



Archer

Q4 2021 results

25 February 2022





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, 2020. 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 2021

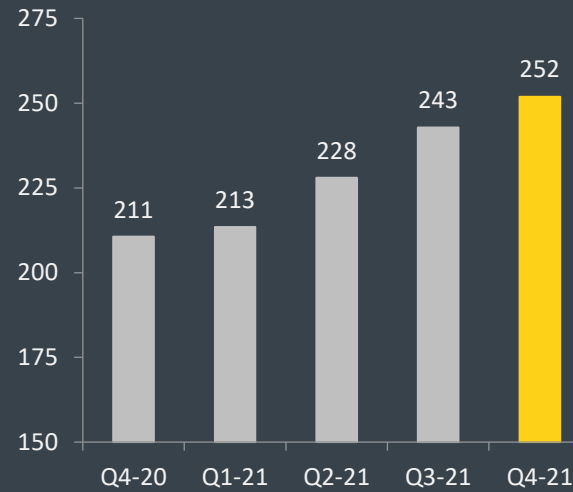
Q4 Highlights

- **Revenue** of \$252 million
- **EBITDA** before exceptional items increased by \$2.3 million to \$25.8 million
- **EBITDA** of \$22.4 million
- **NIBD** reduced to \$500 million at year-end
- Impairment of \$13.5 million in the quarter related to idle assets in Argentina

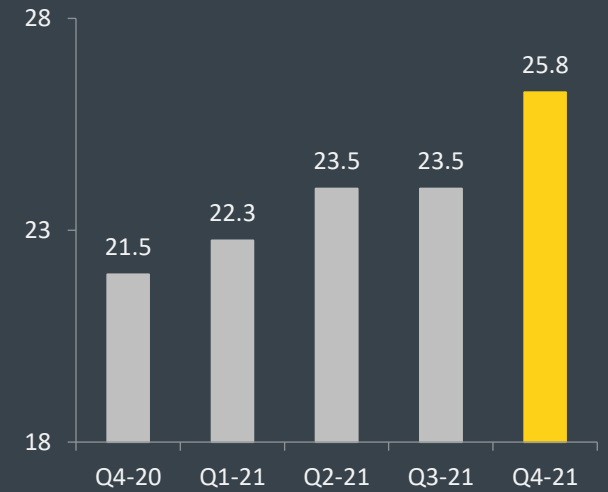
Subsequent events

- Contract extension for Pan American Energy totaling \$235 million
- Contract extension for Equinor totaling \$565 million

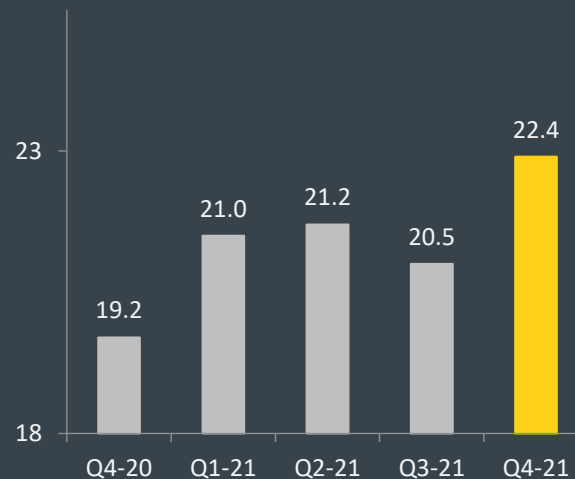
Revenue (\$m)



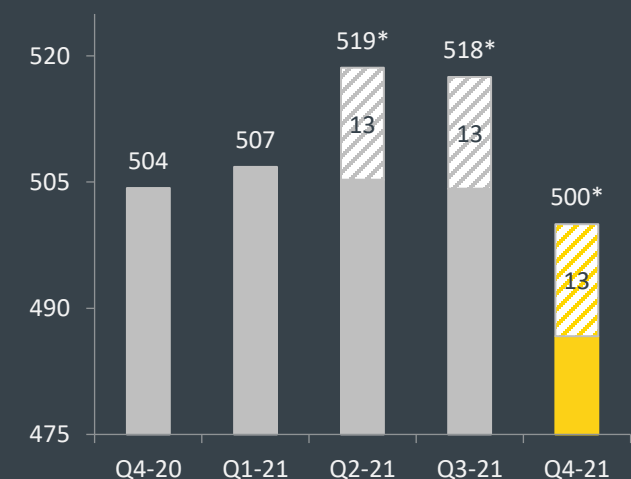
Adjusted EBITDA (\$m)



