



Odfjell Technology Investor Presentation

# Q3 2024 Quarterly Results

07.11.2024

# Important Notice

By reading this company presentation (the "Presentation"), or attending any meeting or presentation held in relation there to, you (the "Recipient") agree to be bound by the following terms, conditions and limitations.

The Presentation has been prepared by Odfjell Technology Ltd (the "Company") solely for information purposes and may not be reproduced or redistributed, in whole or in part, to any other person.

The Presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated ("relevant persons"). Any person who is not a relevant person should not act or rely on the Presentation or any of its contents. The Presentation does not constitute any recommendation to buy, sell or otherwise transact with any securities issued by the Company. The distribution of this Presentation may be restricted by law in certain jurisdictions, and the Recipient should inform itself about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction.

No representation, warranty or undertaking, express or implied, is made by the Company and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information or the opinions in this Presentation. The Company shall have no responsibility or liability whatsoever (for negligence or otherwise) for any loss arising from the use by any person or entity of the information set forth in the Presentation. All information set forth in the Presentation may change materially and without notice.

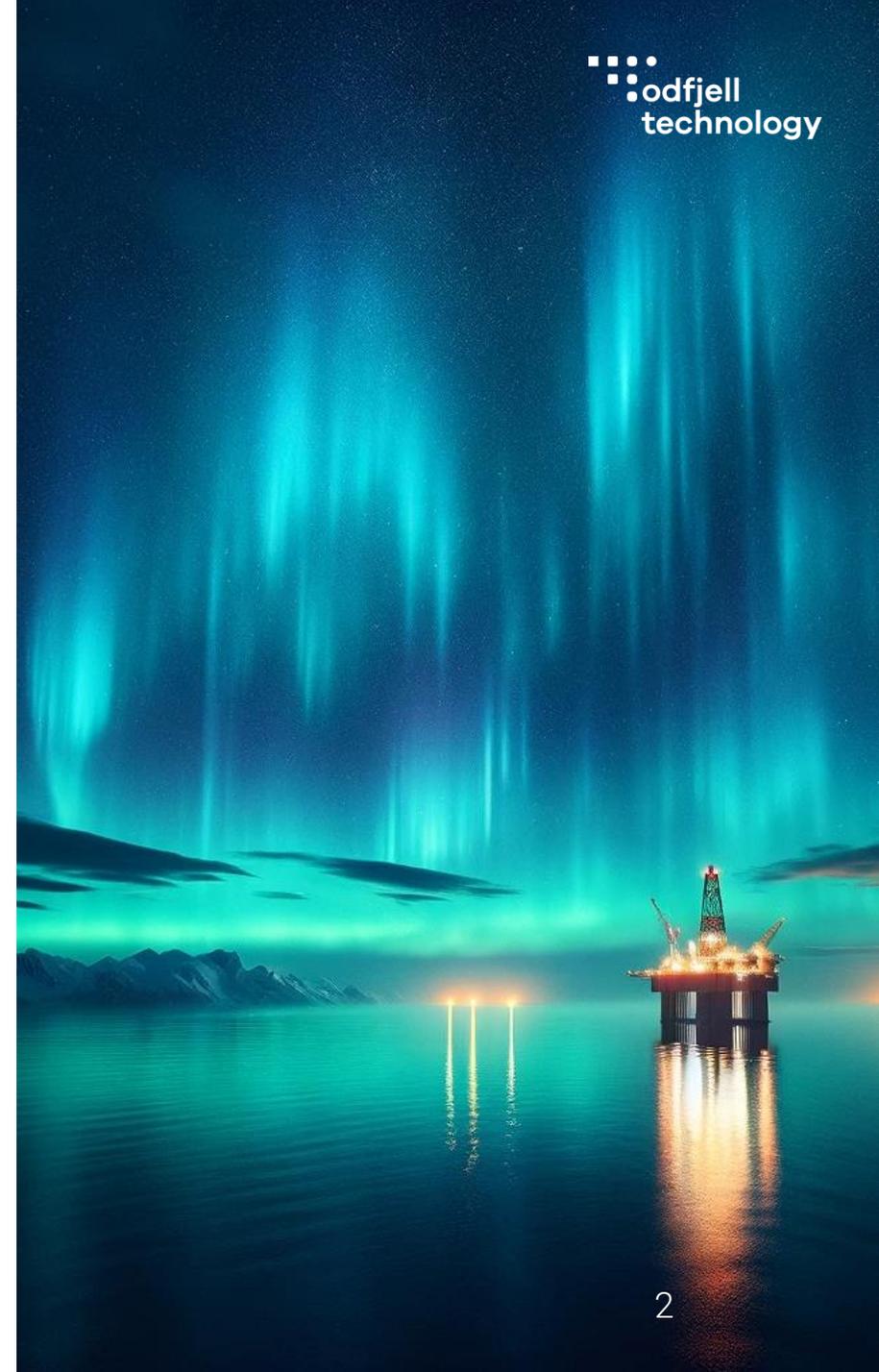
This Presentation includes "forward looking statements". Forward looking statements are statements that are not historical facts and are usually identified by words such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "continues", "should" etc. These forward looking statements reflect the Company's beliefs, intentions and current expectations concerning, among other things, the Company's results, financial condition, liquidity position, prospects, growth and strategies. These statements involve risks and uncertainties because they relate to future events and depend on future circumstances that may or may not occur. Forward looking statements are not guarantees of future performance and no representation that any such statements or forecasts will be achieved are made.

The Company uses certain financial information calculated on a basis other than in accordance with IFRS, including EBITDA and EBITDA margin, as supplemental financial measures in this Presentation. These non-IFRS financial measures are provided as additional insight into the Company's ongoing financial performance and to enhance the user's overall understanding of the Company's financial results and the potential impact of any corporate development activities.

An investment in the Company involves significant risk, and several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in the Presentation.

