



**Archer**

Q4 2024 Trading Update

**Dag Skindlo**  
Chief Executive Officer

**Espen Joranger**  
Chief Financial Officer

30 January 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.



# Agenda

1

Introduction

2

Market overview

3

Recent acquisitions

4

Business segments

5

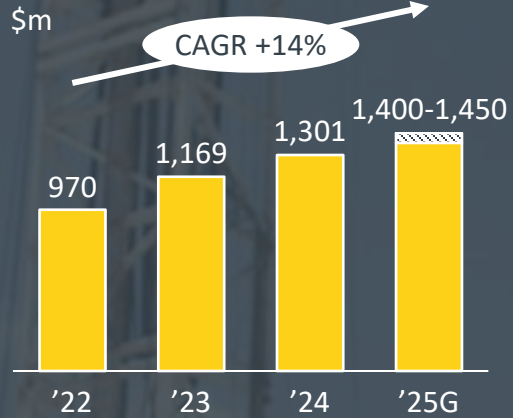
Outlook and guidance



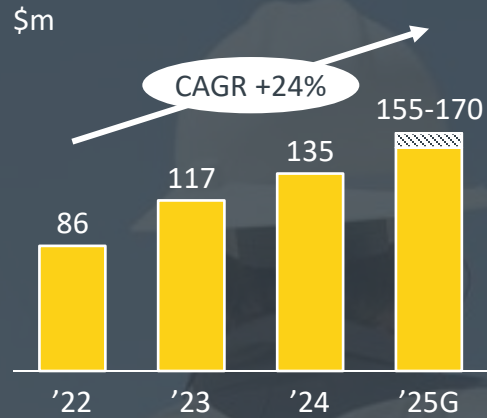


# At a glance

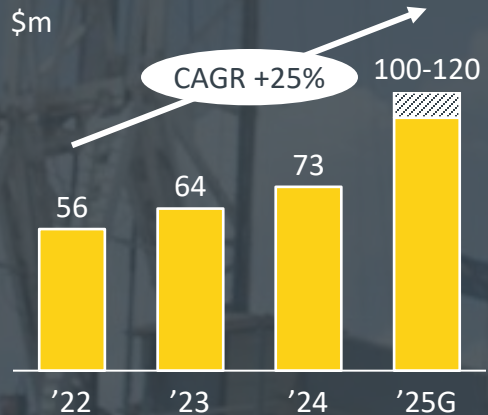
## Revenue



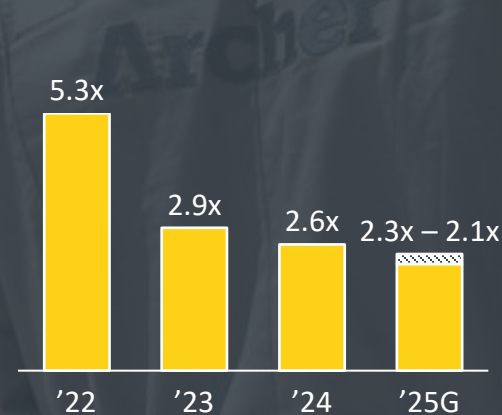
## EBITDA



## Cash contribution<sup>1</sup>



## Leverage ratio<sup>2</sup>



<sup>1</sup> Cash contribution = EBITDA less capex.

<sup>2</sup> Leverage ratio = reported NIBD/ adj. EBITDA. 25G assumes refi cost in 2025. If no refi leverage ratio is expected between 1.9x--2.1x

<sup>3</sup> Pro forma adjustments include full year financials for Iceland Drilling and WFR

©Archer '25

# Archer

The Well Company



Pro forma<sup>3</sup>  
Reported

**\$1.4bn**  
\$1.3bn  
*'24 Revenue*

**\$156m**  
\$135m  
*'24 EBITDA*

**2.3x**  
2.6x  
*'24 Leverage ratio*



**50 years**  
*Operational experience*



**40**  
*Locations globally*



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

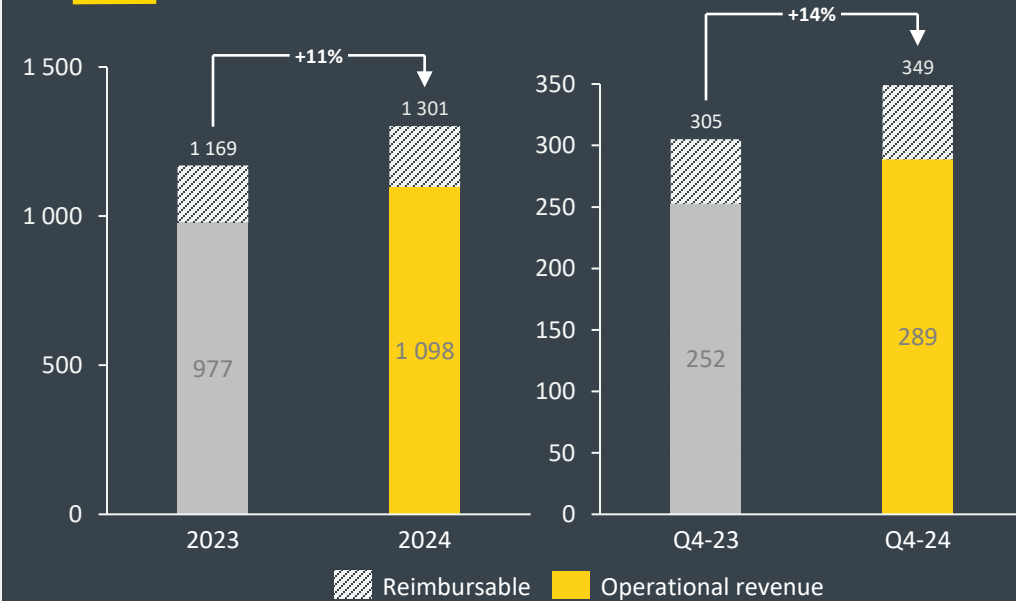


# Record Q4

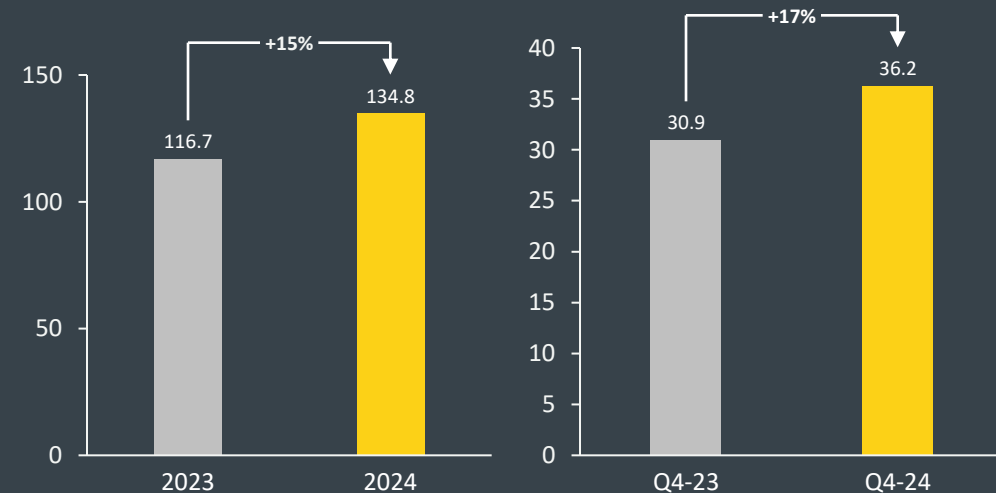
- ✓ Q4 Revenue of \$349 million; up 14% YOY
- ✓ Q4 EBITDA before exceptional \$40.3 million, up 21% YOY
- ✓ Record Q4 EBITDA of \$36.2 million, up 17% YOY
- ✓ 2024 EBITDA of \$134.8 million, up 15% YOY
- ✓ 2024 PF EBITDA<sup>1</sup> of \$156 million
- ✓ Acquired WFR and raised USD 50 million in new equity
- ✓ Acquired additional 10% of Iceland Drilling

<sup>1</sup> 2024 PF EBITDA includes full year contribution from WFR and Iceland Drilling

