



Archer

Q4 2024 results

27 February 2025

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.

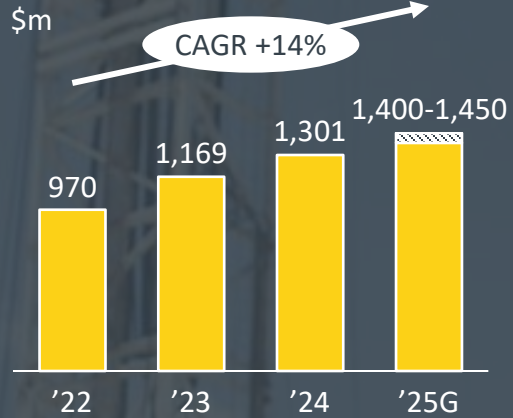
Forward-looking statements do not guarantee future performance and involve risks and uncertainties. Actual results may differ materially from projected results due to certain risks and uncertainties. Further information about these risks and uncertainties are set forth in our most recent annual report 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.

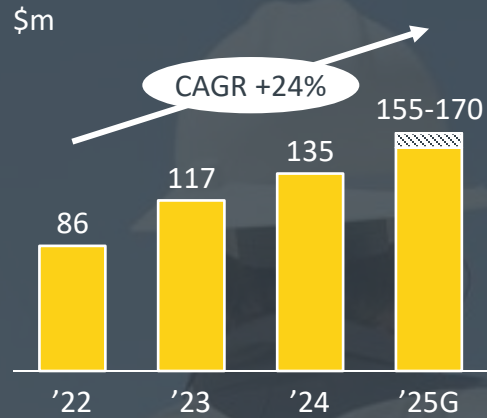


At a glance

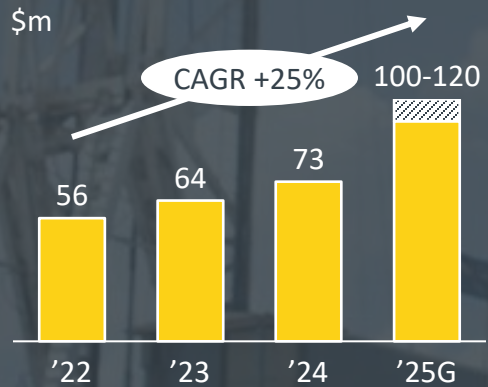
Revenue



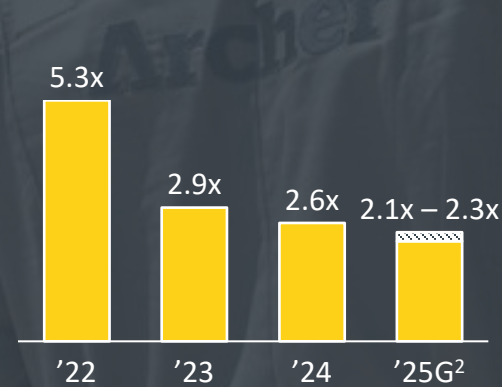
EBITDA



Cash contribution



Leverage ratio



EBITDA - Capex

Reported NIBD/adj. EBITDA

Archer

The Well Company



\$1.3bn
'24 Revenue



\$135m
'24 EBITDA



\$3.6bn
Backlog¹



50+ years
Operational experience



40
Locations globally



5,000+
Global personnel

¹ Including options

² Excludes shareholder distributions



Record Q4

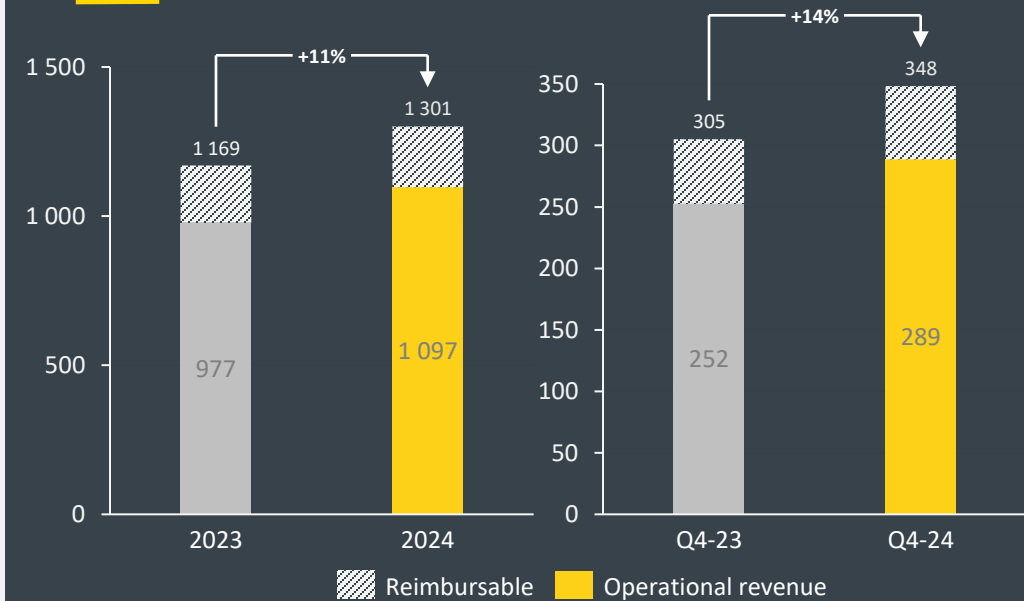
- ✓ Q4 Revenue of \$348.3 million; up 14% YOY
- ✓ Q4 EBITDA before exceptional \$40.3 million, up 21% YOY
- ✓ Record Q4 EBITDA of \$36.2 million, up 17% YOY
- ✓ 2024 EBITDA of \$134.8 million, up 15% YOY
- ✓ 2024 PF EBITDA¹ of \$156 million
- ✓ Acquired WFR and raised \$50 million in new equity
- ✓ Acquired additional 10% of Iceland Drilling

