



Fourth Quarter 2020 results

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Chief Executive Officer

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25 February 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.



Q4 2020

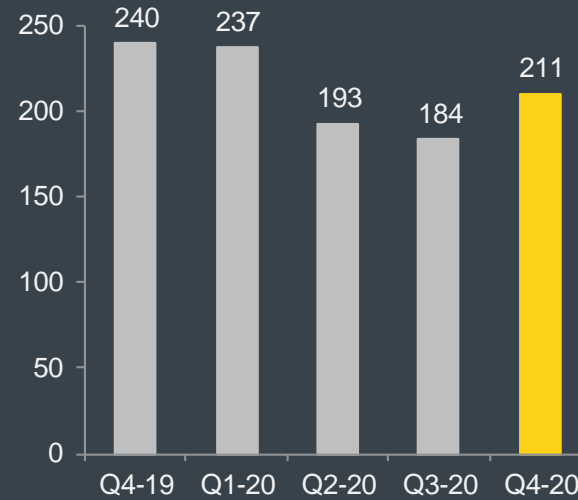
Q4 Highlights

- 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
- Positive net income
- NIBD reduced by \$78 million to \$504 million YOY

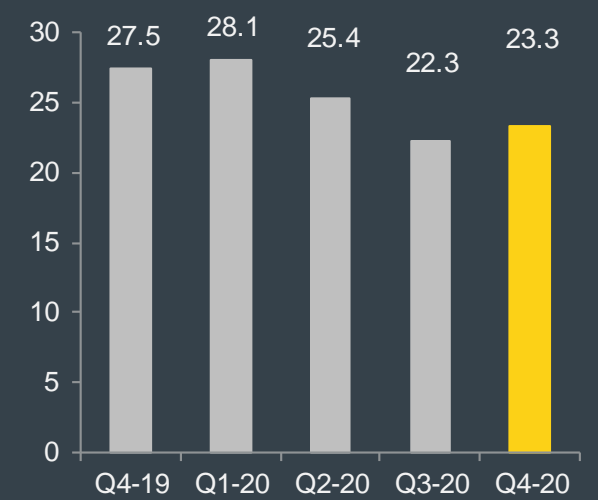
Subsequent events

