



Q4 2020 Presentation



ODFJELL DRILLING

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ODFJELL DRILLING

Odfjell Drilling is a listed international drilling, well service and engineering company with more than 2,500 employees and operations in approx. 20 countries

Key Financials Q4 2020

\$ 355 Mill

Revenue

\$ 207 Mill

Cash

\$ 171 Mill

EBITDA

2.5x

Leverage ratio (adj)

\$ 2.3 Bill

Backlog

45 %

Equity ratio

Our Businesses

Mobile drilling units



- ✓ 6th generation high spec and efficient harsh environment units

Well services



- ✓ Tubular running
- ✓ Rental services
- ✓ Well intervention
- ✓ Wired drillpipe
- ✓ Casing drilling

Energy



- ✓ Platform drilling operations on NCS/UKCS

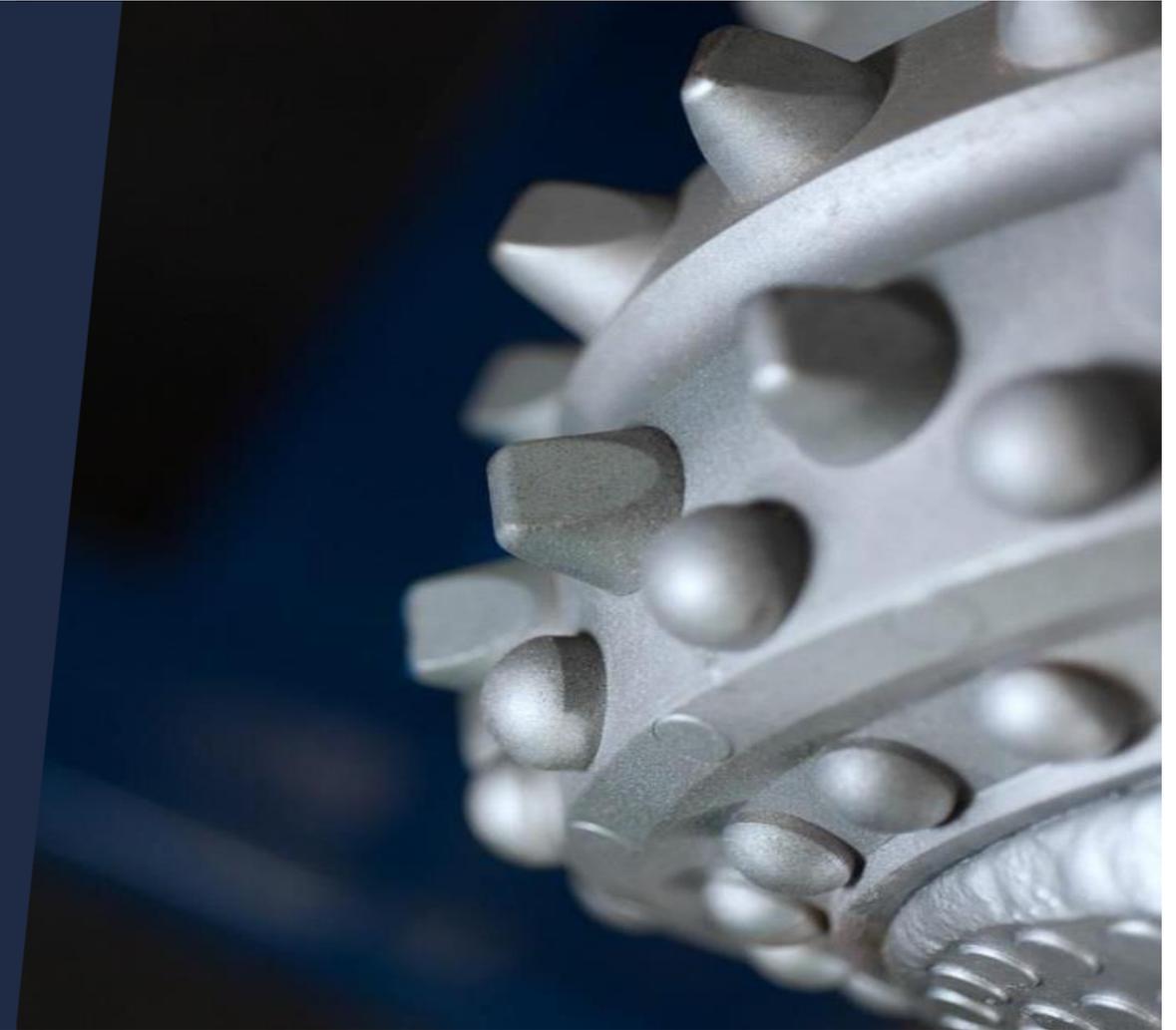


- ✓ Fully integrated drilling engineering & inspection services



Q4 20 - key summary

- **COVID-19 outbreak limited impact on operations and financial result FY 2020**
- **Successful completion of South Africa operations**
- **More backlog awarded from Lundin and Equinor to MODU**
- **Wintershall exercised a 4 year platform drilling services option on Brage**
- **Strong performance in Norway by Well Services**



Mobile Offshore drilling Units (MODU)

- Continued strong operations

Q4 2020 Financial Utilization