Subsequent events

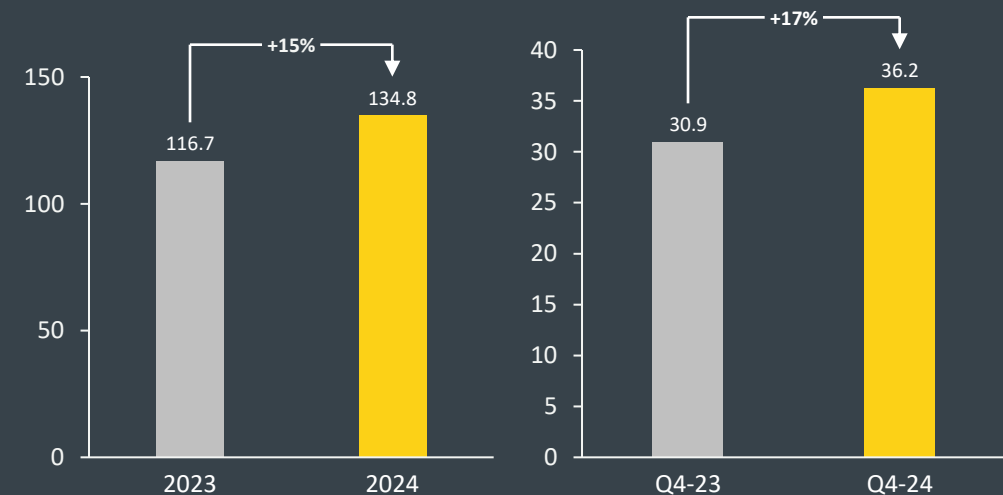
- ✓ Successful placement of 5-year USD 425 million senior secured bond to refinance existing debt
- ✓ Quarterly cash distribution to shareholders of \$5.5 million to commence second quarter 2025

¹ 2024 PF EBITDA includes full year contribution from WFR and Iceland Drilling

Revenue (\$m)

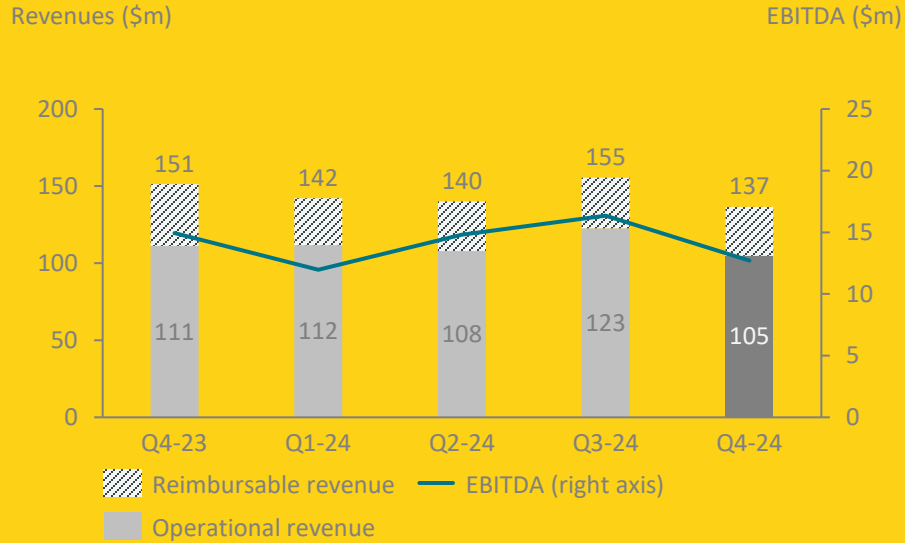


EBITDA (\$m)

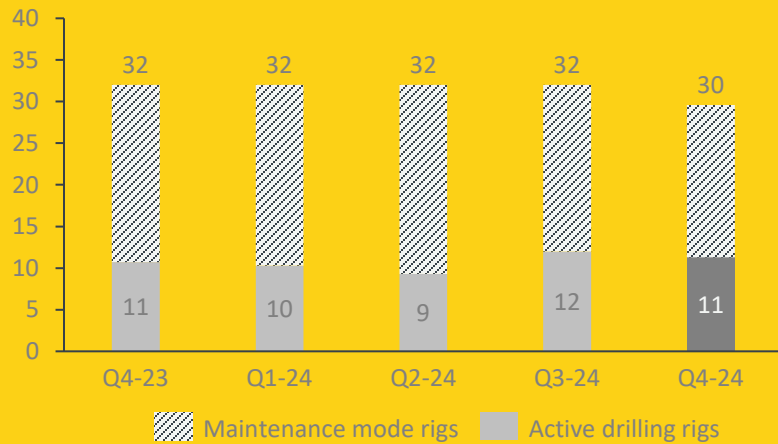




Platform Operations



Platform Drilling contracted rigs [# of rigs]

