



Odfjell Technology Investor Presentation

Q2 2024 Quarterly Results

22.08.2024

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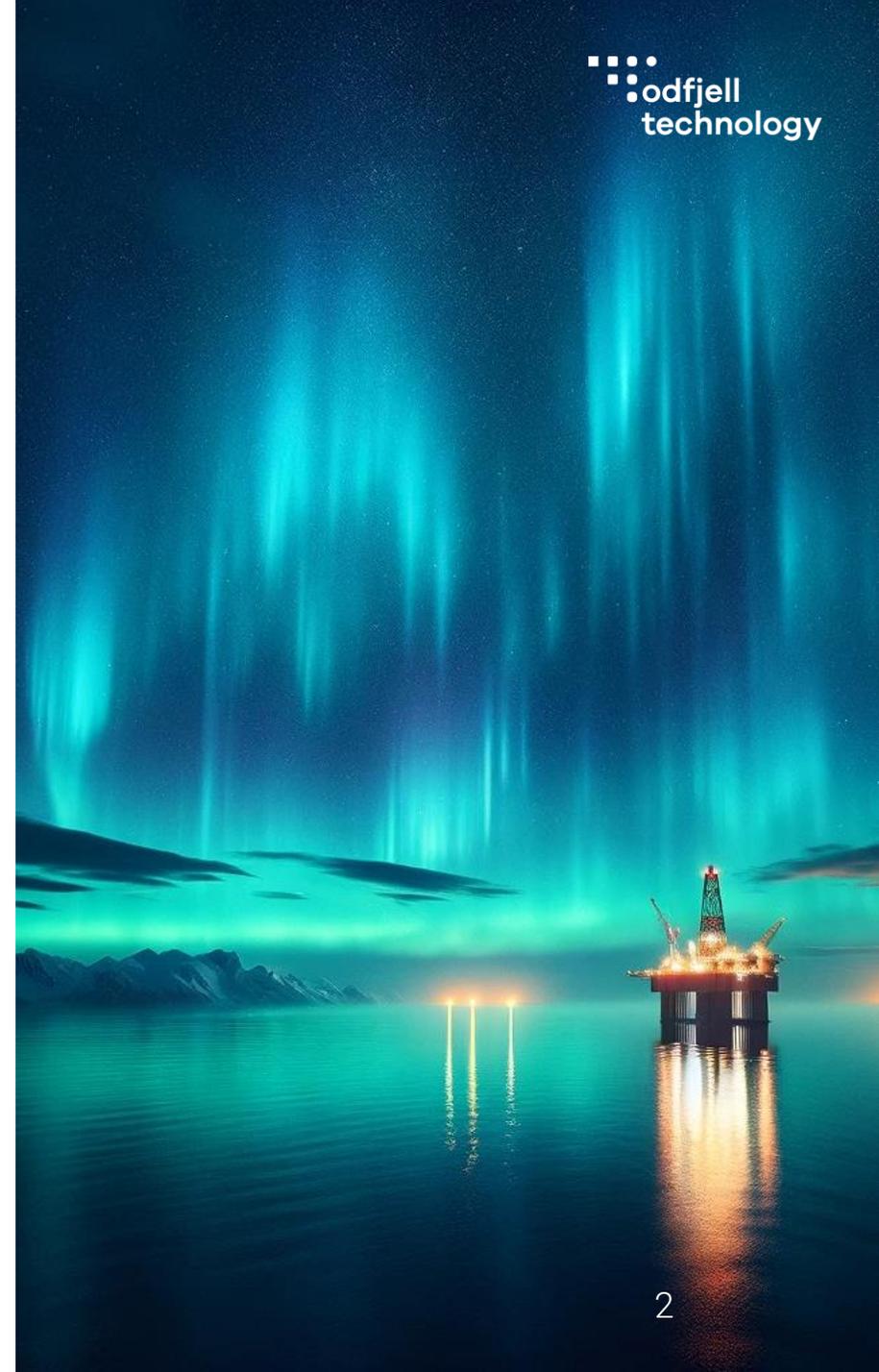
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Agenda

