



Odfjell Technology Investor Presentation

Q1 2024 | Quarterly Results

15.05.2024

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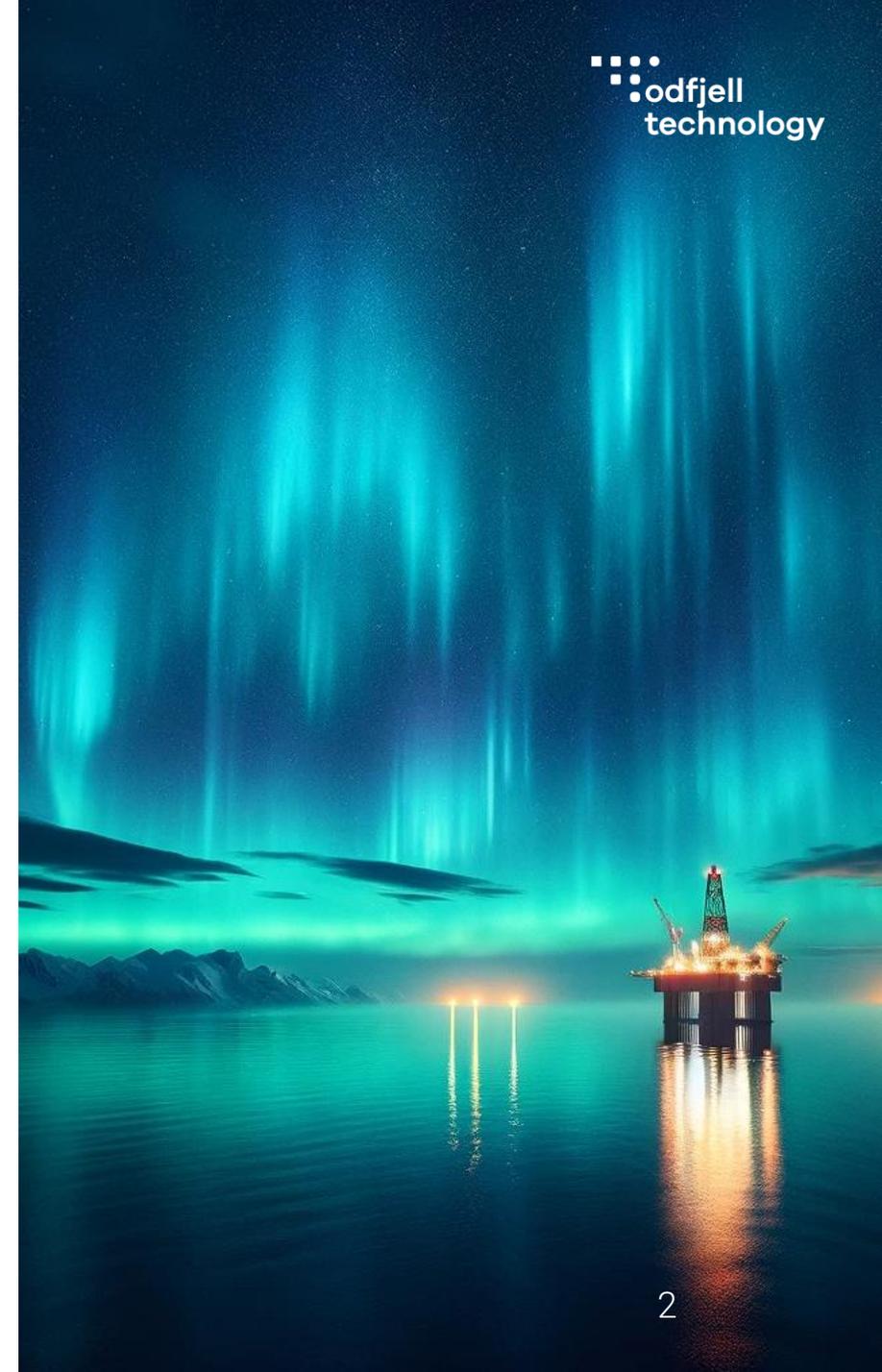
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Agenda

- Highlights of the quarter and key financials
- Market and order backlog update
- Financial information
- Summary
- Appendix

Highlights and key financials

Solid Q1 performance considering seasonality with especially strong order intake

1.3bn

Revenue Q1

5.2bnNOK Revenue LTM

212m

EBITDA Q1

859mNOK EBITDA LTM

51.5m

Net profit Q1

1.9bn

Backlog growth

14.2bnNOK Backlog

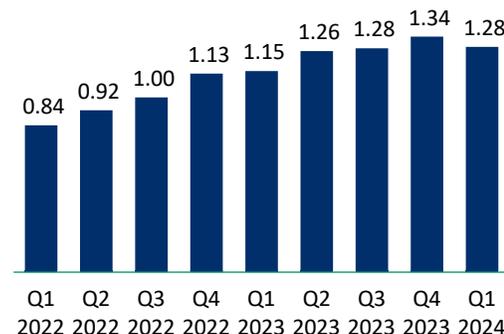
867m

Available liquidity

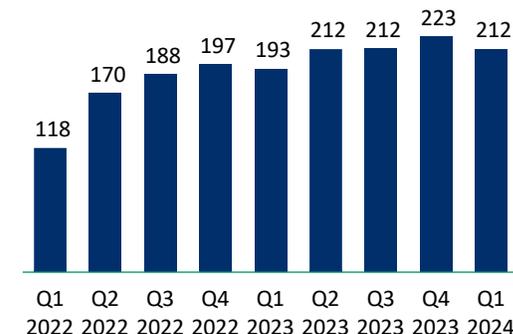
0.6X

Leverage ratio

Revenue (NOK bn)