## Revenue (\$m)



## EBITDA (\$m)





# Agenda

1

Introduction

2

**Market overview**

3

Recent acquisitions

4

Business segments

5

Outlook and guidance



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

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

## Greenfield operations

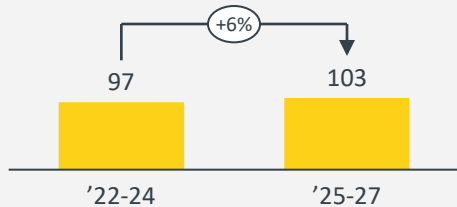


### Archer's role

*Services for exploratory wells and well construction equipment*

### Market outlook

*E&P Greenfield spending in key markets <sup>1</sup> \$bn*

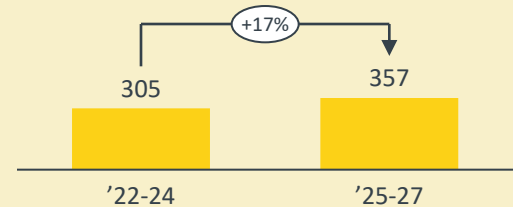


## Brownfield operations Late life production



*Increase lifetime and output of existing wells from drilling and well services*

*E&P Brownfield spending in key markets <sup>1</sup> \$bn*

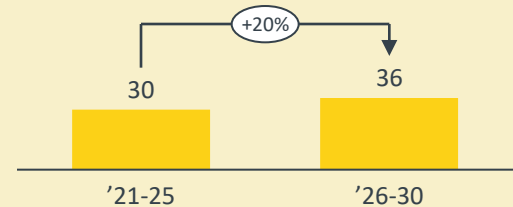


## Energy Transition Well P&A and decom



*Ensure wells are closed and abandoned in a safe and efficient manner*

*Global offshore decom spending \$bn*

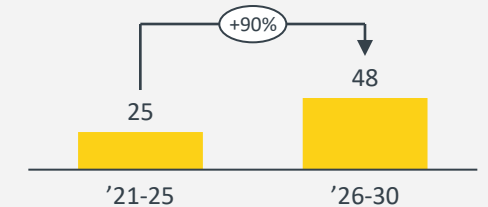


## Renewables



*Services to geothermal industry and other renewable segments*

*Global spending geothermal plants \$bn*

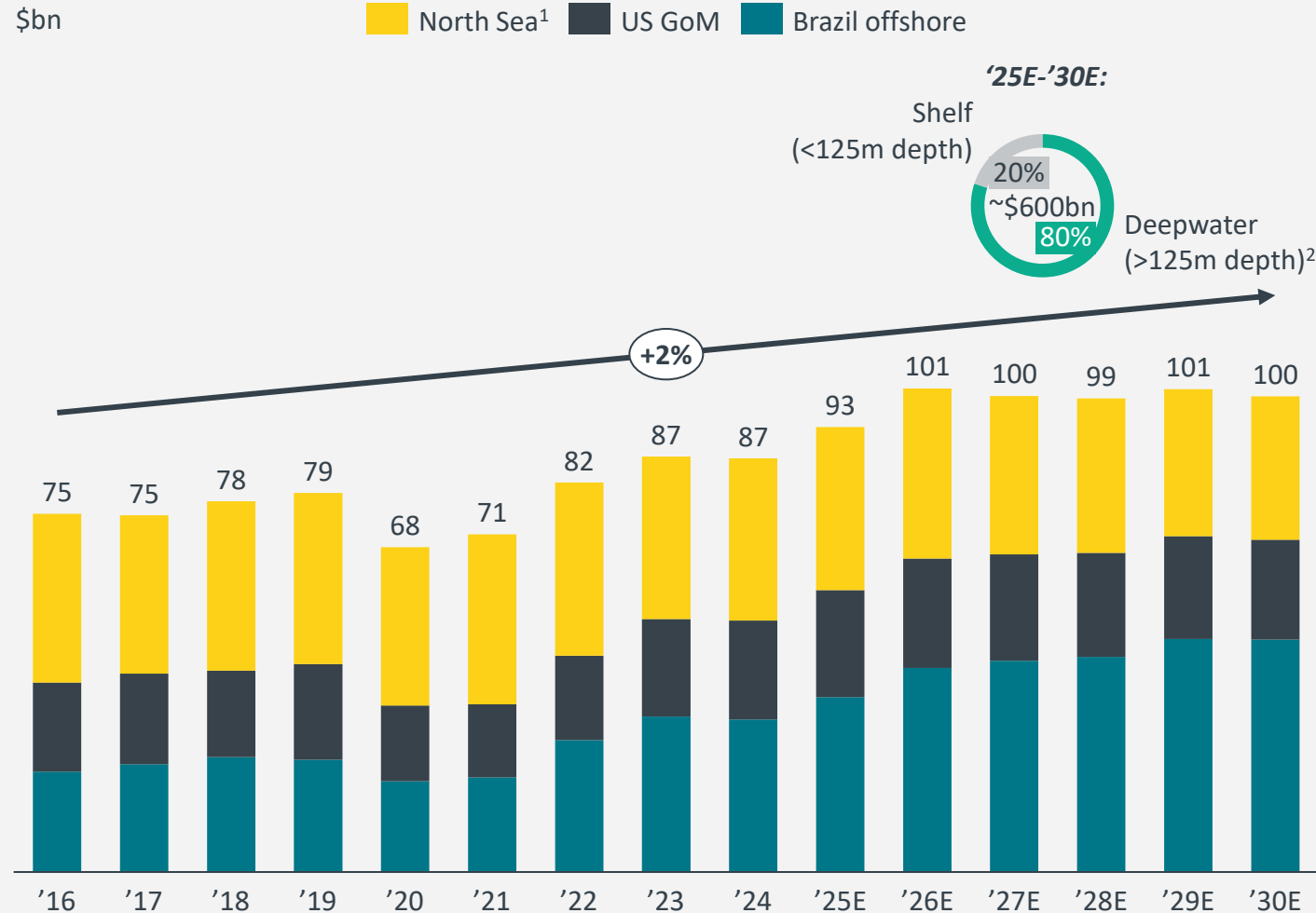


<sup>1</sup> Offshore Norway, UK, Netherlands, DK, US (GoM), Brazil, and onshore Argentina  
Source: Rystad Energy