EBITDA (\$m)



Net interest-bearing debt (\$m)



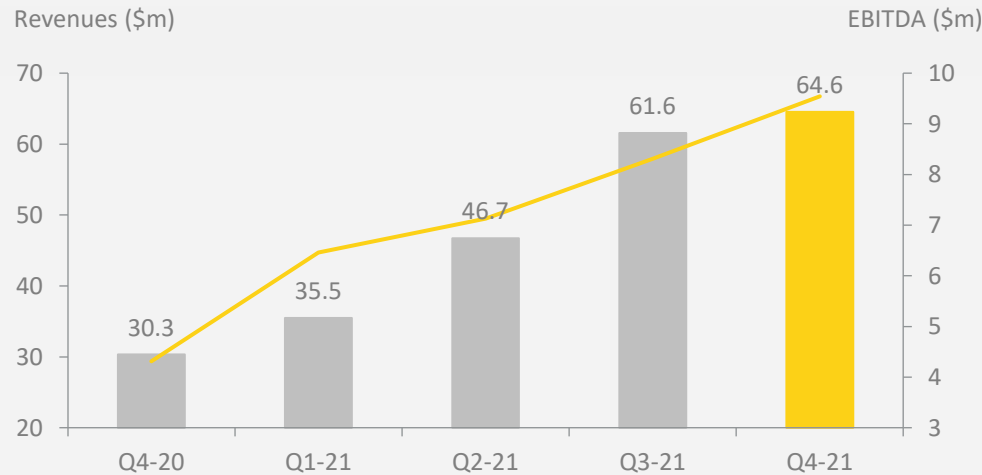
*DeepWell-acquisition impact NIBD by \$13.3 million



Well Services

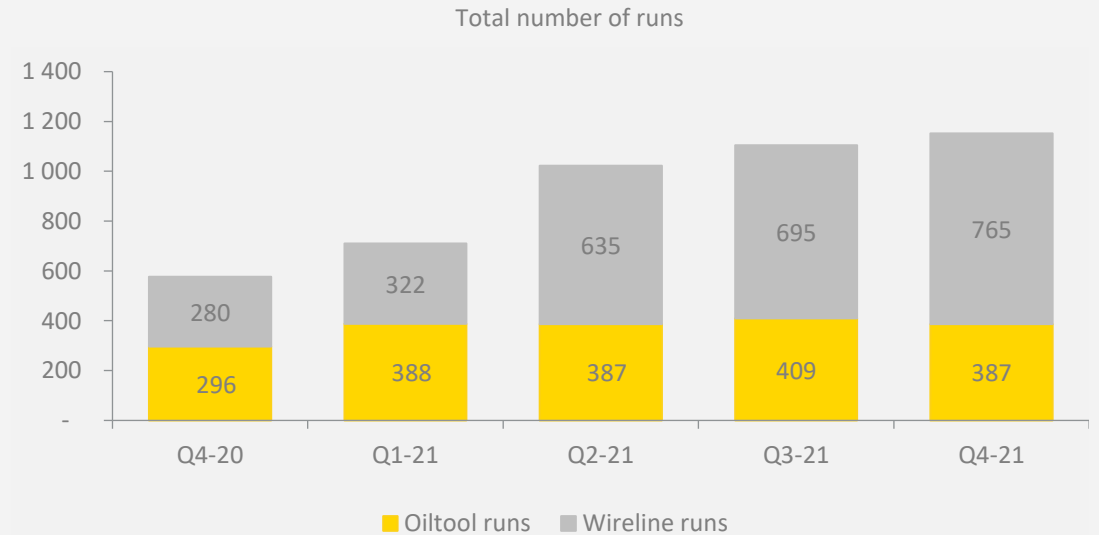
Financials

- Modest increase in revenue from Q3. Year-over-year revenue increased by 113%
- EBITDA record in the quarter with total EBITDA of \$9.5 million, increased by \$1.2 million or 15% from Q3. Compared to Q4 2020, EBITDA increased by 121%.
- EBITDA margin increased from 14.2% to 14.8%



Operations

- Gyda Repsol P&A campaign was successful completed as a OneArcher delivery project for customer
- Oiltools completed the first job with the new SUMO hydraulic casing jack system
- Wireline continued with solid contribution from sales of logging and proprietary logging services