Financial Utilization¹	Q4 20	Q4 19	FY 20	FY 19
Deepsea Stavanger	100,0 %	99,2 %	99,2 %	98,7 %
Deepsea Atlantic	98,3 %	97,1 %	98,9 %	97,8 %
Deepsea Bergen	n/a	91,3 %	92,7 %	97,3 %
Deepsea Aberdeen	100,0 %	96,0 %	92,1 %	97,2 %
Deepsea Nordkapp	99,2 %	96,1 %	99,0 %	98,0 %
Deepsea Yantai	90,7 %	95,9 %	93,3 %	95,9 %

1) Financial Utilisation is measured on a monthly basis and comprises the actual recognised revenue for all hours in a month, expressed as a percentage of the full day rate for all hours in a month. Financial Utilization, by definition, does not take into account periods of non-utilisation when the units are not under contract.

Mobile Offshore drilling Units (MODU) - Contract status

Drilling unit	Year built	Location /operator	Day rate (KUSD/day)*	Contract status						
 Deepsea Atlantic (6G, UDW, HE)	2009	Norway Equinor	292	2021	2022	2023	2024	2025	2026	
 Deepsea Stavanger (6G, UDW, HE)	2010	Norway AkerBP/Lundin	295/275	2021	2022	2023	2024	2025	2026	
 Deepsea Aberdeen (6G, UDW, HE)	2014	Norway BP/Wintershall/Equinor	455/305	2021	2022	2023	2024	2025	2026	
 Deepsea Nordkapp (6G, DW, HE)	2019	Norway Aker BP	328/350	2021	2022	2023	2024	2025	2026	
 Deepsea Yantai (6G, MW, HE)	2019	Norway Neptun	Managed unit	2021	2022	2023	2024	2025	2026	

