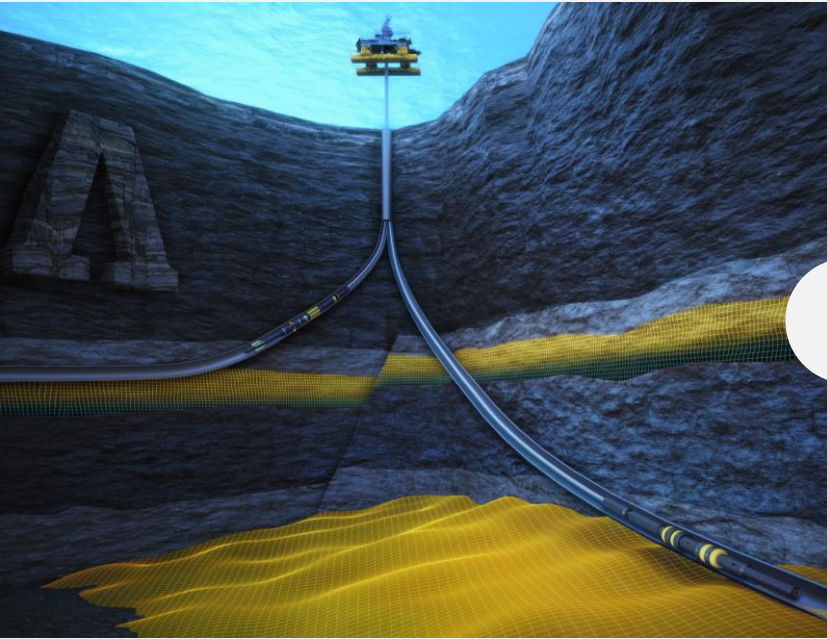


# Archer

The Well Company

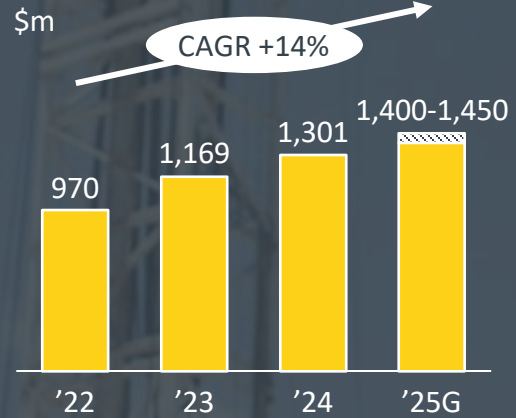


February 2025

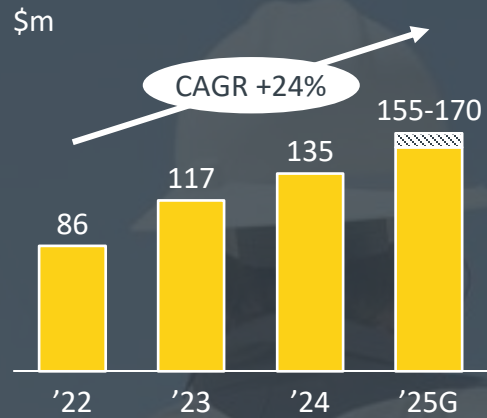


# At a glance

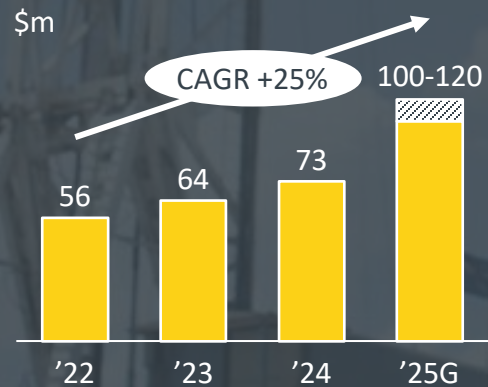
## Revenue



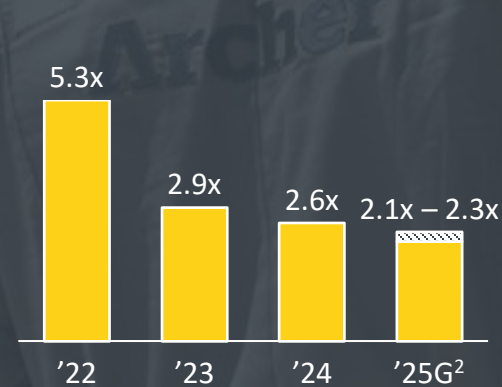
## EBITDA



## Cash contribution



## Leverage ratio



EBITDA - Capex

Reported NIBD/adj. EBITDA

# Archer

The Well Company



**\$1.3bn**  
*'24 Revenue*



**\$135m**  
*'24 EBITDA*



**\$3.6bn**  
*Backlog<sup>1</sup>*



**50+ years**  
*Operational experience*



**40**  
*Locations globally*



**5,000+**  
*Global personnel*

<sup>1</sup> Including options

<sup>2</sup> Excludes shareholder distributions



# Archer is positioned in resilient brownfield and energy transition market segments

*Main market exposure: ~90% of Archer revenue*

## Greenfield operations



*Services for exploratory wells and well construction equipment*

## Brownfield operations Late life production



- ✓ Services to optimize production in existing fields that has the lowest cost per barrel
- ✓ Brownfield forms the backbone of our client's cash flow, funding investments and shareholder returns
- ✓ Least cyclical part of O&G production, securing long-term, stable demand for our services

## Energy transition Well P&A and decommissioning



- ✓ Services to plug and abandon wells as oil fields reach end of life
- ✓ Archer with one of the broadest P&A tool portfolios
- ✓ Activity driven by mature fields and increased legislation
- ✓ Significant number of wells to be abandoned next 5-10 years, particularly in the UK

## Renewables



*Services to the geothermal industry and other renewables segments*

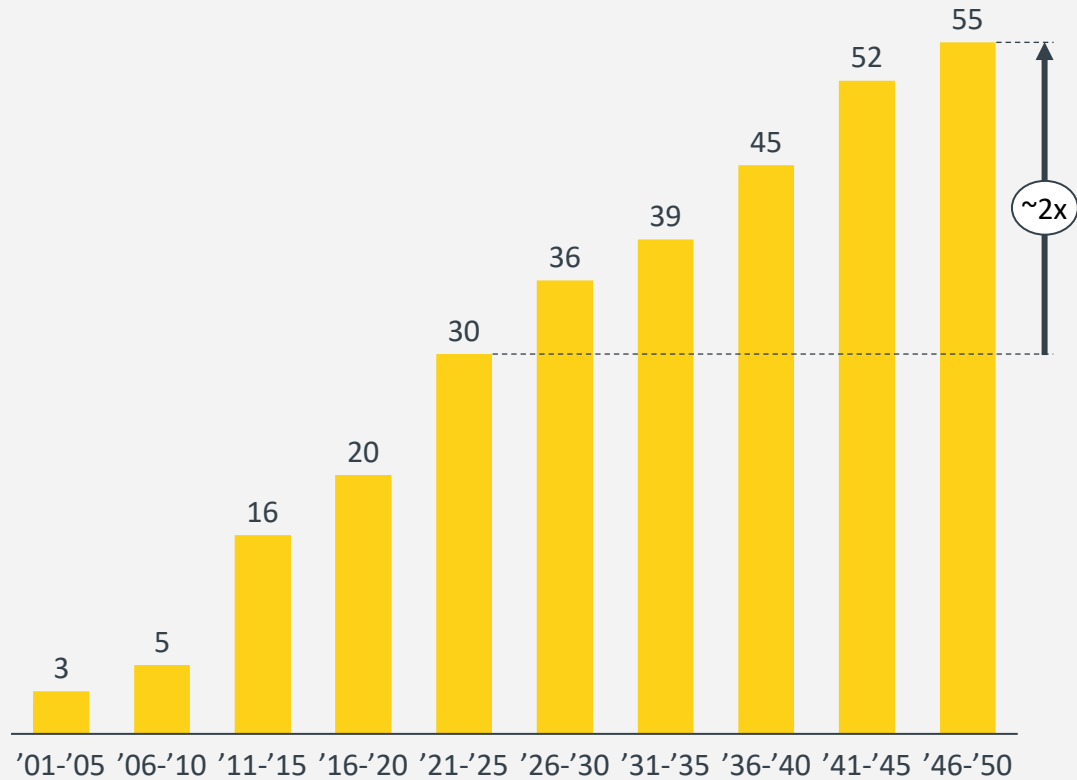
**Resilient business model through exposure to the least cyclical parts of the O&G industry**



