



Archer

Archer

Dag Skindlo

Chief Executive Officer

Espen Joranger

Chief Financial Officer

28 January 2021



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.

Forward-looking statements do not guarantee future performance and involve risks and uncertainties. Actual results may differ materially from projected results/pro forma results as a result of 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, 2019. 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. Q4 2020 Trading Update	+
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2. Archer in brief	+
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3. Why Archer?	+
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4. Outlook	+
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5. Summary	+
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Q4 Highlights

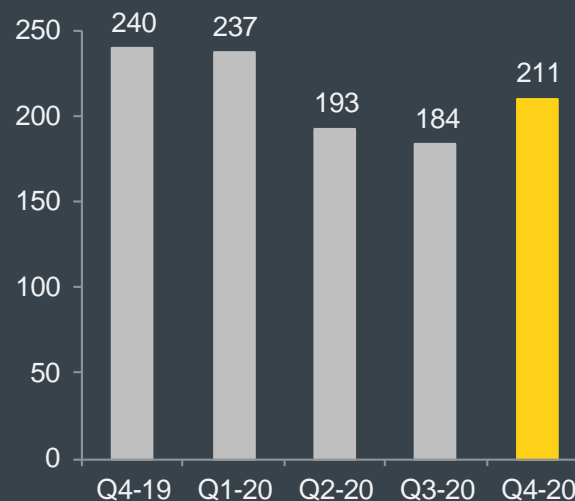
Preliminary estimates

- Revenue increased by 15%
- Solid quarter with increase in EBITDA of \$3.5 million compared to Q3
- EBITDA before exceptional items of \$23.3 million
- NIBD reduced by \$78 million to \$504 million YOY

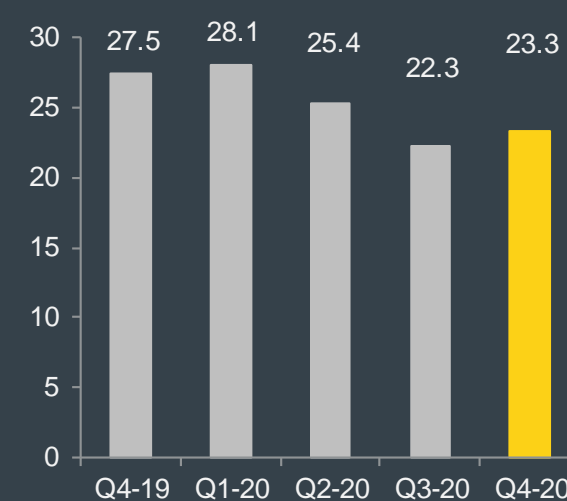
Subsequent events

- Award of integrated wireline contract by Equinor with contract value of NOK 2.5 billion