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

Highlights and key financials

Steady performance in line with expectation

1.36bn

Revenue Q2

5.3bnNOK Revenue LTM

221m

EBITDA Q2

868mNOK EBITDA LTM

88.4m

Net profit Q2

13.4bn

Backlog

846m

Available liquidity

0.7X

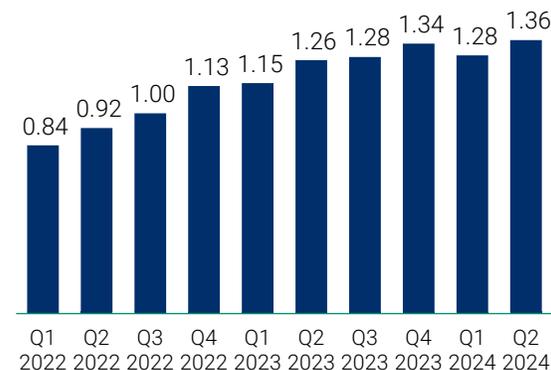
Leverage ratio

45m

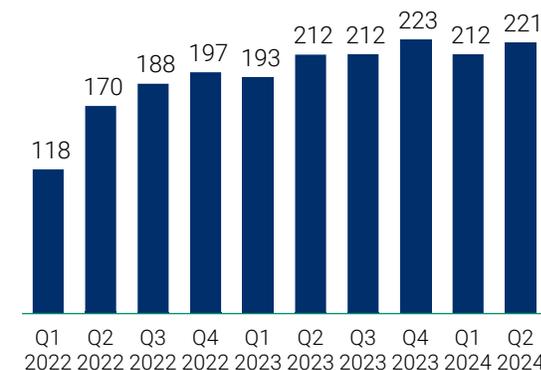
Dividend Q2

Increased from 0.89 to 1.14 per share

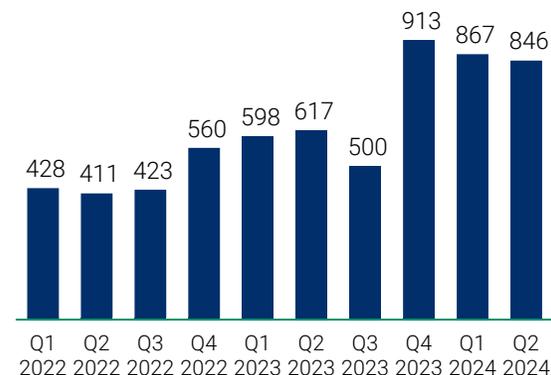
Revenue (NOK bn)



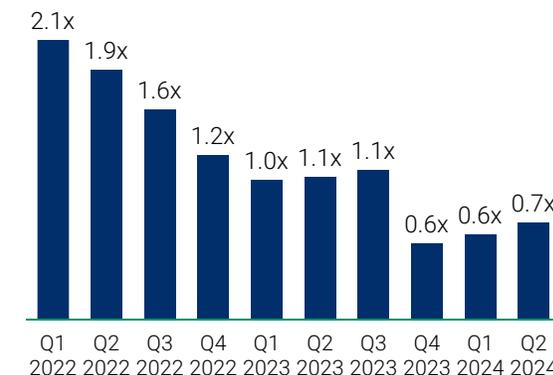
EBITDA (NOK m)



Available Liquidity (NOK m)



NIBD / EBITDA

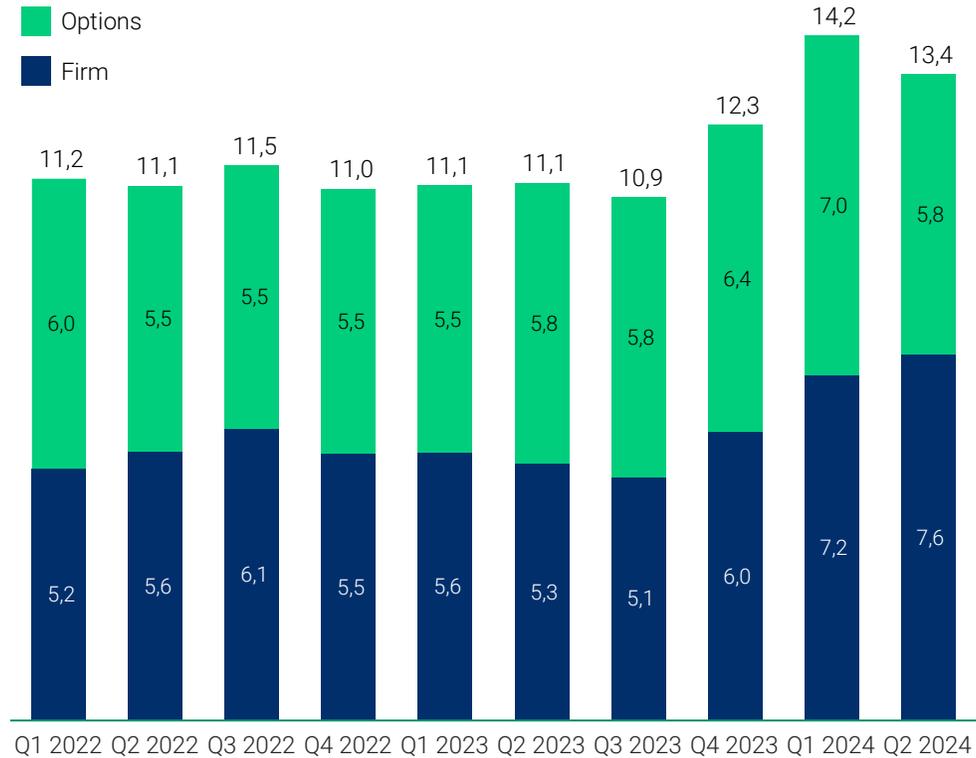


Market and order backlog update

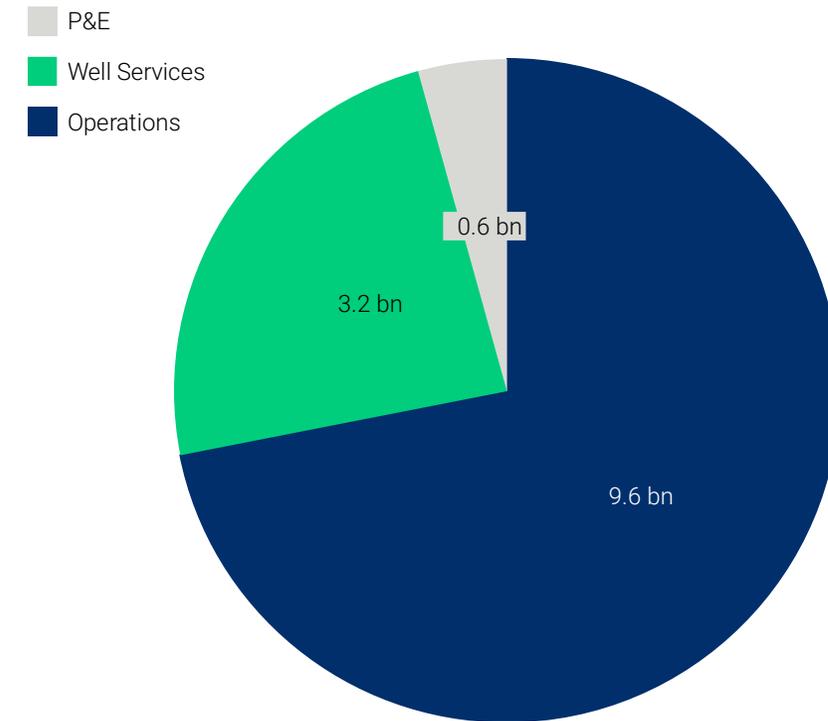
Order backlog of 13.4 billion NOK

Backlog remains solid with growth in firm backlog

Backlog development (NOK bn)