# 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



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

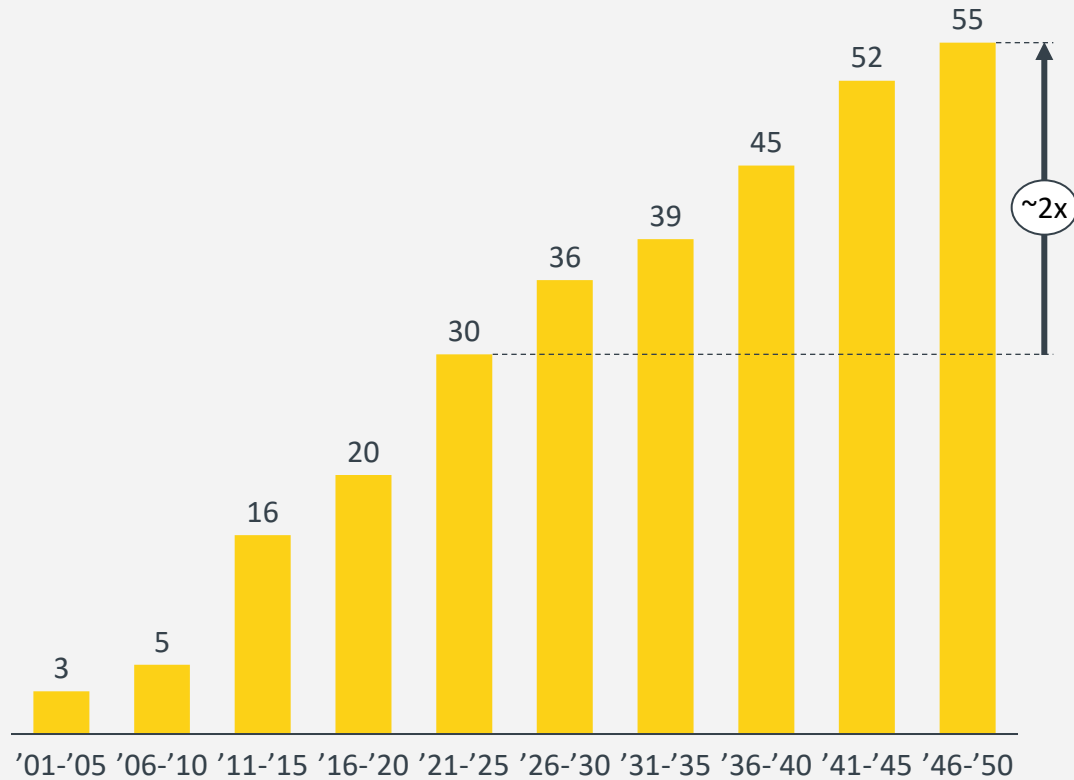




# Strong market outlook for Archer's P&A services

## Global offshore decom. spending set to double to '50

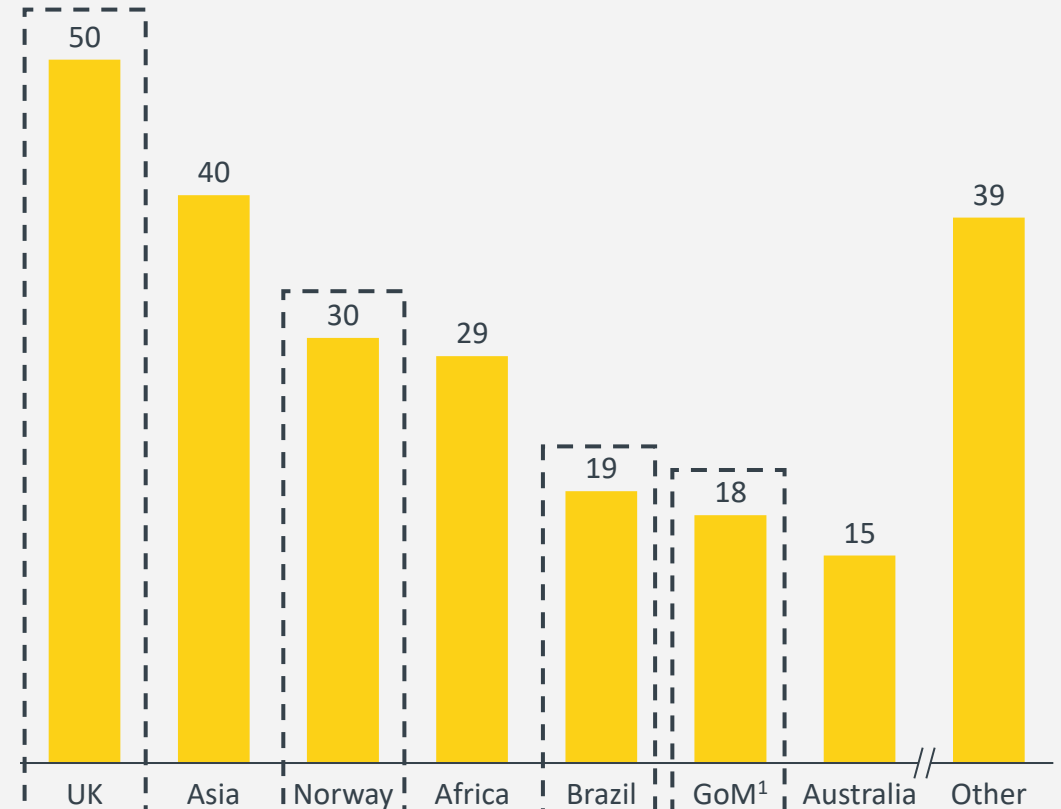
E&P abandonment costs '01-'50, \$bn



**Global offshore decom and P&A market set to grow substantially**

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

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



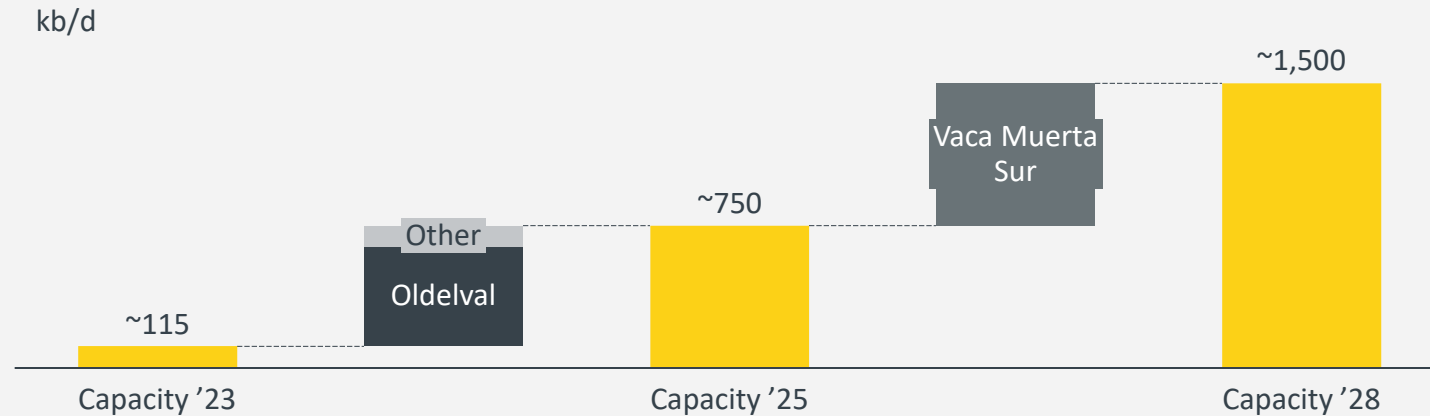
**Archer with strong P&A offering to the key regions**

<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



# Production & drilling in Vaca Muerta set to grow from infrastructure investments

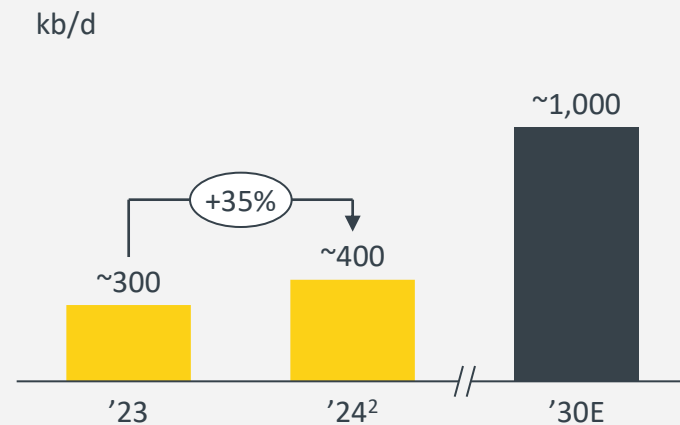
## Oil export capacity in Vaca Muerta to increase through infrastructure projects<sup>1</sup>



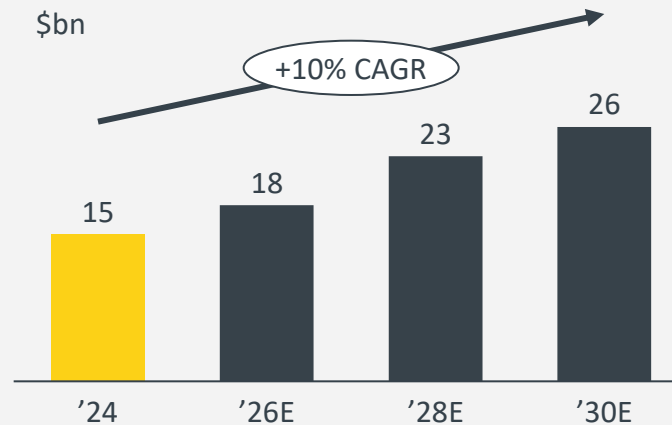
## Comments

- New legislation is opening up for multi-billion USD 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 2024, and Rystad says the region is “on track to meet 1 million bpd by 2030”

## Vaca Muerta oil production



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

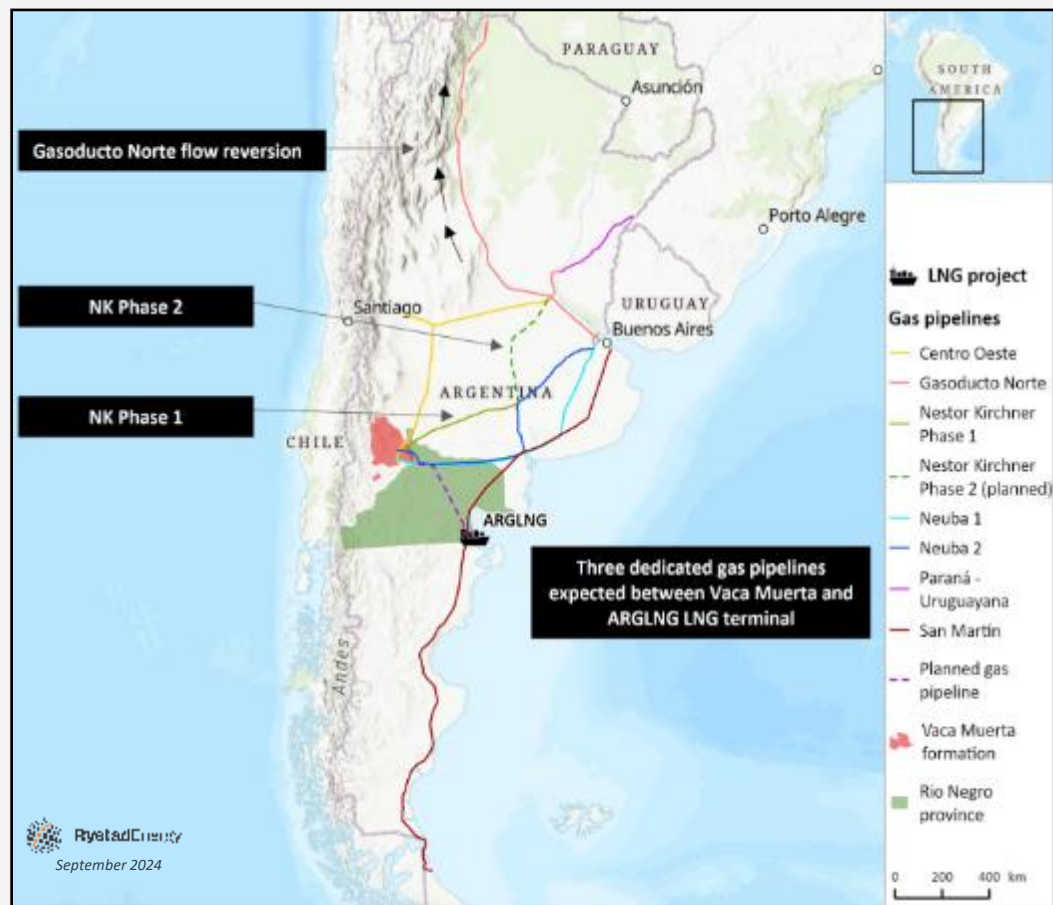


<sup>1</sup>Nequen basin <sup>2</sup>As of Q3 <sup>3</sup>Well capex and opex spending  
Source: Company estimates, Rystad Energy



# Investments in gas pipeline and LNG to drive drilling and well service activity in Argentina

## Argentina's gas pipeline network



## Gas pipeline capacity is expanding

### Gasoducto Norte reversion

- ~\$800m gas pipeline reversion project, finished in 2024
- 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 2024 (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 the project
- ~\$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 250 million m<sup>3</sup>/d in 2030 from about 80 million m<sup>3</sup>/d in 2024<sup>1</sup> – driving growth in in well service activity