# Strong market outlook for Archer's P&A services

## Global offshore decommissioning spending set to double by '50

\$bn, E&P abandonment costs '01-'50

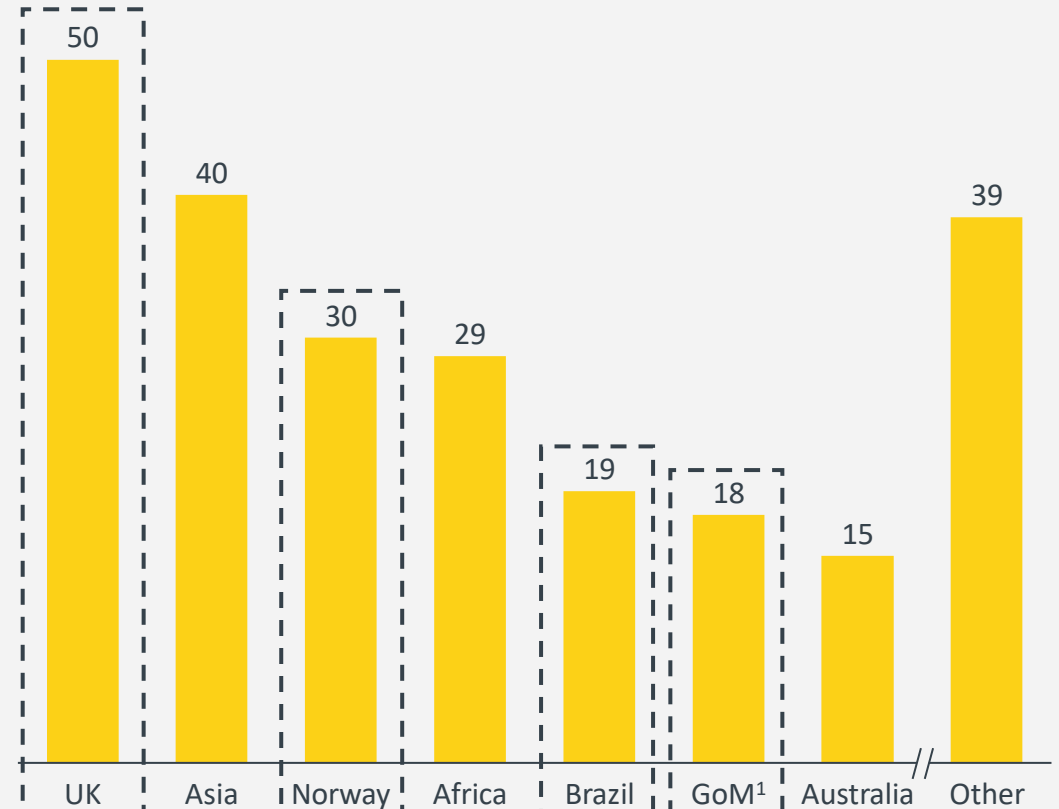


Global offshore decommissioning and P&A market set to grow substantially

## Total offshore decommissioning spend of \$240bn to '50

\$bn, E&P abandonment costs '24-'50,

Archer core market



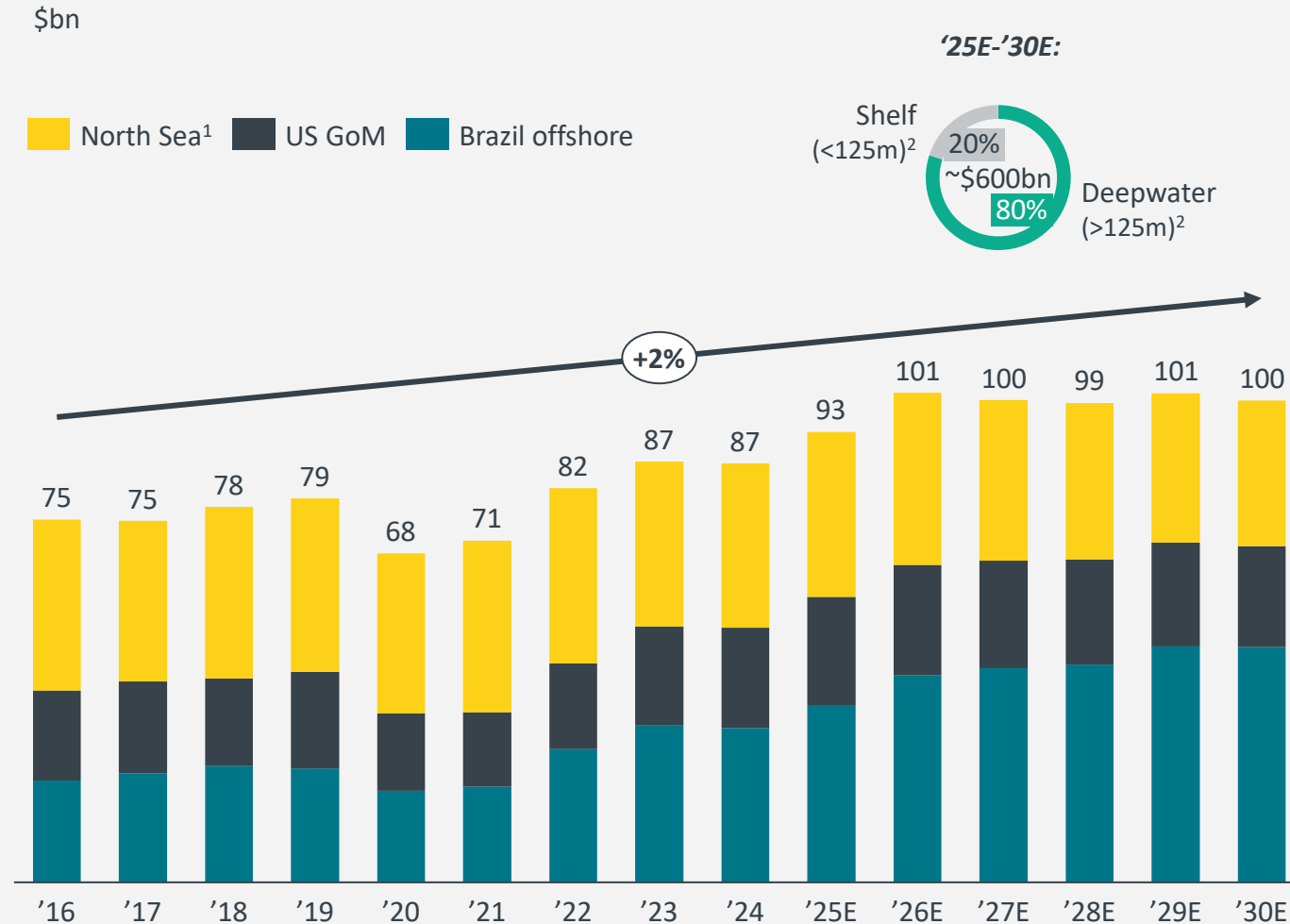
Archer with strong P&A offering to the key regions

<sup>1</sup> "GoM DW" market includes Gulf of Mexico deepwater and ultra deepwater only (e.g. not offshore shelf or onshore US)  
Source: Rystad Energy



# Solid spending outlook for Archer's brownfield services in core markets

## E&P brownfield spending in key Archer markets



## Comments



Main services within brownfield, which is less sensitive to the oil price



E&P brownfield spending to '30 relates to existing, producing fields



Stable spending in core markets, with Brazil as a key growth region



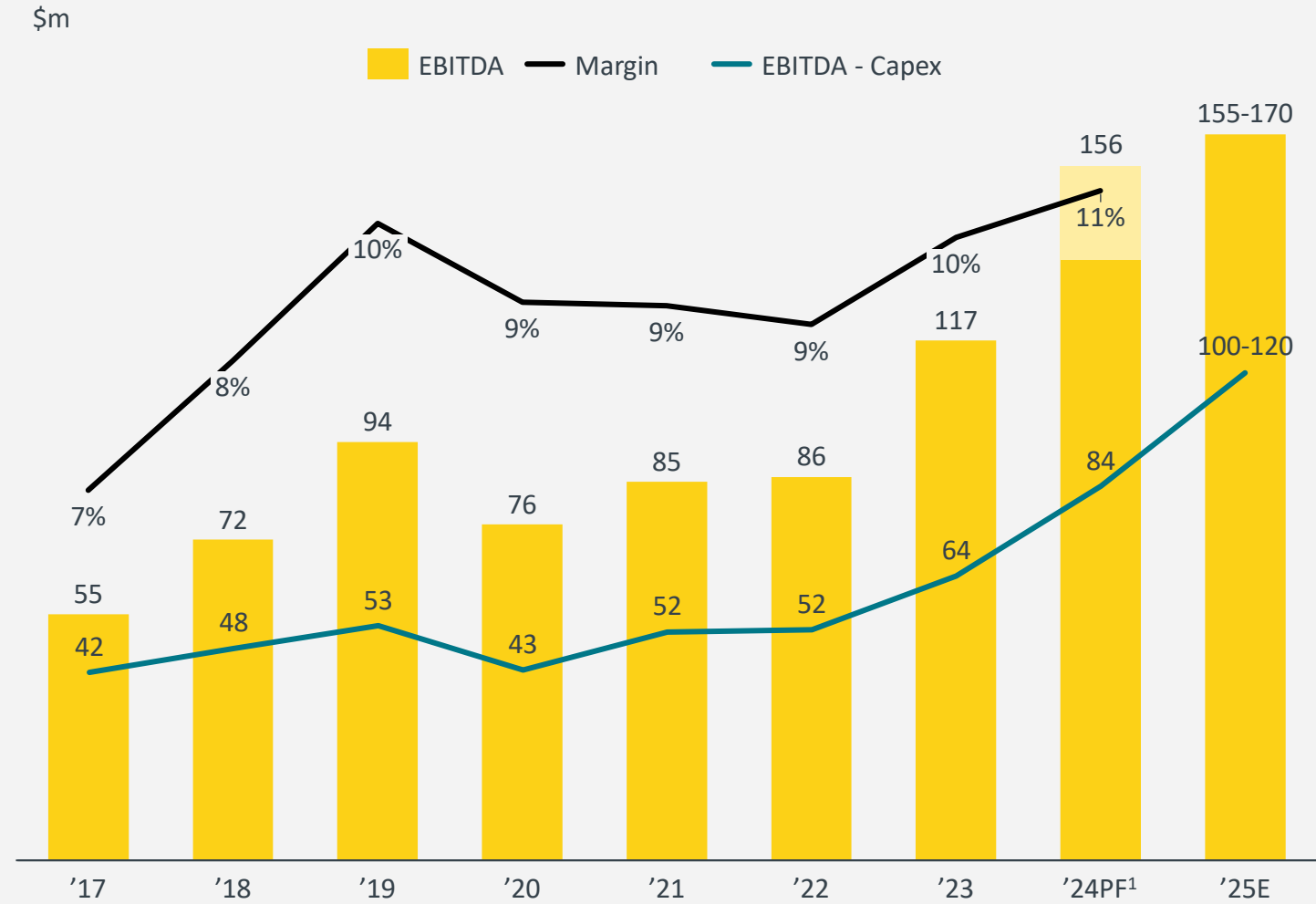
~80% of spending related to deepwater, which is core to Archer's offering