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

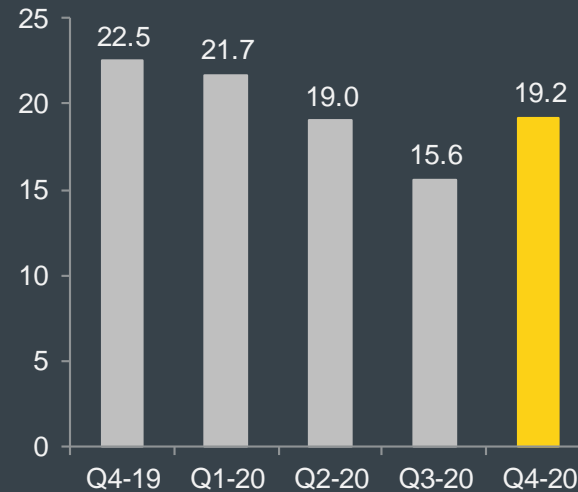
Revenue



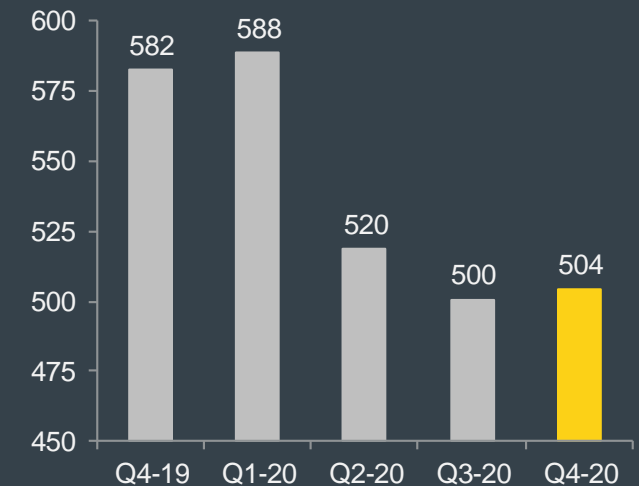
EBITDA before exceptionals



EBITDA



Net interest-bearing debt





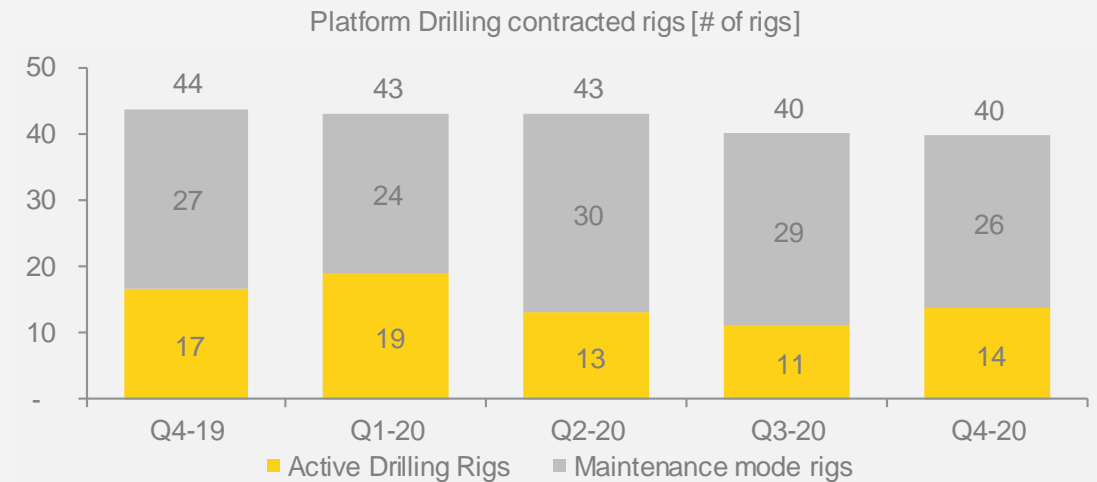
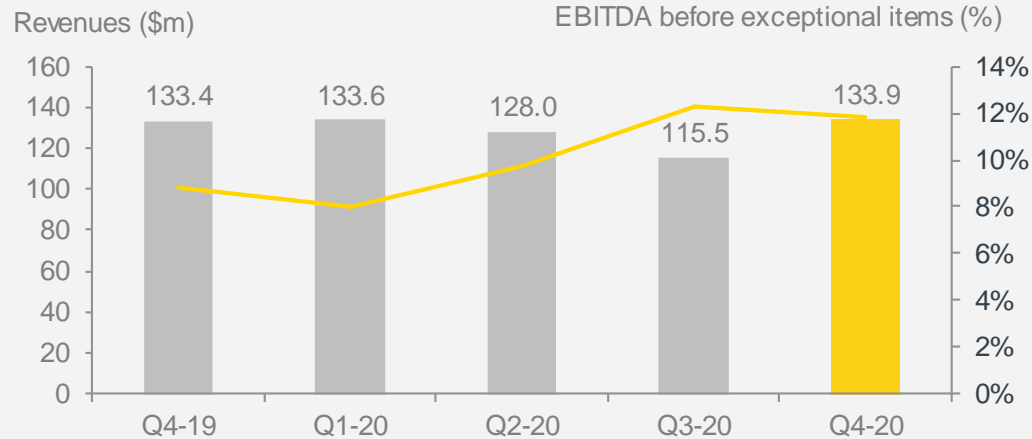
Platform Drilling, Modular Rigs & Engineering

Financials

- Revenue increased by 16% compared to Q3
- Additional EBITDA contribution primarily from platform drilling
- EBITDA margin 12.0%
- Capex of \$2.0 million