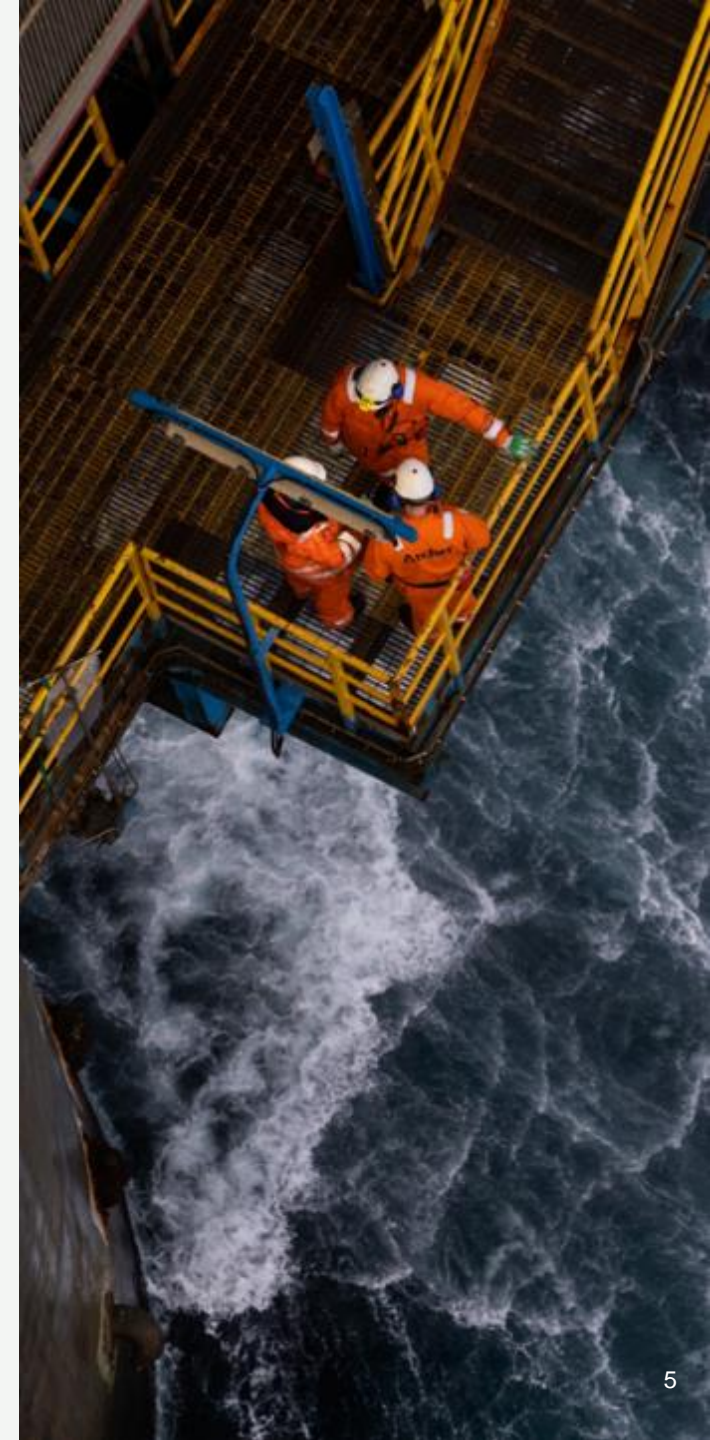


Financials

- Total revenue decreased by 12%, ending at \$137 million, as we operated 2 fewer rigs compared to Q3
- EBITDA of \$12.7 million reflects a reduction compared to Q3 due to additional cost linked to startup of new contract, reduction in performance incentives and seasonality of maintenance scope