<sup>1</sup> Offshore Norway, UK, Denmark and Netherlands <sup>2</sup> Deepwater and Ultra deepwater defined as water depth of more than 125 meters. Shelf: Water depth up to 125m  
Source: Rystad Energy



# Robust development in EBITDA and cash contribution over time

## Historical EBITDA and cash contribution



## Comments

- EBITDA growth of 90% between 2022 and 2025E
  - Roughly 50/50 split between organic growth and M&A
- More than 100% growth in cash contribution (EBITDA minus Capex) between 2022 and 2025E
- EBITDA-margin expansion over time
- Robust financial performance during Covid-19
  - 12% drop in revenue, with only a 1%-margin deterioration (2020)
  - The total revenue and EBITDA from Platform Operations and Well Services increased from 2019 to 2022

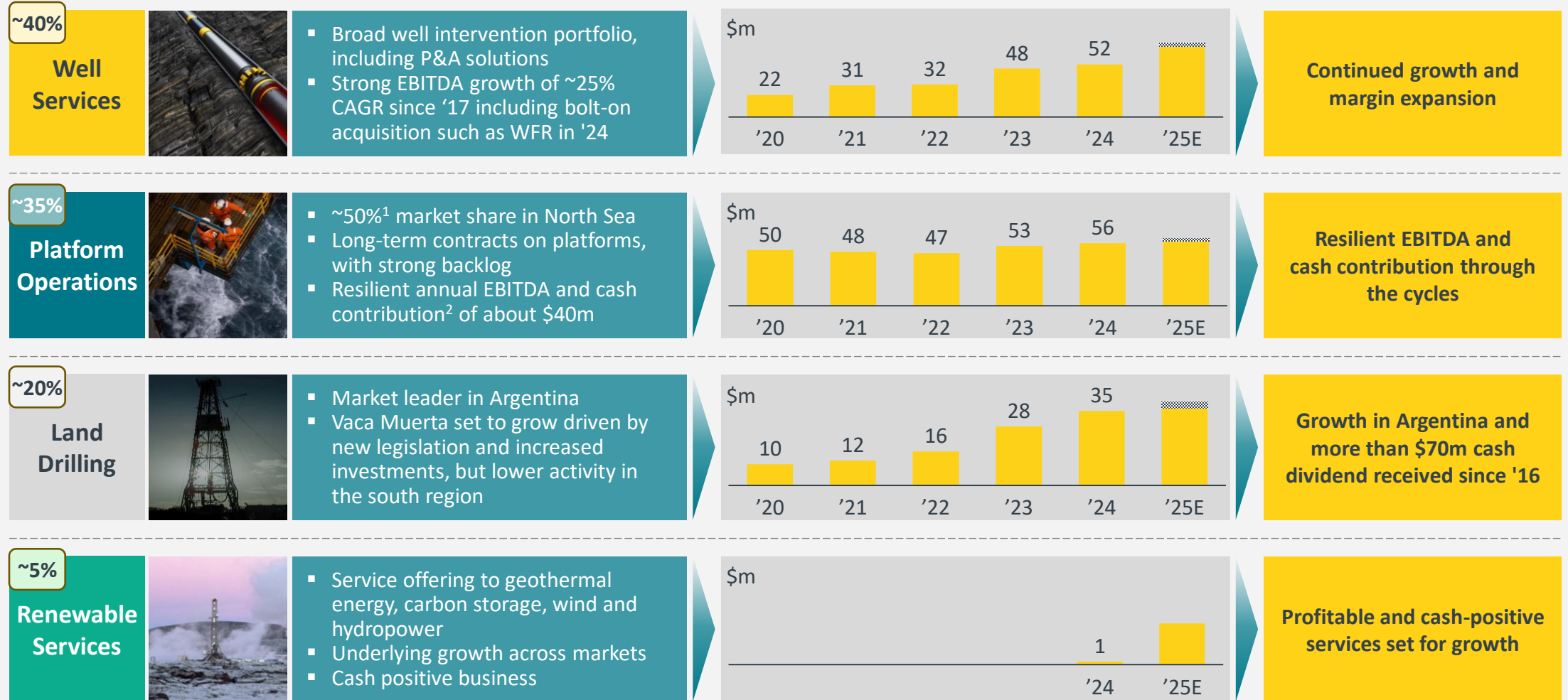
<sup>1</sup> '24PF reflects consolidated full year '24 financials, pro forma adjusted for Iceland Drilling (consolidated on a 100% basis as Archer has a 60% ownership (controlling interest)) and Wellbore Fishing & Rental Tools for the full year



# Diversified and cash generative business units

Share of '25E  
EBITDA

## EBITDA development



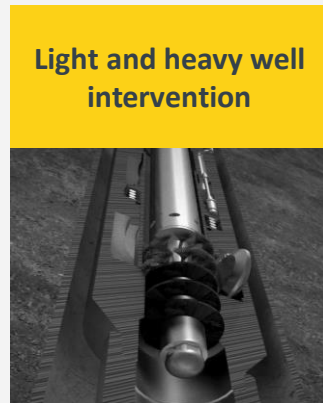
<sup>1</sup> As of Q4 '24, based on active platform drilling contracts <sup>2</sup> Cash contribution = EBITDA – capex



# Well Services: Strong organic growth combined with synergetic acquisitions

## High-end well intervention services and technology

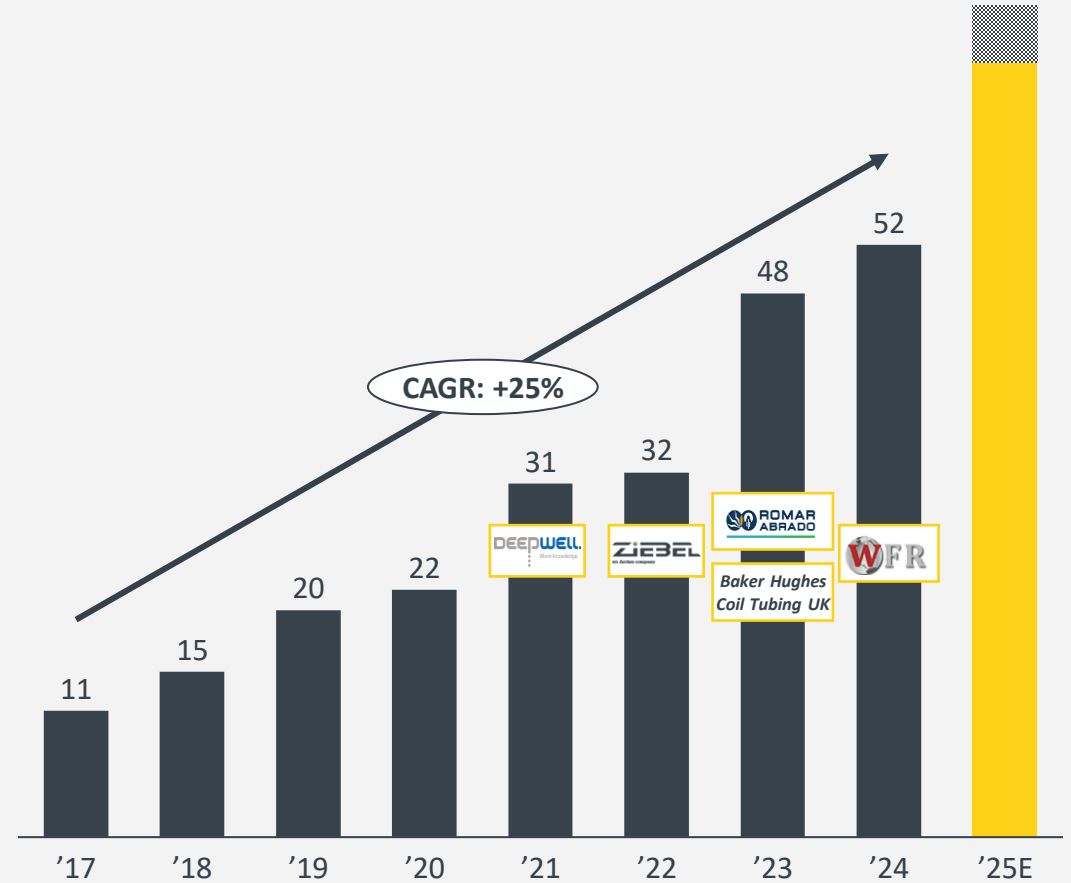
- High-end solutions ensuring well performance to clients globally
- Leading offering within P&A services
- Strong EBITDA growth over time with 25% CAGR since '17
- Acquisitions in '23 of P&A company Romar-Abrado and UK Coil Tubing business of Baker Hughes
- Acquisition of WFR in '24 expected to add significant growth to both EBITDA and cash contribution