Backlog by segment (NOK bn)



Contract overview and major awards

Strong revenue visibility further improved by contract options exercised in Q2

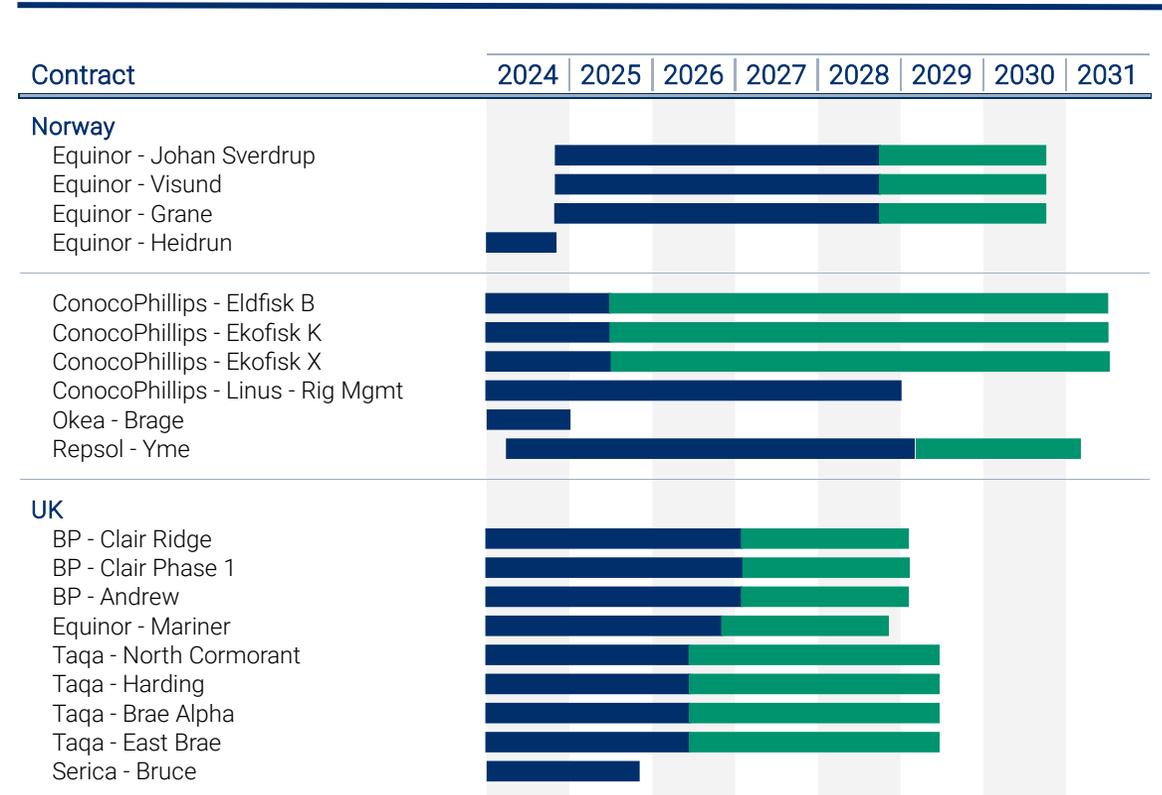
Major contracts won current year (NOK m)

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

Key options exercised current year

- Equinor exercise 2-year option for drilling services on Mariner platform in the UK
- bp exercised a 2-year option for drilling services Clair Ridge platforms in the UK
- Equinor exercised option for Johan Sverdrup in Norway

Operations contract overview



High tender activity globally

Well positioned for further growth in coming years



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

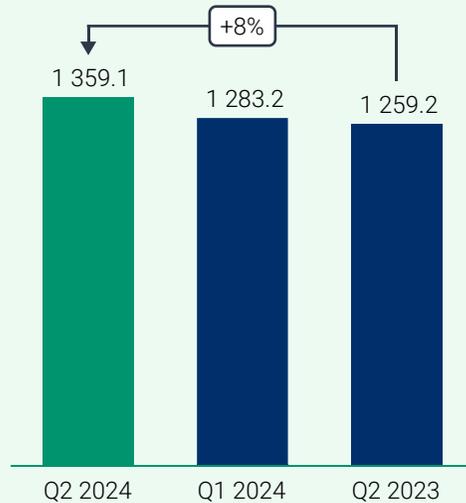
A hand holding a pen is positioned over a document that features a bar chart. The background is a blurred office setting with a computer monitor and stacks of papers. The entire image is overlaid with a blue-to-green gradient.