Contract
 Option
 Continued optionality under frame agreement
 Scheduled SPS

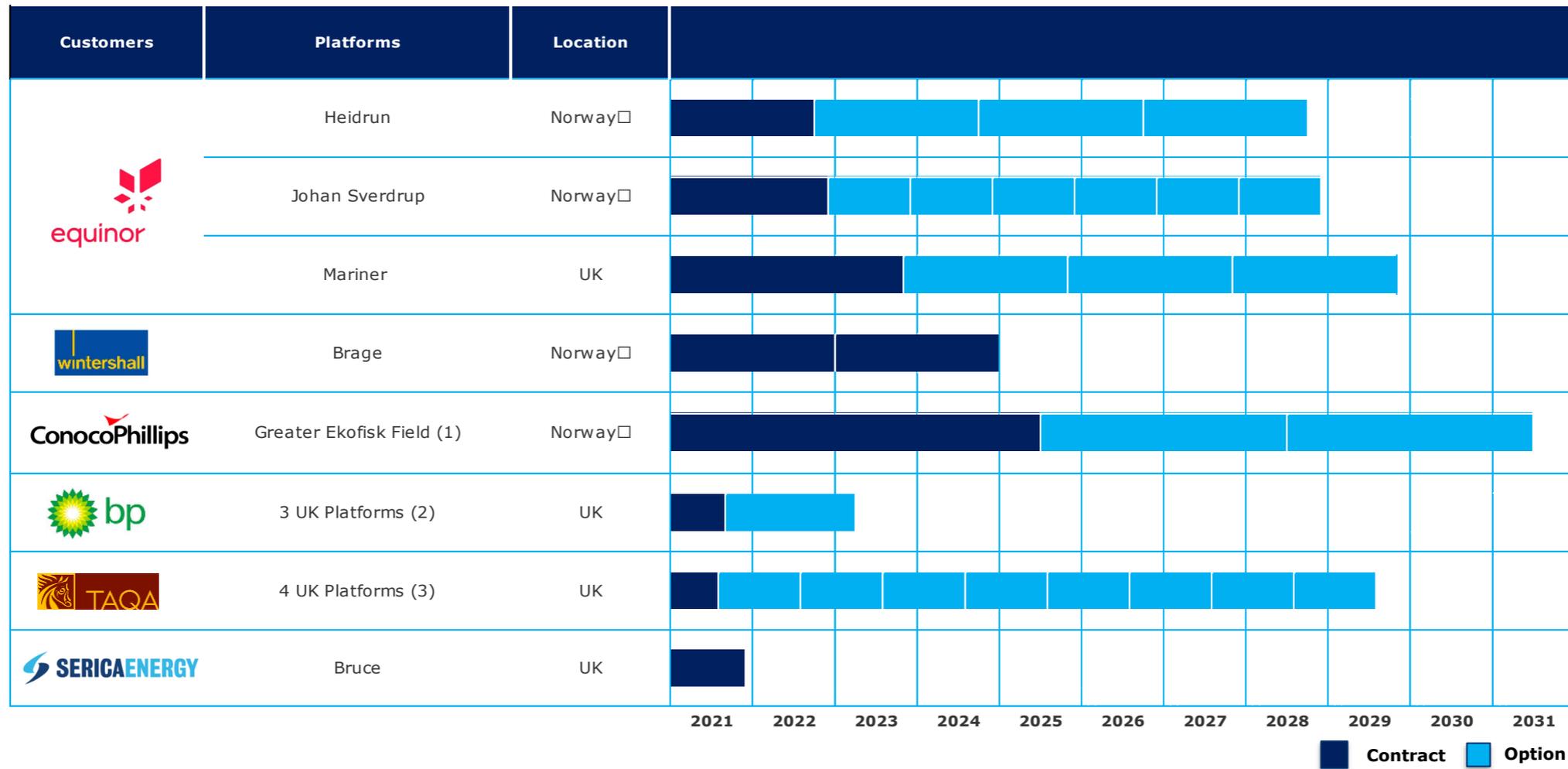
Firm MODU contract backlog at 31 December 2020 of USD 1.0 billion with additional priced options valued at USD 0.4 billion**

* Base rate excluding any bonus element. Rates may include mix of currencies and fluctuate based on exchange rates.
 ** The backlog does not include management revenue from Deepsea Yantai

Other definitions: 6G: Sixth generation, MW: Mid water, DW: Deep water, UDW: Ultra deep water, HE: Harsh environment

Energy – Platform Drilling

- Portfolio secured by medium to long-term contracts



Firm contract backlog of USD 0.3 billion at 31 December 2020
Value of priced optional periods of USD 0.7 billion