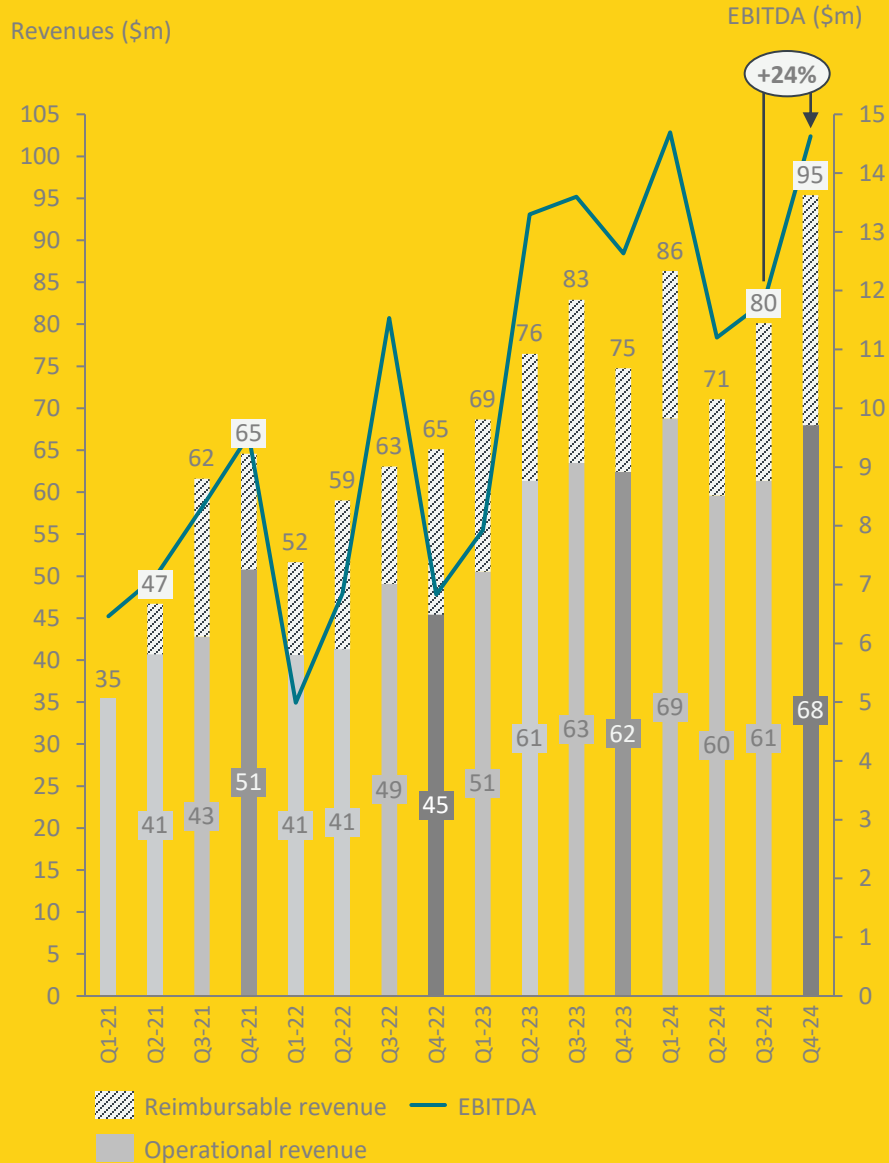
Operations

- Commenced operations for Trident in Brazil on the Pampo platform
- Reduced number of contracted rigs, as Grane, Heidrun and Visund were transferred to KCA and Odfjell,
- High activity on Statfjord, with three active rigs in December.





Well Services



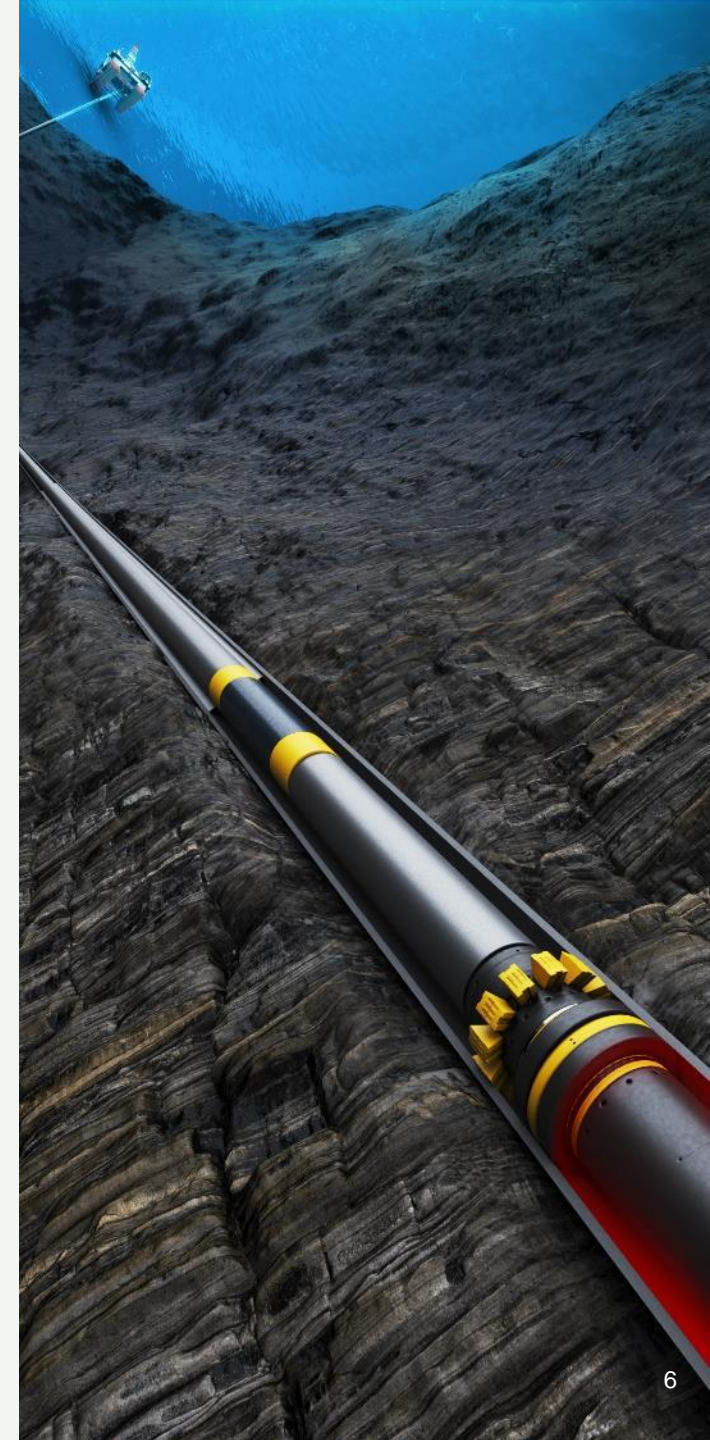
Financials

- Record revenue of \$95 million, up \$15 million from last quarter
- EBITDA of \$14.6 million, increased by \$2.8 million compared to Q3
- 21.5% EBITDA margin¹