<sup>1</sup> According to Vaca Muerta report by PWC  
Source: Rystad Energy, PWC, YPF, Company information & estimates  
©Archer '25

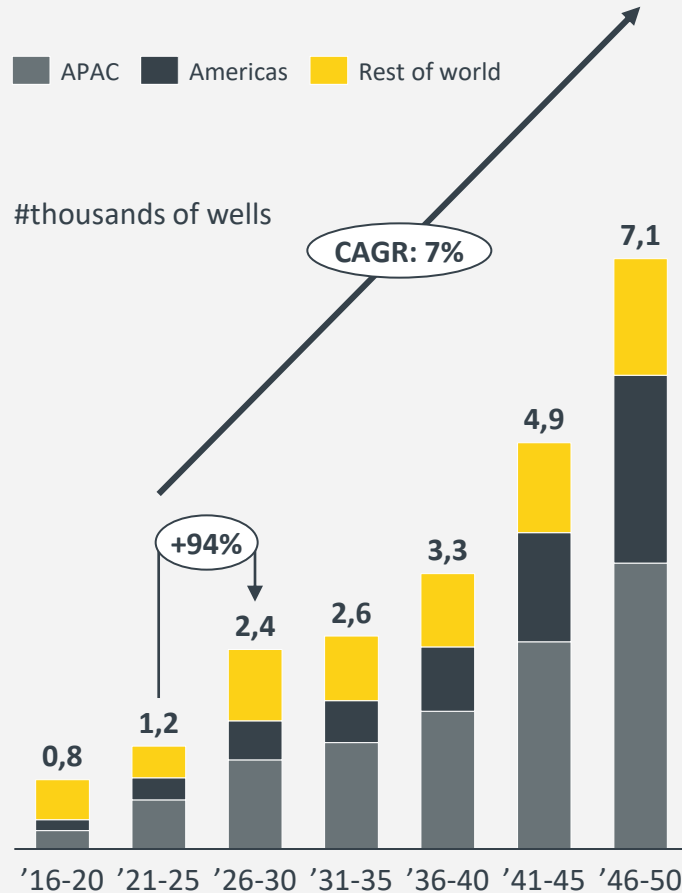


# Geothermal market is expected to grow materially

## Geothermal wells to be drilled

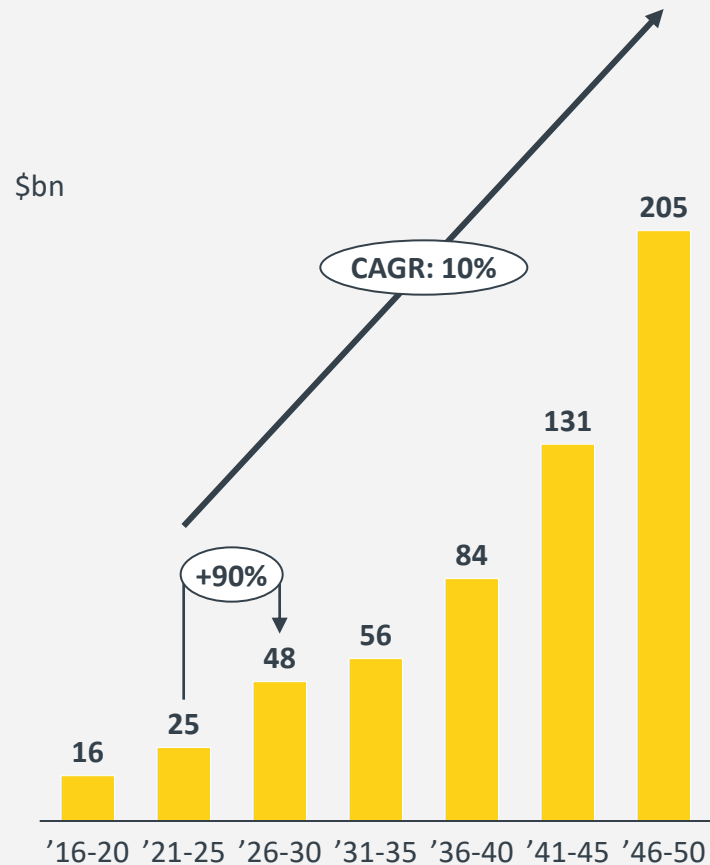
# of wells drilled and completed for geothermal power (in thousand), Rystad

■ APAC ■ Americas ■ Rest of world



## Geothermal energy spending

Global expenditures on geothermal plants (\$bn), Rystad



## Growth drivers of geothermal power



### Energy transition

Geothermal energy is expected to play an important role in the energy transition due to its clean and stable characteristics and cost-efficient production



### Increasing power consumption

Growing demand for electricity is expected to boost the overall market and investments, with number of wells to be drilled expected to grow about 10% annually towards '30



### APAC to be the biggest driving force

Strong growth expected globally, with APAC to be the main driver. Europe to drive the growth within geothermal district heating, which is also a key segment to Iceland Drilling