The Company disclaims any obligation to update or revise any information set out in this Presentation, including the forward-looking statements, whether as a result of new information, future events or otherwise.

This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts.



## Agenda

- Highlights of the quarter and key financials
- Market and order backlog update
- Refinancing and Capital allocation update
- Improvement program
- Financial information
- Summary
- Appendix

# Highlights and key financials

Solid order backlog and balance sheet – expansion of quarterly dividend payout

**1.33bn**

Revenue Q3

5.3bnNOK Revenue LTM

**201m**

EBITDA Q3

858mNOK EBITDA LTM

**13.7bn**

Backlog

**1.0bn**

Available liquidity

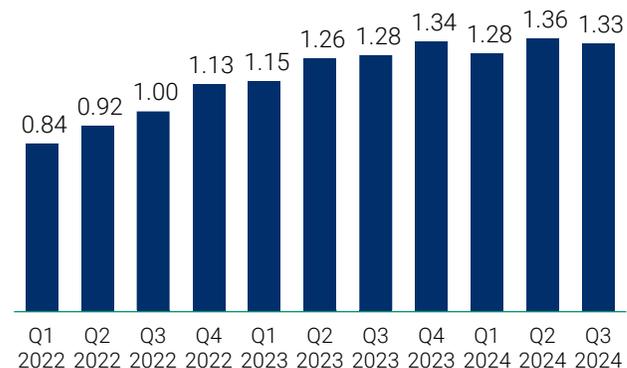
0.7x Leverage ratio

**60m**

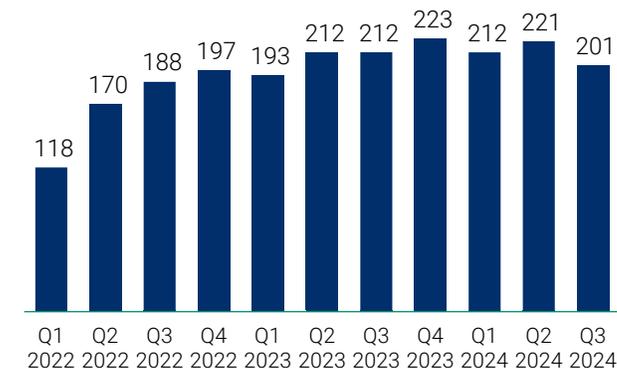
Dividend Q3

Increase from 1.14 to 1.52 per share

Revenue (NOK bn)



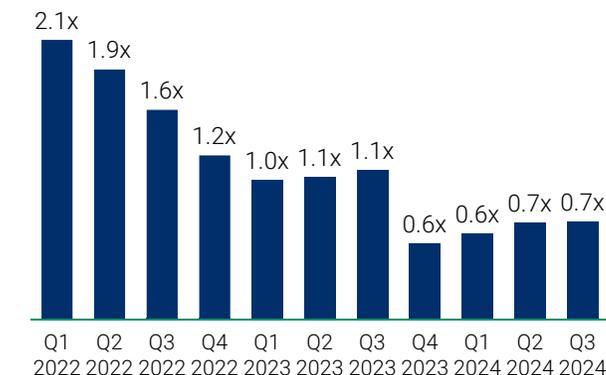
EBITDA (NOK m)



Available Liquidity (NOK m)



NIBD / EBITDA



# Market and order backlog update

# Market outlook update

## Well positioned for growth

### Market comments

- Fluctuations in oil price due to supply-demand concerns affecting decisions processes among clients
- Operators will continue to focus on extending life of fields and expanding oil and gas production
- Lower growth expectations for 2025
  - Stable markets expected in Norway and UK
  - Slowing growth in Middle East and Asia
  - Growth potential and high tender activity in South-America and Western-Africa
  - Growth opportunities anticipated in the P&A market