Operations

- Active drilling rigs in the portfolio increased by 3 platforms from Q3
- Modular rigs;
 - Topaz demobilized after successful P&A campaign at Heimdal
 - Emeralds first full quarter of operation in New Zealand

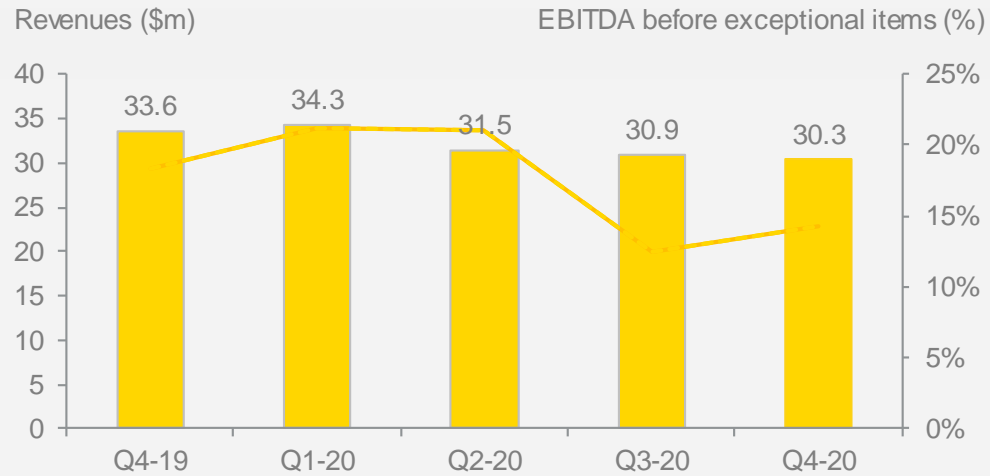




Well Services

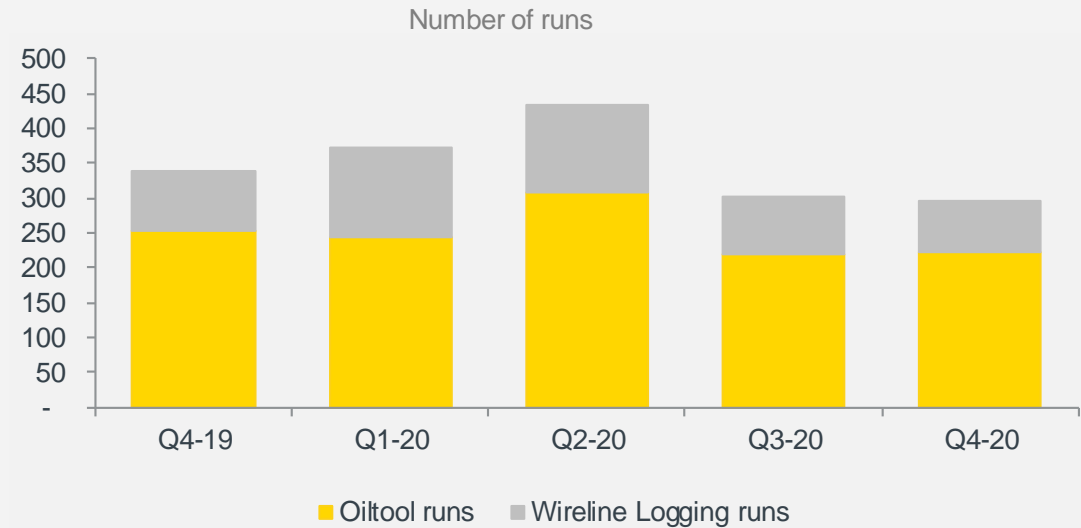
Financials

- EBITDA increased by \$0.5 million compared to Q3
- EBITDA margin increased by 1.8 percentage point to 14.2%
- Capex of \$5.5 million