- 1) Eldfisk B, Ekofisk K, Ekofisk X
- 2) Clair, Andrew, Clair Ridge
- 3) Harding, Tern Alpha, Cormorant Alpha, North Cormorant

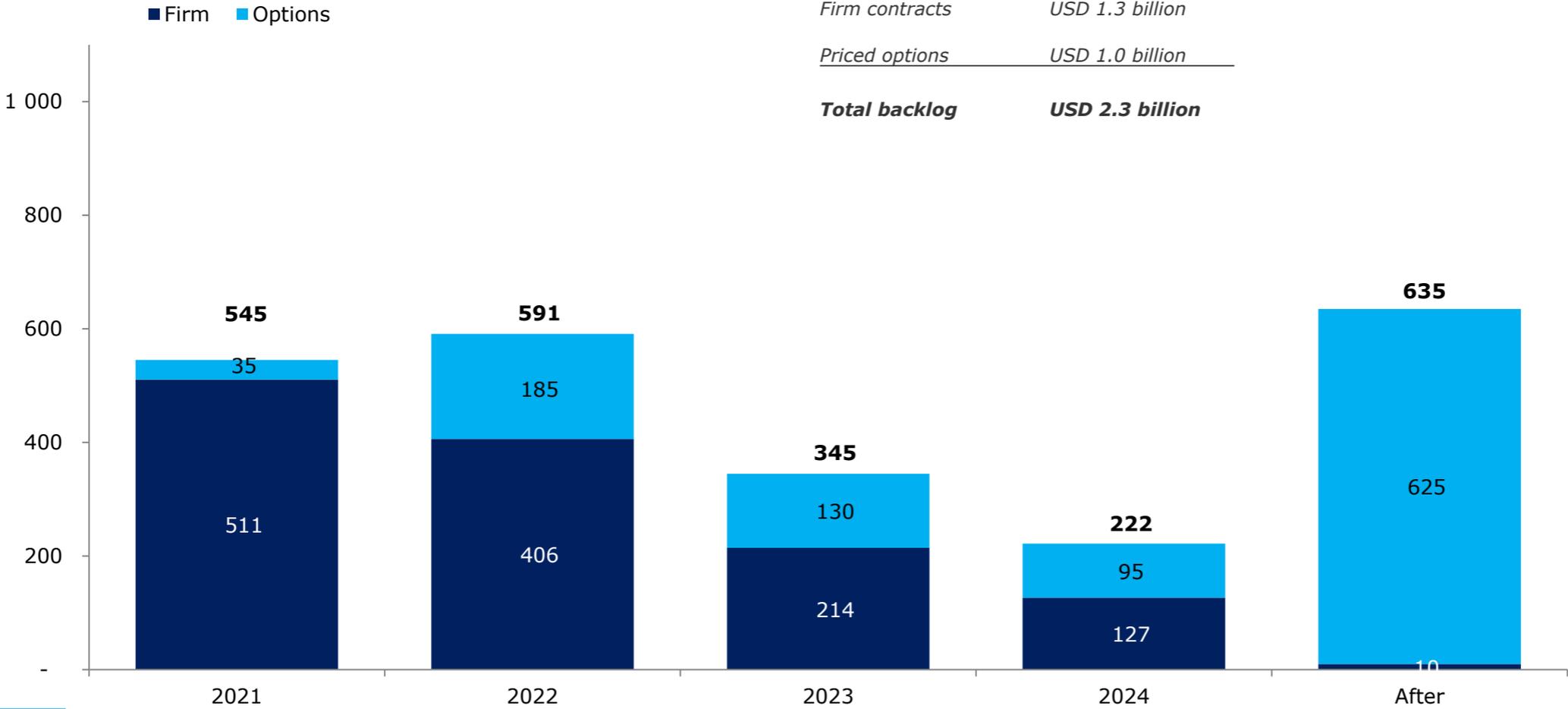
Well Services

- global presence and diversified services



Earnings visibility through USD 2.3 billion order backlog

Total revenue backlog per year¹



1) Estimates at 31 December 2020. Revenue from frame agreements and call-off contracts in Well Services and revenue from Technology and MODU Management is not included in the backlog.