Financial information

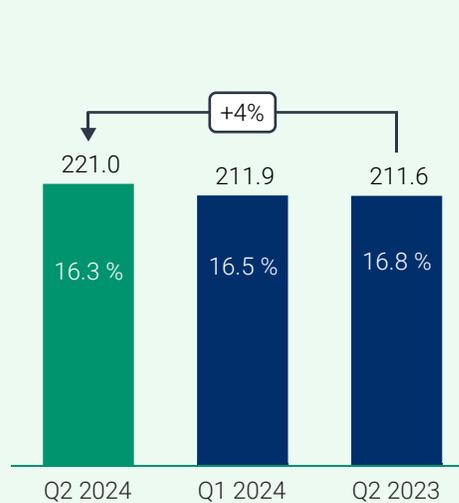
Group financials

Steady performance with 4% growth compared to both previous quarter and same period last year

Revenue (mNOK)



EBITDA (mNOK)



| Key figures | Q2 2024 | Q1 2024 | Q2 2023 | 2024 YTD | 2023 FY |
|---|---------------|---------------|---------------|---------------|---------------|
| Operating revenue | 1 359.1 | 1 283.2 | 1 259.2 | 2 642.3 | 5 021.4 |
| EBITDA | 221.0 | 211.9 | 211.6 | 644.9 | 840.1 |
| EBITDA Margin % | 16.3 % | 16.5 % | 16.8 % | 24.4 % | 16.7 % |
| Operating profit (EBIT) | 139.4 | 123.0 | 121.2 | 262.4 | 492.1 |
| Net profit (loss) | 88.4 | 51.5 | 79.4 | 139.9 | 344.2 |
| Cash generated from operations | 183.5 | 75.3 | 196.8 | 258.9 | 878.5 |
| Net cash flow from investing activities | - 96.4 | - 68.0 | - 65.4 | - 164.4 | - 221.9 |
| Free Cash Flow | 70.8 | - 47.0 | 54.2 | 23.8 | 493.4 |
| Available Liquidity | 845.5 | 866.5 | 617.5 | 1 712.1 | 913.1 |



Comments

Results current quarter vs same quarter previous year

- Revenue growth of 100 million, with higher activity in all segments. UK, Norway and Namibia were the primary growth drivers compared to same period last year
- EBITDA improved 9 million, driven by the higher activity level with a slight drop in margin percent due to change in product line mix
- Satisfactory liquidity and cash flow considering the expected seasonal working capital fluctuations and investment level

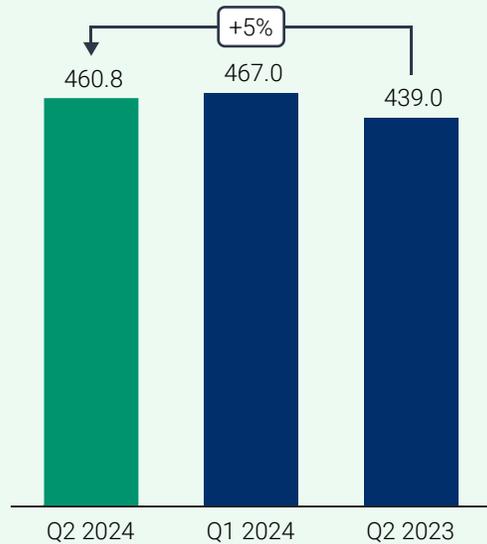
Results current quarter vs previous quarter

- Revenue up 76 million as a result of improved activity in Operations and Projects & Engineering
- EBITDA improved 9 million with the reduction in Well Services more than offset by improvements in Operations and Projects & Engineering

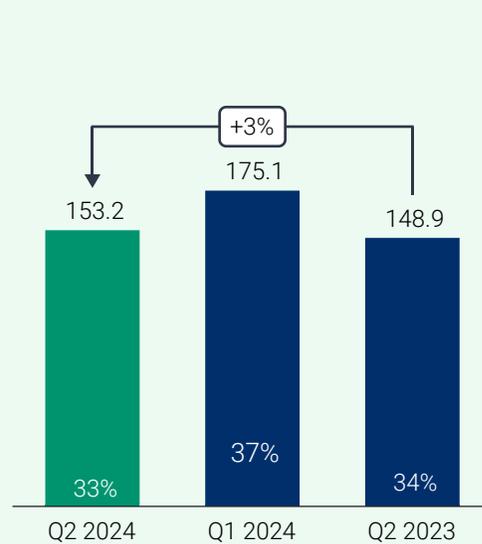
Well Services

Results affected by contract change in Norway, rig moves and non-recurring cost

Revenue (mNOK)



EBITDA (mNOK)



| Key figures | Q2 2024 | Q1 2024 | Q2 2023 | 2024 YTD | 2023 FY |
|-------------------|---------|---------|---------|----------|---------|
| Operating revenue | 460.8 | 467.0 | 439.0 | 927.8 | 1 778.6 |
| EBITDA | 153.2 | 175.1 | 148.9 | 328.3 | 625.2 |
| EBITDA Margin % | 33% | 37% | 34% | 35% | 35% |



Comments

Results current quarter vs same quarter previous year

- Revenue up 22 million driven by heightened activity on two rigs in Namibia, alongside a substantial increase in operations in Kuwait and Saudi Arabia. These factors have more than compensated for the non-renewal of a contract in Norway and wind down of a scheduled stop on a UK operation
- EBITDA increased 4 million mainly due to the increased activity in the Middle East and Namibia which offset the contract changes in Norway

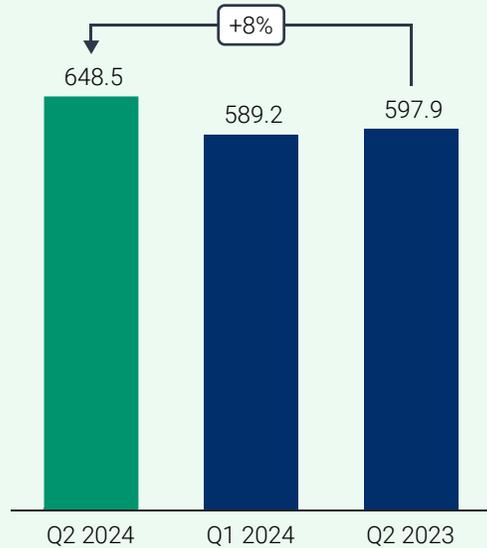
Results current quarter vs previous quarter