## Strong EBITDA growth over time

\$m

■ EBITDA ■ Recent M&As





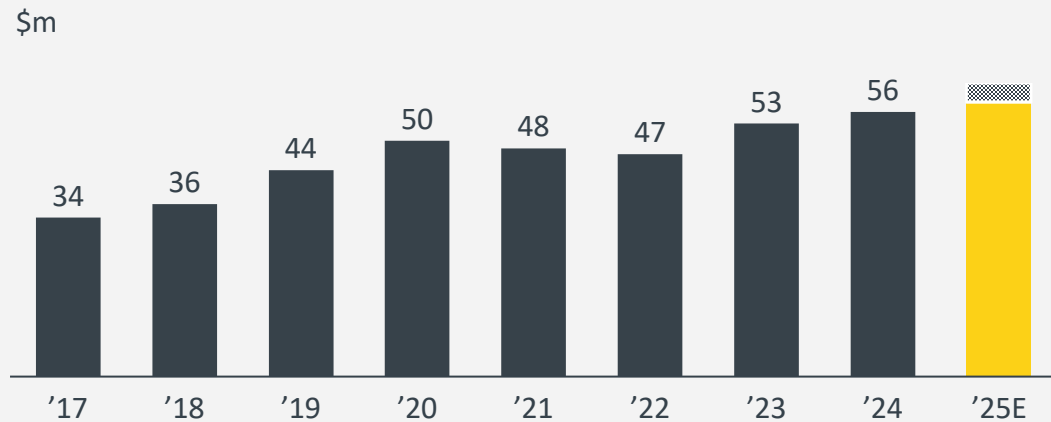


# Platform Operations: Leading platform drilling service provider in the North Sea

## Platform Operations is production and late life operation

- North Sea and Brazil focused operation based on long-term contracts with operators
- Close to 50% market share for platform drilling in the North Sea
- Primarily exposed to production, late life and decommissioning
- Annual cash contribution of about \$40m over the last years
- Estimated backlog of \$2.6bn (incl. options)

## Resilient EBITDA over time



## Diverse service offering



### Platform Drilling



### Engineering



### Modular Rigs



### Rental





# Land Drilling: Growing and cash positive drilling business

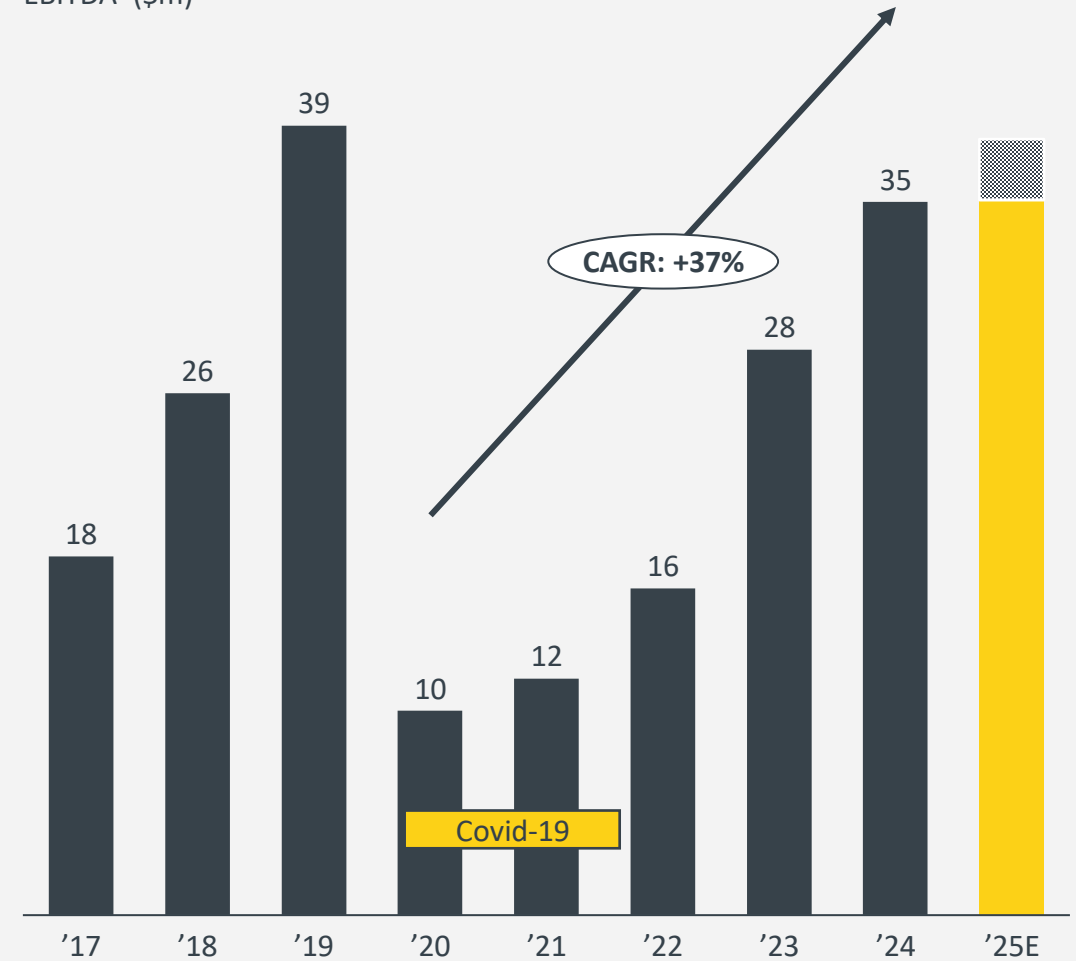
## A leading land drilling provider in Vaca Muerta

- A leading provider of land drilling and workover services in Argentina
- Self-sufficient and cash positive business
- Market improving in Vaca Muerta on the back of increased pipeline investments
- Activity in the Southern region with marginal economics and declining activity
- Recent acquisition of Managed Pressure Drilling services provider strengthens offering
- More than \$70m in cash dividend received from Land Drilling since '16



## Financial profile

EBITDA (\$m)





# Renewable Services: A broad offering with profitable and growing operations

## Renewable services offering

- Service offering with geothermal energy, carbon storage, wind and hydropower, without taking EPCI risk
- Meaningful underlying demand growth in all markets
- Strategy to grow and develop the renewable service offering for further value creation
- Secured backlog and visibility for geothermal drilling in Iceland and Philippines
- Awarded wind foundation contract by TotalEnergies
- Iceland Drilling financials are consolidated following Archer's recent acquisition of additional shares



## '25E key figures<sup>1</sup>



Revenue above \$100m



8-12% EBITDA margin



Positive cash contribution



250-300 skilled employees

### Geothermal Power

Deep drilling for power generation

### District Heating

Shallow wells for heating and cooling

### Carbon Storage

Storage wells for mineralization of CO<sub>2</sub>

### Floating Offshore Wind

Floating substructures for wind turbines

### Windpower Services

Wind turbine maintenance services

### Hydropower Services

Hydropower plant maintenance services

<sup>1</sup> Fully consolidated financials of Iceland Drilling, Archer Wind and Vertical Service

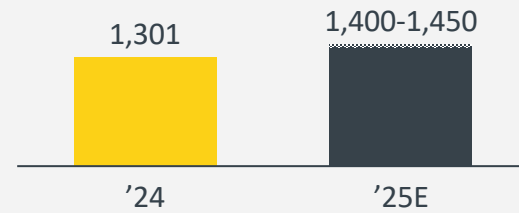


# Strong growth in EBITDA and cash contribution expected in '25

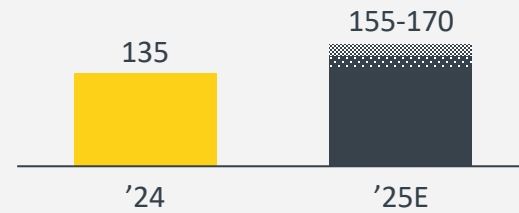
## '25 Financial estimates<sup>1</sup>

\$m

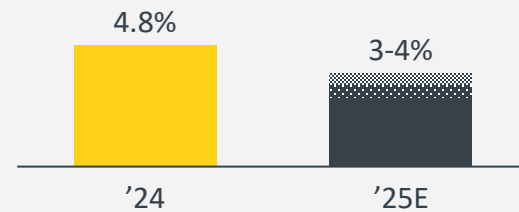
**Revenue**  
8 - 12% growth



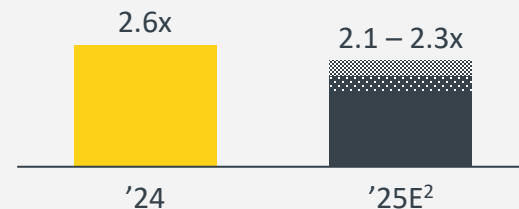
**EBITDA**  
15 – 25% growth



**Capital expenditures**  
3 - 4% of revenue



**Leverage ratio**  
Between 2.1x and 2.3x by end of '25

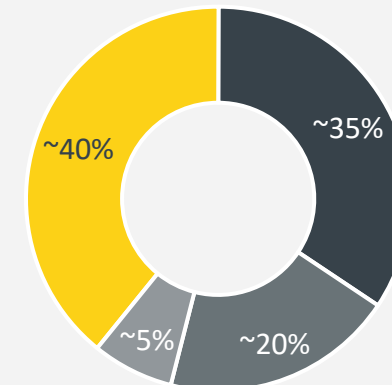


## Key takeaways

- Second half of '25 expected to be stronger than first half, due to seasonal activity and more calendar days
- Renewable Services is launched as a new reported division
- Cash contribution allowing for debt servicing and further deleveraging
- Target to reach a leverage ratio of 1.5 - 2.0x over time