Market outlook

General

- COVID 19 outbreak and volatility in oil price create large uncertainties
- E&P companies will monitor the market closely and adjust their activities accordingly
=> **Decreasing E&P activity due to overall uncertainty**

MODU

- Significant oversupply in the global rig market
- Harsh environment markets are closer to supply/demand balance
- Present dayrate level does not support any newbuild activity based on expected capital return for the short to medium term
- Norwegian tax incentive scheme (2020) has increased activity on the NCS
- Preference by E&P companies for high-spec and efficient 6 gen units
- Scrapping of mature units will continue
=> **Continued strong demand for ODL fleet**

Well Services

- Still over-supply of available resources and equipment
- Observe an increased activity in the Norwegian market
- The COVID-19 pandemic development may impact the market improvement
=> **Current market turbulence is expected to impact the demand in the short to medium term**

Energy

- Low volatility in the platform drilling market
- North Sea modification market still at low level
=> **Stable market conditions and scale effects to be materialized**

Financial information



ODFJELL DRILLING
- for Decades

Group summary financials

Condensed consolidated income statement

P&L - (USD million)	Q4 20	Q4 19	FY 20	FY 19
Operating revenue	355	221	930	823
Other gains/losses	2	1	3	1
Personnel expenses	-112	-90	-340	-328
Other operating expenses	-75	-38	-172	-164
EBITDA	171	93	420	332
Depreciation	-44	-51	-204	-185
Operating profit (EBIT)	127	42	216	147
Net financial items	-20	-31	-71	-103
Profit/(loss) before tax	107	11	146	44
Income taxes	1	-1	-2	-3
Profit/(loss) for the period	108	11	143	41

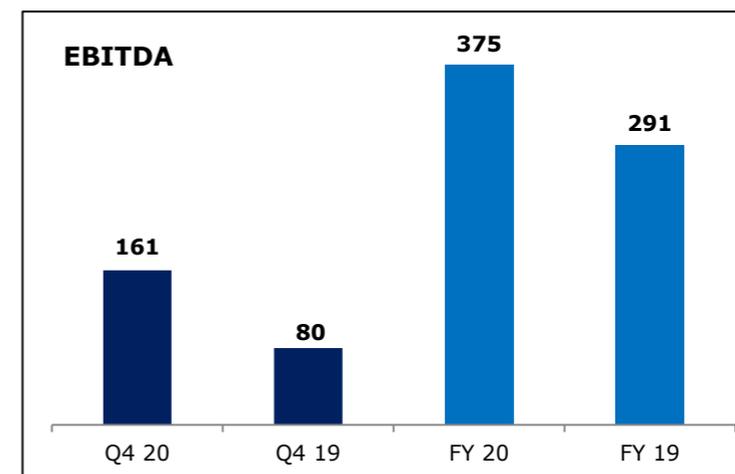
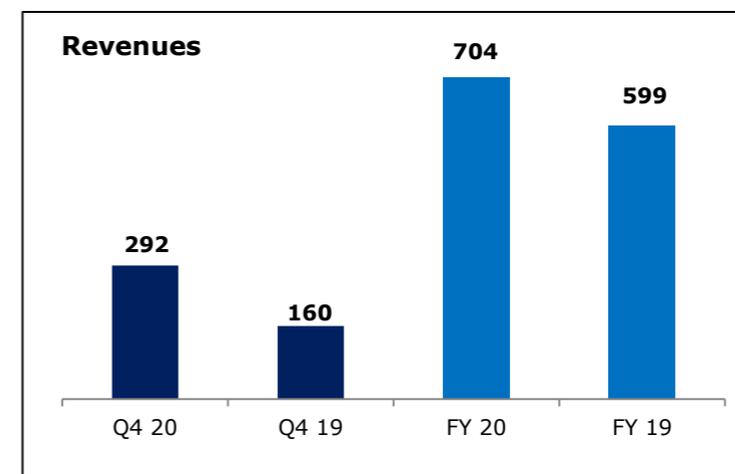
Segment reporting - MODU financials