### Revenue Q3 LTM per geographical market



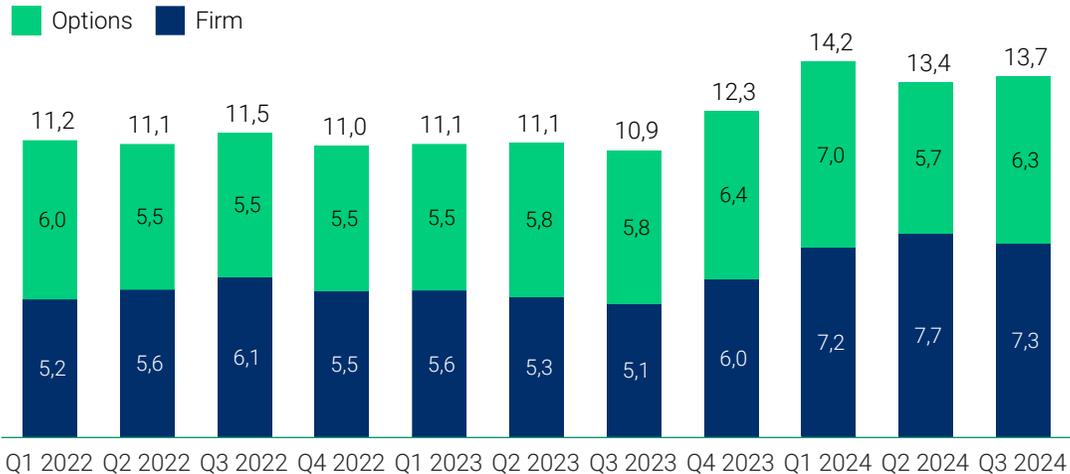
### Global presence



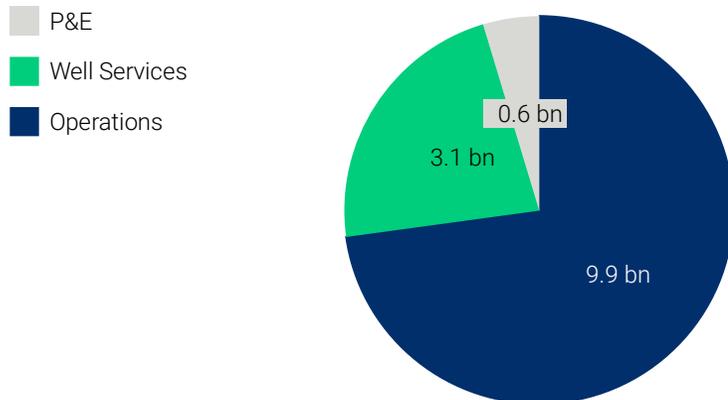
# Order backlog of 13.7 billion NOK

## Solid Backlog and Strong Revenue Visibility Driven by Successful Contract Wins

### Backlog development (NOK bn)



### Backlog by segment (NOK bn)



### Major contracts won current year (NOK m)

Customer	Contract Description	Business Area	Total Value
Equinor	Visund and Grane	Operations	2 224 m
Equinor	Johan Sverdrup - extension	Operations	1 368 m
Major Global Operator	Workover work	Operations	934 m
KCAD	Njord/Grane/Oseberg/Kvitebjorn	Well Services	290 m
Equinor	Visund and Grane	Well Services	265 m
COSL	4 Rigs - TRS	Well Services	220 m

### Number of contracts won in 2024

Contract size	Contract value in mNOK	# of Contracts won	Value of contracts
Super-major	1000 +	2	3,591 m
Major	500-1000	1	934 m
Very Large	200-500	3	775 m
Large	100-200	3	428 m
Substantial	25-100	10	552 m
Sizeable	10-25	7	131 m
Small	1-10	70	203 m

# Capital allocation framework

Prioritise maximum return and profitable growth while balancing risk

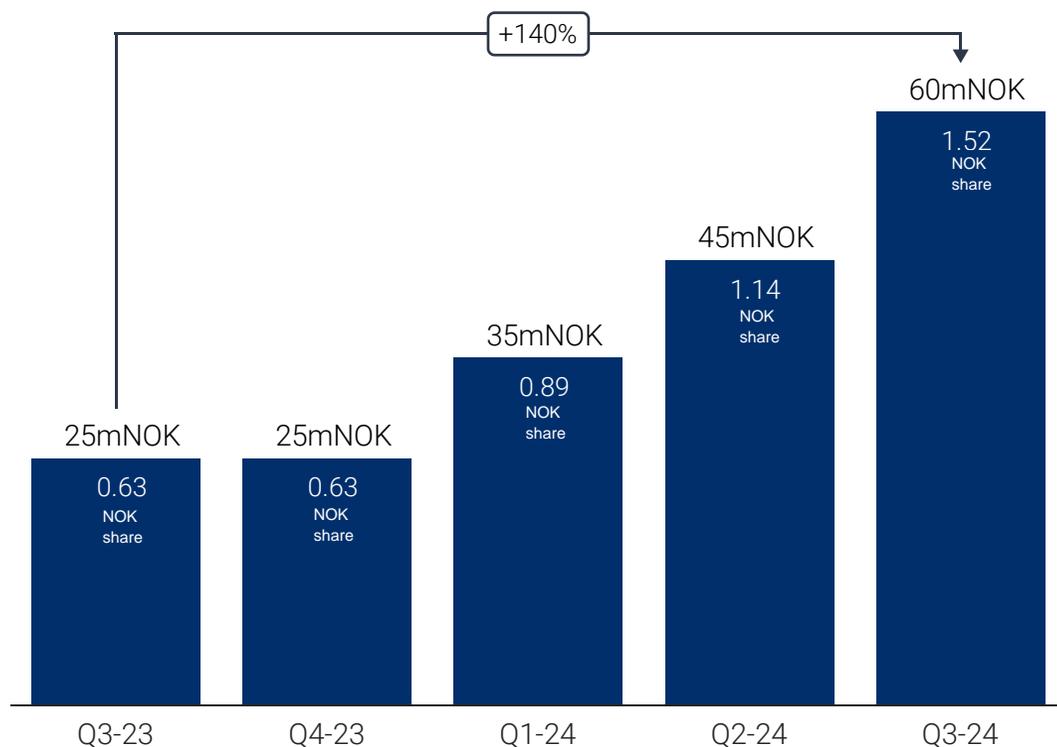
	Strong balance sheet	Capex investment	M&A investments	Dividends
<b>STRATEGIC PRIORITIES</b>	<ul style="list-style-type: none"> <li>Conservative debt level</li> <li>Strong cash position</li> <li>Flexibility to act and invest</li> </ul>	<ul style="list-style-type: none"> <li>Optimise investment allocation to sustain ongoing needs and promote growth</li> <li>All investments evaluated with focus on payback period, rate of return and business impact</li> </ul>	<ul style="list-style-type: none"> <li>Clear strategy with priority on bolt-on acquisitions and technology companies</li> <li>Disciplined approach with strict guidelines on value proposition for potential investments</li> </ul>	<ul style="list-style-type: none"> <li>Dividend growth remains a priority going forward</li> <li>Regular, sustainable payouts through up and down cycles</li> </ul>
<b>STATUS UPDATE</b>	<p>Successful refinancing with improved terms and frame</p> <p>Long term cash generation forecast remains strong</p> <p>Leverage ratio below 1.0x</p>	<p>4.3bn NOK tool portfolio</p> <p>280-320m NOK capex estimate FY 2024</p> <p>Long lead time for certain equipment</p>	<p>Completed one successful M&amp;A in 2024</p> <p>Active M&amp;A evaluations underway</p> <p>Funding available</p>	<p>60m NOK Q3 distribution</p> <p>140% growth vs same quarter last year</p> <p>Improved dividend distribution terms</p>

# Attractive shareholder return through dividends

Target sustainable growth in dividend distributions

## Attractive growth in dividends

12% implied annualized direct yield in Q3



## Foundation for dividend distribution

- Strategic focus on shareholder return
- Strong annual cash generation
- Substantial available liquidity
- Leverage ratio well below the 1.5x incurrence threshold