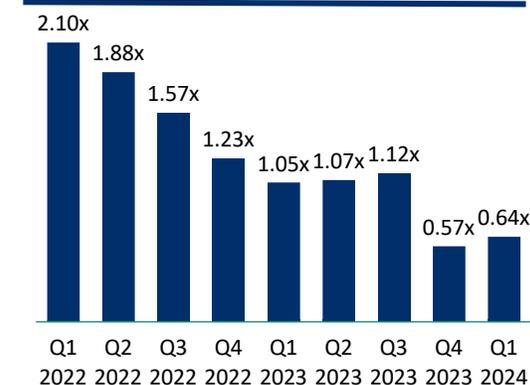
EBITDA (NOK m)



Available Liquidity (NOK m)



NIBD / EBITDA



Market and order backlog update

Acquisition of McGarian TDC Ltd.

Expanding OTLs product portfolio and enhancing our capabilities in the Slot Recovery and Plug and Abandonment sectors of the energy industry

Overview of acquisition

- Odfjell Technology has acquired 100% of shares in McGarian TDC Ltd.
- Firm specialising in the design of whipstocks, casing & packer milling, fishing & remedial products.
- Complements Well Services product portfolio/offering.
- Aligns seamlessly with Odfjell Technology's strategic vision of expanding its service portfolio and enhancing its capabilities in the Slot Recovery and Plug and Abandonment sectors of the energy industry.
- The consideration is made up of a base consideration of £3 Million GBP with potential earn-outs dependent on commercial success and product development targets over the next three years post-closing.

McGarian key information

- Founded in 2005, it holds a portfolio of granted patents and patent applications.
- Organisation focused on product development.
- 2023 sales of 2.5 GBP million to clients in North Sea Area and Middle East.

1 Vision

Using our heritage and expertise to support the energy transition

2 Strategic framework

Broadening our opportunity set by positioning our integrated services in segments we believe have the highest attractiveness for OTL. We prioritise segments and innovation of new products and technologies where we have a competitive edge



3 Integrated global approach

OTL is a global company offering an integrated business model to deliver cost efficient solutions to complex projects in harsh environments

4 Market attractiveness

Currently we believe the highest potential for OTL is within:

- Oil and gas Energy Optimization and Carbon Reduction projects
- P&A
- Floating Offshore Wind

We also see potential in growing our services in Geothermal and new upcoming industries Hydrogen & Carbon Capture and Storage



High tender activity globally

High order intake in all regions in addition to major contracts won in Norway

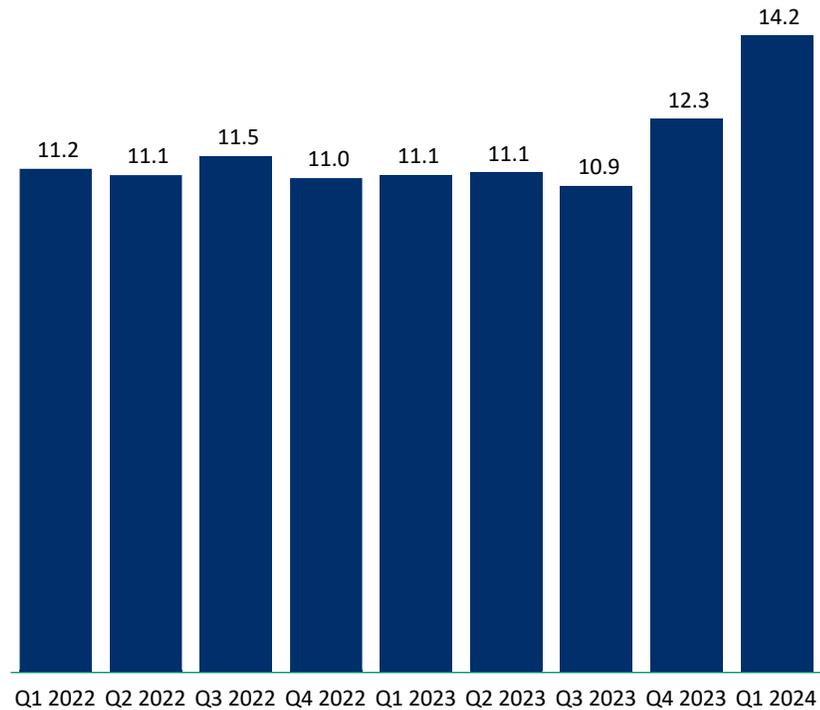


- 12 Operational Bases**
Europe, Middle East, Asia
- New operations and entities**
Canada and Namibia
- New geographic targets**
South America
- New sales office**
Houston