Operations

- Activity picking up in Wireline over the quarter
- Stable level of runs compared to Q3
- Integrated wireline contract with Equinor will impact results from Q2, 2021
- First MCAP installed in the Middle East
- 20% growth YOY for slot recovery and P&A solutions





Q4 2020

Integrated 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
- Staffjord 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



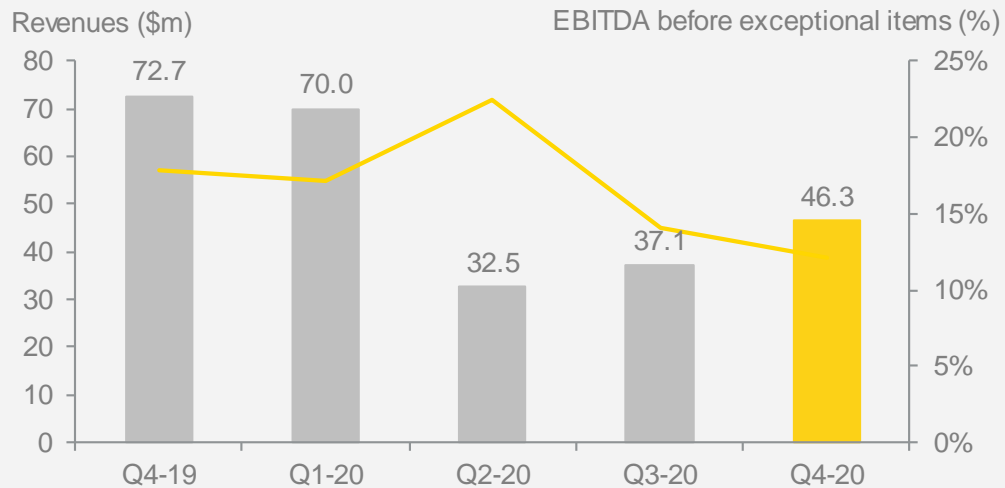
Schlumberger offers market leading advanced logging and perforating solutions



Land drilling

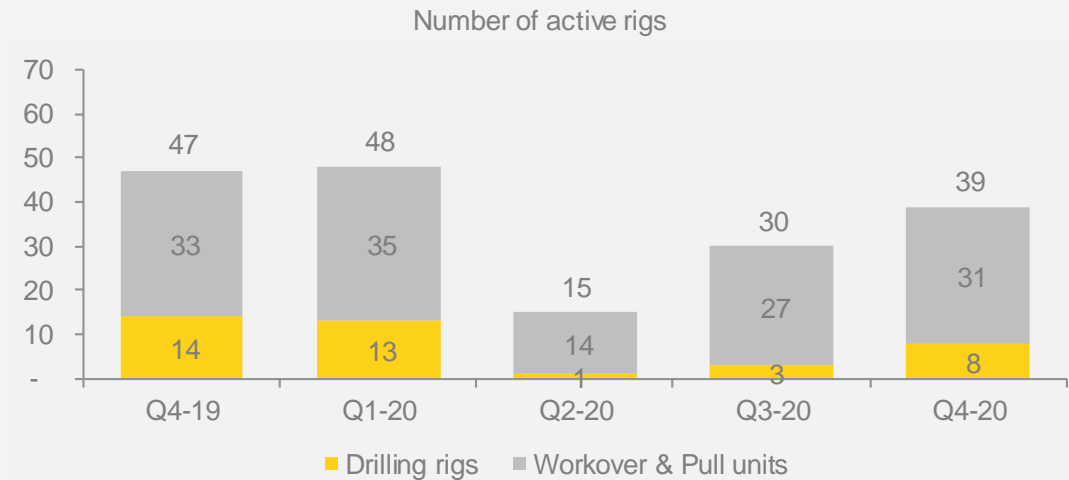
Financials

- Revenue increased 25%
- EBITDA increased by \$2.3 million to \$1.1 million in the quarter
- EBITDA before exceptional items was \$5.6 million
- CAPEX of \$5.7 million, mainly on nationalization of rigs