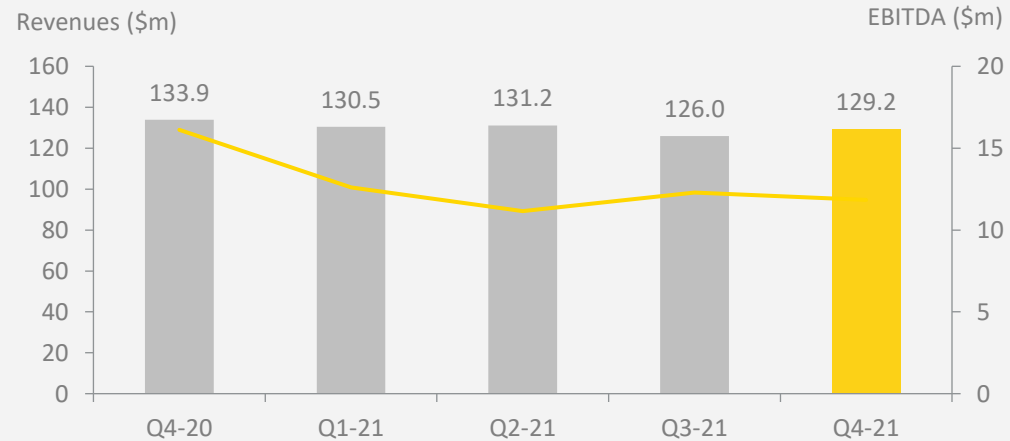




Platform Drilling, Modular Rigs & Engineering

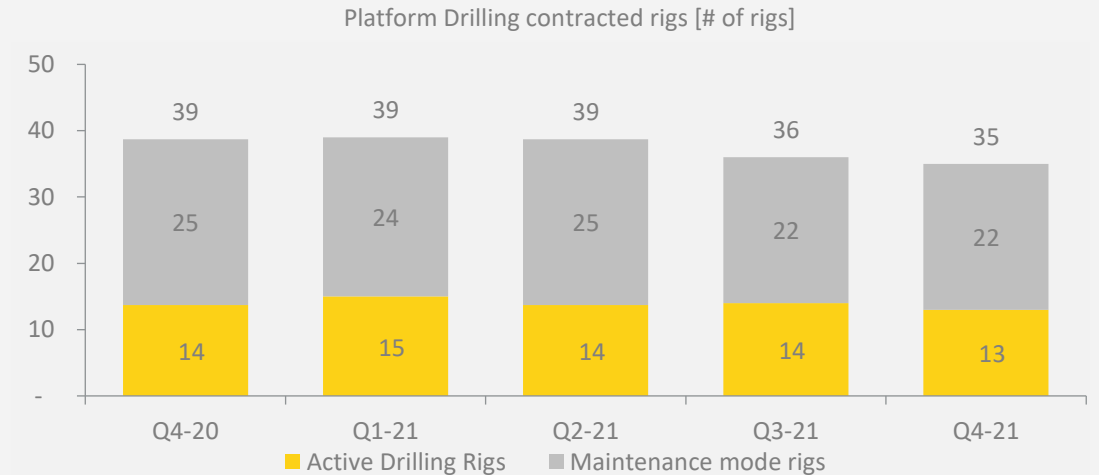
Financials

- Revenue increased by 2.5% compared to previous quarter,
- EBITDA of \$11.8 million in the quarter, slightly down from previous quarter related to less performance bonus for Emerald and lower activity Engineering
- EBITDA margin 9.2% compared to 9.7% in Q3



Operations

- Continued stable performance from operations with good uptime on our rigs
- Despite reduction in number of operating rigs post Gyda P&A project completion, we have maintained the revenue level in the quarter
- Topaz preparation for start operation second quarter 2022