MODU

Condensed P&L - (USD million)	Q4 20	Q4 19	FY 20	FY 19
Operating revenue	292	160	704	599
EBITDA	161	80	375	291
Depreciation and impairments	-35	-43	-169	-154
EBIT	126	37	206	138
Book value rigs	2 089	2 157	2 089	2 157
EBITDA-margin	55,1 %	49,9 %	53,3 %	48,6 %
EBIT-margin	43,2 %	23,0 %	29,2 %	23,0 %
Share of group revenue ¹	80,1 %	70,0 %	73,1 %	69,9 %
Share of group EBITDA ¹	92,9 %	82,6 %	88,8 %	85,5 %
Share of group EBIT ¹	95,8 %	77,1 %	90,4 %	83,9 %

1) Before group eliminations and corporate overheads

Key Financials (USD million)



As of 1 January 2020 the internal reporting of the segments is prepared according to IFRS.
Comparative figures are adjusted accordingly.

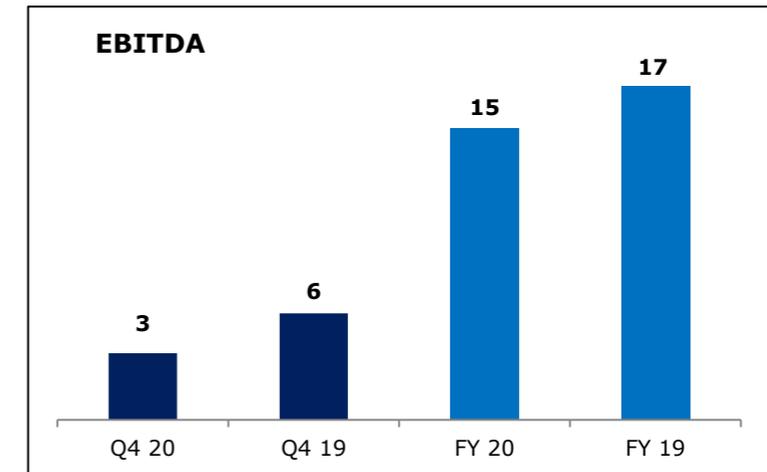
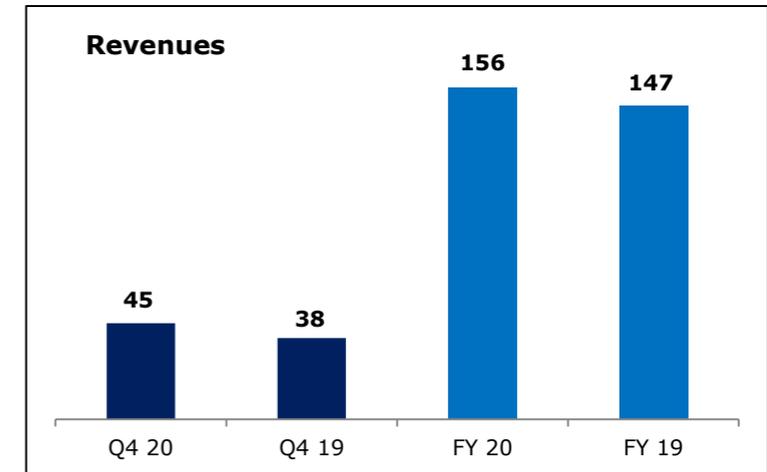
Segment reporting - Energy financials