# Performance and Improvement Program 2024-2026

Commitment to Improvement: Deliver higher margins and cost- efficient operations and support



## Cost Efficiency

- Supply chain improvements / cost reductions
- Process and system efficiency improvements
- Reduce direct resource base and improve utilisation
- Reduce indirect cost



## Commercial targets

- Improve revenue potential in operations and projects
- Prioritise high margin products, services and markets
- Scale up contribution from M&As
- Improve commercial discipline and awareness



## Expected outcome

- Drive profitable revenue growth
- Achieve cost reduction target range
- Improve margins across all Business Areas

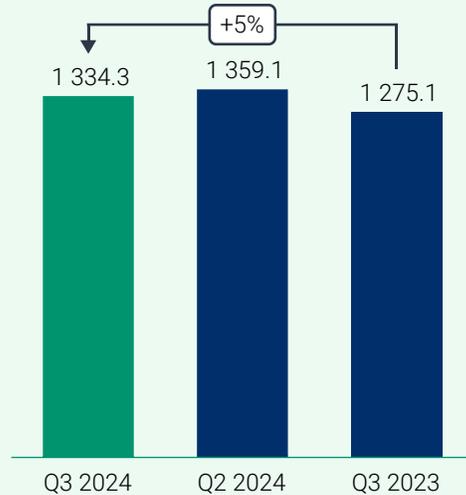
A hand holding a pen is positioned over a document that features a bar chart. The background is a blurred office setting with a computer monitor and stacks of papers. The entire image is overlaid with a blue-to-green gradient.

# Financial information

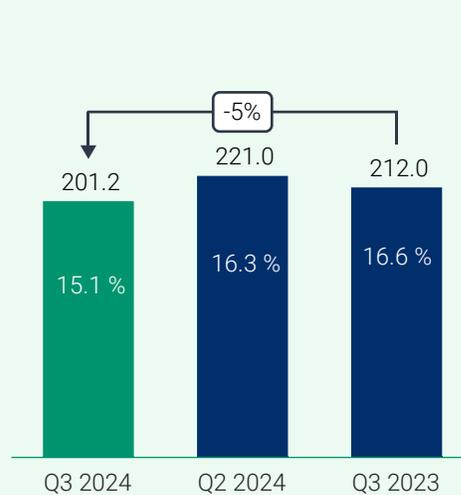
# Group financials

Change in product line mix and operational changes negatively affecting margins

## Revenue (mNOK)



## EBITDA (mNOK)



Key figures	Q3 2024	Q2 2024	Q3 2023	2024 YTD	2023 FY
Operating revenue	1 334.3	1 359.1	1 275.1	3 976.6	5 021.4
EBITDA	201.2	221.0	212.0	634.1	840.1
<b>EBITDA Margin %</b>	<b>15.1 %</b>	<b>16.3 %</b>	<b>16.6 %</b>	<b>15.9 %</b>	<b>16.7 %</b>
Operating profit (EBIT)	118.8	139.4	129.4	381.2	492.1
Net profit (loss)	38.6	88.4	84.8	178.5	344.2
<b>Cash generated from operations</b>	<b>186.4</b>	<b>183.5</b>	<b>44.9</b>	<b>445.2</b>	<b>878.5</b>
Net cash flow from investing activities	- 104.4	- 96.4	- 79.9	- 268.8	- 221.9
<b>Free Cash Flow</b>	<b>27.2</b>	<b>70.8</b>	<b>- 54.1</b>	<b>51.0</b>	<b>493.4</b>
Available Liquidity	1 039.4	845.5	499.8	1 039.4	913.1



## Comments

Results current quarter vs same quarter previous year

- Revenue growth of 59 million, with higher activity for Operations and Projects & Engineering
- EBITDA dropped 11 million, driven by shift in product line mix and elevated cost level in Well Services due to high maintenance activity and rig moves
- Liquidity and cash flow affected by re-financing and high capex

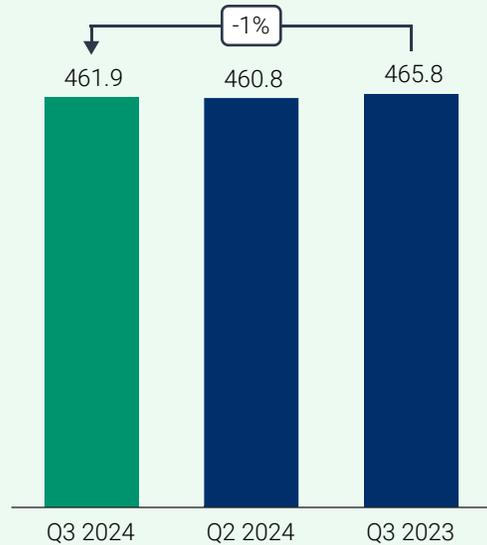
Results current quarter vs previous quarter

- Revenue down 25 million due to seasonal effects
- EBITDA lowered by 20 million due to seasonal effects and high maintenance cost in Well Services

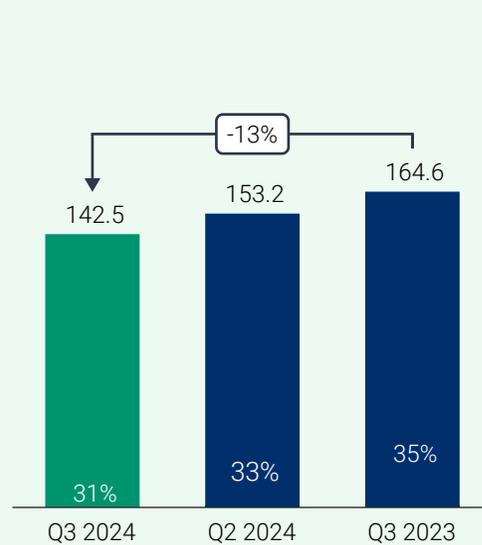
# Well Services

Results affected by contract change in Norway and operational interruptions

Revenue (mNOK)