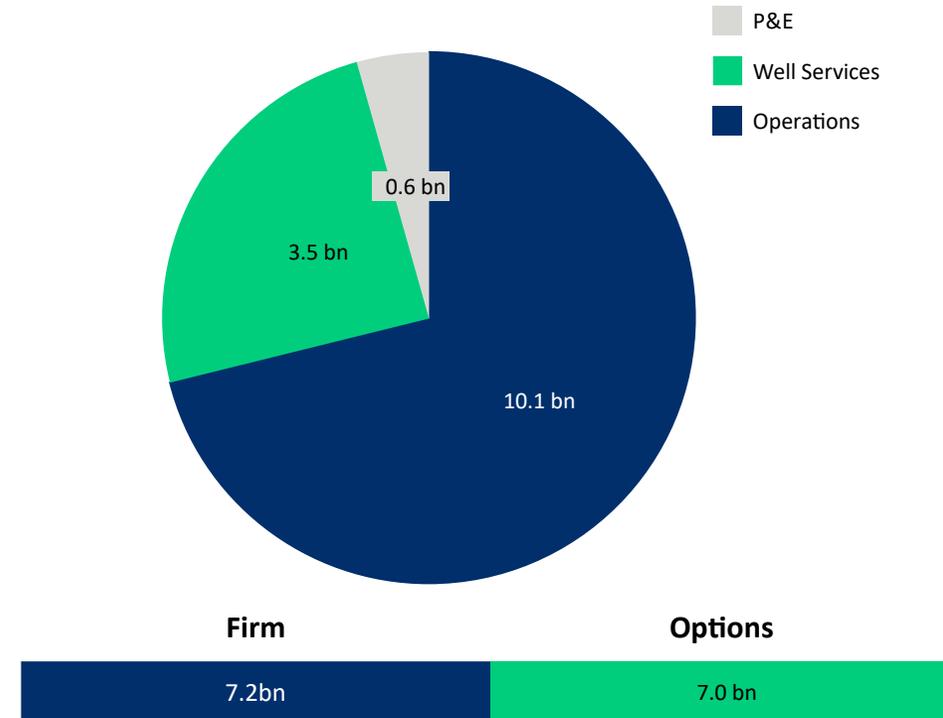
Order backlog of 14.2 billion NOK

Backlog growth of 1.9 billion NOK due to recent contract wins

Backlog development (NOK bn)



Backlog by segment (NOK bn)



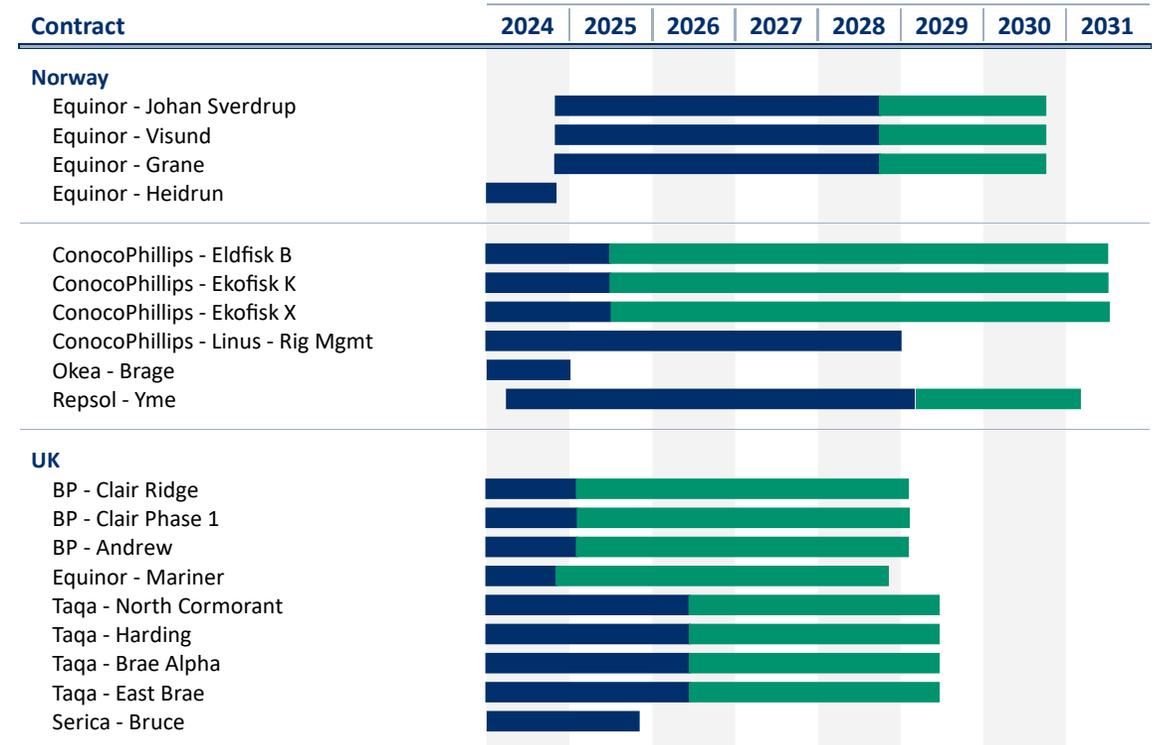
Order backlog of 14.2 billion NOK

Backlog growth mainly due to Equinor contracts

Major contracts won current year (NOK m)