Operations

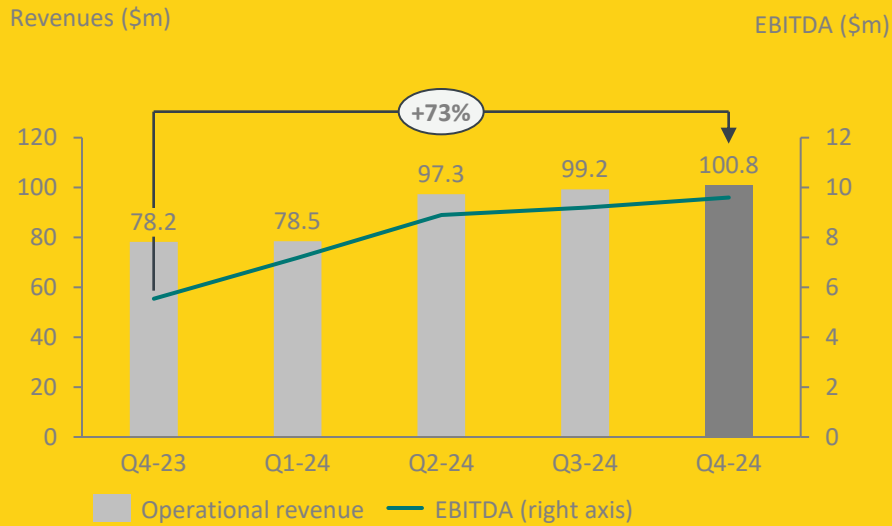
- Acquired Wellbore Fishing and Rental Tools LLC included from mid November.
- Well Services continue to see international growth in Americas, Middle East and Asia.
- Slightly lower activity in UK in the quarter due to weaker coiled tubing activity.