EBITDA (mNOK)



Key figures	Q3 2024	Q2 2024	Q3 2023	2024 YTD	2023 FY
Operating revenue	461.9	460.8	465.8	1 389.7	1 778.6
EBITDA	142.5	153.2	164.6	470.7	625.2
EBITDA Margin %	31%	33%	35%	34%	35%



## Comments

Results current quarter vs same quarter previous year

- Revenue slightly down due to lower revenue in Norway and UK offset by improved activity in Middle East
- EBITDA dropped 22 million due to contract changes in Norway and operational interruptions caused by maintenance stops and rig moves affecting cost level and margins

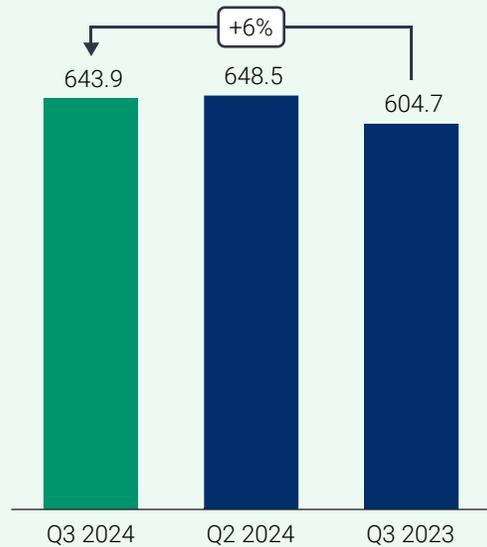
Results current quarter vs previous quarter

- Slight revenue drop due to contract changes in Norway
- EBITDA down 11 million due to change in product mix and lower activity on international rigs resulting in increased maintenance cost as work is carried out when rigs are between contracts

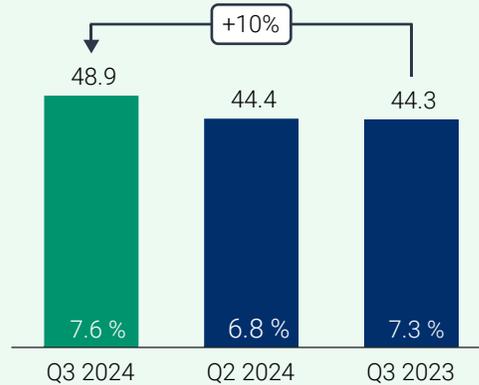
# Operations

Steady performance with improved margin compared to previous quarter

Revenue (mNOK)



EBITDA (mNOK)



Key figures	Q3 2024	Q2 2024	Q3 2023	2024 YTD	2023 FY
Operating revenue	643.9	648.5	604.7	1 881.6	2 382.3
EBITDA	48.9	44.4	44.3	105.8	175.6
EBITDA Margin %	7.6 %	6.8 %	7.3 %	5.6 %	7.4 %



## Comments

Results current quarter vs same quarter previous year

- Revenue up 39 million mainly driven by improved activity level in the UK and Norway
- EBITDA improved 4.6 million due to higher activity

Results current quarter vs previous quarter

- Revenue in line with previous quarter
- EBITDA up 4.5 million due to lower sick leave and cost level in Norway

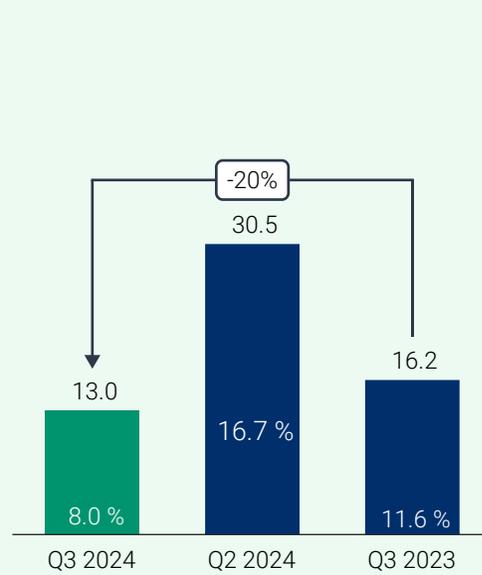
# Projects & Engineering

Continued strong activity level considering seasonalises

Revenue (mNOK)



EBITDA (mNOK)



Key figures	Q3 2024	Q2 2024	Q3 2023	2024 YTD	2023 FY
Operating revenue	161.4	182.7	140.0	506.7	607.3
EBITDA	13.0	30.5	16.2	67.7	94.4
EBITDA Margin %	8.0 %	16.7 %	11.6 %	13.4 %	15.5 %



## Comments

Results current quarter vs same quarter previous year

- Revenue up 21 million, mainly driven by special purpose survey (SPS) activities in Odfjell Drilling's (ODL) portfolio
- EBITDA reduction of 3 million due to one offs related to organisation changes