# Agenda

1

Introduction

2

Market overview

3

**Recent acquisitions**

4

Business segments

5

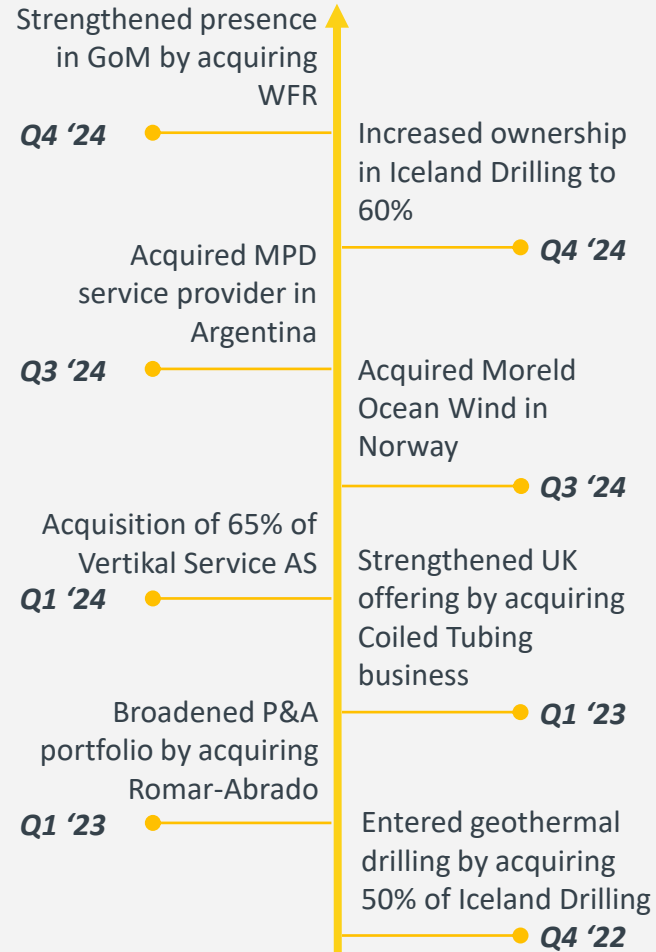
Outlook and guidance



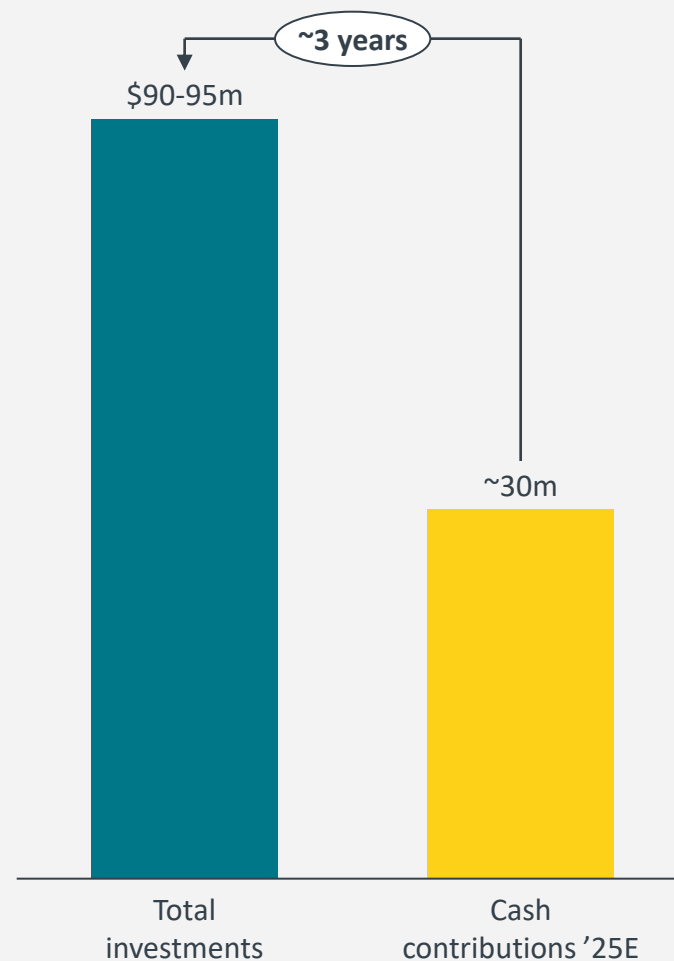


# Long track record of executing accretive acquisitions and driving further growth

## 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



# Agenda

1

Introduction

2

Market overview

3

Recent acquisitions

4

**Business segments**

5

Outlook and guidance



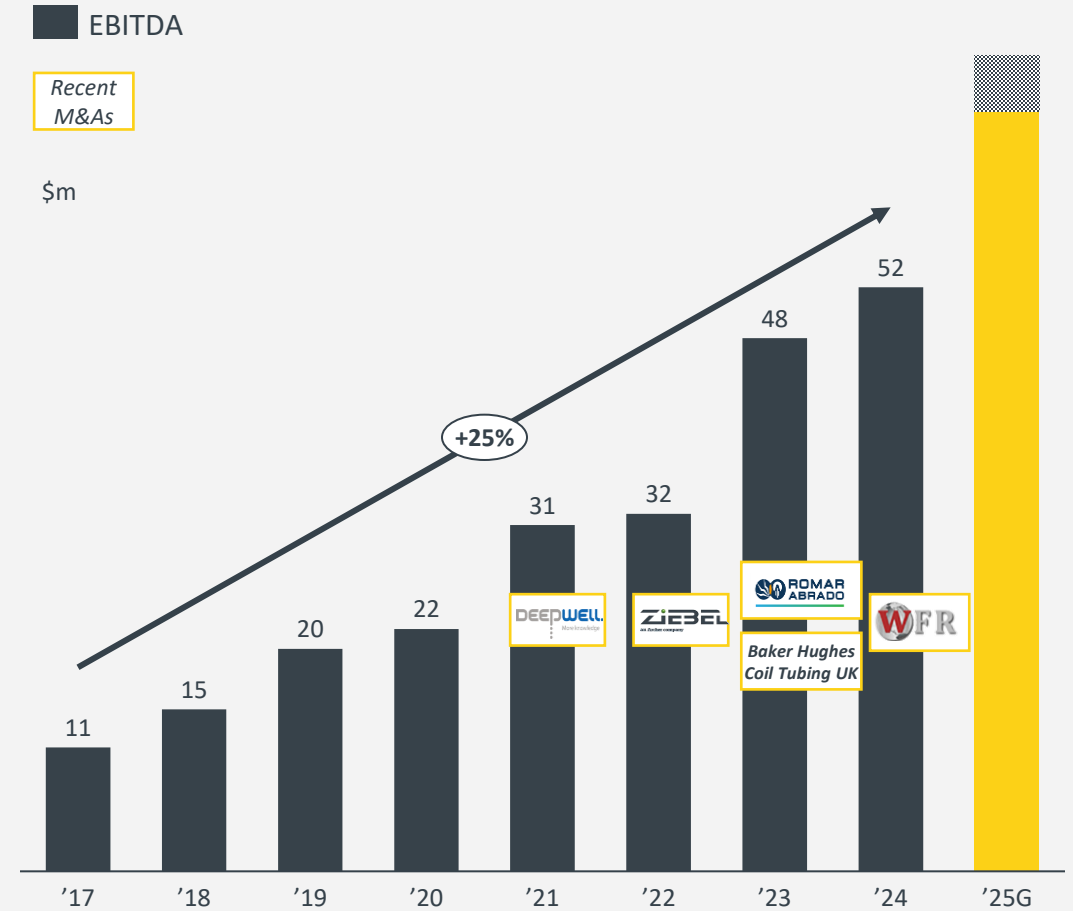
# Well services: Strong organic growth combined with synergetic acquisitions

## High-end well intervention services and technology

- High-end solutions ensuring well performance to clients globally
- Leading offering within well P&A services
- Strong EBITDA growth over time with 25% CAGR since 2017
- Acquisitions in 2023 of P&A company Romar-Abrado and UK Coil Tubing business of Baker Hughes
- Acquisition of WFR in 2024 will add significant growth to both EBITDA and cash contribution