## Consolidated EBITDA '25E split by divisions

- Well Services
- Platform Operations
- Land Drilling
- Renewable Services



<sup>1</sup> All numbers estimates assume stable USD/NOK and GBP/USD and are estimated based on the financial guidance for '25. <sup>2</sup> Excludes shareholder distributions



# Archer's capital allocation strategy



## *Strong balance sheet and healthy debt levels*

- Target a long-term leverage ratio of 1.5-2.0x
- Maintain solid liquidity at all times
- Aim to reduce overall cost of capital in the long-term



## *Capex maintained at moderate levels*

- Targeting total capex of 3-4% of revenue over time
- Focus on growth investments in areas with the highest return and growth potential
- Self-funded capex program in Argentina



## *Selective accretive bolt-on acquisitions*

- Disciplined strategy, with selective accretive M&A
- Targeting high-return, synergetic and cash generating bolt-on acquisitions



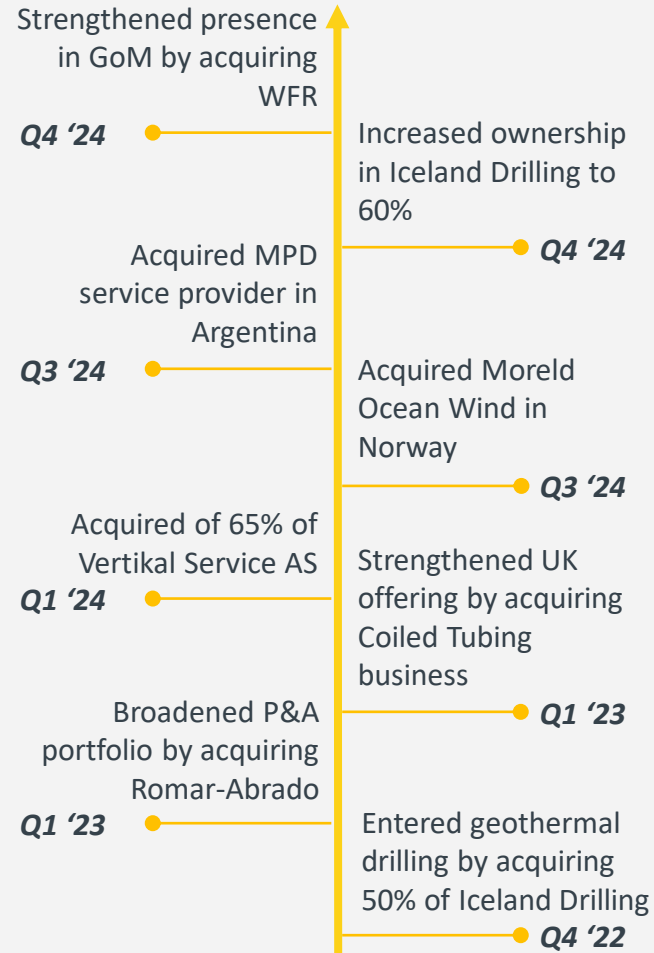
## *Shareholder returns*

- Initiate regular and sustainable shareholder return program
- First quarterly cash distribution to shareholders in Q2 2025
- Target to increase cash distribution to shareholders over time, in line with growth in earnings

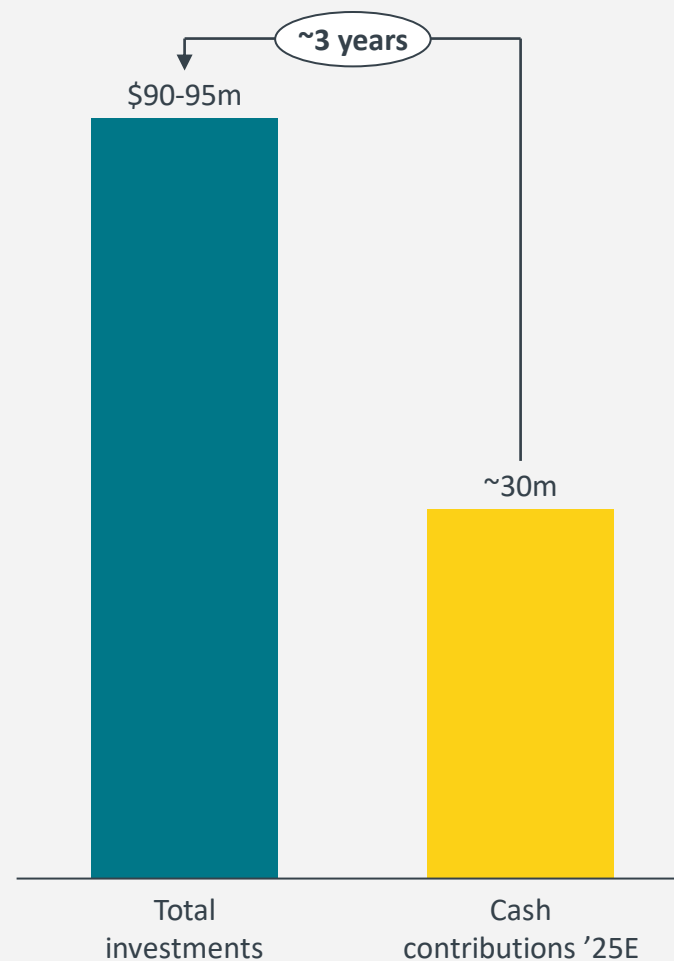


# Long track-record of executing accretive acquisitions and driving further growth

## Acquisitions since start of Q3 '22<sup>1</sup>



## Estimated payback time of 3 years<sup>2</sup>



## M&A focus areas



Disciplined and accretive M&A



Fund M&A mainly through equity issue and cash on balance sheet



Continued growth in EBITDA and cash flow



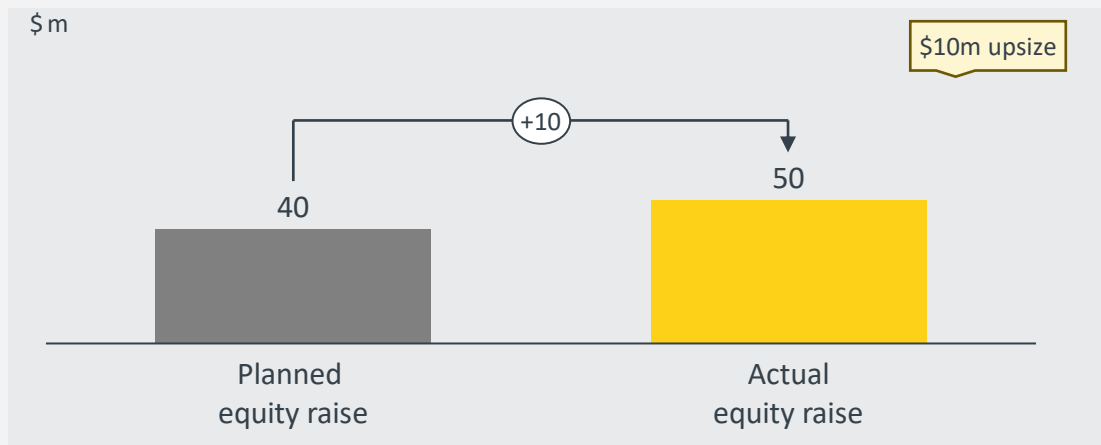
Cash generating bolt-on acquisitions

<sup>1</sup> Includes acquisitions of Iceland Drilling (60%), Romar-Abrado, Baker Hughes Coiled Tubing (UK), ADA Argentina, Vertikal Service (65%) and Archer Wind (Moreld Ocean Wind) <sup>2</sup> Based on total investments and '25E cash contributions (EBITDA - capex) of acquired companies

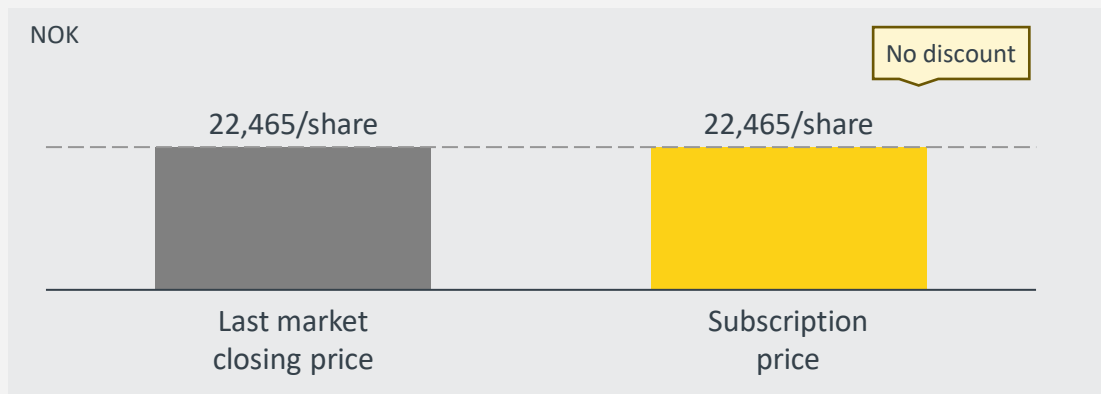


# Q4 '24: Successful \$50m private placement to fund WFR acquisition






## Oversubscribed transaction



## No value dilution for existing shareholders



## Transaction highlights

-  Well oversubscribed equity raise
-  Transaction upsized from \$40m to \$50m due to strong demand<sup>1</sup>
-  No value dilution for existing shareholders as subscription price was equal to last close
-  Strong and broad support from existing and new institutional shareholders
-  Proceeds used to fund acquisition of WFR

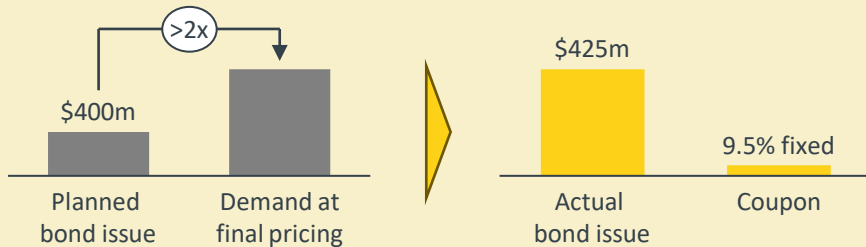
<sup>1</sup> Archer decided to use its option to settle the last USD 10m in cash, that were initially planned to be issued as consideration shares to the seller.