¹ EBITDA/Operational revenue

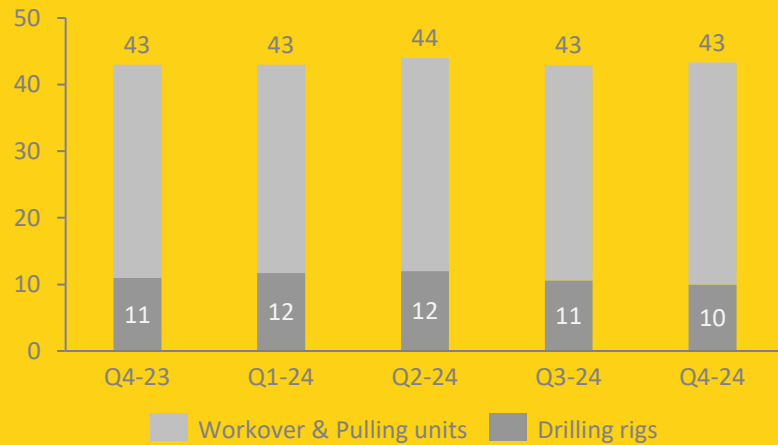




Land Drilling



Number of active Archer rigs

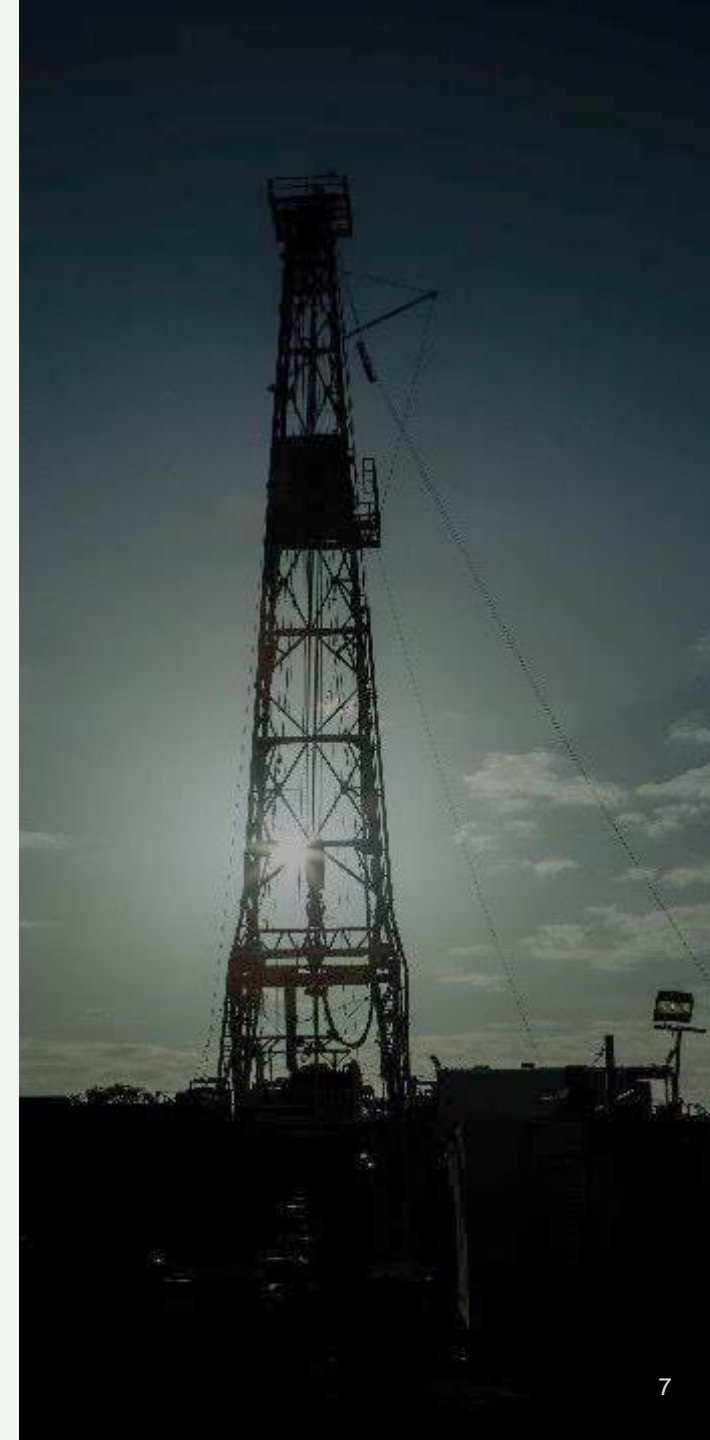


Financials

- Revenue moderately increased by 2% over the quarter, to \$100.8 million
- EBITDA increased by 4% compared to Q3, and by 73% compared to Q4 2023, ending at \$9.6 million in the quarter on the back of strong operational performance

Operations

- Pan American Energy interrupted drilling from mid November in the south, partly offset by accelerated drilling activity in October
- Successful integration of managed pressure drilling business, and positive contribution from ADA in Q4
- Reduced workover-activity in Q1 2025 in the South and commenced down-manning of 90 people





Condensed profit & loss

- Total revenue of \$348.3 million in Q4 2024 represent an increase of \$43.1 million from same quarter last year, driven by growth in all business areas
- EBITDA before expectational of \$40.3 million, with a margin 11.6%
- EBITDA of \$36.2 million is an increase of \$5.3 million or 17.4% compared to Q4 2023
- EBIT of \$18.1 million
- Net loss of \$18.3 million, before non-controlling interest, including negative other financials items of \$14.8 million, mainly related to non-cash foreign exchange movements
- Adjusted net income of \$0.6 million

<i>\$ million</i>	Q4 2024	Q4 2023	2024	2023
Operating revenues	287.9	252.4	1,096.9	977.2
Reimbursable revenue	60.4	52.7	203.7	192.1
Total Revenues	348.3	305.1	1,300.7	1,169.3
EBITDA before exceptional items	40.3	33.3	141.8	124.9
<i>EBITDA margin before exceptional items</i>	<i>11.6%</i>	<i>10.9%</i>	<i>10.9%</i>	<i>10.7%</i>
Exceptional items	(4.1)	(2.4)	(7.0)	(8.2)
EBITDA	36.2	30.9	134.8	116.
<i>EBITDA margin</i>	<i>10.4%</i>	<i>10.1%</i>	<i>10.3%</i>	<i>10.0%</i>
Impairments	(0.7)	(0.7)	(2.7)	(2.7)
Depreciation, amortization, other	(17.4)	(13.2)	(60.8)	(49.1)
EBIT	18.1	17.0	71.3	64.8
Gain on equity method investment	(0.2)	-	2.4	(0.3)
Result from associated entities	0.3	(0.4)	2.1	(4.4)
Net interest expense	(13.9)	(11.1)	(51.7)	(46.2)
Amortization of prepaid debt fees	(1.7)	(1.6)	(6.8)	(5.6)
Other financial items	(14.8)	4.5	(27.8)	(30.5)
Profit (loss) before tax	(12.2)	8.2	(10.6)	(22.2)
Income tax	(6.1)	0.3	(14.6)	(5.9)
Net profit (loss)	(18.3)	8.5	(25.2)	(28.1)
Non-controlling interest	-	-	(0.4)	-
Net adjustments*	18.8	(0.9)	27.0	42.5
Adjusted net profit (loss) *	0.6	7.6	1.4	14.4

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

<i>\$ million</i>	31.12.2024	31.12.2023
Cash and cash equivalents	76.8	52.1
Restricted cash	3.8	3.5
Accounts receivables	187.8	183.8
Inventories	75.8	75.0
Other current assets	60.0	40.4
Investments and loans to associates	-	12.3
Property, plant and equipment	342.6	313.1
Right of use assets	26.4	34.4
Goodwill	174.0	156.0
Other non-current assets	53.5	35.2
Total assets	1,000.8	905.7
Current portion of interest-bearing debt	23.2	17.6
Accounts payable	112.2	75.5
Lease liability current	10.9	11.4
Other current liabilities	194.4	173.0
Long-term interest-bearing debt	418.1	402.5
Lease liability	15.6	22.9
Other noncurrent liabilities	3.6	6.6
Non controlling interest	15.4	-
Shareholder's equity	207.5	196.2
Total liabilities and shareholders' equity	1,000.8	905.7