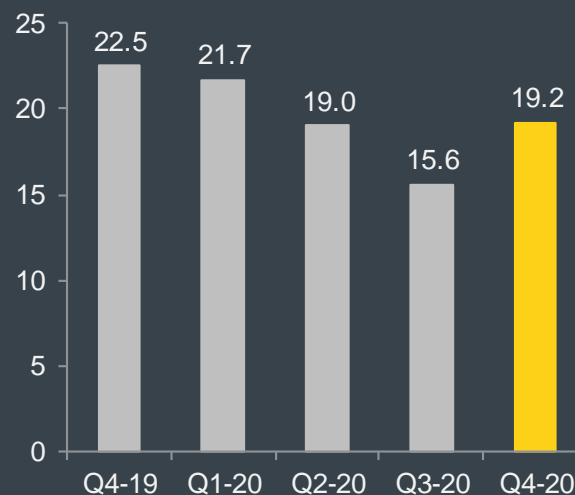
Revenue



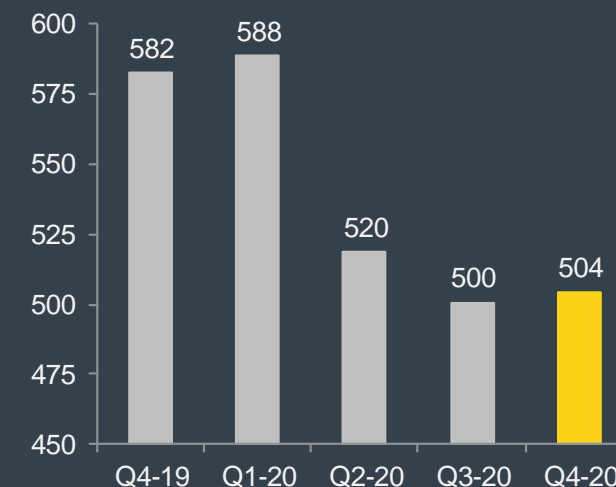
EBITDA before exceptional



EBITDA



Net interest-bearing debt





New wireline contract

Gross contract value

- NOK 2.5 billion (\$300m) firm period

Contract commencement

- Q2 2021

Duration

- 5 years firm + 3 x 2 years options

Area of operation

- Gullfaks A, B and C
- Statfjord A, B and C

Contract features

- OneTeam approach
- Primary access to industry best technology
- CO2 reductions through multiskilled personnel
- Digitalized collaboration

Welltec

Pioneers in powered mechanical services



WELLTEC® is the world leader in safe, cost effective Tractor Conveyance and PMS Solutions

Archer WL

Innovative Conveyance and logging solutions



Archer is a technology driven WL supplier with cross divisional synergies

Schlumberger WL

The benchmark in advanced logging services



Schlumberger offers market leading advanced logging and perforating solutions



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1. Q4 2020 Trading Update	+
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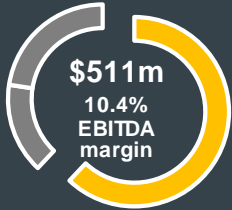
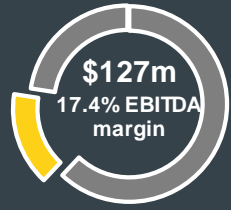
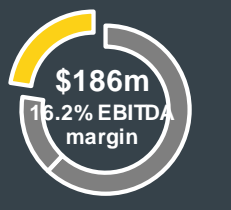
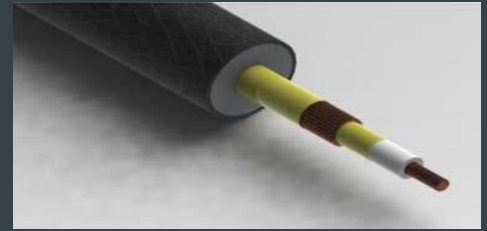
3. Why invest in Archer?	+
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4. Outlook	+
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5. Summary	+
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Archer – the well company

Eastern Hemisphere		Western Hemisphere	Non-consolidated entities
Platform Drilling	Well Services	Land Drilling	KLX Energy
			
Platform drilling, engineering, rental and modular rigs North Sea focused	Wireline and Oiltools Global business	Owns and operates 80 land units for drilling, workover and pulling services Argentina and Bolivia	US onshore industry-leading provider of asset-light oilfield solutions
 2020 revenue (USDm)	 2020 revenue (USDm)	 2020 revenue (USDm)	Intervention technology ComTrac® 

A global oil service company with 4,500 employees

“We are committed to support our industry’s goals of reducing carbon footprint and environmental impact”



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---------------------------	---

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--------------------	---

3. Why Archer?	+
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4. Outlook	+
------------	---

5. Summary	+
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Why Archer?

Compelling position

Strong cash generation,
sound liquidity position
and limited short term
debt maturities