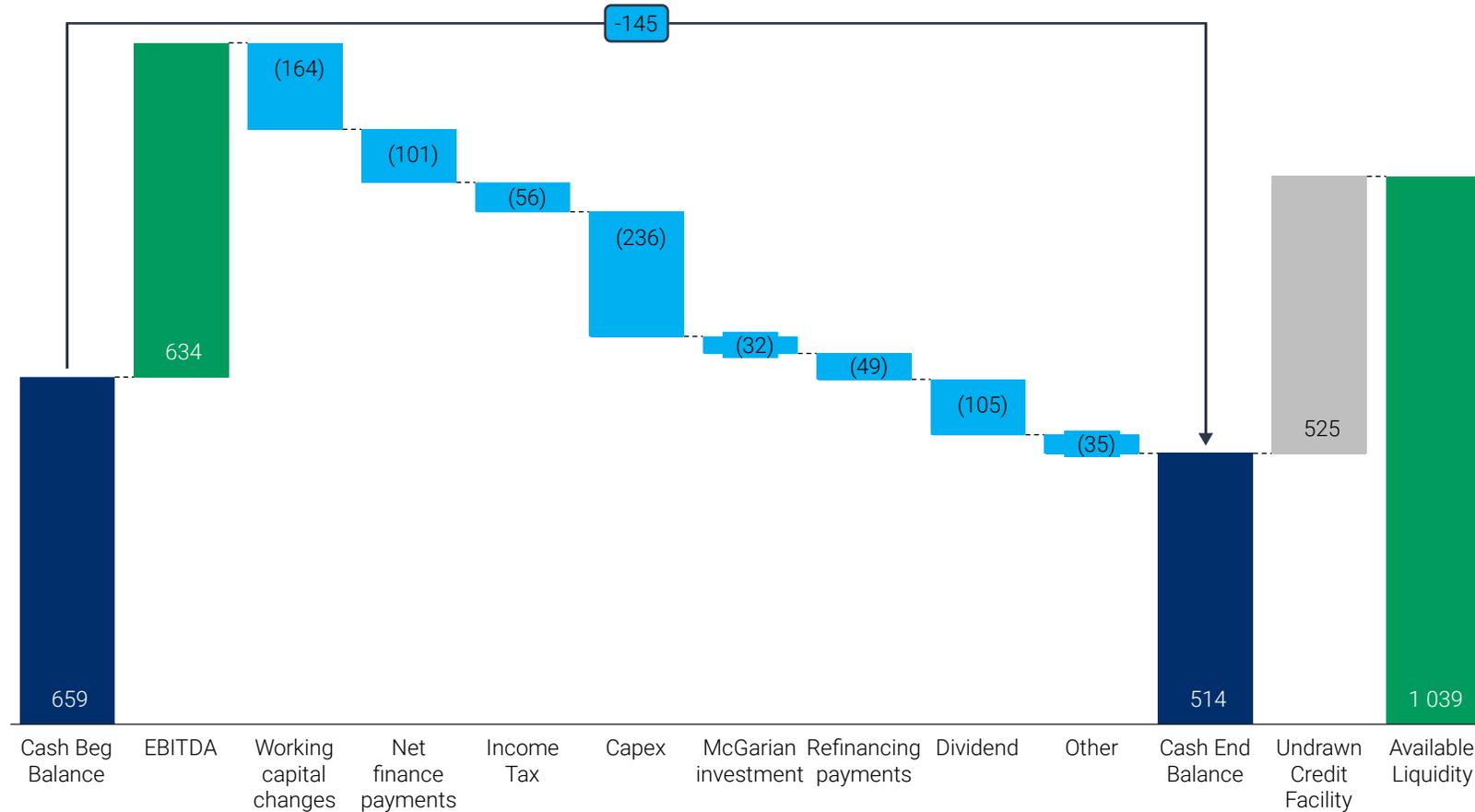
Results current quarter vs previous quarter

- Revenue down 21 million mainly due to seasonal effects
- EBITDA drop of 17.5 million due lower activity level and lower staff utilisation caused by seasonality

# 2024 YTD cash flow analysis

## High financial flexibility

YTD cash flow bridge (mNOK)



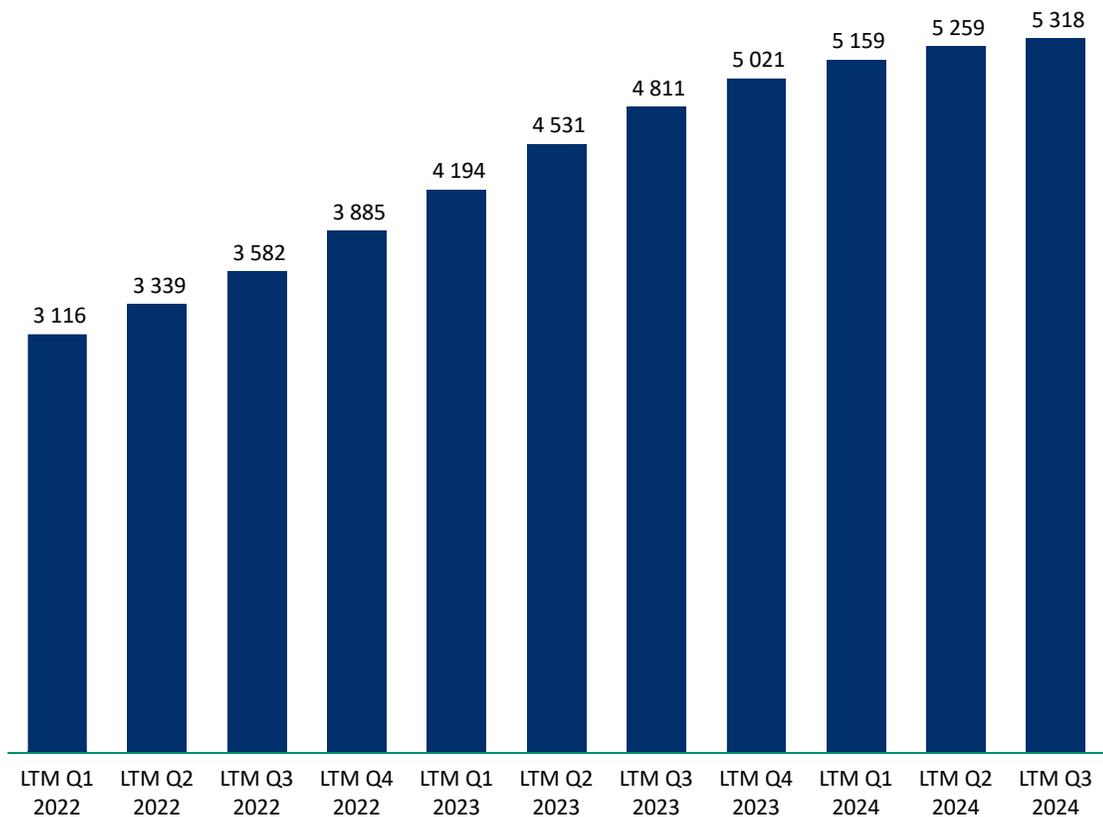
### Comments

- **General comments**
  - Working capital build up reversal expected in Q4
  - Interest payment reduction from Q4
- **None regular cash effects**
  - Refinancing related payments of 49mNOK
  - Payment of 32mNOK for McGarian acquisition
- **Other**
  - Payment of lease liabilities
  - Other adjustments for provisions and non-cash elements
  - Effects of exchange rate changes on cash