Condensed balance sheet

- Cash and cash equivalents of \$76.8 million, increased by \$24.7 million compared to year end 2023
- The consolidation of Iceland Drilling and the other acquisitions during 2024 largely explains increased balances compared to 2023
- Non-controlling interest is related to Archers 60% ownership in Iceland Drilling and 65% ownership in Vertikal. Ownership in Iceland Drilling was reflected in Investments and loans to associated in 2023
- Equity of \$207.5 million



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

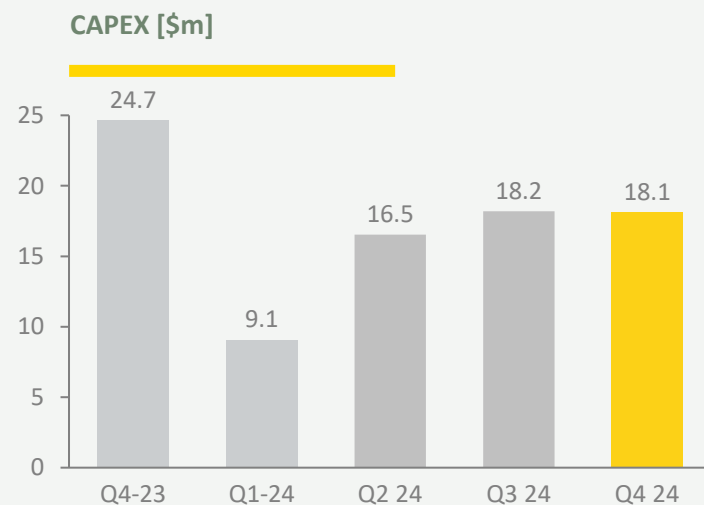
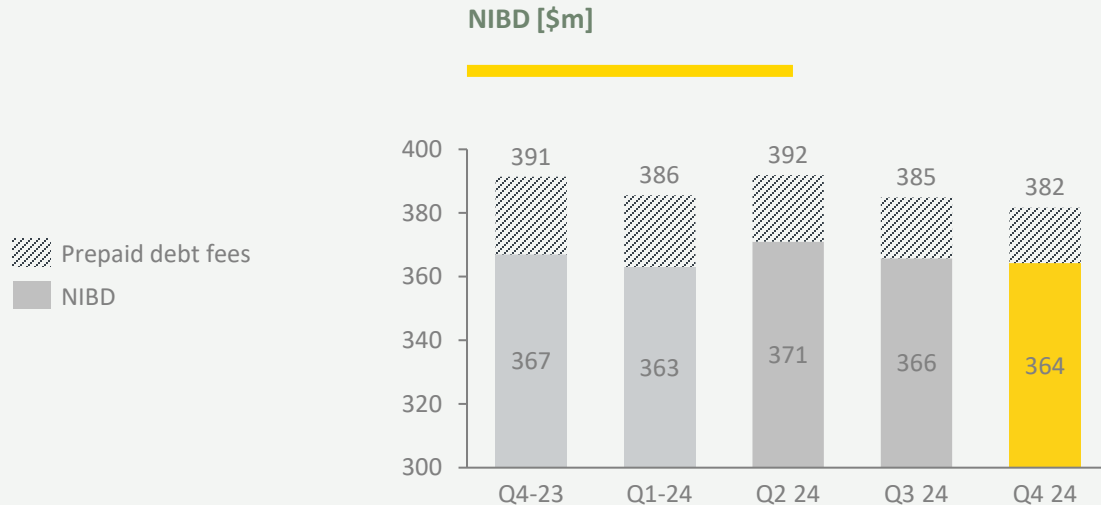
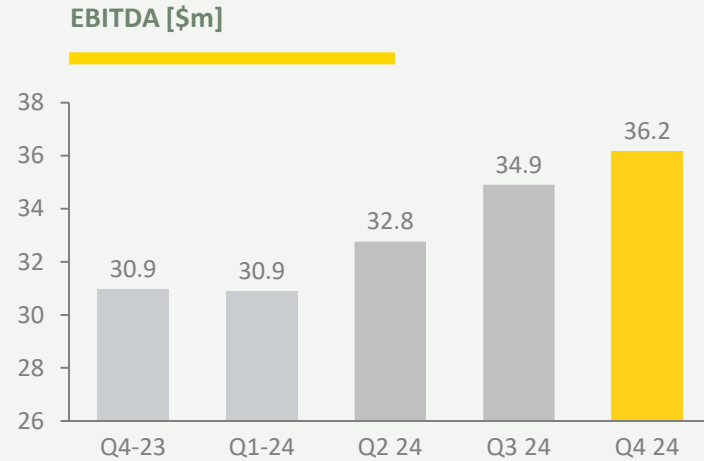
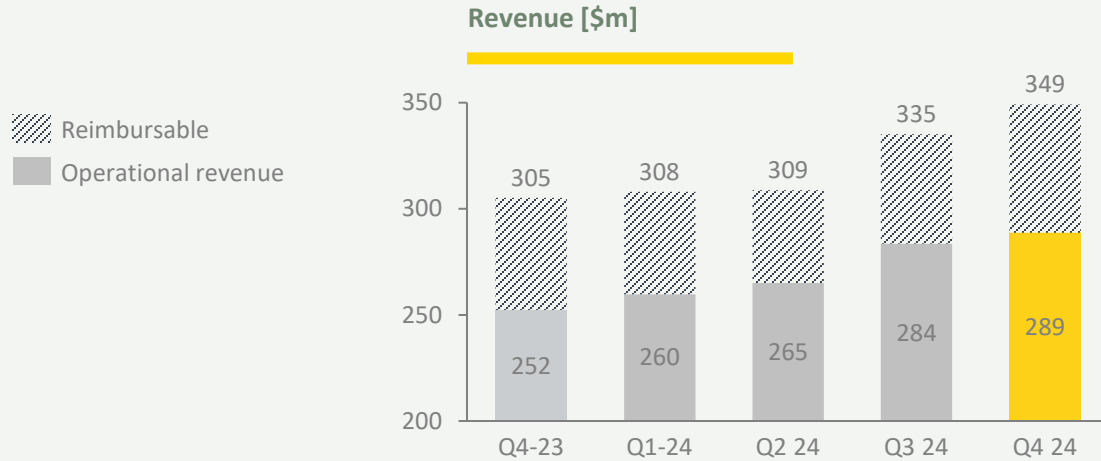
- Initiate regular and sustainable shareholder return program
- First quarterly cash distribution to shareholders in Q2 2025
- Target to increase cash distribution to shareholders over time, in line with growth in earnings