Operations

- Continued increase in activity level in the quarter as additional rigs are reactivated
 - Activity in Neuquen (North) approaches pre-covid activity levels
 - Activity in Comodoro (South) approaches expected new activity level, with four less active drilling rigs than pre-covid
- Rightsizing to reflect adjusted activity levels





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



Condensed profit & loss

- Operational revenue of \$210.6 million, is a decrease of \$29.1 million or 12% YOY due to a significant drop in activity levels.
- Exceptional items of \$4.2 million is a decrease of \$0.8 million compared to Q4 2019 linked to severance costs in Argentina
- EBITDA of \$19.2 million, a decrease of \$3.3 million compared to Q4 2019
- Net interest expense of \$7.0 million is a reduction of 29% compared to Q4 2019
- Net income before tax in the quarter of \$15.0 million

Condensed profit & loss statement

\$ million	Q4 19	Q4 20	Full 2019	Full 2020
Operating revenues	207.1	185.3	833.6	715.1
Reimbursable revenue	32.6	25.2	95.0	108.9
Total Revenues	239.7	210.6	928.6	824.0
EBITDA before exceptional items	27.5	23.3	103.9	99.1
<i>EBITDA margin before exceptional items</i>	<i>11.5%</i>	<i>11.1%</i>	<i>11.2%</i>	<i>12.0%</i>
Exceptional items	(5.0)	(4.2)	(9.6)	(23.6)
EBITDA	22.5	19.2	94.4	75.5
<i>EBITDA margin</i>	<i>9.4%</i>	<i>9.1%</i>	<i>10.2%</i>	<i>9.2%</i>
Impairments	(1.8)	(0.2)	(1.8)	(7.6)
Deprecation, amortization, other	(12.5)	(11.3)	(50.0)	(48.5)
EBIT	8.3	7.6	42.5	19.4
<i>EBIT margin</i>	<i>3.6%</i>	<i>3.7%</i>	<i>4.6%</i>	<i>3.3%</i>
Result from associated entities	0.7	(0.4)	(37.0)	(18.7)
Net interest expense	(9.7)	(7.0)	(39.6)	(29.8)
Other financial items	1.6	14.6	(17.3)	33.1
Net income before tax	0.9	15.0	(51.3)	4.1
Tax cost	3.1	(12.2)	3.6	(11.6)
Net income	3.9	2.7	(47.7)	(7.5)



Q 4 2020

Condensed balance sheet

- Accounts receivables increased by \$14 million following increased activity
- Goodwill of \$172.7 million, reflecting an increase of related to currency adjustments
- NIBD at \$504 million, which is a reduction of roughly \$78 million YOY.

