2)
Net profit (loss)	2.9	(2.5)	(6.9)	(36.6)
Non-controlling interest	(0.4)	-	(0.4)	-
Net adjustments*	1.6	6.3	8.2	37.1
Adjusted net profit (loss) *	0.9	3.7	0.9	3.1

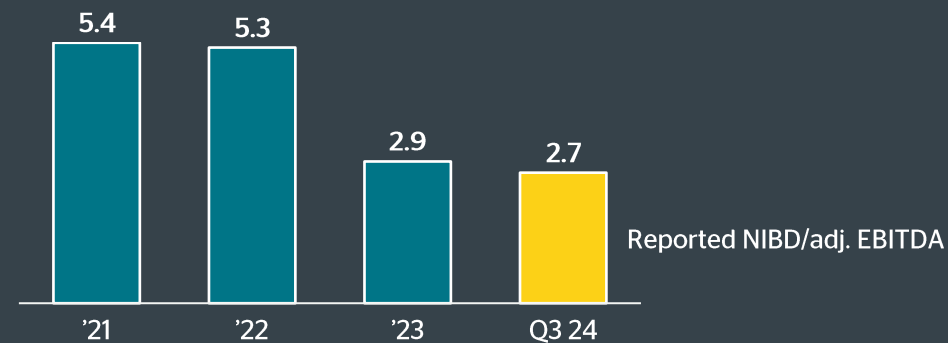
*adjusted for impairments, gain on bargain purchase, MtM of financial assets, amortization of prepaid debt fees, FX, timing of taxes and transaction cost

\$ million	30.09.2024	31.12.2023
Cash and cash equivalents	56.9	52.1
Restricted cash	1.7	3.5
Accounts receivables	188.2	183.8
Inventories	69.8	75.0
Other current assets	60.3	40.4
Investments and loans to associates	12.3	12.3
Property, plant and equipment	307.8	313.1
Right of use assets	28.4	34.4
Goodwill	158.2	156.0
Other non-current assets	46.5	35.2
Total assets	930.2	905.7
Current portion of interest-bearing debt	15.6	17.6
Accounts payable	103.5	75.5
Lease liability current	10.9	11.4
Other current liabilities	177.8	173.0
Long-term interest-bearing debt	407.2	402.5
Deferred taxes	0.2	0.3
Lease liability	17.5	22.9
Other noncurrent liabilities	5.9	6.3
Non controlling interest	0.8	-
Shareholder's equity	190.8	196.2
Total liabilities and shareholders' equity	930.2	905.7

Condensed balance sheet

- Cash and cash equivalents of \$56.9 million, increased by \$4.8 million compared to year end 2023
- Equity of \$190.8 million