# Q1 '25: Completed refinancing improves flexibility and prolongs debt maturity

## \$425m senior secured bond to refinance

### Transaction details



Upsized from \$400m to \$425m due to high demand



Five-year term pushing debt maturity to 2030



Strong and broad base of international asset managers, with a long-only strategy

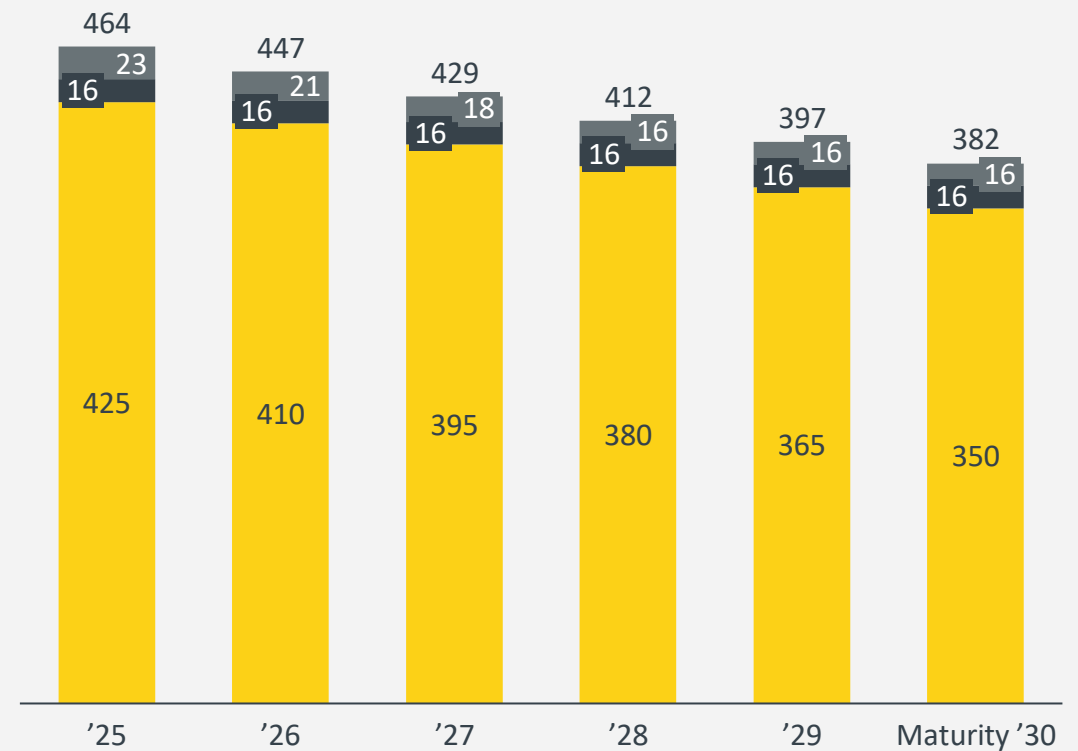


Improved bond terms, setting up for shareholder returns

## Outstanding debt following scheduled repayments

\$m

Senior secured bond Iceland Drilling facility Other

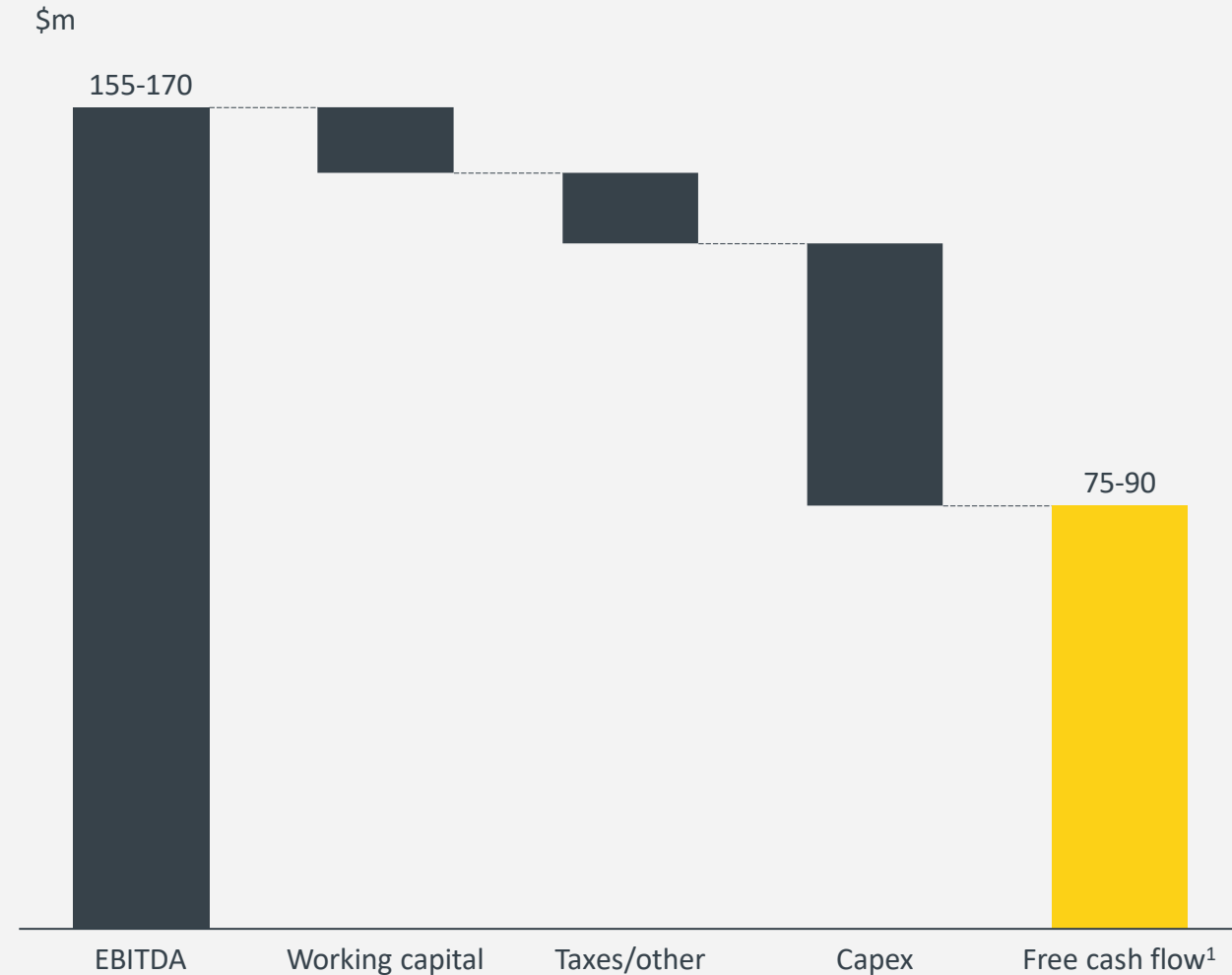






# Considerable free cash flow to serve as foundation for shareholder returns

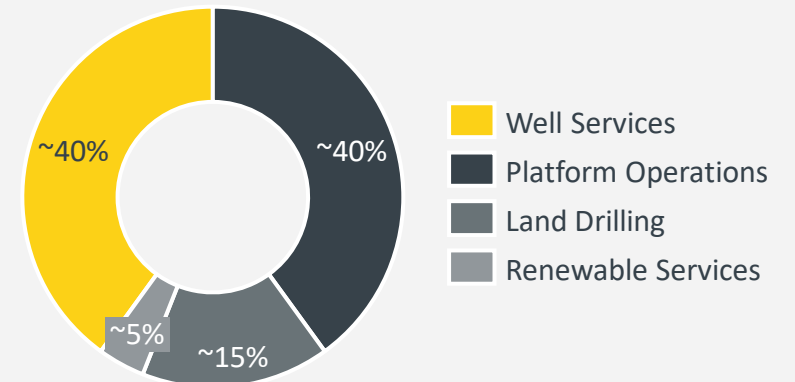
## Illustrative '25E cash flow bridge



## Comments

- Solid EBITDA forms the basis for cash flow generation
- '25 investment in working capital expected to be in line with growth in overall activity and revenue
- Moderate and stable annual tax payments
- '25 capital expenditures in line with company historic average of 3-4% of revenue
- Considerable headroom to service both debt and shareholder return
- ~85% of cash flow generated outside of Argentina