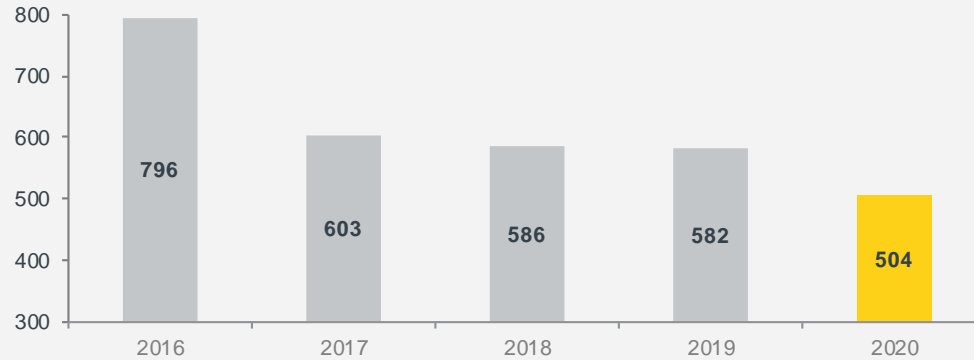
Condensed balance sheet

<i>\$ million</i>	31.12.19	30.09.2020	31.12.20
Cash and cash equivalents	31.4	47.4	41.2
Restricted cash	12.7	7.2	12.4
Accounts receivables	145.4	95.2	109.2
Inventories	53.0	53.2	54.2
Other current assets	23.6	34.1	28.0
Investments and loans to associates	31.3	7.8	10.8
Property, plant and equipment, net	373.9	350.0	355.2
Right of use assets	42.1	35.2	29.9
Goodwill	171.1	156.8	172.7
Other non-current assets	44.7	43.4	31.9
Total assets	930.0	830.2	845.4
Current portion of interest-bearing debt	548.1	18.2	10.5
Accounts payable	45.2	33.8	34.4
Lease liability current	11.9	10.9	8.5
Other current liabilities	117.1	116.8	125.5
Long-term interest-bearing debt	7.3	513.1	519.1
Subordinated related party loan	58.3	15.9	15.9
Deferred taxes	2.3	1.4	0.8
Lease liability	31.0	24.3	21.4
Other noncurrent liabilities	0.4	0.8	0.2
Shareholder's equity	108.4	95.0	109.1
Total liabilities and shareholders' equity	930.0	830.2	845.4

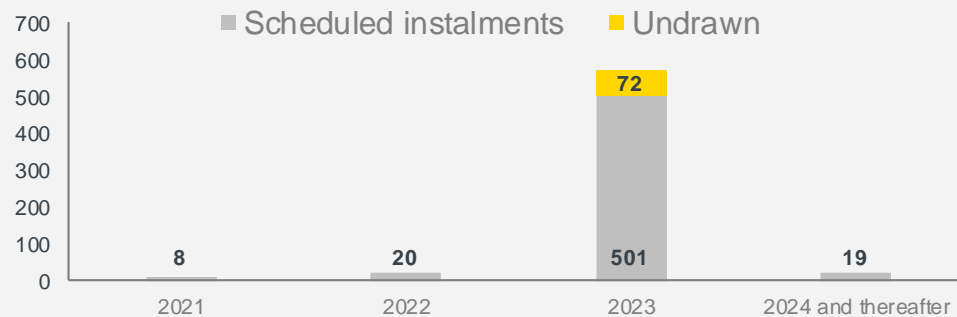


Financial position

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”



Q 4 2020

Summary Q4 2020

- Solid quarter with increase in EBITDA
- Positive net income
- Positive free cash flow
- Secured integrated wireline contract with Equinor

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





Q&A

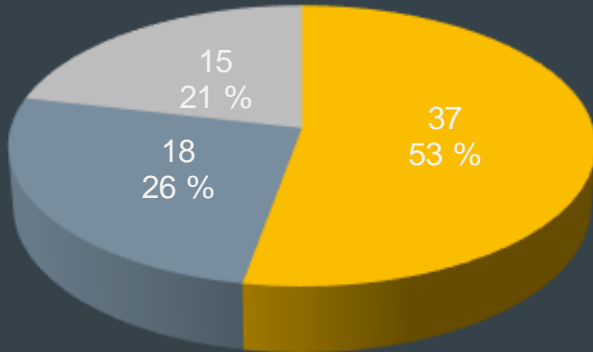




Platform Drilling

- 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

North Sea Market Share # of platforms



■ Archer ■ KCA Deutag ■ Odfjell Drilling

Platform drilling contract backlog

Field	Operator	2021				2022				2023				2024			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Beryl A/B	Apache	[Firm Contract]															
Forties A/B/C/D	Apache	[Firm Contract]															
Alba, Captain	Ithica Energy	[Firm Contract]															
Dunlin Alpha	Fairfield	[Firm Contract]															
Brae A, East Brae	Taqa	[Firm Contract]															
Beatr. A, Claym. Clyde	Repsol Sinopec	[Firm Contract]															
Fulm., Piper, Salt., Tartan	Repsol Sinopec	[Firm Contract]															
Ula, Valhall IP	Aker BP	[Firm Contract]															
Gyda*	Repsol	[Firm Contract]															
Grane, Njord, Sleipner A	Equinor	[Firm Contract]															
Gullfaks A,B,C	Equinor	[Firm Contract]															
Statfjord A,B,C	Equinor	[Firm Contract]															
Snorre A,B, Visund	Equinor	[Firm Contract]															
Veslefrikk*	Equinor	[Firm Contract]															
Peregrino A/B	Equinor	[Firm Contract]															