Solid performance despite
market disruption

Well positioned in brownfield
and attractive P&A market



Committed to reposition
as part of energy
transition

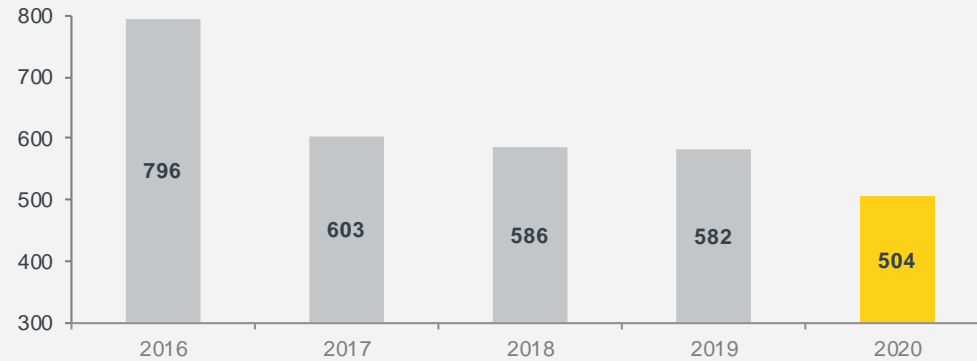
Proprietary technology

Market leader in core
markets

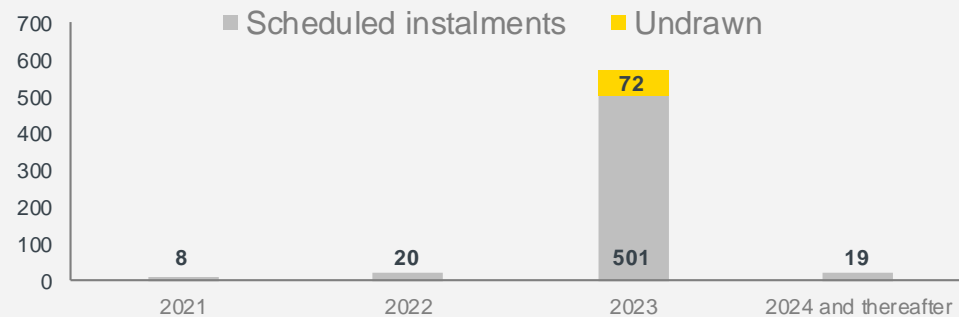


Financial position

NIBD [\$m]



Debt maturity profile [\$m]



Liquidity

Archer has in 2020;

- Generated free cash flow
 - Reduced committed credit lines
 - Repaid debt prior to schedule
 - Extended final maturity of main facilities to 2023
 - Reduced debt through debt forgiveness
 - Adjusted financial covenants
 - Increased financial flexibility
- and
- Preserved sufficient liquidity

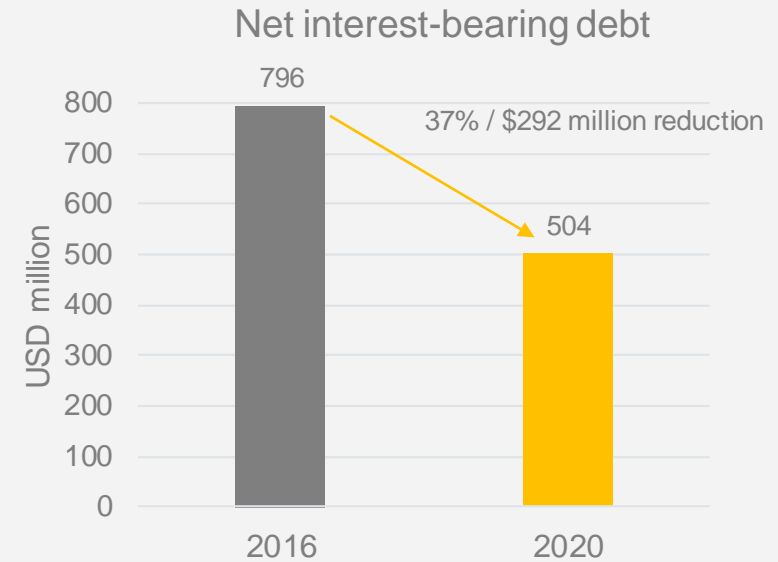
“As per 31.12.2020 Archer had more than USD 110 million in cash and committed credit lines with limited instalments before 2023”