## Cash contribution split by division<sup>2</sup>



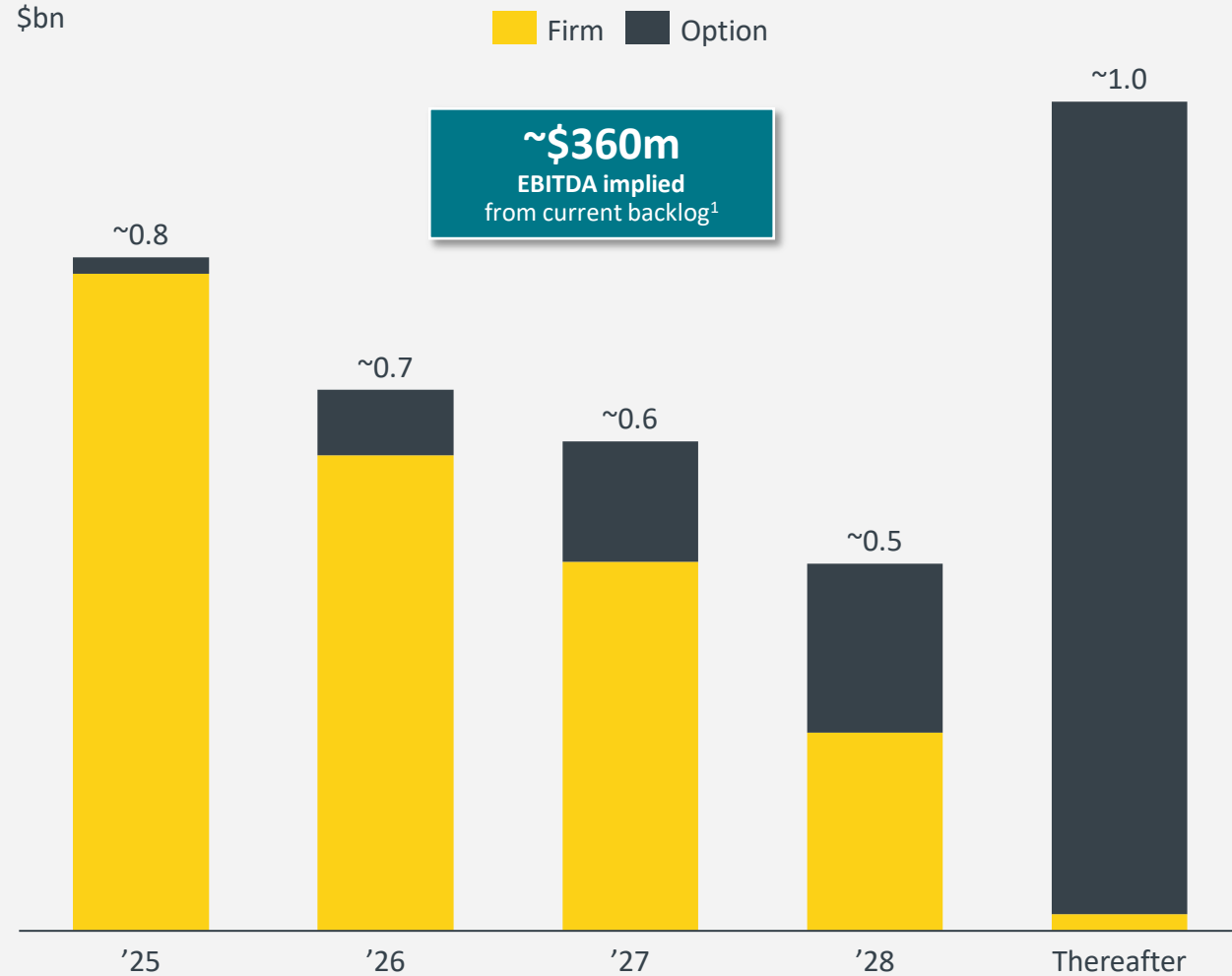
<sup>1</sup>Before amortization, interest and costs of refinancing

<sup>2</sup>Based on estimated EBITDA and cash contribution



# Outlook backed by \$3.6bn backlog and steadiness of non-backlog business units

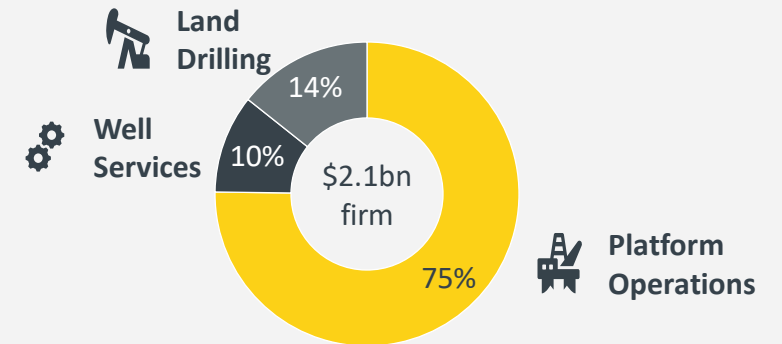
## Revenue backlog



## Comments

- Firm backlog of \$2.1bn, with an additional \$1.5bn in contract options
- 75% of backlog coming from long-term platform operation contracts with blue-chip E&P operators, with Equinor being the largest
- Well services revenue mostly based on framework agreements not included in the order backlog

## Firm backlog split by divisions



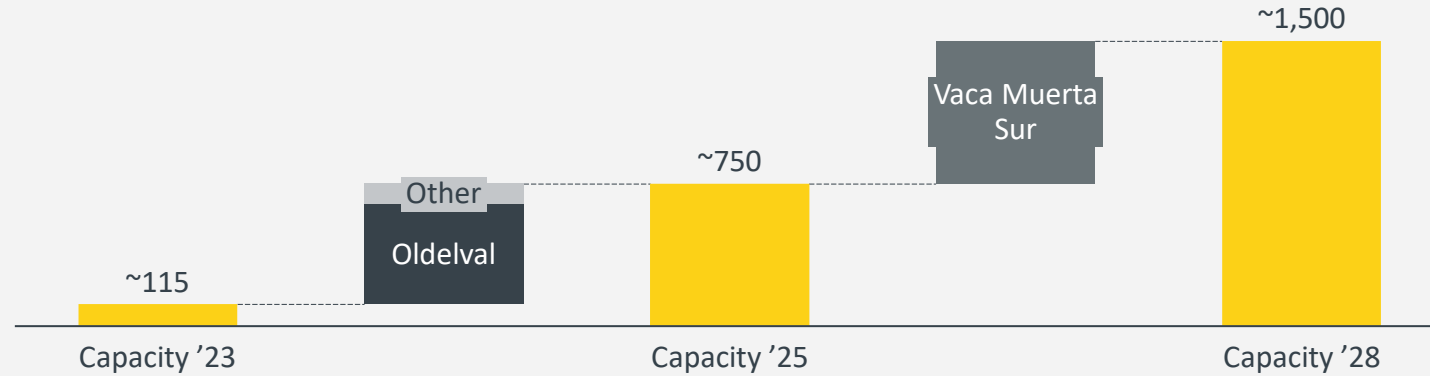
<sup>1</sup> Assuming 10% EBITDA margin (conservative view)



# Production and drilling in Vaca Muerta to grow from infrastructure investments

## Oil export capacity in Vaca Muerta to increase through infrastructure projects<sup>1</sup>

kb/d

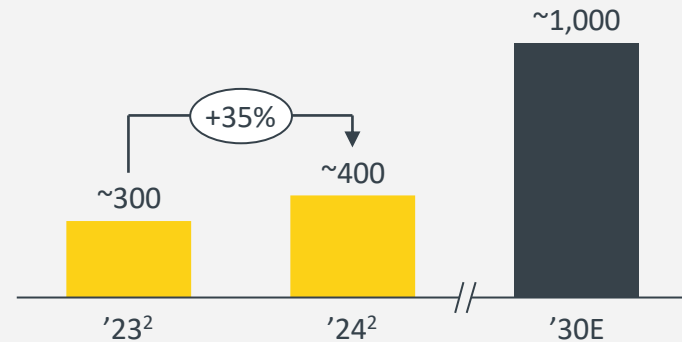


## Comments

- New legislation is opening up for multi-\$bn investments in pipeline expansions, increasing O&G capacity
- Oldelval oil pipeline under construction and YPF, Pan American, Vista and Pampa has announced construction of the Vaca Muerta Sur oil pipeline
- To fill the pipelines with crude for export, the oil companies must increase drilling and well service meaningfully
- Vaca Muerta has surged past the 400k bpd mark in Q3 '24 and Rystad says the region is “on track to meet 1m b/d by '30”