Deleveraging

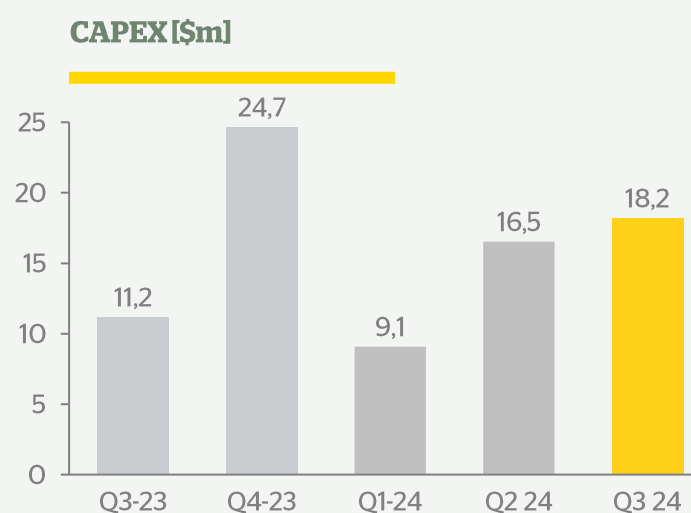
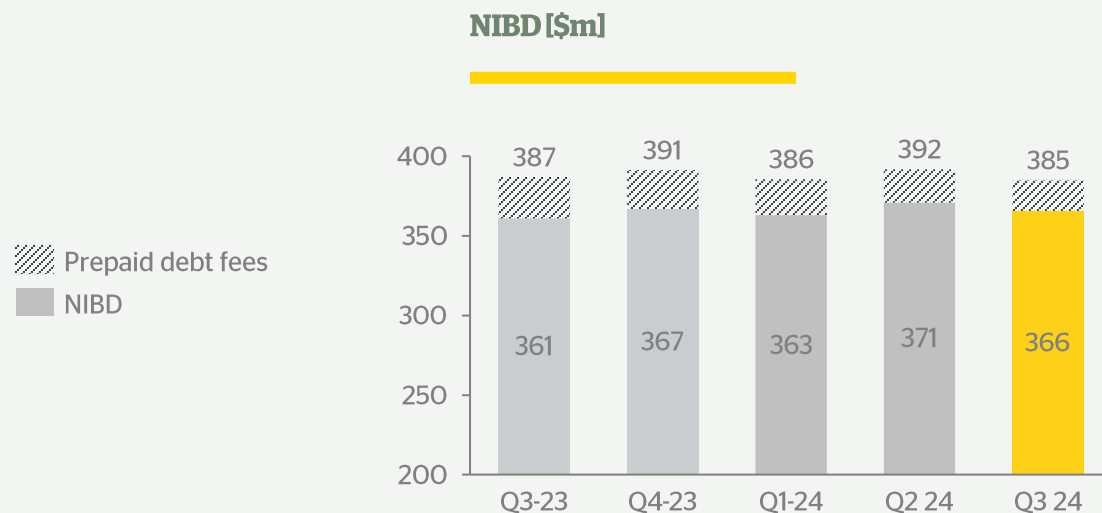
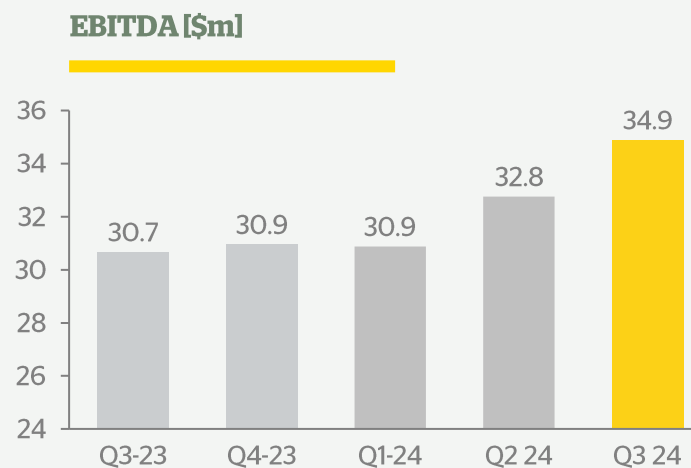
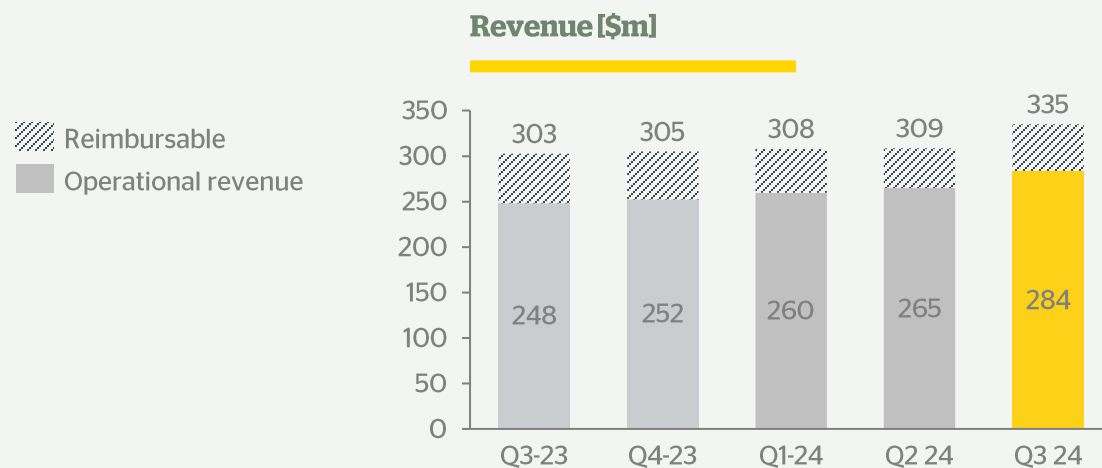