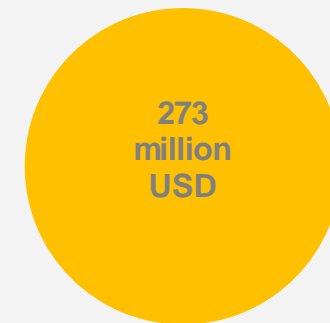
Strong cash generation

Strong cash flow generation in years with challenging market conditions

2016	Positive free cash flow
2017	Positive free cash flow
2018	Positive free cash flow
2019	Positive free cash flow
2020	Positive free cash flow
2021	Expected positive free cash flow



2016 – 2020 Free cash flow

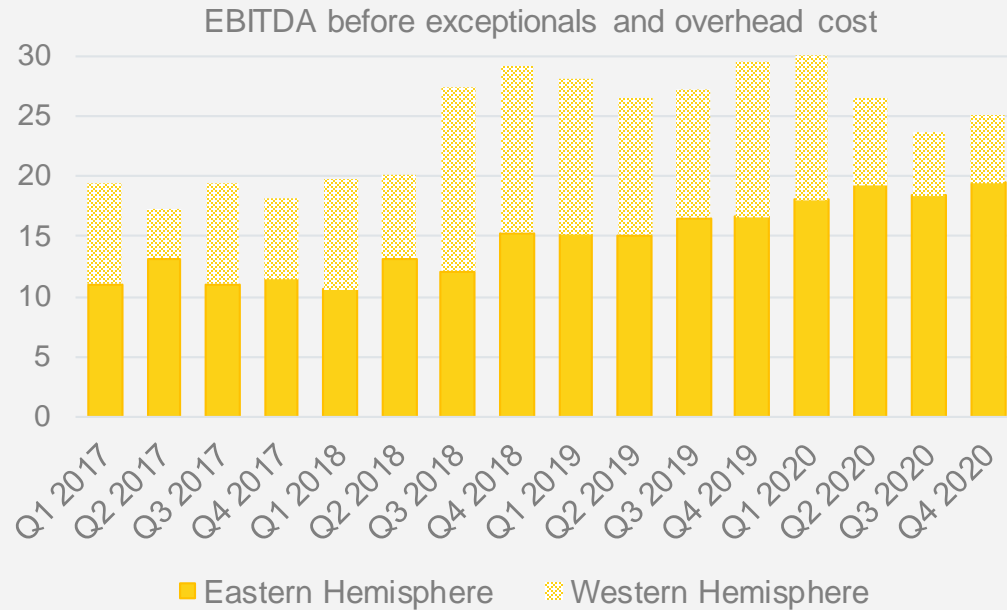


“Archer has consistently generated cash through the last 5 years, and we expect this to continue going forward”