- Slight revenue drop due to contract changes in Norway
- EBITDA negatively affected by rig moves, cost associated with the acquisition of McGarian TDC Ltd and non-renewal of a contract in Norway

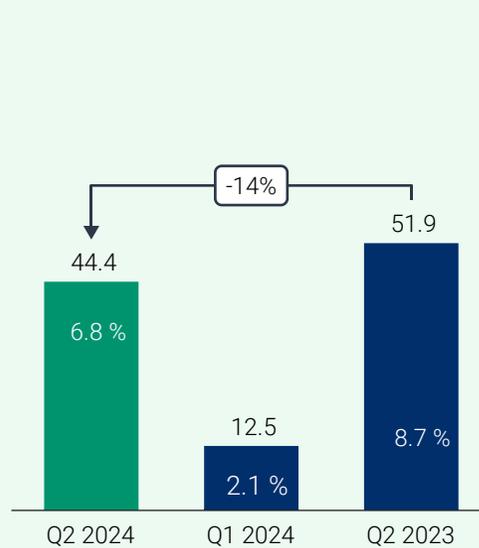
Operations

Steady performance with improved margin compared to previous quarter

Revenue (mNOK)



EBITDA (mNOK)



| Key figures | Q2 2024 | Q1 2024 | Q2 2023 | 2024 YTD | 2023 FY |
|-------------------|---------|---------|---------|----------|---------|
| Operating revenue | 648.5 | 589.2 | 597.9 | 1 237.7 | 2 372.3 |
| EBITDA | 44.4 | 12.5 | 51.9 | 56.9 | 175.6 |
| EBITDA Margin % | 6.8 % | 2.1 % | 8.7 % | 4.6 % | 7.4 % |



Comments

Results current quarter vs same quarter previous year

- Revenue up 51 million mainly driven by improved activity level in the UK and higher demand for construction and inspection services
- EBITDA reduction of 8 million due to lower bonus earnings and the higher level of recharges affecting margin percent

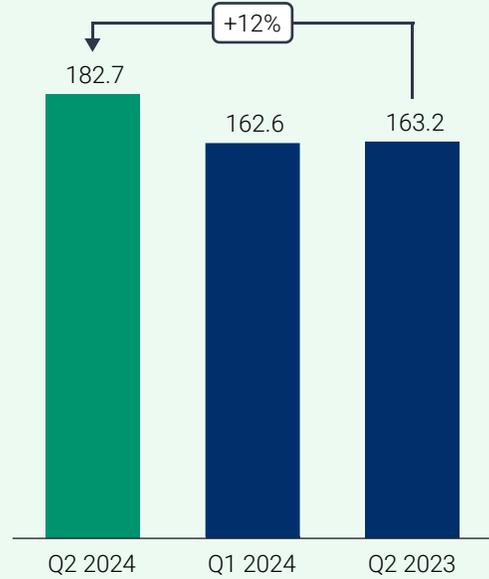
Results current quarter vs previous quarter

- Revenue up 59 million due to higher activity for construction and inspection services, incentive bonuses invoiced and increase in recharges
- EBITDA up 32 million mainly due to improved bonus earnings and reduced cost level. Margin improvement plan initiated in Q1 is on track

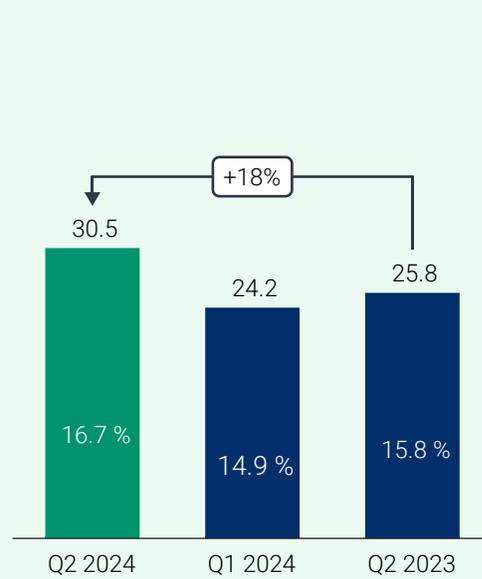
Projects & Engineering

Strong activity level and high utilisation of engineering pool

Revenue (mNOK)



EBITDA (mNOK)



| Key figures | Q2 2024 | Q1 2024 | Q2 2023 | 2024 YTD | 2023 FY |
|-------------------|---------|---------|---------|----------|---------|
| Operating revenue | 182.7 | 162.6 | 163.2 | 345.3 | 607.3 |
| EBITDA | 30.5 | 24.2 | 25.8 | 54.7 | 94.4 |
| EBITDA Margin % | 16.7 % | 14.9 % | 15.8 % | 15.9 % | 15.5 % |