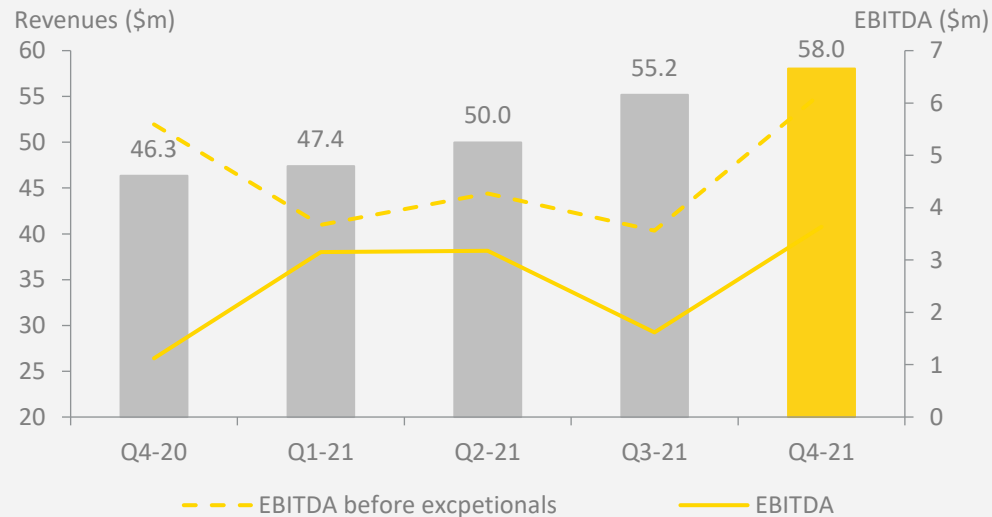




Land drilling

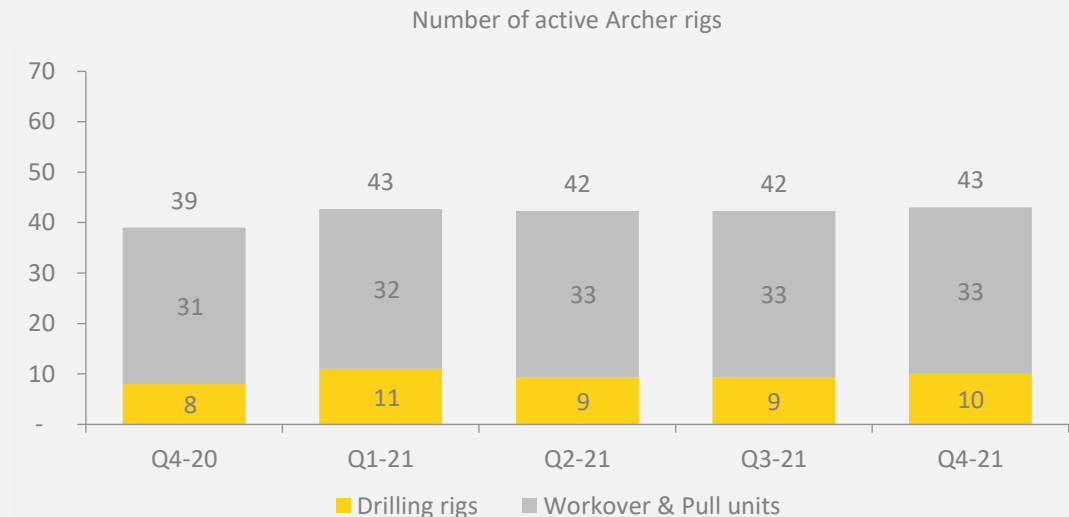
Financials

- Revenue increased 5% compared to Q3
- EBITDA increased by \$2 million compared to Q3
- Exceptional items in the quarter of \$2.6 is primarily related to severance payments to adjust the workforce



Operations

- Drilling activity in the quarter remains stable with activity lower than pre-covid 19 levels
- Operational results impacted by higher non-productive time during the quarter. Omicron started to impact operation in December
- Macro-environment in Argentina remains challenging and we have muted expectations on additional increase in activity in 2022





Condensed profit & loss

- Operational revenue of \$210.7 million represent an increase of \$25.4 million or 14% YOY
- EBITDA of \$22.4 million, an increase of \$3.2 million or 16.7% compared to Q4 2020
- Exceptional charges in Q4, 2021 of \$ 3.4 million related to severance payments, idle personnel and other covid related cost
- Impairment of \$13.5 million in the quarter related to idle assets in Argentina
- Net income in the quarter of negative \$12.7 million driven by impairments

<i>\$ million</i>	Q4 2021	Q4 2020	2021	2020
Operating revenues	210.7	185.3	813.1	715.1
Reimbursable revenue	41.2	25.2	123.0	108.9
Total Revenues	251.9	210.6	936.1	824.0
EBITDA before exceptional items	25.8	23.3	93.1	99.1
<i>EBITDA margin before exceptional items</i>		11.1%		12.0%
Exceptional items	(3.4)	(4.2)	(8.0)	(23.6)
EBITDA	22.4	19.2	85.1	75.5
<i>EBITDA margin</i>		9.1%		9.2%
Impairments	(13.5)	(0.2)	(16.4)	(7.6)
Depreciation, amortization, other	(14.4)	(11.3)	(53.3)	(48.5)
EBIT	(5.5)	7.6	15.4	19.4
<i>EBIT margin</i>		3.7%		3.3%
Gain on bargain purchase	(0.8)	-	11.4	-
Result from associated entities	0.1	(0.4)	(0.5)	(18.7)
Net interest expense	(5.8)	(7.0)	(26.6)	(29.8)
Other financial items	(0.0)	14.6	(6.8)	33.1
Net income before tax	(12.0)	15.0	(7.1)	4.1
Tax cost	(0.7)	(12.2)	(7.7)	(11.6)
Net income (loss)	(12.7)	2.7	(14.8)	(7.5)