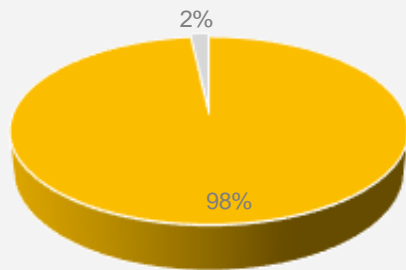


Solid performance despite market disruption

Brownfield exposure secures stable activity levels

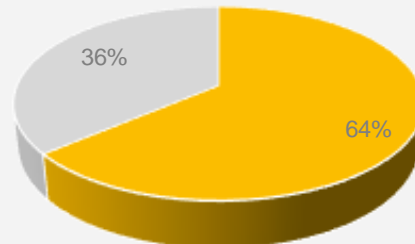


Eastern Hemisphere revenue



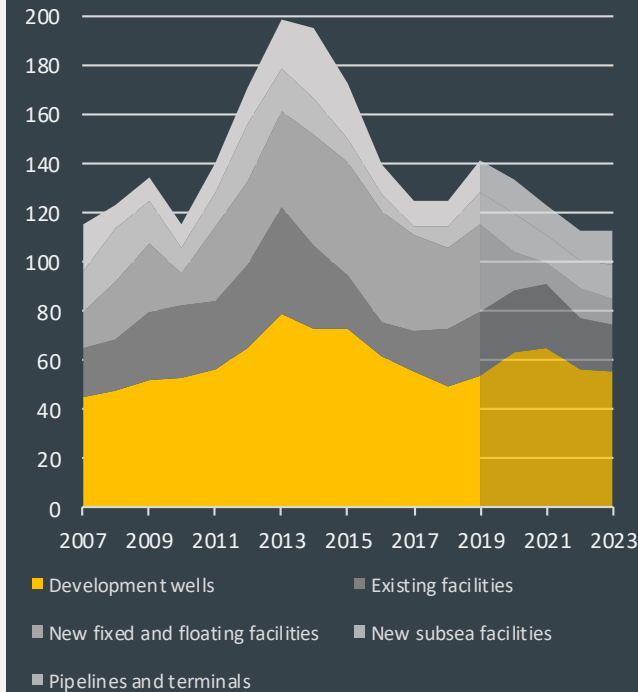
■ Brownfield ■ Greenfield

Western Hemisphere revenue



■ Brownfield ■ Greenfield

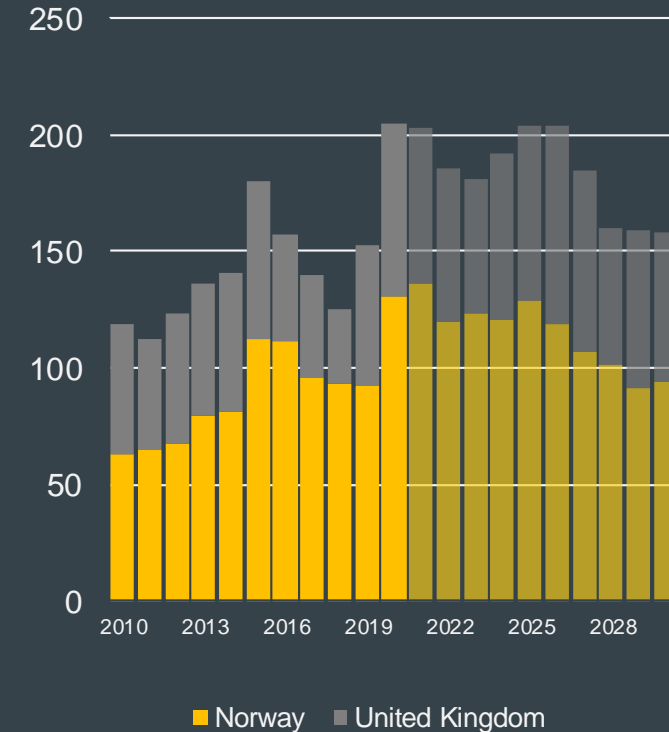
Investments



Investment by category on Norwegian Continental Shelf

Source: Norwegian Petroleum Directorate

Completed offshore production wells