Comments

Results current quarter vs same quarter previous year

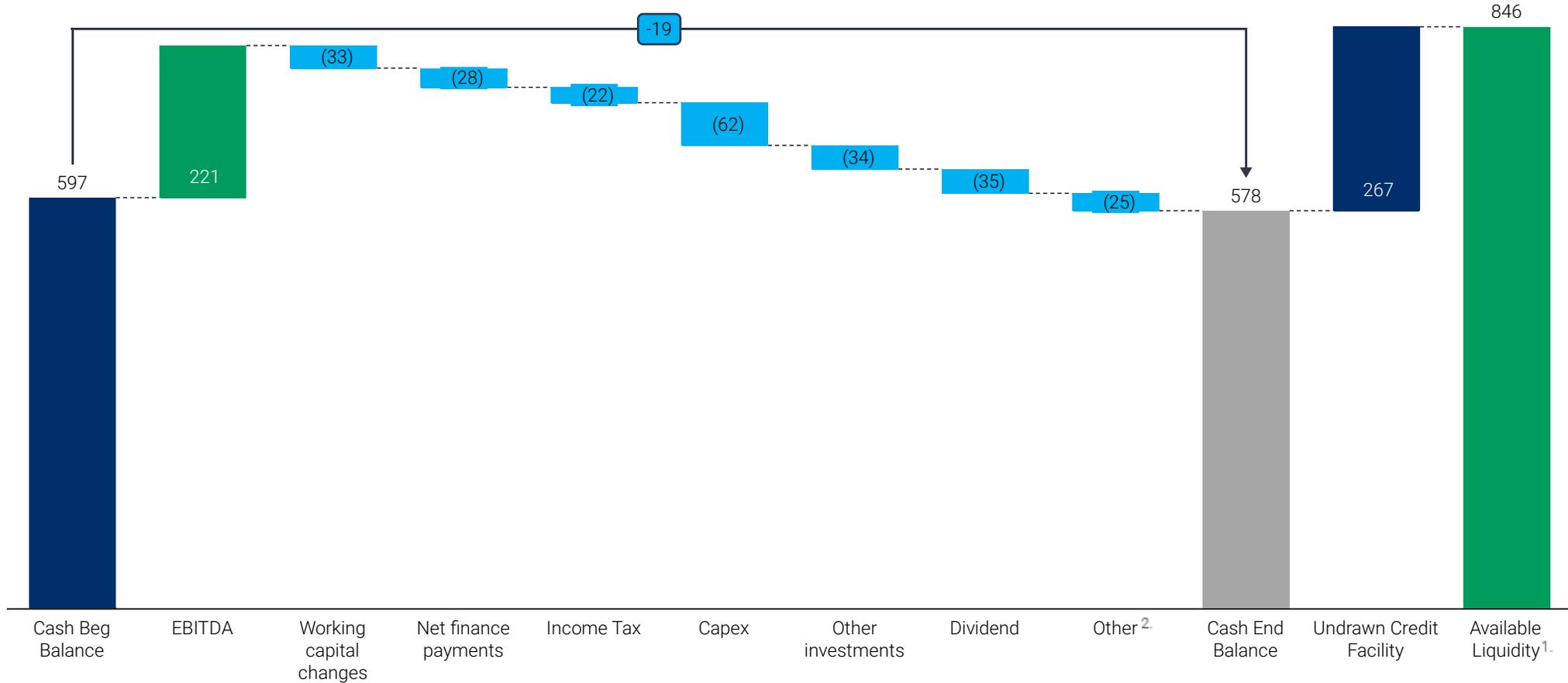
- Revenue up 20 million as activity has been high throughout the quarter for all our departments. Mainly driven by special purpose survey (SPS) activities in Odfjell Drilling's (ODL) portfolio and modification work on the floating storage unit (FSU) Heidrun B.
- EBITDA up 5 million mainly explained by higher activity level and high utilisation of staff.

Results current quarter vs previous quarter

- Revenue up 20 million due to high special purpose survey activity
- EBITDA up 6 million as a result of high activity and staff utilisation

2024 cash flow

Q2 cash balance affected negatively by typical working capital fluctuation, high capex and McGarian TDC Ltd acquisition

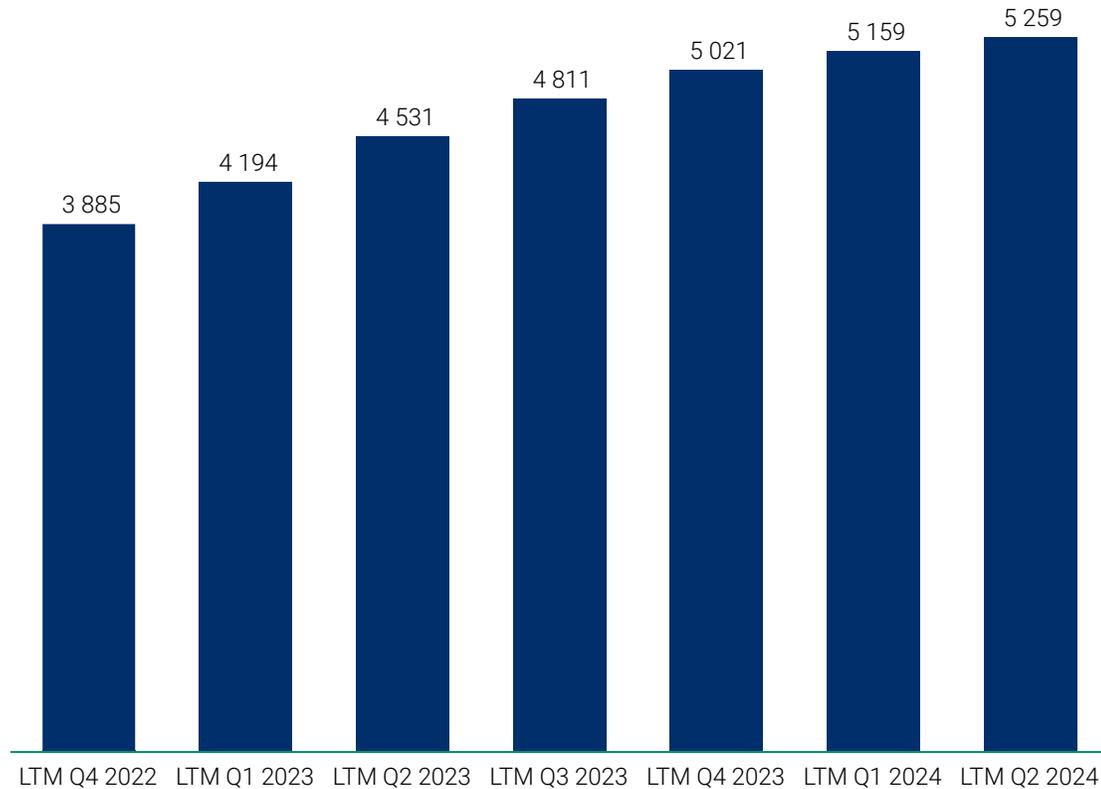


1. Available liquidity is the sum of cash and available undrawn credit facility (USDm 25)
 2. Other mainly related to FX movements and repayment of lease liabilities