Energy

Condensed P&L - (USD million)	Q4 20	Q4 19	FY 20	FY 19
Operating revenue	45	38	156	147
EBITDA	3	6	15	17
Depreciation and impairments	-0	-0	-0	-0
EBIT	3	6	15	17
EBITDA-margin	7,7 %	14,6 %	9,8 %	11,9 %
EBIT-margin	7,7 %	14,5 %	9,7 %	11,8 %
Share of group revenue ¹	12,4 %	16,7 %	16,2 %	17,1 %
Share of group EBITDA ¹	2,0 %	5,7 %	3,6 %	5,1 %
Share of group EBIT ¹	2,6 %	11,5 %	6,6 %	10,5 %

1) Before group eliminations and corporate overheads

Key Financials (USD million)



As of 1 January 2020 the internal reporting of the segments is prepared according to IFRS. Comparative figures are adjusted accordingly.

Segment reporting

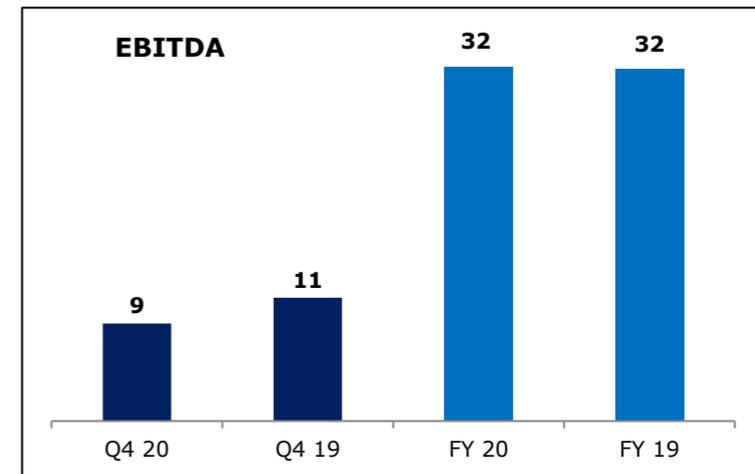
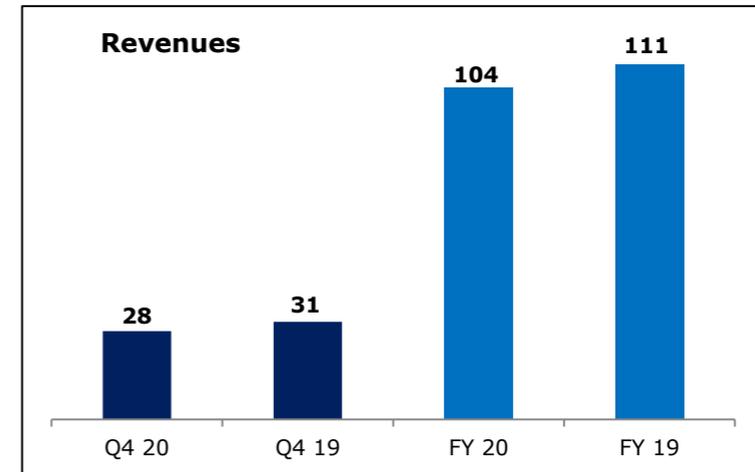
- Well Services financials

Well Services

Condensed P&L - (USD million)	Q4 20	Q4 19	FY 20	FY 19
Operating revenue	28	31	104	111
EBITDA	9	11	32	32
Depreciation and impairments	-7	-6	-25	-23
EBIT	2	5	7	9
Book value of equipment	69	74	69	74
Cost price for equipment in use	377	365	377	365
EBITDA-margin	32,2 %	36,8 %	31,1 %	28,9 %
EBIT-margin	7,7 %	17,8 %	6,6 %	8,2 %
Share of group revenue ¹	7,6 %	13,3 %	10,8 %	13,0 %
Share of group EBITDA ¹	5,1 %	11,6 %	7,6 %	9,4 %
Share of group EBIT ¹	1,6 %	11,4 %	3,0 %	5,5 %

1) Before group eliminations and corporate overheads

Key Financials (USD million)



As of 1 January 2020 the internal reporting of the segments is prepared according to IFRS. Comparative figures are adjusted accordingly.