*Permanently P&A (end of life)

Modular rigs contract backlog

Rig	2021				2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Topaz	[Firm Contract]															
Emerald	[Firm Contract]															

■ Firm Contract ■ Contract Options

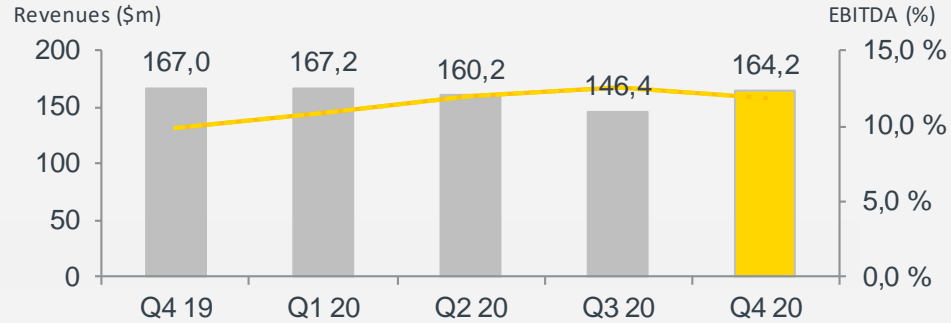


Segment key financials

Eastern Hemisphere

Platform drilling & Engineering

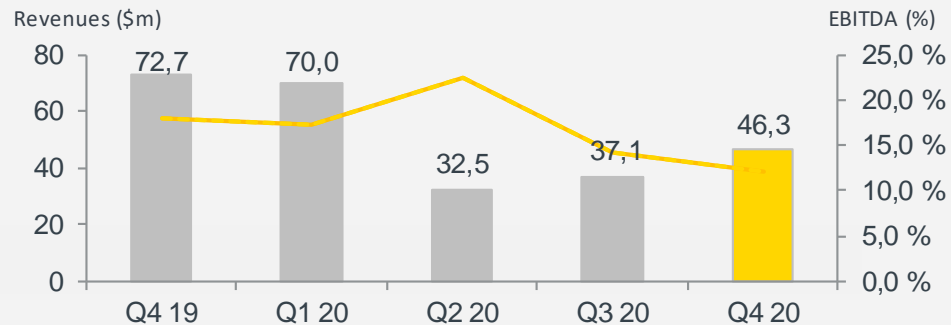
Well Services



\$m	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20
Revenues	167.0	167.2	160.2	146.4	164.2
EBITDA before exceptional items	16.6	18.0	19.3	18.4	19.5
EBITDA	16.3	13.7	20.2	18.1	19.8
Capex	9.5	5.2	5.5	2.5	8.3

Western Hemisphere

Land drilling



\$m	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20
Revenues	72.7	70.0	32.5	37.1	46.3
EBITDA before exceptional items	13.0	12.1	7.3	5.2	5.6
EBITDA	8.3	10.0	0.0	-1.2	1.1
Capex	9.1	1.5	0.7	3.1	5.7