Customer	Contract Description	Business Area	Market	Total Value
Equinor	Visund and Grane	Operations	Norway	2 224m
Equinor	Visund and Grane TRS	Well Services	Norway	137m
KCAD	Njord/Grane/Oseberg/Kvitebjorn TRS	Well Services	Norway	277m
COSL	4 Rigs - TRS	Well Services	Norway	220m
KOC	Extension for Fishing/Downhole Tools	Well Services	Kuwait	88m

Operations contract overview



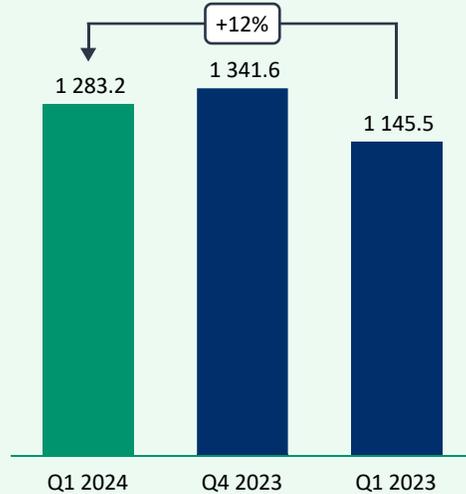
A hand holding a pen is positioned over a document that features a bar chart. The background is a blurred office setting with a computer monitor and stacks of papers. The entire image is overlaid with a blue-to-green gradient.

Financial information

Group financials

Solid start to the year driven by Well Services and Projects & Engineering

Revenue



EBITDA



Key figures	Q1 2024	Q4 2023	Q1 2023	2023 FY
Operating revenue	1 283.2	1 341.6	1 145.5	5 021.4
EBITDA	211.9	223.5	193.1	840.1
EBITDA Margin %	16.5 %	16.7 %	16.9 %	16.7 %
Operating profit (EBIT)	123.0	136.4	105.0	492.1
Net profit (loss)	51.5	136.6	43.4	344.2
Cash generated from operations	75.3	550.7	86.1	878.5
Capex	- 68.0	- 36.0	- 40.6	- 221.9
Free Cash Flow	- 47.0	474.5	19.0	493.4
Available Liquidity	866.6	913.1	597.9	913.1



Comments

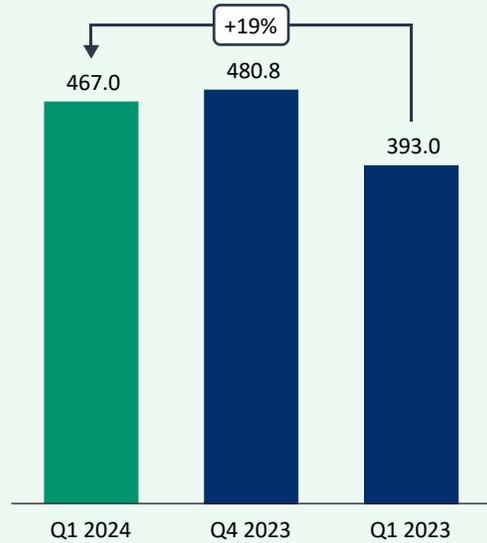
Results current quarter vs same quarter previous year

- Revenue growth of 138 million driven by growth in Well Services with new contracts in Asia and Africa which started up throughout 2023. Furthermore, Projects and Engineering delivered another quarter with high activity related to special period surveys and the modification work on Heidrun B.
- EBITDA improved 19 million due to revenue growth, gain of 10m due to dilution of ownership in Odfjell Oceanwind AS. Low EBITDA in Operations in Q1 due low bonus earnings, high cost associated with sick leave and transportation delays. Improvement plan established with expected positive development going forward.
- Satisfactory liquidity considering the expected seasonal working capital fluctuations.