Appendix



Key financials





Condensed profit and loss statement (unaudited)

(Figures in \$ million)	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Operating revenues	248.1	252.4	260.2	265.4	283.5
Reimbursable revenue	54.6	52.7	48.1	43.7	51.6
Total Revenues	302.7	305.1	308.3	309.0	335.1
EBITDA before exceptional items	32.3	33.4	32.9	32.2	36.4
Total Exceptional items*	(1.7)	(2.4)	(2.1)	0.6	(1.4)
EBITDA	30.7	30.9	30.9	32.8	34.9
Deprecation, amortization, impairments, other	(13.5)	(13.7)	(13.0)	(17.3)	(15.1)
EBIT	16.6	17.0	17.9	15.5	19.8
Gain from bargain purchase	(0.3)	-	-	-	2.6
Result from associated entities	0.2	(0.4)	(0.1)	1.0	0.9
Net interest expense	(12.6)	(12.8)	(14.1)	(13.8)	(15.0)
Other financial items	(4.0)	4.5	(12.4)	(0.6)	0.1
Net financial items	(16.5)	(8.7)	(26.7)	(13.4)	(14.1)
Net result before tax	(0.1)	8.2	(8.7)	2.2	8.3
Tax benefit / (expense)	(2.4)	0.3	(2.0)	(1.1)	(5.4)
Net profit (loss)	(2.5)	8.5	(10.8)	1.0	2.9
Minority interest	-	-	-	-	(0.4)
Net adjustments**	6.3	(0.9)	11.3	(1.5)	(1.6)
Adjusted net income	3.7	7.6	0.5	(0.5)	0.9

*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, timing of tax expense and transaction cost

Condensed balance sheet (unaudited)

<i>\$ million</i>	30.09.2023	31.12.2023	31.03.2024	30.06.2024	30.09.2024
Cash, cash equivalents & restricted cash	76.3	55.6	57.8	58.4	58.6
Accounts receivables	173.4	183.8	182.5	173.6	188.2
Inventories	71.8	75.0	72.3	70.6	69.8
Other current assets	36.8	38.7	49.1	56.0	60.3
Investments and loans in associates	12.6	12.3	11.6	12.7	12.3
Property, plant and equipment, net	301.3	313.1	303.6	302.3	307.8
Right of use assets	23.9	34.4	31.7	29.7	28.4
Goodwill	148.8	156.0	148.9	153.1	158.2
Other non-current assets	35.6	37.0	32.6	32.6	46.5
Total assets	880.4	905.7	891.8	889.0	930.2
Current portion of interest-bearing debt	4.0	17.6	18.7	19.9	15.6
Accounts payable	63.5	75.5	80.5	94.6	103.5
Lease liability current	5.6	11.4	11.0	9.9	10.9
Other current liabilities	171.4	176.7	175.5	158.7	177.8
Long-term interest-bearing debt	432.7	402.5	401.5	402.1	407.2
Deferred taxes	0.6	0.3	0.1	-	0.2
Lease liability	18.3	22.9	20.7	19.8	17.5
Other noncurrent liabilities	4.7	2.6	8.1	2.1	5.9
Non controlling interest	-	-	-	0.4	0.8
Shareholder's equity	179.6	196.2	175.6	181.4	190.8
Total liabilities and shareholders' equity	880.4	905.7	891.8	889.0	930.2



Condensed cash flow statement – last 5 quarters (unaudited)

<i>(Figures in \$ million)</i>	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Operating activities	0.2	18.7	14.3	24.4	19.7
Investing activities	2.6	(22.7)	(8.6)	(23.4)	(20.1)
Financing activities	0.5	(19.3)	(0.6)	(0.5)	(1.6)
FX effect	-	2.6	(2.9)	-	2.2
Total*	2.9	(20.7)	2.2	0.5	0.2

*Includes net movements in restricted cash.