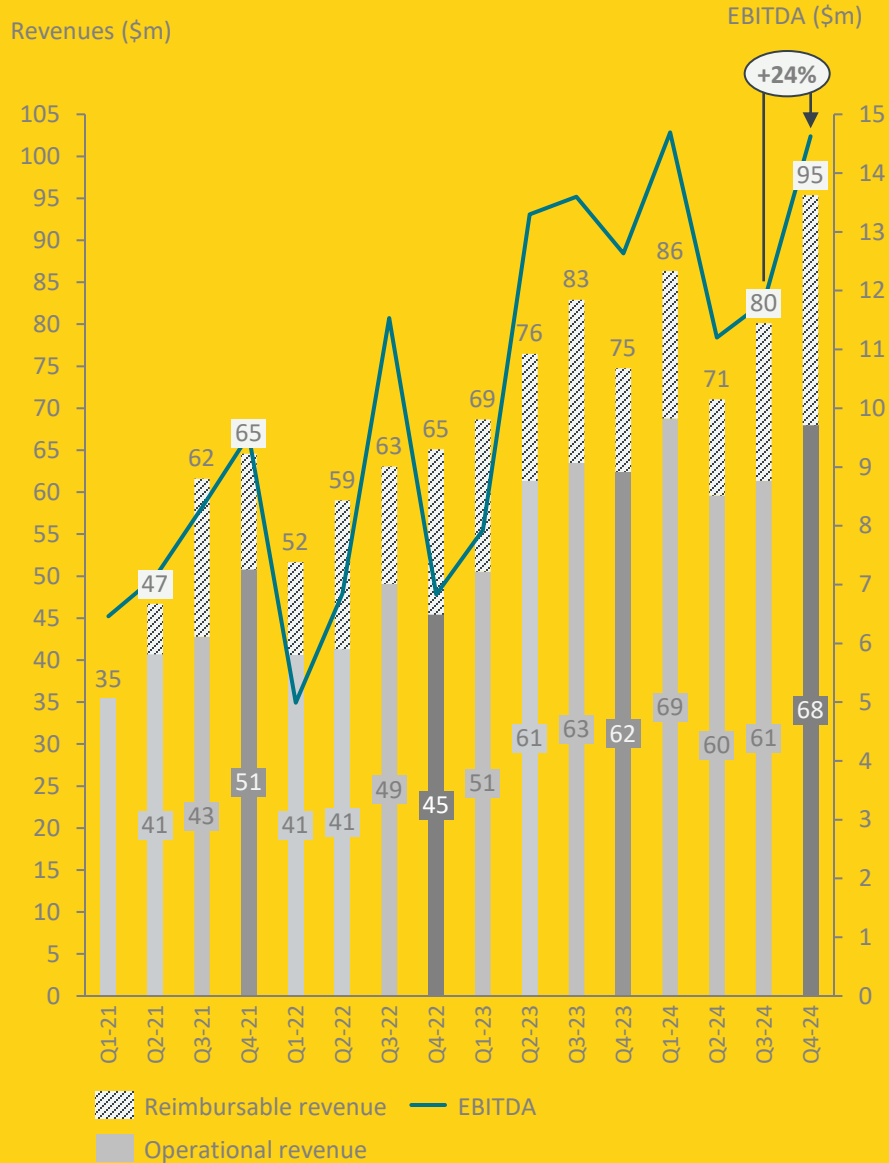


## Strong EBITDA growth over time





# Well Services



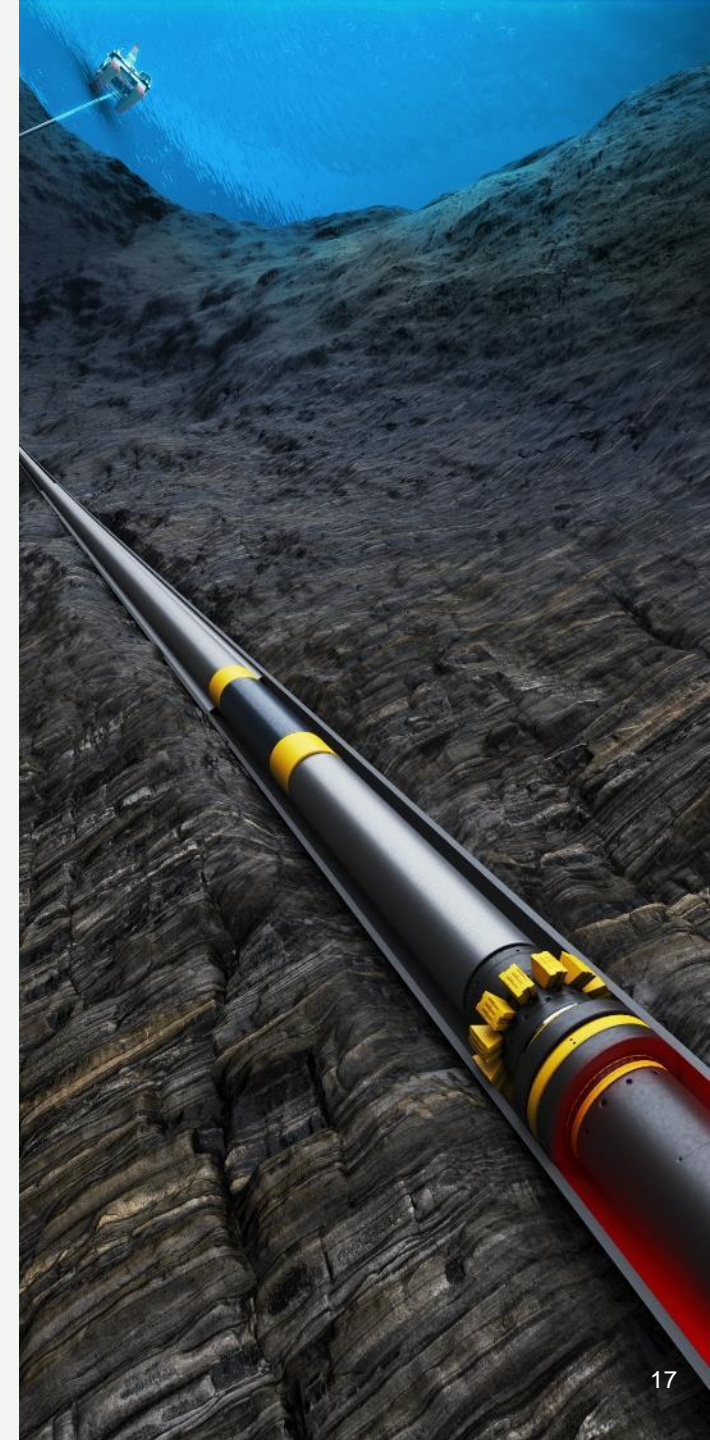
## Financials

- 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 margin<sup>1</sup>

## 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.

<sup>1</sup> EBITDA/Operational revenue





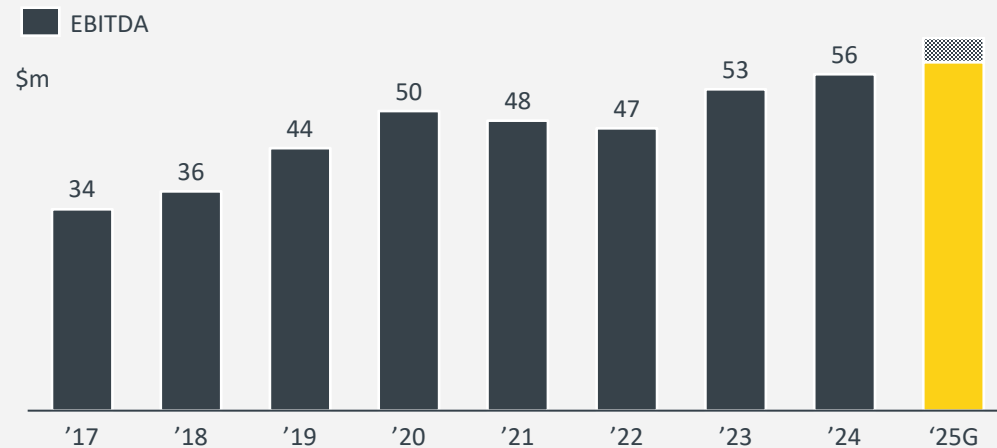


# Platform Operations: Leading platform drilling service provider in the North Sea

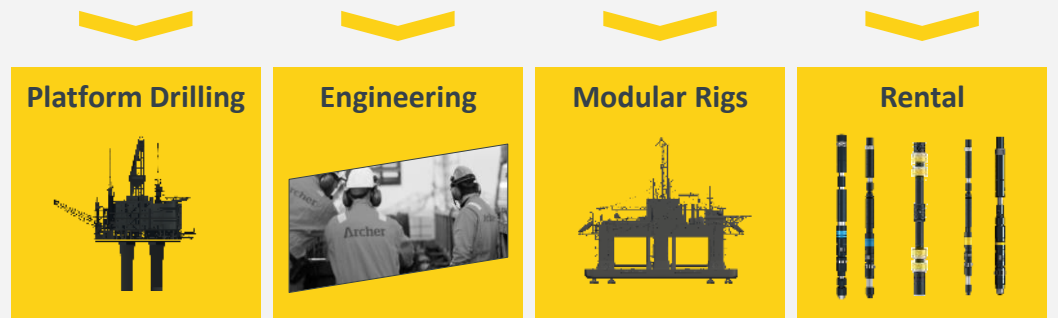
## Platform Operations is production and late life operation

- 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, with few competitors
- 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 and cash flow



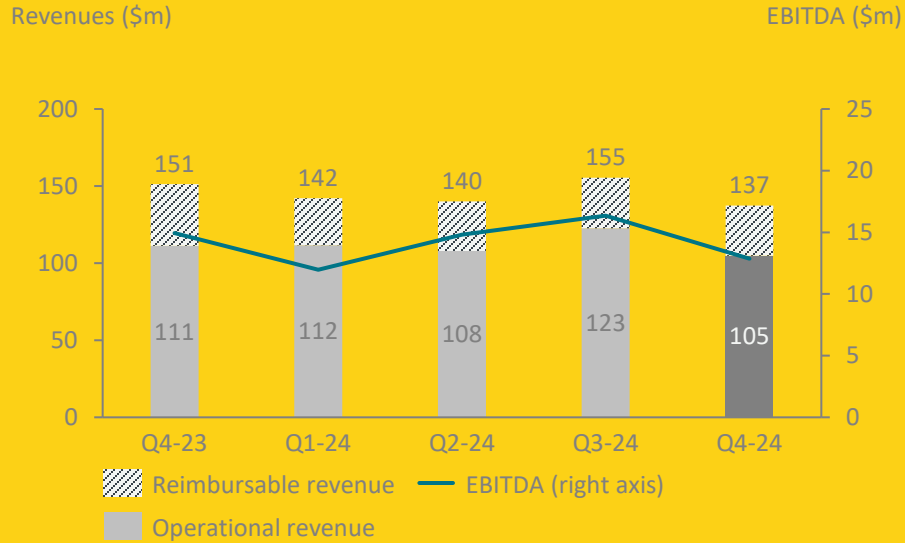
## Diverse service offering



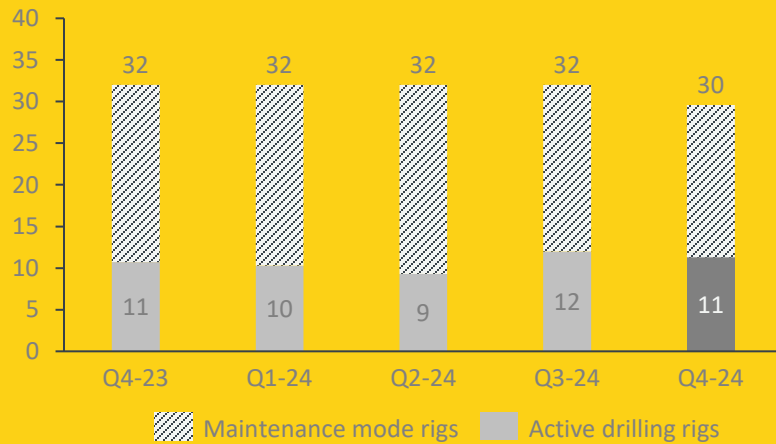




# Platform Operations



## Platform Drilling contracted rigs [# of rigs]

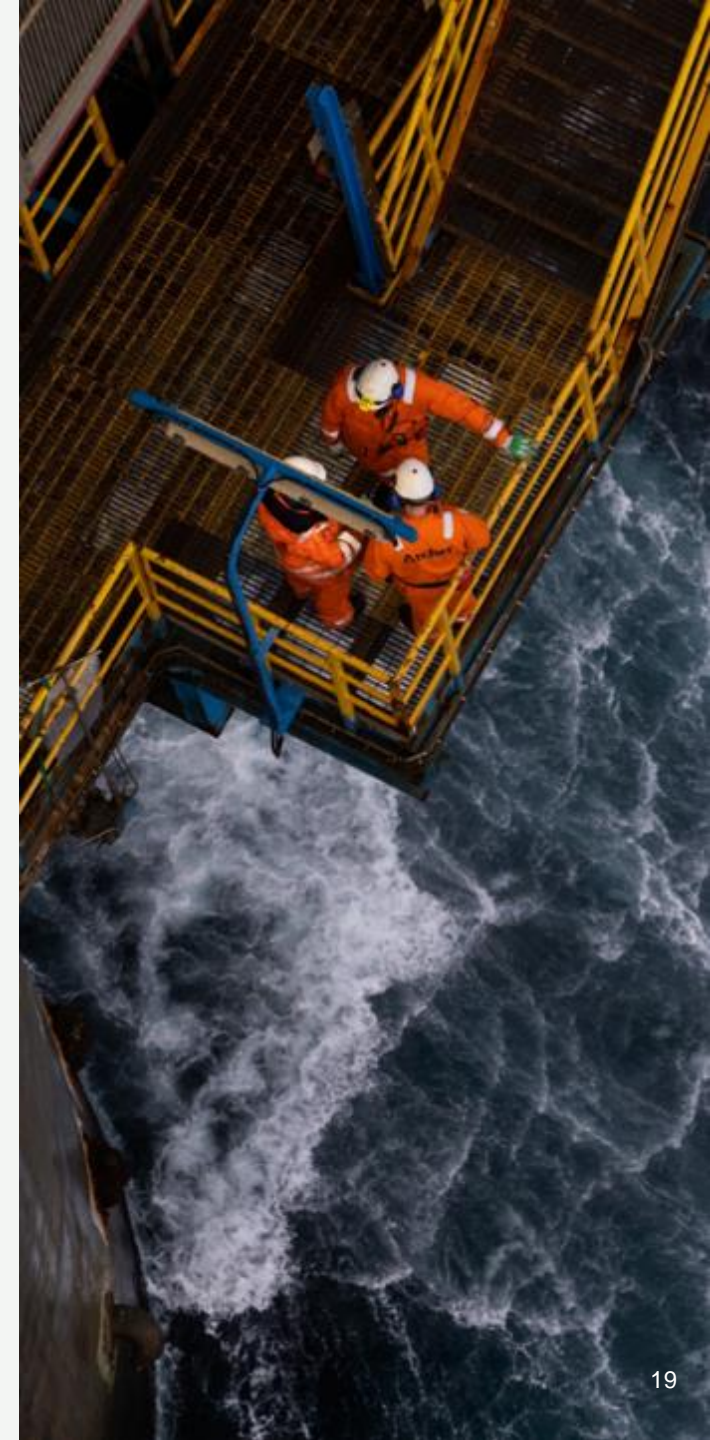


## Financials

- Total revenue decreased by 12%, ending at \$137 million, as we operated 2 fewer rigs compared to Q3
- EBITDA of \$12.8 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.