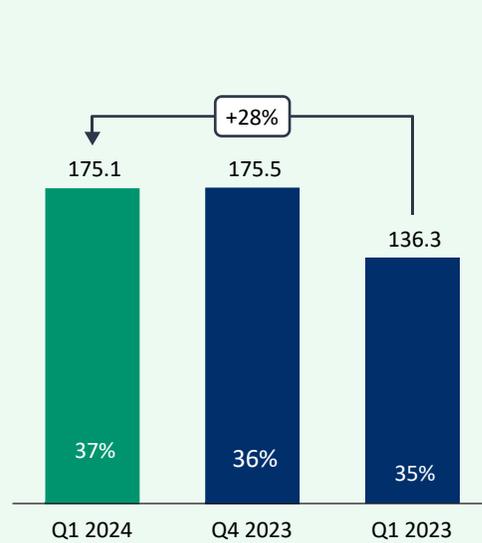
Well Services

Growth continues with good activity across all regions

Revenue



EBITDA



Key figures	Q1 2024	Q4 2023	Q1 2023	2023 FY
Operating revenue	467.0	480.8	393.0	1 778.6
EBITDA	175.1	175.5	136.3	625.2
EBITDA Margin %	37%	36%	35%	35%



Comments

Results current quarter vs same quarter previous year

- Revenue up 74 million driven by higher activity in Europe, Kuwait and the contracts in Namibia and Malaysia
- EBITDA increased 39 million due to higher activity and lower cost compared to last year, as Q1 2023 were negatively affected due to project startups, resulting in an EBITDA margin improvement from 35% to 37%

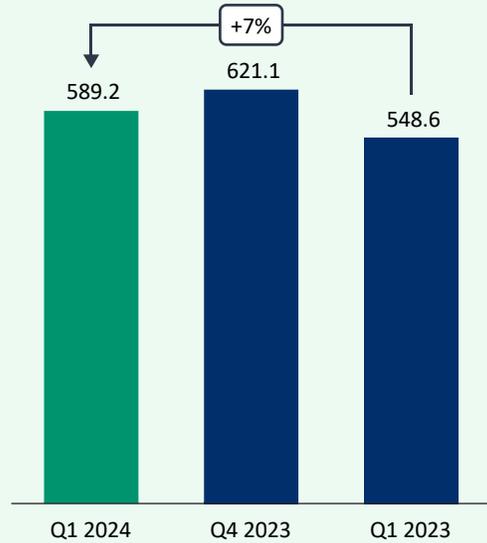
Results current quarter vs previous quarter

- Slight revenue drop mainly due to seasonal variances
- EBITDA in line with previous quarter

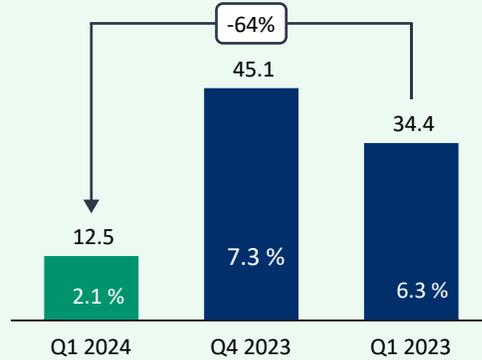
Operations

Steady operational performance, but with lower margins

Revenue



EBITDA



Key figures	Q1 2024	Q4 2023	Q1 2023	2023 FY
Operating revenue	589.2	621.1	548.6	2 372.3
EBITDA	12.5	45.1	34.4	175.6
EBITDA Margin %	2.1 %	7.3 %	6.3 %	7.4 %



Comments

Results current quarter vs same quarter previous year

- Revenue up 41 million due to higher operational activity in UK and an increased demand for construction and inspection services
- EBITDA reduction of NOK 22 million due to a combination of additional cost caused by rig transportation delays, higher sick leave and low bonus earnings

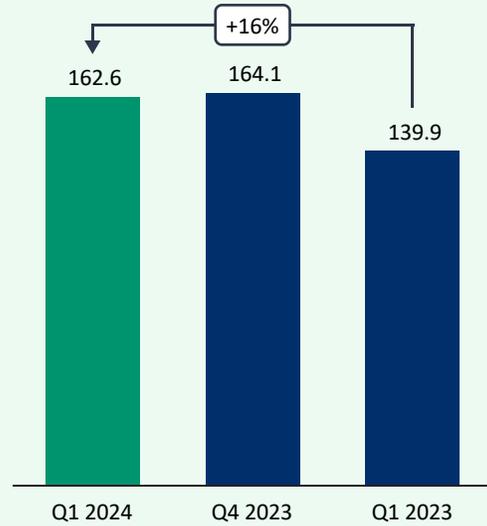
Results current quarter vs previous quarter

- Revenue down 32 million due to lower bonus earnings and a reduction in drilling activity in Norway
- EBITDA down 33 million mainly due to the low bonus earnings and the high cost related to crew transportation delays and sick leave level

Projects & Engineering

Strong quarter with normalised margin level

Revenue



EBITDA



Key figures	Q1 2024	Q4 2023	Q1 2023	2023 FY
Operating revenue	162.6	164.1	139.9	607.3
EBITDA	24.2	24.0	28.3	94.4
EBITDA Margin %	14.9 %	14.7 %	20.2 %	15.5 %