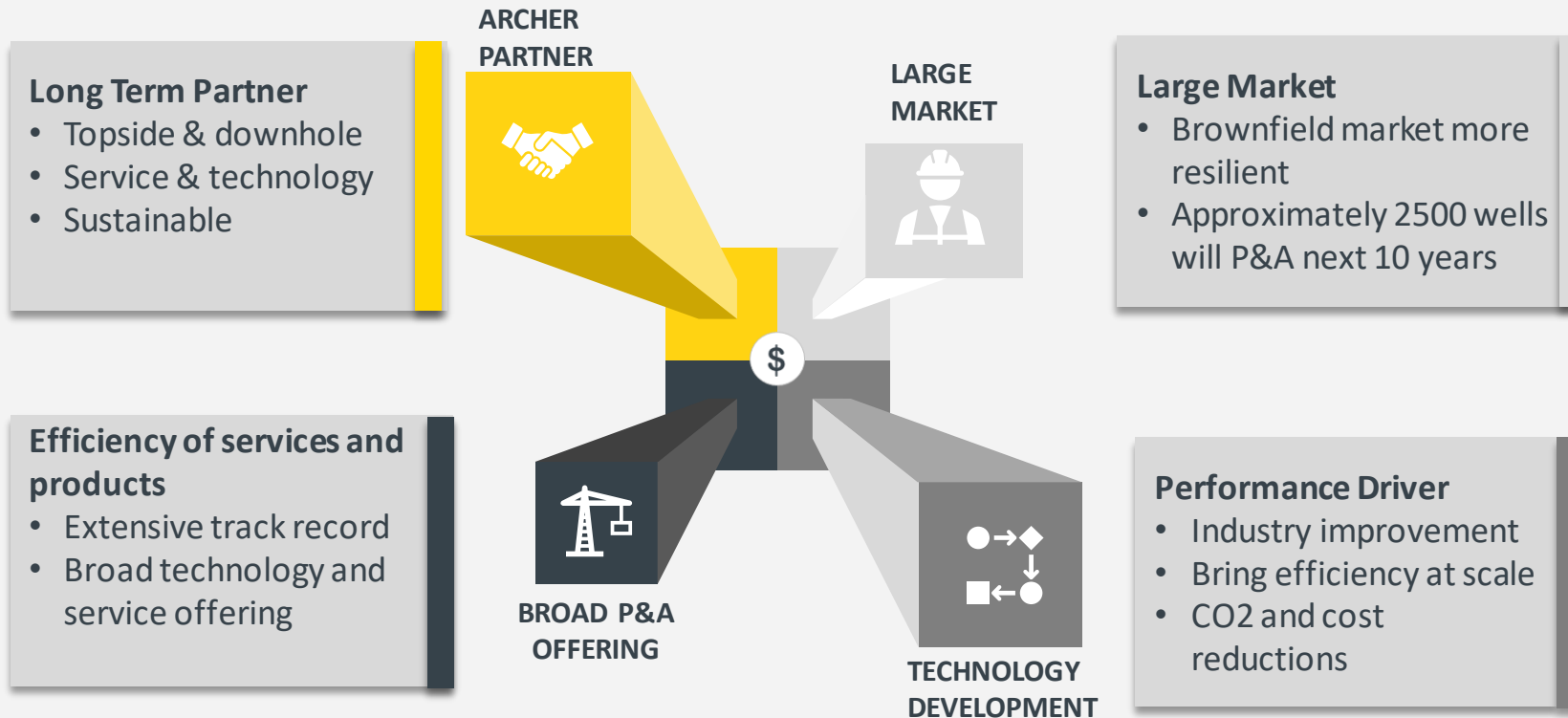
Wells drilled per year

Source: Rystad Energy

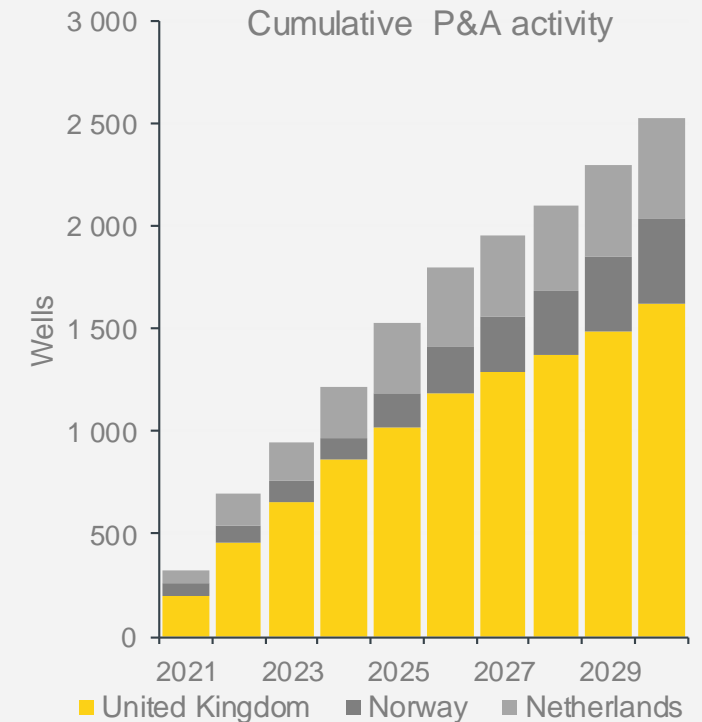


Well positioned to attractive P&A market

Our ambition is to be the integrated service company that will lead brownfield operations and well abandonment



Forecasted P&A* activity – North Sea



*Includes P&A work that has been started, but not completed as of January 2021
Source: Rystad Energy

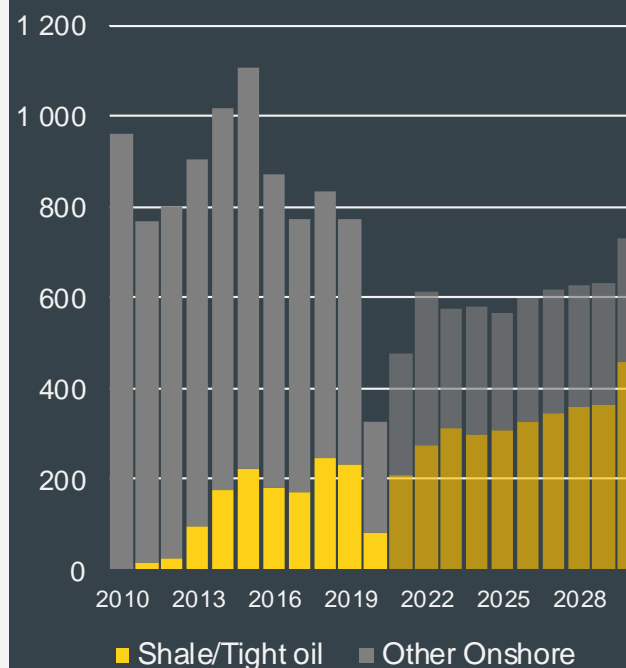


Well positioned in growth areas

Argentina