Group

- eliminations, corporate overhead & net financial items

Group – eliminations, corporate overhead & net financial items

(USD million)	Q4 20	Q4 19	FY 20	FY 19
EBIT - MODU	126	37	206	138
EBIT - Energy	3	6	15	17
EBIT - Well Services	2	5	7	9
EBIT for reportable segments	132	48	228	164
Eliminations/corporate	-5	-6	-11	-18
Group EBIT	127	42	216	147
Net financial items	-20	-31	-71	-103
Group profit before tax - Consolidated Group	107	11	146	44

Summary statement of financial position

Group statement of financial position					
Assets (USDm)	31.12.20	31.12.19	Equity and liabilities (USDm)	31.12.20	31.12.19
Deferred tax asset	1	1	Total paid-in capital	565	565
Intangible assets	29	30	Other equity	633	497
Property, plant and equipment	2 203	2 281	Equity attributable to owners of ODL	1 198	1 062
Financial fixed assets	3	2	Non-controlling interests	1	-
Total non-current assets	2 236	2 313	Total equity	1 199	1 062
Trade receivables	162	174	Non-current interest-bearing borrowings	696	1 174
Contract assets	10	9	Non-current lease liabilities	37	39
Other current assets	26	20	Post-employment benefits	7	8
Cash and cash equivalents	207	170	Non-current contract liabilities	4	2
Total current assets	405	373	Other non-current liabilities	17	10
Total assets	2 640	2 686	Total non-current liabilities	760	1 232
			Current interest-bearing borrowings	516	217
			Current lease liabilities	8	8
			Contract liabilities	14	39
			Trade payables	53	46
			Other current liabilities	92	83
			Total current liabilities	682	392
			Total liabilities	1 442	1 624
			Total equity and liabilities	2 640	2 686

- Group's gross interest bearing debt was USD 1,212 million (net of capitalized financing fees) at 31 December 2020.
- USD 207 million in cash and cash equivalents at 31 December 2020.
- Equity-ratio of 45% at 31 December 2020.

Summary statement of cash flow

Group statement of cash flow

Cash Flow - (USDm)	Q4 20	Q4 19	FY 20	FY 19
Profit before income tax	107	11	146	44
Adjustment for provisions and other non-cash elements	67	76	267	282
Change in working capital	-0	11	3	-47
Cash from operations	173	98	416	279
Interest paid	-15	-22	-67	-78
Income tax paid	-1	-1	-3	-3
Net cash from operations	157	76	346	198
Purchase of property, plant and equipment	-33	-20	-114	-426
Other cash flows from investment activities	2	2	1	-3
Net cash used in investing activities	-31	-17	-113	-428
Net change in debt	-67	-19	-183	241
Other financing	-3	-3	-10	-10
Net cash from financing activities	-71	-22	-193	231
Net change in cash and cash equivalents	56	36	39	1
Cash and cash equivalents at period start	149	131	170	175
FX gains/(losses) on cash and cash equivalents	2	2	-2	-6
Cash and cash equivalents at period end	207	170	207	170

Summary Q4 2020

MODU:

- Continue to build backlog and be a preferred partner in the Harsh Environment
- Attractive harsh environment assets and healthy outlook

Energy:

- Rebranded to Energy
- Solid operations combined with healthy financial results
- Awarded 4 additional years on the Brage platform for Wintershall DEA

Well Services:

- Continued strong activity although the service market has been affected by less demand due to COVID-19/oil price turbulence.

Key Financials:

- Earnings visibility through USD 2.3 billion order backlog
- Sound cash position
- Strong balance sheet combined with continued de-leveraging



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Next event:
Q1 2021 results tentatively scheduled to be published 27 May 2021

For more information see: www.odfjelldrilling.com