Comments

Results current quarter vs same quarter previous year

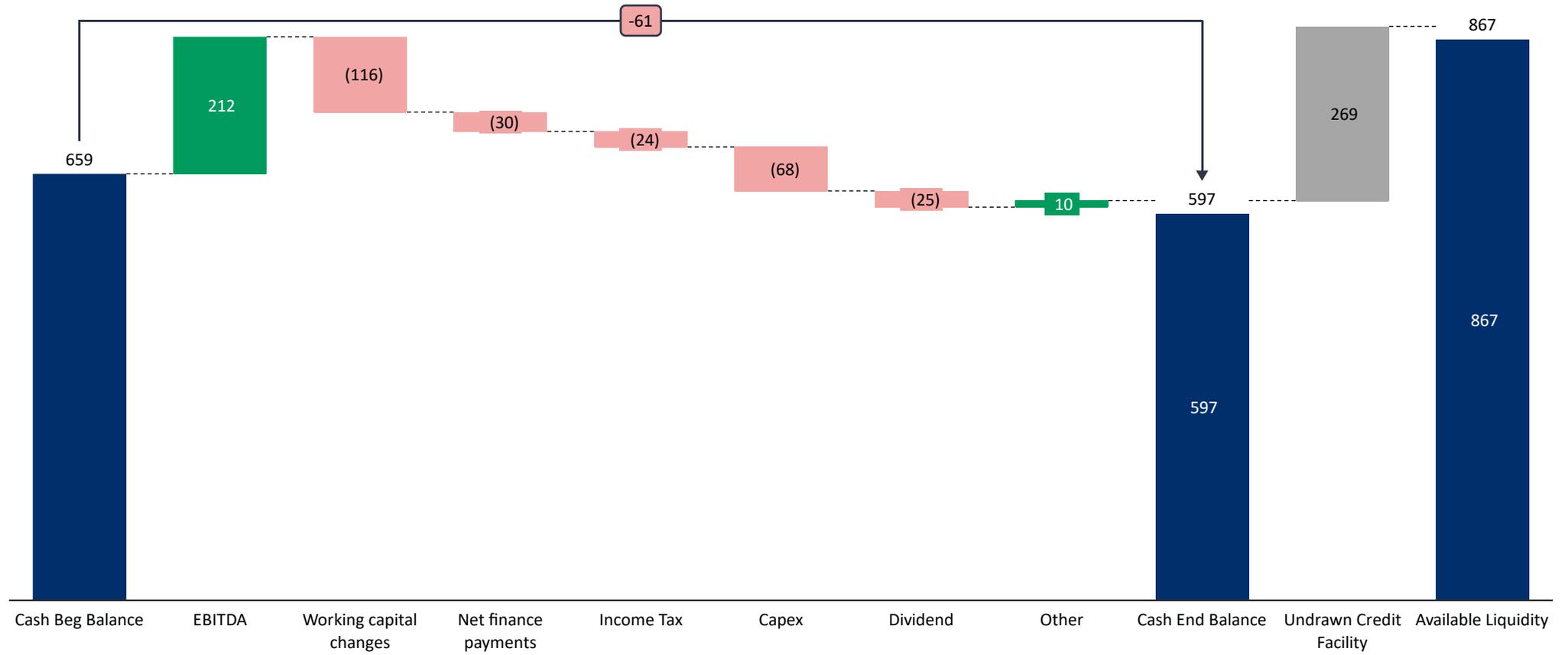
- Revenue up 23 million due strong special purpose survey (SPS) activity level, modification work conducted on the floating storage unit (FSU) Heidrun B and improved UK activity level
- EBITDA down 4 million despite increase in revenue due to a normalized margin level compared to the margin in Q1 2023 which included project elements contributing to margins well above the normal level

Results current quarter vs previous quarter

- Revenue in line with previous quarter
- EBITDA in line with previous quarter

2024 cash flow

Q1 cash balance affected by typical working capital fluctuation resulting in a 61m cash balance decline