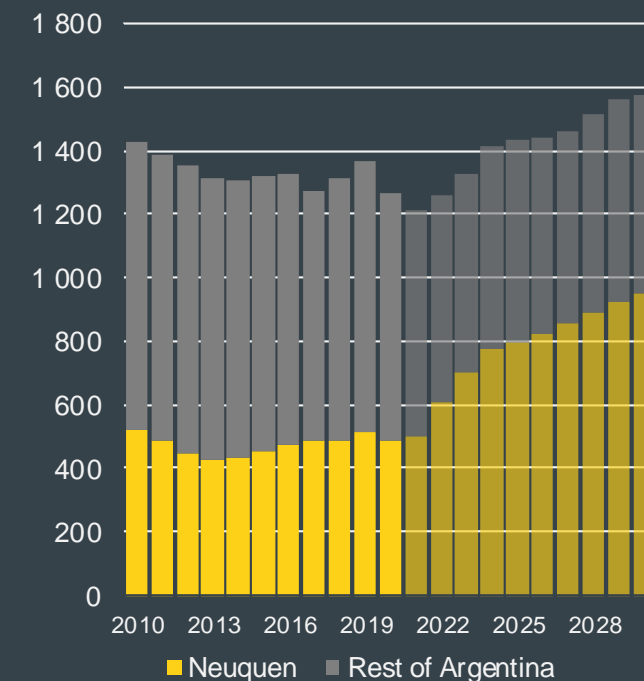
- Argentina needs to produce sufficient for own consumption due to limitation in available USD for oil and gas imports
- Gas incentive plan in place to secure sufficient gas for the upcoming winter
- Macropolitical environment remains challenging
- Archer's activity in Neuquen approaches pre-covid activity levels
- Archer's activity in Comodoro approaches expected new activity level, with four less active drilling rigs than pre-covid
- Rightsizing to reflect adjusted activity levels