Appendix



Key financials





Condensed profit and loss statement (unaudited)

(Figures in \$ million)	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Operating revenues	252.4	260.2	265.4	283.5	287.9
Reimbursable revenue	52.7	48.1	43.7	51.6	60.4
Total Revenues	305.1	308.3	309.0	335.1	348.3
EBITDA before exceptional items	33.4	32.9	32.2	36.4	40.3
Total Exceptional items*	(2.4)	(2.1)	0.6	(1.4)	(4.1)
EBITDA	30.9	30.9	32.8	34.9	36.2
Depreciation, amortization, impairments, other	(13.7)	(13.0)	(17.3)	(15.1)	(18.1)
EBIT	17.0	17.9	15.5	19.8	18.1
Gain from bargain purchase	-	-	-	2.6	-
Gain on equity method investment	-	-	-	-	(0.2)
Result from associated entities	(0.4)	(0.1)	1.0	0.9	0.3
Net interest expense	(12.8)	(14.1)	(13.8)	(15.0)	(13.9)
Other financial items	4.5	(12.4)	(0.6)	0.1	(16.5)
Net financial items	(8.7)	(26.7)	(13.4)	(14.1)	(30.1)
Net result before tax	8.2	(8.7)	2.2	8.3	(12.2)
Tax benefit / (expense)	0.3	(2.0)	(1.1)	(5.4)	(6.1)
Net profit (loss)	8.5	(10.8)	1.0	2.9	(18.3)
Minority interest	-	-	-	(0.4)	-
Net adjustments**	(0.9)	11.3	(1.5)	(1.6)	18.8
Adjusted net income	7.6	0.5	(0.5)	0.9	0.6

*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, timing of tax expense, exceptional items and transaction cost



Condensed balance sheet (unaudited)

<i>\$ million</i>	31.12.2023	31.03.2024	30.06.2024	30.09.2024	31.12.2024
Cash, cash equivalents & restricted cash	55.6	57.8	58.4	58.6	80.6
Accounts receivables	183.8	182.5	173.6	188.2	187.8
Inventories	75.0	72.3	70.6	69.8	75.8
Other current assets	38.7	49.1	56.0	60.3	60.0
Investments and loans in associates	12.3	11.6	12.7	12.3	-
Property, plant and equipment, net	313.1	303.6	302.3	307.8	342.6
Right of use assets	34.4	31.7	29.7	28.4	26.4
Goodwill	156.0	148.9	153.1	158.2	174.0
Other non-current assets	37.0	32.6	32.6	46.5	53.5
Total assets	905.7	891.8	889.0	930.2	1,000.8
Current portion of interest-bearing debt	17.6	18.7	19.9	15.6	23.2
Accounts payable	75.5	80.5	94.6	103.5	112.2
Lease liability current	11.4	11.0	9.9	10.9	10.9
Other current liabilities	176.7	175.5	158.7	177.8	194.4
Long-term interest-bearing debt	402.5	401.5	402.1	407.2	418.1
Lease liability	22.9	20.7	19.8	17.5	15.6
Other noncurrent liabilities	2.9	8.2	2.1	6.1	3.6
Non controlling interest	-	-	0.4	0.8	15.4
Shareholder's equity	196.2	175.6	181.4	190.8	207.5
Total liabilities and shareholders' equity	905.7	891.8	889.0	930.2	1,000.8



Condensed cash flow statement – last 5 quarters (unaudited)

<i>(Figures in \$ million)</i>	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Operating activities	18.7	14.3	24.4	19.7	39.4
Investing activities	(22.7)	(8.6)	(23.4)	(20.1)	(61.9)
Financing activities	(19.3)	(0.6)	(0.5)	(1.6)	52.2
FX effect	2.6	(2.9)	-	2.2	(7.6)
Total*	(20.7)	2.2	0.5	0.2	22.1

*Includes net movements in restricted cash.