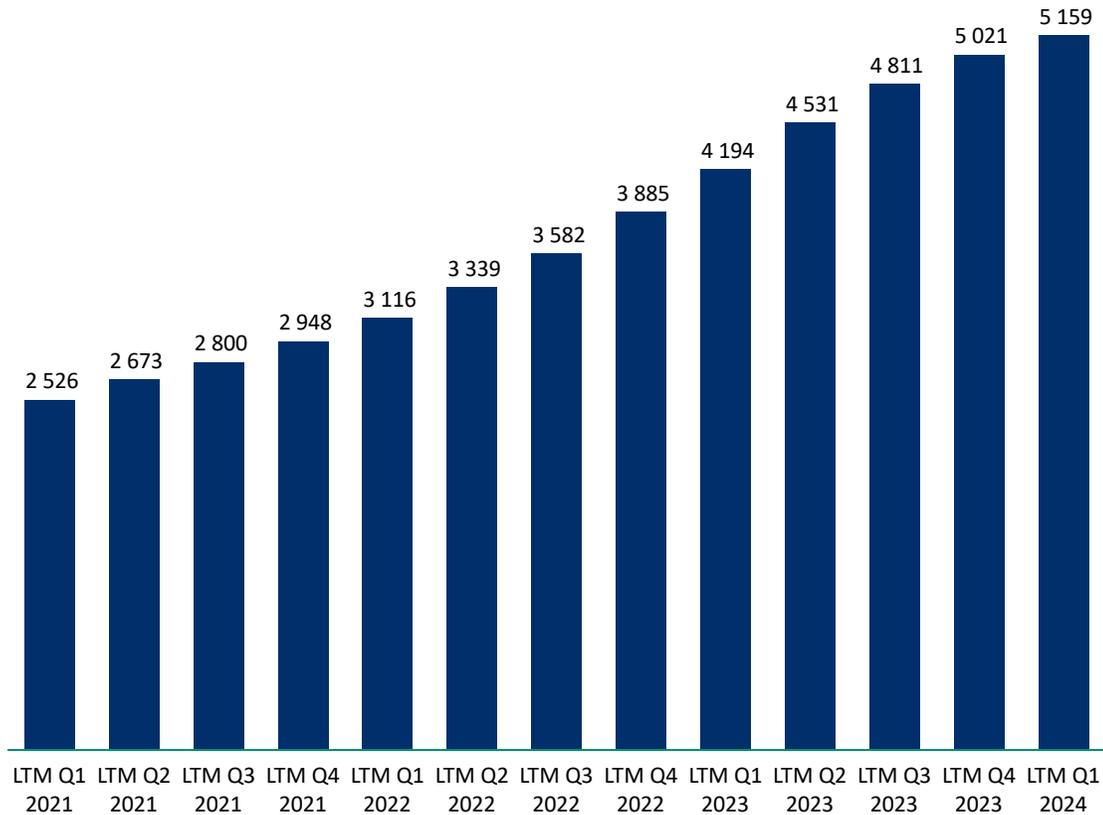


1. Available liquidity is the sum of cash and available undrawn credit facility (USDm 25)

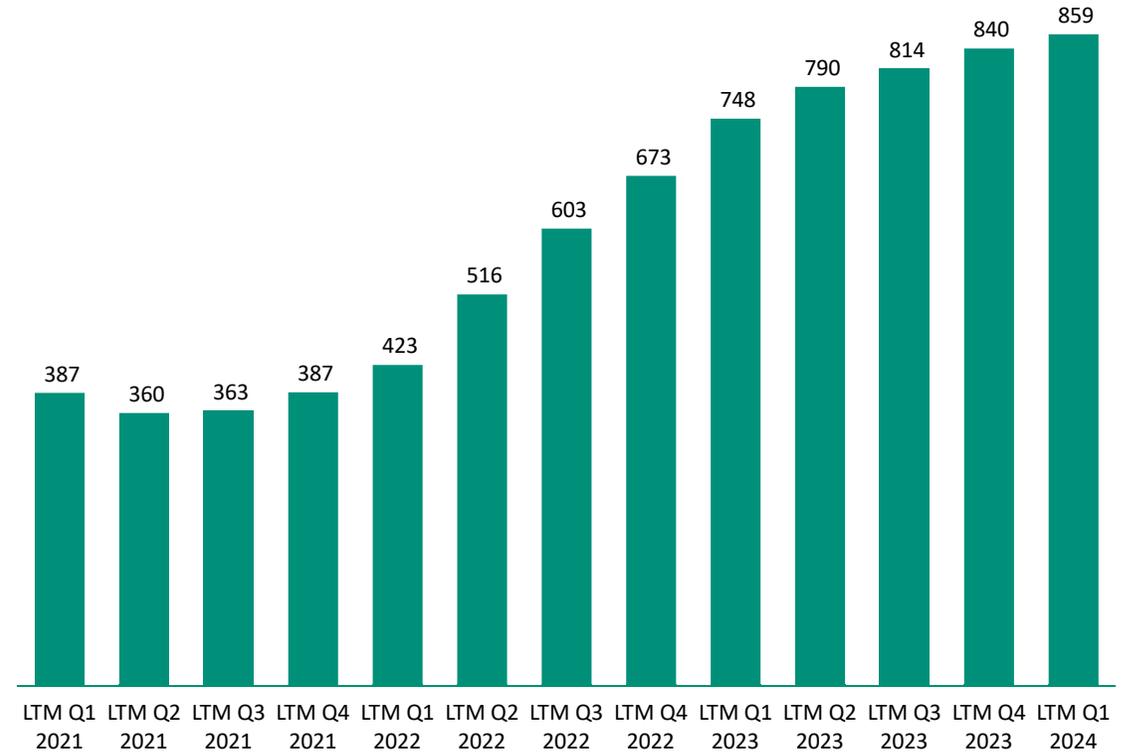
Revenue and EBITDA trailing twelve months (LTM) figures

LTM figures demonstrate consistent growth trend

Revenue LTM



EBITDA LTM



Summary

Summary

- Good performance in what is usually a challenging quarter
- Strong order backlog and order intake
- Positive market outlook
- Well prepared for growth – organic and more M&A in the coming years
- Significant available liquidity and low net debt
- Recovery plan for Operations Norway established
- Quarterly dividend distribution increased to 35m