Argentina
Wells drilled per year



Argentina

Production



Production (kbbbl/d)

Source: Rystad Energy

Completed production wells

Source: Rystad Energy



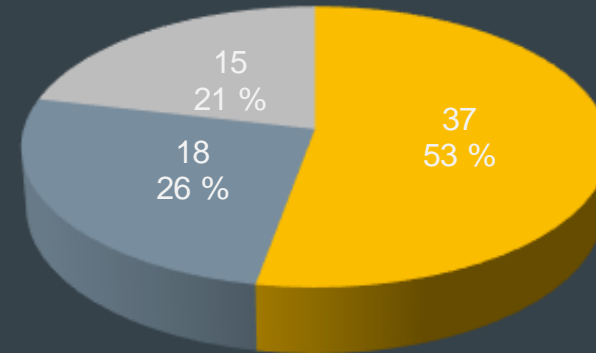
Market leader in core markets

Strong market position

- Leading platform driller in the North Sea
 - Backed by long term contracts
 - Well positioned in brownfield and P&A market
 - Further integration opportunities for Engineering, Oiltools and Wireline
- Leading provider of land drilling and workover services in Latin America
 - Increased market share in Vaca Muerta towards end of 2020
 - Best rig fleet in Vaca Muerta
 - Primarily brownfield activity in the south of Argentina

North Sea Market Share

of platforms

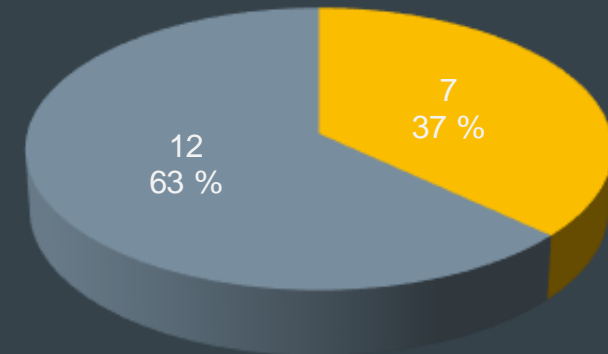


■ Archer ■ KCA Deutag ■ Odfjell Drilling

Platform Drilling

Vaca Muerta Market Share

of drilling rigs



■ Archer ■ Other

Land Drilling



ARCHER SUSTAINABILITY

Low carbon agenda

- Support clients net zero emission objectives by developing and delivering technology and services
- Minimize own carbon footprint

Resilient O&G offering

- Approximately 90% of Archer revenue from brownfield
- Key supplier to long-term plugging and abandonment of wells

Financial performance

- Continuous positive cash flow
- Solid financial results, despite challenging market

Green energy

- Review and explore opportunities
- Develop long term business
- Continue to be a large employer

Social & Governance foundation



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1. Q4 2020 Trading Update	+
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----------------	---

4. Outlook	+
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5. Summary	+
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Financial outlook 2021

- Revenues for 2021 expected to increase moderately from run-rate second half 2020
- EBITDA for 2021 expected 10-20% higher than 2020
- Capex between 3-4% of revenue
- Positive free cash flow
- Continued reduction in NIBD





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1. Q4 2020 Trading Update	+
---------------------------	---

2. Archer in brief	+
--------------------	---

3. Why Archer?	+
----------------	---

4. Outlook	+
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5. Summary	+
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Takeaways



Free cash generation and sufficient available liquidity



Solid performance



Well positioned in brownfield and P&A



Strong market position



Proprietary technology



Committed to energy transition



archerwell.com

Thank you!