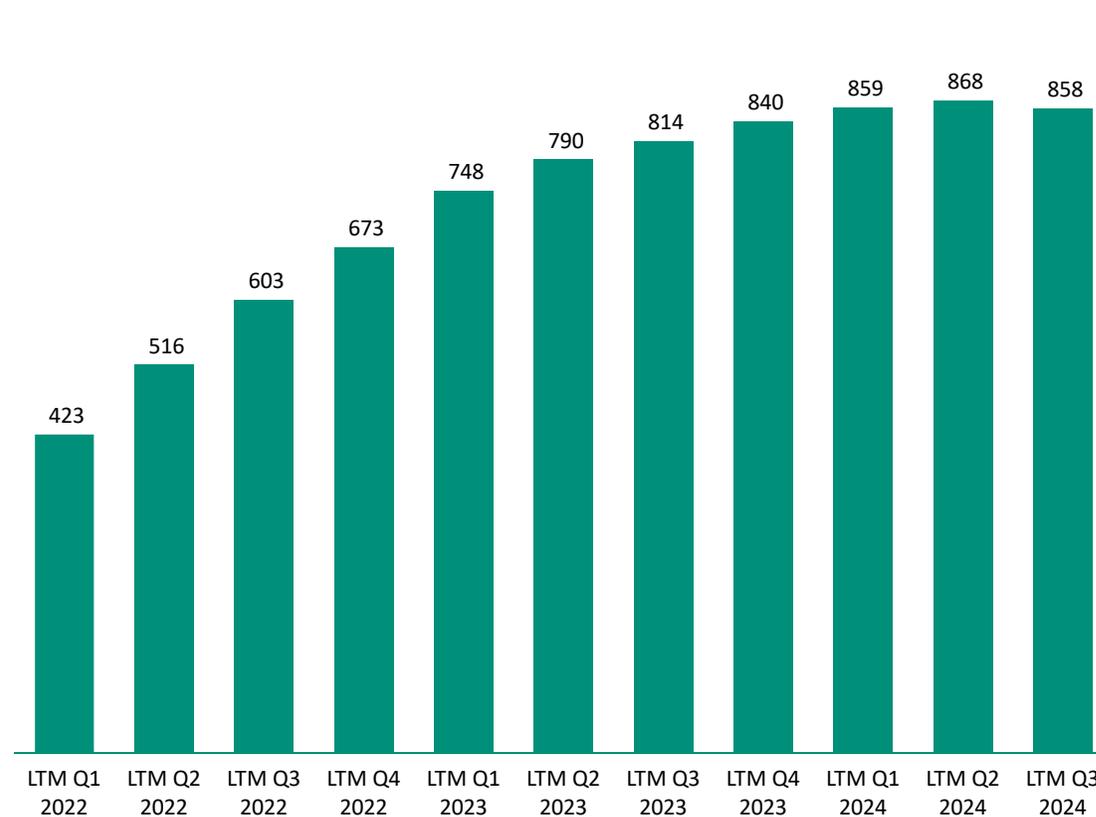
# Revenue and EBITDA trailing twelve months (LTM) figures

LTM figures demonstrate consistent growth trend

## Revenue LTM



## EBITDA LTM



# Summary

# Key takeaways – on track for delivering long term value

- Maintain a clear plan to expand and grow despite slowing global economic growth
- Strong balance sheet supports growth and returns to shareholders
- Solid order backlog with significant revenue visibility
- Ongoing focus on bolt-on and technology M&A opportunities that align with our strategy and enhance shareholder value
- Focus on improved margins
- Dividend distribution delivers high direct yield



# Appendix

# Summary income statement



P&L (NOKm)	Q3 2024	Q2 2024	Q3 2023	2024 YTD	2023 FY
<b>Operating revenue</b>	<b>1 334.3</b>	<b>1 359.1</b>	<b>1 275.1</b>	<b>3 976.6</b>	<b>5 021.4</b>
Other gains and losses	3.8	8.9	9.4	29.4	26.9
Personnel expenses	(835.6)	(831.2)	(757.3)	(2 480.6)	(3 032.9)
Other operating expenses	(301.4)	(315.8)	(315.2)	(891.3)	(1 175.2)
<b>EBITDA</b>	<b>201.2</b>	<b>221.0</b>	<b>212.0</b>	<b>634.1</b>	<b>840.1</b>
<b>EBITDA Adjusted for operational lease</b>	<b>200.2</b>	<b>219.9</b>	<b>211.1</b>	<b>632.0</b>	<b>835.7</b>
Depreciation and amortisation	(82.4)	(81.7)	(82.6)	(252.9)	(348.1)
<b>Operating profit (EBIT)</b>	<b>118.8</b>	<b>139.4</b>	<b>129.4</b>	<b>381.2</b>	<b>492.1</b>
Share of profit (loss) from joint ventures and associates	1.4	0.1	(0.3)	(2.2)	5.1
Net financial items	(71.6)	(31.0)	(37.7)	(162.4)	(135.7)
<b>Profit (loss) before tax</b>	<b>48.6</b>	<b>108.5</b>	<b>91.4</b>	<b>216.5</b>	<b>361.5</b>
Income tax expense	(10.0)	(20.1)	(6.6)	(38.0)	(17.3)
<b>Net profit (loss)</b>	<b>38.6</b>	<b>88.4</b>	<b>84.8</b>	<b>178.5</b>	<b>344.2</b>