Appendix

Summary income statement



P&L (NOKm)	Q1 2024	Q4 2023	Q1 2023	2023
Operating revenue	1 283.2	1 341.6	1 145.5	5 021.4
Other gains and losses	16.7	14.7	1.8	26.9
Personnel expenses	(813.8)	(811.9)	(699.3)	(3 032.9)
Other operating expenses	(274.2)	(320.9)	(254.9)	(1 175.2)
EBITDA	211.9	223.5	193.1	840.1
Depreciation and amortisation	(88.9)	(87.0)	(88.1)	(348.1)
Operating profit (EBIT)	123.0	136.4	105.0	492.1
Share of profit (loss) from joint ventures and associates	(3.8)	10.3	(3.8)	5.1
Net financial items	(59.8)	(7.4)	(48.7)	(135.7)
Profit (loss) before tax	59.5	139.3	52.6	361.5
Income tax expense	(8.0)	(2.7)	(9.2)	(17.3)
Net profit (loss)	51.5	136.6	43.4	344.2

Well Services	Q1 2024	Q4 2023	Q1 2023	2023.0
Operating revenue	467.0	480.8	393.0	467.0
EBITDA	175.1	175.5	136.3	175.1
Operating profit (EBIT)	-	101.2	57.8	321.6
EBITDA Margin %	37%	36%	35%	37%

Operations	Q1 2024	Q4 2023	Q1 2023	2023.0
Operating revenue	589.2	621.1	548.6	589.2
EBITDA	12.5	45.1	34.4	12.5
Operating profit (EBIT)	-	45.1	34.4	175.6
EBITDA Margin %	2%	7%	6%	2%

Projects & Engineering	Q1 2024	Q4 2023	Q1 2023	2023.0
Operating revenue	162.6	164.1	139.9	162.6
EBITDA	24.2	24.0	28.3	24.2
Operating profit (EBIT)	-	23.3	28.1	93.2
EBITDA Margin %	15%	15%	20%	15%

Other gains and losses includes 10 NOKm gain on dilution of our owning interest in Odfjell Oceanwind AS

Please refer to the Quarterly report for further details

Summary Balance Sheet

Assets	31.03.2024	31.03.2023	31.12.2023
Property, plant and equipment	1 090.6	1 076.5	1 040.9
Intangible assets	260.5	258.4	257.3
Deferred tax asset	96.9	61.6	93.3
Non-current tax asset	307.2	307.2	307.2
Investments in joint ventures and associates	81.2	46.6	75.0
Other non-current assets	63.7	45.9	60.7
Total non-current assets	1 900.0	1 796.2	1 834.3
Trade receivables	1 111.0	1 109.1	1 005.6
Other current receivables and assets	198.3	151.2	195.9
Cash and cash equivalents	597.3	597.9	658.7
Total current assets	1 906.6	1 858.2	1 860.3
Total assets	3 806.6	3 654.4	3 694.5

Equity and liabilities	31.03.2024	31.03.2023	31.12.2023
Paid-in capital	1 093.8	1 093.8	1 093.8
Other equity	128.4	(171.0)	(17.3)
Total equity	1 222.2	922.9	1 076.6
Non-current interest-bearing borrowings	1 089.8	1 085.3	1 088.6
Non-current lease liabilities	151.6	96.6	132.6
Post-employment benefits	-	-	-
Other non-current liabilities	51.1	88.4	51.7
Liability repayment to Odfjell Drilling Ltd	307.2	307.2	307.2
Total non-current liabilities	1 599.6	1 577.4	1 580.1
Current interest-bearing borrowings	11.3	268.8	10.3
Current lease liabilities	45.5	32.3	37.0
Trade payables	285.8	306.7	338.9
Current income tax	46.0	73.1	56.1
Other current liabilities	596.2	473.2	595.6
Total current liabilities	984.8	1 154.1	1 037.9
Total liabilities	2 584.4	2 731.5	2 618.0
Total equity and liabilities	3 806.6	3 654.4	3 694.6

Summary statement of cash flows



Cash flow (NOKm)	Q1 2024	Q4 2023	Q1 2023	FY 2023
Profit/(loss) before tax	59.5	139.3	52.6	361.1
Adjustment for provisions and other non-cash elements	132.3	77.7	135.5	466.6
Changes in working capital	(116.4)	333.6	(101.9)	50.8
Cash generated from operations	75.3	550.7	86.1	878.5
Net interest (paid) / received	(30.0)	(33.4)	(30.7)	(129.0)
Net income tax paid	(23.9)	(6.3)	4.1	(51.6)
Net cash flow from operating activities	21.4	511.1	59.5	697.9
Net cash flow from investing activities	(68.0)	(36.0)	(40.6)	(221.9)
Net cash flow from financing activities	(36.6)	(300.6)	24.7	(395.1)
Effects of exchange rate changes on cash and cash equivalents	21,7	(15,5)	37,8	17,7
Net increase (decrease) in cash and cash equivalents	(61.4)	159.0	560.1	98.6
Cash and cash equivalents at period end	597.3	658.8	597.9	658.7
Free Cash Flow	(47.0)	474.5	19.0	493.4

Please refer to the Quarterly report for further details



**For further information,
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