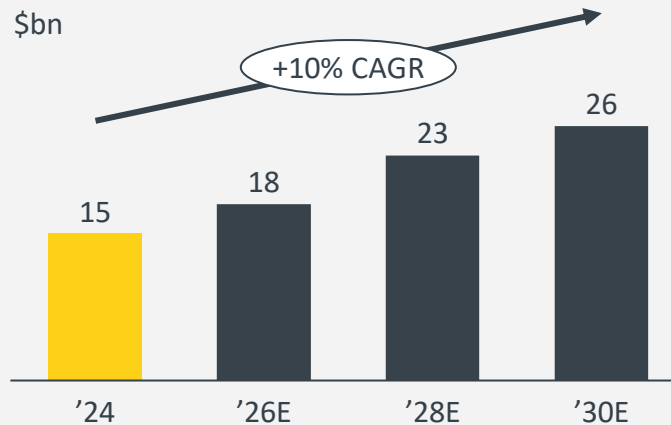
## Vaca Muerta oil production

kb/d



## E&P spending<sup>3</sup> onshore in Argentina

\$bn

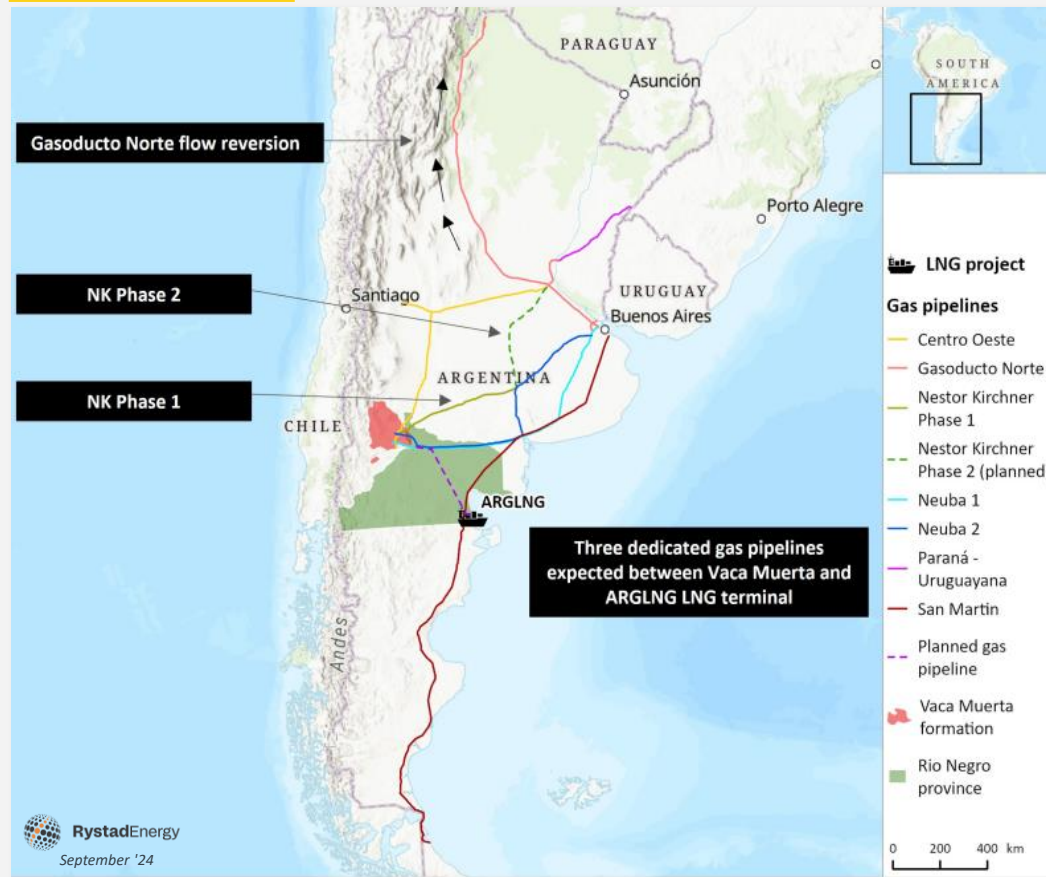


<sup>1</sup> Nequen basin <sup>2</sup> As of Q3 <sup>3</sup> Well capex and opex spending  
Source: Company estimates, Rystad Energy



# Gas pipeline and LNG investments to drive drilling and well services in Argentina

## Argentina's gas pipeline network



## Gas pipeline capacity is expanding

### Gasoducto Norte reversion

- ~\$800m gas pipeline reversion project, finished in '24
- Vaca Muerta to supply gas to Northern Argentina and to Brazil, via Bolivian pipeline previously used for gas imports to Argentina

### Nestor Kirchner gas pipeline

- ~\$3bn project finished in '24 (first stage)
- To replace imported gas with gas from Vaca Muerta
- Plan to expand pipeline further in phase 2 for export

## Significant LNG projects are planned

### Golar PAE FLNG

- 20-year agreement between Golar LNG and Pan American Energy for a floating LNG facility
- YPF, Pampa and Harbour Energy have also joined
- ~\$3bn investment over the next 10 years

### Argentina LNG

- YPF and Shell agreement for deployment of multiple FLNG vessels
- Plan to construct an LNG export terminal (onshore) in the second phase to replace vessels

Vaca Muerta gas production to reach more than 200 m<sup>3</sup>/d by '30 from about 80m<sup>3</sup>/d in '24<sup>1</sup> – driving growth in well service activity

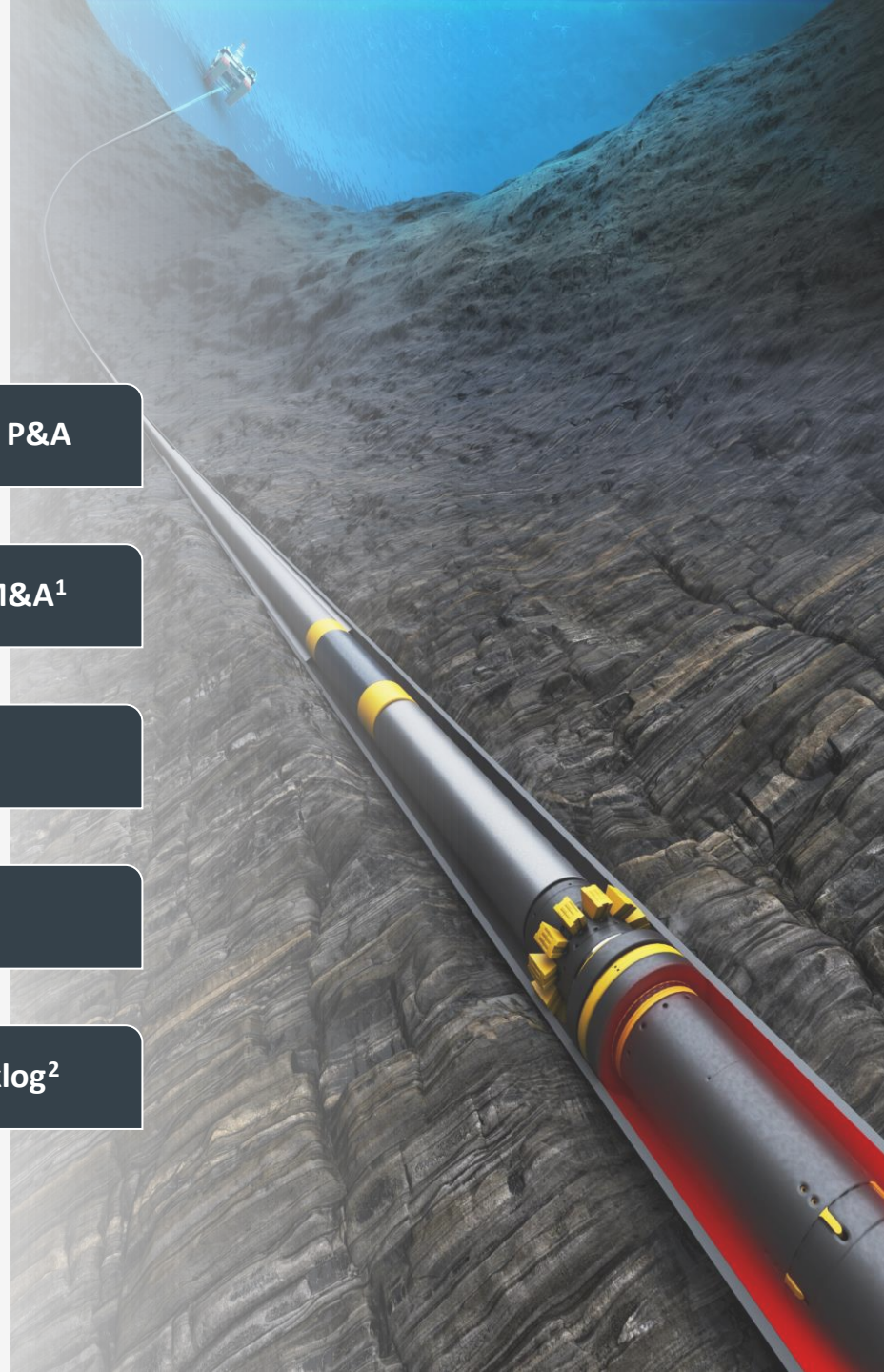
<sup>1</sup> According to Vaca Muerta report by PWC  
Source: Rystad Energy, PWC, YPF, Company information & estimates



# The Well Company

Archer

- I Resilient business model with ~90% of revenues from stable brownfield operations and P&A
- II Strong EBITDA growth of about 90% since 2022 through organic growth and accretive M&A<sup>1</sup>
- III Robust balance sheet, targeting a long-term leverage ratio of 1.5-2.0x
- IV Considerable free cash flow to serve as foundation for sustainable shareholder returns
- V Favourable market outlook supported by low cyclicality in key markets and \$3.6bn backlog<sup>2</sup>



<sup>1</sup> Based on 2025E  
<sup>2</sup> Including options  
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