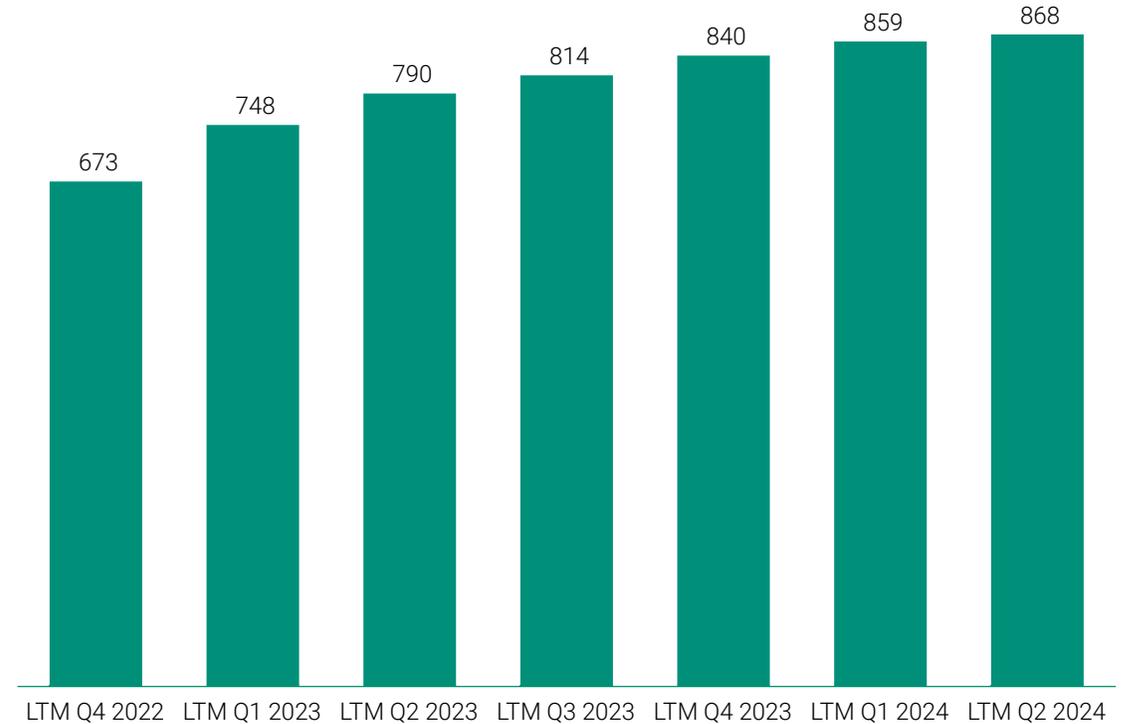
Revenue and EBITDA trailing twelve months (LTM) figures

LTM figures demonstrate consistent growth trend

Revenue LTM



EBITDA LTM



Summary

Summary

- Steady performance operationally and financially
- Order backlog remains strong with Equinor Mariner and bp Clair field contracts firmed up
- Expected strong market 2025-26
- Strategy continues with focus on growth, both organically and through more M&A in the coming years
- Cash balance improvement expected in 2nd half with the reversal of the normal 1st half working capital build up
- Liquidity and debt level remain robust
- On track with margin improvement plan for Operations Norway
- Quarterly dividend distribution of NOK 45m – up 10m compared to previous quarter



Appendix

Summary income statement



| P&L (NOKm) | Q2 2024 | Q1 2024 | Q2 2023 | 2024 YTD | 2023 FY |
|---|----------------|----------------|----------------|----------------|----------------|
| Operating revenue | 1 359.1 | 1 283.2 | 1 259.2 | 2 642.3 | 5 021.4 |
| Other gains and losses | 8.9 | 16.7 | 1.0 | 25.6 | 26.9 |
| Personnel expenses | (831.2) | (813.8) | (764.4) | (1 645.0) | (3 032.9) |
| Other operating expenses | (315.8) | (274.2) | (284.2) | (590.0) | (1 175.2) |
| EBITDA | 221.0 | 211.9 | 211.6 | 644.9 | 840.1 |
| Depreciation and amortisation | (81.7) | (88.9) | (90.4) | (170.5) | (348.1) |
| Operating profit (EBIT) | 139.4 | 123.0 | 121.2 | 262.4 | 492.1 |
| Share of profit (loss) from joint ventures and associates | 0.1 | (3.8) | (1.1) | (3.6) | 5.1 |
| Net financial items | (31.0) | (59.8) | (41.9) | (90.9) | (135.7) |
| Profit (loss) before tax | 108.5 | 59.5 | 78.2 | 167.9 | 361.5 |
| Income tax expense | (20.1) | (8.0) | 1.2 | (28.0) | (17.3) |
| Net profit (loss) | 88.4 | 51.5 | 79.4 | 139.9 | 344.2 |

| Well Services | Q2 2024 | Q1 2024 | Q2 2023 | 2024 YTD | 2023 FY |
|-------------------------|---------|---------|---------|----------|---------|
| Operating revenue | 460.8 | 467.0 | 439.0 | 927.8 | 1 778.6 |
| EBITDA | 153.2 | 175.1 | 148.9 | 328.3 | 625.2 |
| Operating profit (EBIT) | 85.2 | 100.0 | 69.2 | 185.2 | 321.6 |
| EBITDA Margin % | 33% | 37% | 34% | 35% | 35% |