<i>\$ million</i>	31.12.2021	30.09.2021	31.12.2020
Cash and cash equivalents	50.7	26.6	41.2
Restricted cash	14.8	10.0	12.4
Accounts receivables	125.6	125.0	109.2
Inventories	52.1	53.4	54.2
Other current assets	30.7	32.6	28.0
Investments and loans to associates	6,3	7.5	10.8
Property, plant and equipment	343,6	355.8	355.2
Right of use assets	26,7	27.8	29.9
Goodwill	167,5	168.2	172.7
Other non-current assets	32.6	31.2	31.9
Total assets	850.7	838.1	845.4
Current portion of interest-bearing debt	25.3	21.8	10.8
Accounts payable	43.5	37.3	34.4
Lease liability current	5.2	5.4	8.5
Other current liabilities	140.2	125.1	125.5
Long-term interest-bearing debt	509.5	506.5	519.1
Subordinated related party loan	15.9	15.9	15.9
Deferred taxes	1.0	0.8	0.8
Lease liability	21.5	22.4	21.4
Other noncurrent liabilities	0.0	0.1	0.2
Shareholder's equity	88.5	102.9	109.1
Total liabilities and shareholders' equity	850.7	838.1	845.4

Condensed balance sheet

- Accounts receivables only increased by \$0.6 million, despite the 4% increase in revenue.
- NIBD at \$500 million end Q4 2021
- Available liquidity exceeding \$100 million



Financial outlook 2022

- Revenues for 2022 expected to increase moderately from 2021
- EBITDA for 2022 expected 5-8% higher than 2021, growth primarily in second half of 2022
- Capex between 3-4% of revenue
- Positive free cash flow
- Continued reduction in NIBD





Appendix



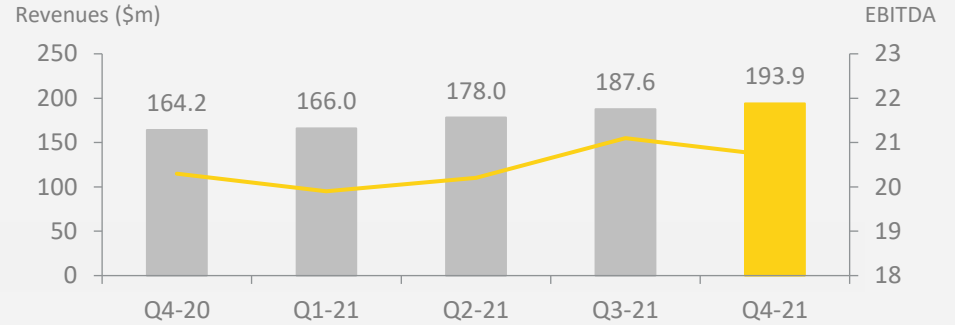


Segment key financials

Eastern Hemisphere

Platform drilling & Engineering

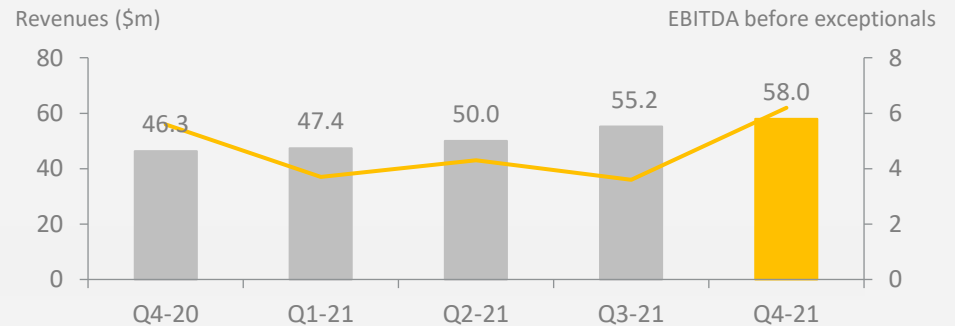
Well Services



\$m	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Revenues	164.2	166.0	178.0	187.6	193.9
EBITDA before exceptional items	19.5	19.4	19.7	21.7	21.0
EBITDA	19.8	19.4	19.7	20.6	20.2
Capex	8.3	2.2	4.0	6.7	9.9