Well Services	Q3 2024	Q2 2024	Q3 2023	2024 YTD	2023 FY
Operating revenue	461.9	460.8	465.8	1 389.7	1 778.6
EBITDA	142.5	153.2	164.6	470.7	625.2
Operating profit (EBIT)	73,7	85,2	93,5	258,9	321,6
EBITDA Margin %	30.8%	33.2%	35.3%	33.9%	35.2%

Operations	Q3 2024	Q2 2024	Q3 2023	2024 YTD	2023 FY
Operating revenue	643.9	648.5	604.7	1 881.6	2 382.3
EBITDA	48.9	44.4	44.3	105.8	175.6
Operating profit (EBIT)	48,9	44,4	44,3	105,8	175,6
EBITDA Margin %	7.6 %	6.8 %	7.3 %	5.6 %	7.4 %

Projects & Engineering	Q3 2024	Q2 2024	Q3 2023	2024 YTD	2023 FY
Operating revenue	161.4	182.7	140.0	506.7	607.3
EBITDA	13.0	30.5	16.2	67.7	94.4
Operating profit (EBIT)	12,1	29,0	16,1	65,3	93,2

Other gains and losses in YTD 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	30.09.2024	30.09.2023	31.12.2023
Property, plant and equipment	1 097.0	1 107.5	1 040.9
Intangible assets	340.0	258.9	257.3
Deferred tax asset	121.8	77.4	93.3
Non-current tax asset	307.2	307.2	307.2
Investments in joint ventures and associates	82.7	63.8	75.0
Other non-current assets	58.5	60.0	60.7
<b>Total non-current assets</b>	<b>2 007.2</b>	<b>1 874.8</b>	<b>1 834.3</b>
Trade receivables	1 092.1	1 184.3	1 005.6
Other current receivables and assets	249.7	202.4	195.9
Cash and cash equivalents	513.9	499.8	658.7
<b>Total current assets</b>	<b>1 855.7</b>	<b>1 886.5</b>	<b>1 860.3</b>
<b>Total assets</b>	<b>3 862.9</b>	<b>3 761.2</b>	<b>3 694.5</b>

Equity and liabilities	30.09.2024	30.09.2023	31.12.2023
Paid-in capital	1 093.8	1 093.8	1 093.8
Other equity	154.5	(22.1)	(17.3)
<b>Total equity</b>	<b>1 248.3</b>	<b>1 071.7</b>	<b>1 076.6</b>
Non-current interest-bearing borrowings	1 081.0	1 087.5	1 088.6
Non-current lease liabilities	142.4	139.8	132.6
Other non-current liabilities	71.8	90.3	51.7
Liability repayment to Odfjell Drilling Ltd	307.2	307.2	307.2
<b>Total non-current liabilities</b>	<b>1 602.4</b>	<b>1 624.7</b>	<b>1 580.1</b>
Current interest-bearing borrowings	2.7	278.1	10.3
Current lease liabilities	42.5	37.1	37.0
Trade payables	341.5	271.4	338.9
Current income tax	70.9	47.2	56.1
Other current liabilities	554.4	431.0	595.6
Total current liabilities	1 012.1	1 064.8	1 037.9
<b>Total liabilities</b>	<b>2 614.6</b>	<b>2 689.5</b>	<b>2 618.0</b>
<b>Total equity and liabilities</b>	<b>3 862.9</b>	<b>3 761.2</b>	<b>3 694.6</b>

# Summary statement of cash flows



Cash flow (NOKm)	Q3 2024	Q2 2024	Q3 2023	YTD 2024	FY 2023
Profit/(loss) before tax	48.6	108.5	91.4	216.5	361.1
Adjustment for provisions and other non-cash elements	152.7	107.9	112.4	392.9	466.6
Changes in working capital	(14.9)	(32.9)	(158.9)	(164.1)	50.8
<b>Cash generated from operations</b>	<b>186.4</b>	<b>183.5</b>	<b>44.9</b>	<b>445.2</b>	<b>878.5</b>
Net interest (paid) / received	(42.8)	(27.9)	(32.8)	(100.6)	(129.0)
Net income tax paid	(9.4)	(22.4)	(4.3)	(55.8)	(51.6)
<b>Net cash flow from operating activities</b>	<b>134.2</b>	<b>133.2</b>	<b>7.8</b>	<b>288.8</b>	<b>697.9</b>
<b>Net cash flow from investing activities</b>	<b>(104.4)</b>	<b>(96.4)</b>	<b>(79.9)</b>	<b>(268.8)</b>	<b>(221.9)</b>
<b>Net cash flow from financing activities</b>	<b>(102.1)</b>	<b>(46.9)</b>	<b>(31.5)</b>	<b>(185.6)</b>	<b>(395.1)</b>
Effects of exchange rate changes on cash and cash equivalents	7,8	(8,8)	(14,1)	20,7	17,7
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(64.5)</b>	<b>(18.9)</b>	<b>(117.7)</b>	<b>(144.9)</b>	<b>98.6</b>
<b>Cash and cash equivalents at period end</b>	<b>513.9</b>	<b>578.4</b>	<b>499.8</b>	<b>578.4</b>	<b>658.7</b>
<b>Free Cash Flow</b>	<b>27.2</b>	<b>70.8</b>	<b>(54.1)</b>	<b>51.0</b>	<b>493.4</b>

Please refer to the Quarterly report for further details



For further information,  
please contact

Gert Haugland, SVP Finance and Investor Relations  
[gjha@odfjelltechnology.com](mailto:gjha@odfjelltechnology.com)

[www.odfjelltechnology.com](http://www.odfjelltechnology.com)