| Operations | Q2 2024 | Q1 2024 | Q2 2023 | 2024 YTD | 2023 FY |
|-------------------------|---------|---------|---------|----------|---------|
| Operating revenue | 648.5 | 589.2 | 597.9 | 1 237.7 | 2 372.3 |
| EBITDA | 44.4 | 12.5 | 51.9 | 56.9 | 175.6 |
| Operating profit (EBIT) | 44.4 | 12.5 | 51.9 | 56.9 | 175.6 |
| EBITDA Margin % | 6,8 % | 2,1 % | 8,7 % | 4,6 % | 7,4 % |

| Projects & Engineering | Q2 2024 | Q1 2024 | Q2 2023 | 2024 YTD | 2023 FY |
|-------------------------|---------|---------|---------|----------|---------|
| Operating revenue | 182.7 | 162.6 | 163.2 | 345.3 | 607.3 |
| EBITDA | 30.5 | 24.2 | 25.8 | 54.7 | 94.4 |
| Operating profit (EBIT) | 29.0 | 24.2 | 25.6 | 53.2 | 93.2 |
| EBITDA Margin % | 16,7 % | 14,9 % | 15,8 % | 15,9 % | 15,5 % |

Other gains and losses in Q1 2024 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 | 30.06.2024 | 30.06.2023 | 31.12.2023 |
|--|----------------|----------------|----------------|
| Property, plant and equipment | 1 068.3 | 1 093.4 | 1 040.9 |
| Intangible assets | 339.0 | 259.7 | 257.3 |
| Deferred tax asset | 111.1 | 65.9 | 93.3 |
| Non-current tax asset | 307.2 | 307.2 | 307.2 |
| Investments in joint ventures and associates | 81.4 | 45.9 | 75.0 |
| Other non-current assets | 62.6 | 58.0 | 60.7 |
| Total non-current assets | 1 969.6 | 1 830.1 | 1 834.3 |
| Trade receivables | 1 109.7 | 1 105.3 | 1 005.6 |
| Other current receivables and assets | 232.8 | 200.3 | 195.9 |
| Cash and cash equivalents | 578.4 | 617.5 | 658.7 |
| Total current assets | 1 920.9 | 1 923.1 | 1 860.3 |
| Total assets | 3 890.5 | 3 753.2 | 3 694.5 |

| Equity and liabilities | 30.06.2024 | 30.06.2023 | 31.12.2023 |
|---|----------------|----------------|----------------|
| Paid-in capital | 1 093.8 | 1 093.8 | 1 093.8 |
| Other equity | 165.2 | (55.0) | (17.3) |
| Total equity | 1 259.0 | 1 038.8 | 1 076.6 |
| Non-current interest-bearing borrowings | 1 091.0 | 1 086.4 | 1 088.6 |
| Non-current lease liabilities | 145.6 | 112.3 | 132.6 |
| Other non-current liabilities | 89.8 | 94.6 | 51.7 |
| Liability repayment to Odfjell Drilling Ltd | 307.2 | 307.2 | 307.2 |
| Total non-current liabilities | 1 633.6 | 1 600.5 | 1 580.1 |
| Current interest-bearing borrowings | 12.9 | 280.2 | 10.3 |
| Current lease liabilities | 39.3 | 37.6 | 37.0 |
| Trade payables | 335.6 | 310.0 | 338.9 |
| Current income tax | 58.8 | 32.5 | 56.1 |
| Other current liabilities | 551.3 | 733.8 | 595.6 |
| Total current liabilities | 997.9 | 1 113.9 | 1 037.9 |
| Total liabilities | 2 631.5 | 2 714.4 | 2 618.0 |
| Total equity and liabilities | 3 890.5 | 3 753.2 | 3 694.6 |

Summary statement of cash flows



| Cash flow (NOKm) | Q2 2024 | Q1 2024 | Q2 2023 | YTD 2024 | FY 2023 |
|---|---------------|---------------|---------------|----------------|----------------|
| Profit/(loss) before tax | 108.5 | 59.5 | 78.2 | 167.9 | 361.1 |
| Adjustment for provisions and other non-cash elements | 107.9 | 132.3 | 138.3 | 240.2 | 466.6 |
| Changes in working capital | (32.9) | (116.4) | (19.7) | (149.3) | 50.8 |
| Cash generated from operations | 183.5 | 75.3 | 196.8 | 258.9 | 878.5 |
| Net interest (paid) / received | (27.9) | (30.0) | (32.1) | (57.8) | (129.0) |
| Net income tax paid | (22.4) | (23.9) | (45.1) | (46.3) | (51.6) |
| Net cash flow from operating activities | 133.2 | 21.4 | 119.6 | 154.7 | 697.9 |
| Net cash flow from investing activities | (96.4) | (68.0) | (65.4) | (164.4) | (221.9) |
| Net cash flow from financing activities | (46.9) | (36.6) | (57.2) | (83.5) | (395.1) |
| Effects of exchange rate changes on cash and cash equivalents | (8,8) | 21,7 | 22,6 | 12,9 | 17,7 |
| Net increase (decrease) in cash and cash equivalents | (18.9) | (61.4) | 19.6 | (80.4) | 98.6 |
| Cash and cash equivalents at period end | 578.4 | 597.3 | 617.5 | 578.4 | 658.7 |
| Free Cash Flow | 70.8 | (47.0) | 54.2 | 23.8 | 493.4 |

Please refer to the Quarterly report for further details



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