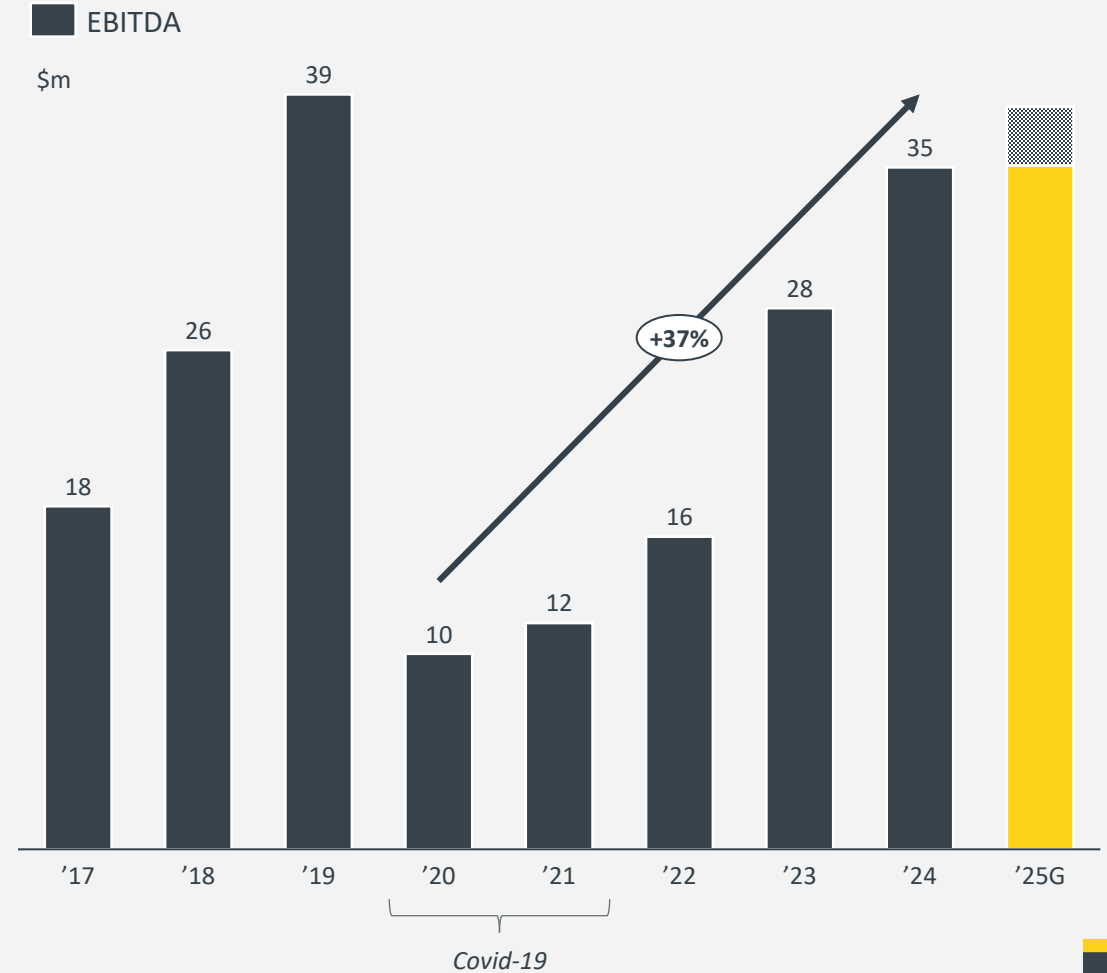
# Land Drilling: Growing and cash positive drilling business

## A leading land drilling provider in Vaca Muerta

- Among the leading providers of land drilling and workover services in Argentina
- Self-sufficient and cash positive business
- Market improving on the back of new legislation and infrastructure investments
- Recent acquisition of Managed Pressure Drilling services provider strengthens offering
- More than \$70m cash dividend received from Land Drilling since 2016