Condensed profit and loss statement

(Figures in \$ million)	Q4 19	Q1 20*	Q2 20*	Q3 20	Q4 20
Operating revenues	207.1	207.6	161.9	160.2	185.3
Reimbursable revenue	32.6	29.5	30.9	23.3	25.2
Total Revenues	239.7	237.1	192.8	183.6	210.6
EBITDA before exceptional items	27.5	28.1	25.4	22.3	23.3
Severance payments	(5.0)	(5.2)	(3.6)	(2.3)	(4.2)
Other		(1.2)	(2.7)	(4.5)	
Total Exceptional items**	(5.0)	(6.4)	(6.3)	(6.7)	(4.2)
EBITDA after exceptional items	22.5	21.7	19.0	15.6	19.2
Depreciation, amortization, impairments, other	(14.3)	(12.0)	(19.7)	(12.9)	(11.5)
EBIT	8.3	9.7	(0.7)	2.8	7.6
Result from associated entities	0.7	(13.5)	0.6	(5.4)	(0.4)
Interest rate expensed	(9.8)	(9.3)	(8.7)	(7.4)	(7.0)
Other financial costs***	1.6	(30.4)	55.3	(3.8)	14.7
Net financial items	(7.4)	(53.2)	47.2	(16.7)	7.3
Net result before tax	0.9	(43.5)	46.6	(13.9)	15.0
Tax benefit / (expense)	3.1	(0.1)	(0.9)	1.5	(12.2)
Net income/(loss)	3.9	(43.6)	45.7	(12.3)	2.7

*Archer did not prepare separate quarterly financials for Q1 2020. The split of the half-yearly results in H1 2020 to Q1 and Q2 2020 represent a management allocation of certain cost elements between the quarters, such as for instance the impairment charges.

**Exceptional items include costs of non-recurring nature, including restructuring charges and specific charges related to Covid-19

*** Other financials cost sin Q2 2020 includes a non-routine gain of \$42.2 million related to our debt restructure.



Condensed balance sheet

\$ million	31.12.19	31.03.20*	30.06.20	30.09.20	31.12.20
Cash, cash equivalents & restricted cash	44.1	107.5	55.5	54.6	53.6
Accounts receivables	145.4	150.2	115.4	95.2	109.2
Inventories	53.0	52.0	51.0	53.2	54.2
Right of use assets current	-	-	-	-	-
Other current assets	23.6	35.6	31.7	34.1	28.0
Investments and loans in associates	31.3	16.5	18.4	7.8	10.8
Property, plant and equipment, net	373.9	363.0	355.1	350.0	355.2
Right of use assets	42.8	37.6	37.6	35.2	29.9
Goodwill	171.1	146.4	151.9	156.8	172.7
Other non current assets	44.7	41.6	43.0	43.4	31.9
Total assets	930.0	950.4	859.6	830.2	845.4
Current portion of interest-bearing debt	548.1	5.1	16.0	18.2	10.5
Accounts payable	45.2	58.9	36.7	33.8	34.4
Lease liability current	11.9	10.9	11.2	10.9	8.5
Other current liabilities	117.1	111.8	120.4	116.8	125.5
Long-term interest-bearing debt	7.3	624.9	529.6	513.1	519.1
Subordinated related party loan	58.3	58.3	15.9	15.9	15.9
Deferred taxes	2.3	2.0	1.5	1.4	0.8
Lease liability	31.0	26.7	26.3	24.3	21.4
Other noncurrent liabilities	0.4	0.4	0.9	0.8	0.2
Shareholder's equity	108.4	51.4	101.0	95.0	109.1
Total liabilities and shareholders' equity	930.0	950.4	859.6	830.2	845.4

*Archer did not prepare separate quarterly financials for Q1 2020. The balance sheet items at March 31, 2020 could be impacted by the allocation of charges in the P&L allocation of H1 2020 results into Q1 and Q2 2020 results.



Condensed cash flow statement – last 5 quarters

<i>(Figures in \$ million)</i>	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20
Operating activities	47.0	1.6	41.3	10.9	16.1
Investing activities	(17.3)	(4.5)	(8.4)	(0.3)	(18.3)
Financing activities	(4.4)	75.8	(85.6)	(15.4)	(3.9)
FX effect	(0.2)	(9.4)	0.6	4.0	(2.4)
Total	25.5	63.5	(52.1)	(0.8)	(1.2)