Western Hemisphere

Land drilling



\$m	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Revenues	46.3	47.4	50.0	55.2	58.0
EBITDA before exceptional items	5.6	3.7	4.3	3.6	6.2
EBITDA	1.1	3.2	3.2	1.6	3.6
Capex	5.7	2.0	0.8	4.1	4.1



Condensed profit and loss statement

(Figures in \$ million)	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Operating revenues	185.3	194.1	202.2	206.1	210.7
Reimbursable revenue	25.2	19.3	25.8	36.6	41.2
Total Revenues	210.6	213.4	228.0	242.8	251.9
EBITDA before exceptional items	23.3	21.5	22.3	23.5	25.8
Severance payments	(4.2)	-	(0.1)	(1.2)	(2.5)
Other	-	(0.5)	(1.1)	(1.8)	(0.9)
Total Exceptional items*	(4.2)	(0.5)	(1.2)	(3.0)	(3.4)
EBITDA	19.2	21.0	21.2	20.5	22.4
Depreciation, amortization, impairments, other	(11.5)	(15.2)	(13.6)	(13.1)	(27.9)
EBIT	7.6	5.9	7.6	7.4	(5.5)
Gain from bargain purchase	-	-	12.2	-	(0.8)
Result from associated entities	(0.4)	-	(0.1)	(0.4)	0.1
Net interest expense	(7.0)	(7.1)	(7.1)	(6.8)	(5.8)
Other financial costs	14.7	10.1	(9.1)	(7.8)	(0.0)
Net financial items	7.3	3.0	(16.3)	(15.0)	(5.7)
Net result before tax	15.0	8.8	3.6	(7.5)	(12.0)
Tax benefit / (expense)	(12.2)	(2.8)	(2.0)	(2.2)	(0.7)
Net income/(loss)	2.7	6.1	1.6	(9.7)	(12.7)

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



Condensed balance sheet

<i>\$ million</i>	31.12.2020	31.03.2021	30.06.2021	30.09.2021	31.12.2021
Cash, cash equivalents & restricted cash	53.6	45.5	46.6	36.6	65.5
Accounts receivables	109.2	113.8	123.6	125.0	125.6
Inventories	54.2	53.6	54.7	53.4	52.1
Other current assets	28.0	23.4	26.3	32.6	30.7
Investments and loans in associates	10.8	19.5	12.1	7.5	6,3
Property, plant and equipment, net	355.2	342.9	364.2	355.8	343,6
Right of use assets	29.9	29.7	29.0	27.8	26,7
Goodwill	172.7	172.6	172.4	168.2	167,5
Other non-current assets	31.9	33.7	34.2	31.2	32.6
Total assets	845.4	834.8	863.0	838.1	850.7
Current portion of interest-bearing debt	10.5	14.6	17.8	21.8	25.3
Accounts payable	34.4	34.7	44.2	37.3	43.5
Lease liability current	8.5	7.6	6.1	5.4	5.2
Other current liabilities	125.5	112.6	124.3	125.1	140.2
Long-term interest-bearing debt	519.1	511.5	513.2	506.5	509.5
Subordinated related party loan	15.9	15.9	15.9	15.9	15.9
Deferred taxes	0.8	0.8	0.8	0.8	1.0
Lease liability	21.4	22.1	22.8	22.4	21.5
Other noncurrent liabilities	0.2	0.7	0.7	0.1	0.0
Shareholder's equity	109.1	114.3	117.2	102.9	88.5
Total liabilities and shareholders' equity	845.4	834.8	863.0	838.1	850.7



Condensed cash flow statement – last 5 quarters

<i>(Figures in \$ million)</i>	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Operating activities	16.1	(4.0)	15.3	1.5	40.0
Investing activities	(18.3)	(3.3)	(16.0)	(9.0)	(14.3)
Financing activities	(3.9)	(3.5)	5.1	(1.8)	6.1
FX effect	(2.4)	(0.4)	(0.2)	(0.9)	0.0
Total*	(1.2)	(11.2)	4.2	(10.2)	31.8

*Includes net movements in restricted cash.