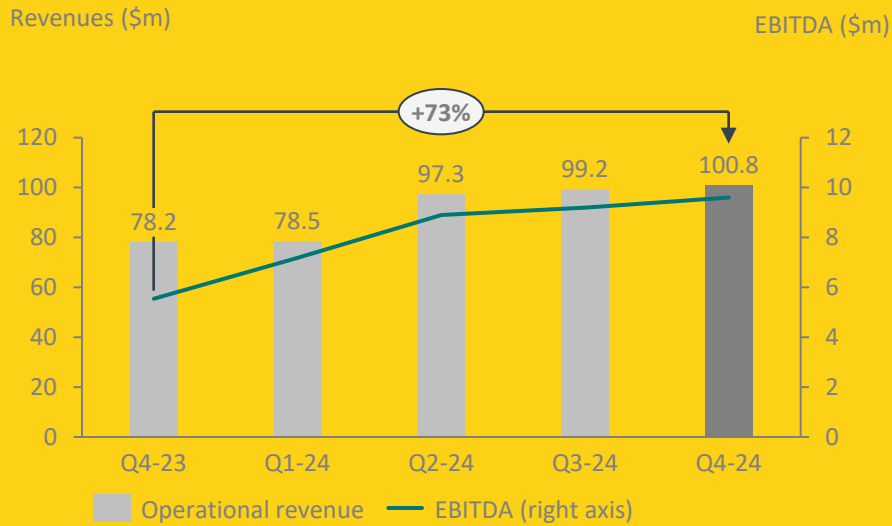


## Financial profile

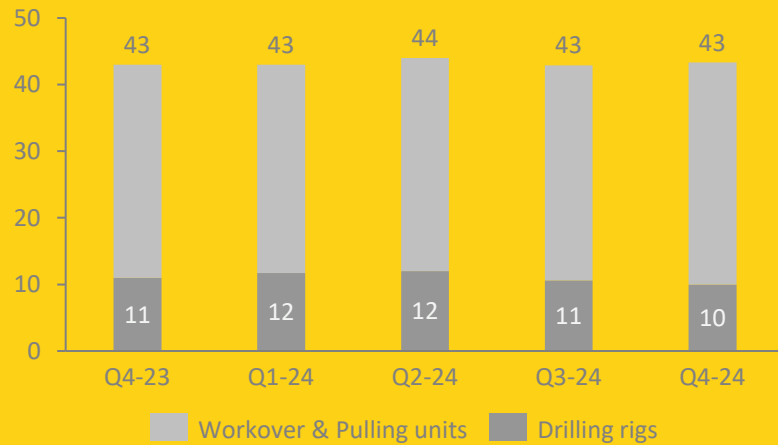




# Land Drilling



## Number of active Archer rigs

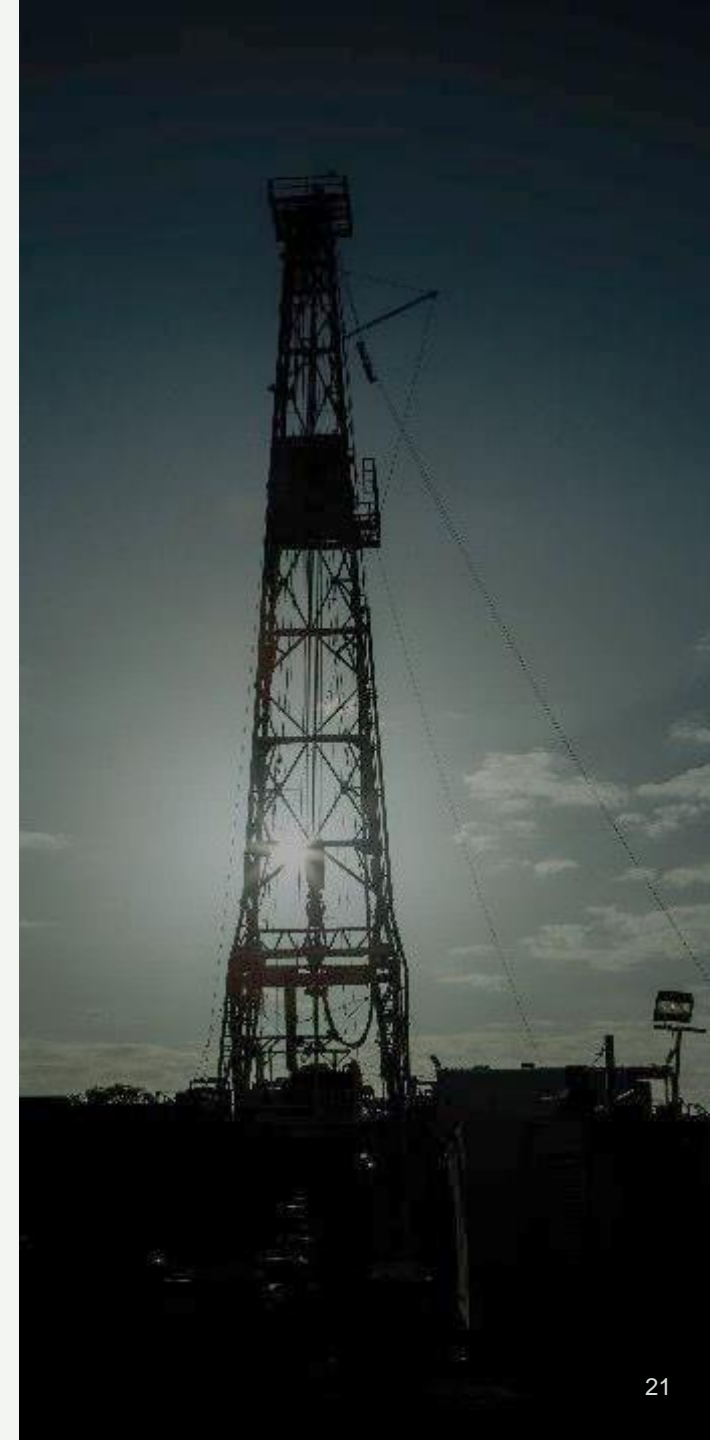


## Financials

- 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





# Renewables



**Archer  
Wind**



**VERTIKAL SERVICE**



**ICELAND DRILLING**

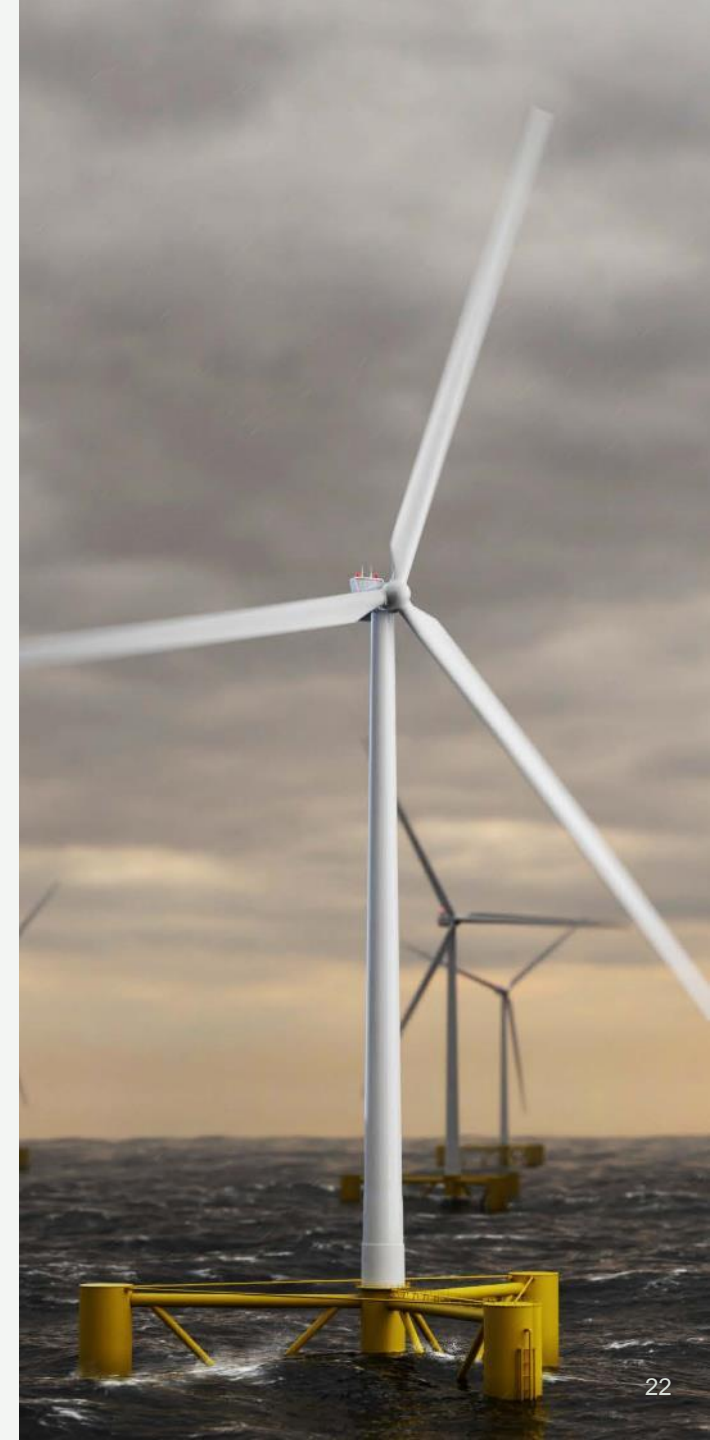
## Renewables service offerings

- Service offering with geothermal energy, carbon storage, wind and hydropower
- Meaningful underlying demand growth in all markets
- Strategy to grow and develop the renewable service offering for further value creation
- Secured back log and visibility for geothermal drilling in Iceland and Philippines
- Awarded wind foundation contract by TotalEnergies
- Iceland Drilling financials consolidated following Archer's recent acquisition of additional shares

## Financials

- Revenue contribution of \$16.4 million in Q4 2024, primarily from Iceland Drilling.
- EBITDA margin of 10% resulted in EBITDA of \$1.6 million in Q4 2024

<p><b>Geothermal Power</b> Deep drilling for power generation</p>	<p><b>District Heating</b> Shallow wells for heating and cooling</p>	<p><b>Carbon Storage</b> Storage wells for mineralization of COS</p>
<p><b>Floating Offshore Wind</b> Floating substructures for wind turbines</p>	<p><b>Windpower Services</b> Wind turbine maintenance services</p>	<p><b>Hydropower Services</b> Hydropower plant maintenance services</p>







# Agenda

1

Introduction

2

Market overview

3

Recent acquisitions

4

Business segments

5

**Outlook and guidance**





## Delivered as promised for 2024

1	EBITDA 2024 at \$135 mill (15% higher than 2023) (Guided 15-20% growth)	
2	Pro forma EBITDA at USD 156 million (Guided USD 155-160 million)	
3	Capex 4.8% of revenue (Guided 4-5% of revenue)	
4	Leverage ratio at 2.6 (pro forma 2.3) (Guided between 2.4 and 2.7 by end of 2024 )	



# Archer

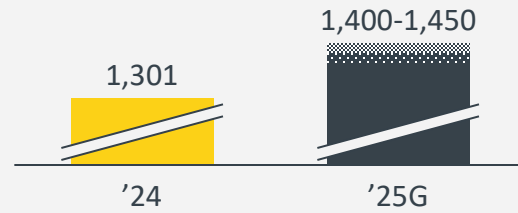


# Strong growth in EBITDA and cash contribution expected in '25

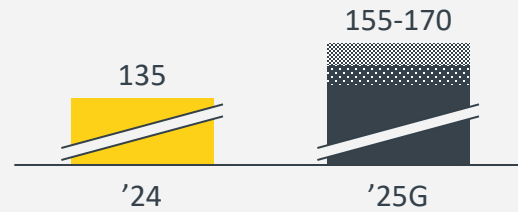
## '25 Financial guidance<sup>1</sup>

\$m

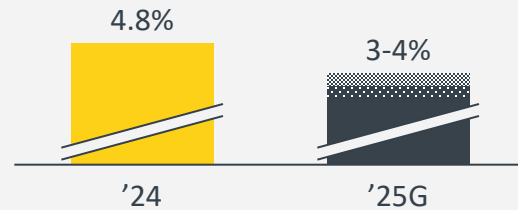
**Revenue**  
8 - 12% growth



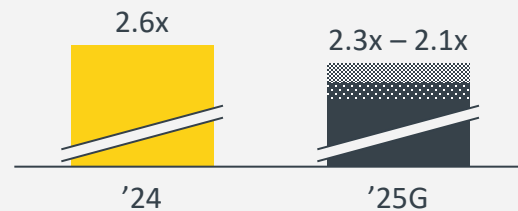
**EBITDA**  
15 – 25% growth



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



**Leverage ratio<sup>2</sup>**  
Between 2.3x and 2.1x by end of '25

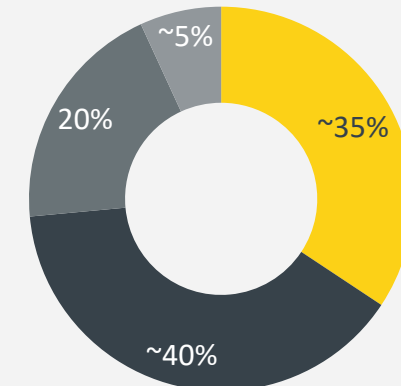


## Key takeaways

- Second half of '25 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
- Leverage ratio-guidance is including the expected impact of a refinancing of Archer during 2025
- Target to reach a leverage ratio of 1.5-2.0x over time

## Consolidated EBITDA '25 split by segments

- Platform Operations
- Well Services
- Land Drilling
- Renewables



<sup>1</sup> All numbers estimates assume stable USD/NOK and GBP/USD

<sup>2</sup> Leverage ratio = Reported NIBD / adjusted EBITDA. Leverage ratio expected to be 1.9x-2.1x without refinancing



# Appendix



# Key financials

