



# Odfjell Technology Quarterly Presentation

Q3 2023

## 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 on going 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 outlook
- Segment reporting
- Financial information
- Summary
- Appendix

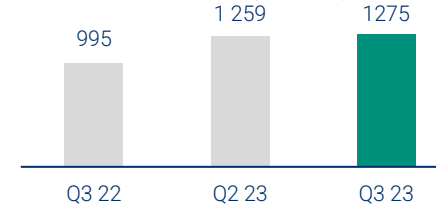
# Highlights and key financials

## Key highlights of the quarter

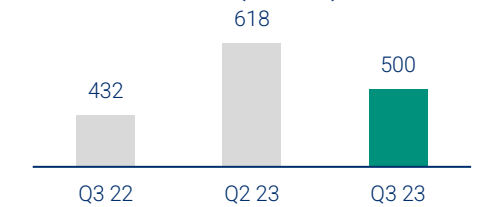
- This quarter's revenue and EBITDA in line with previous quarter with significant improvement compared to 2022 Q3
- Continued strong momentum for Well Services
- Steady operational performance with no major issues
- Solid backlog
- Expect to improve cash position in Q4

## Development key financials

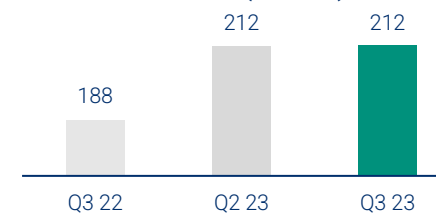
Revenue (NOKm)



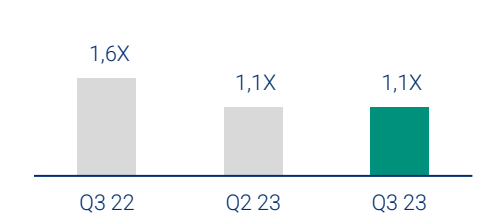
Cash (NOKm)



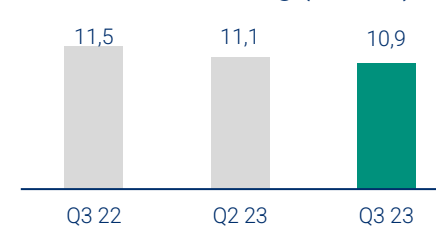
EBITDA (NOKm)



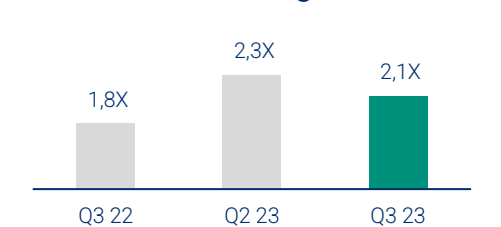
NIBD / EBITDA



Revenue backlog (NOKbn)



EBITDA backlog / NIBD





# Market outlook

## Market outlook

### Overall

- Positive market trends driven by demand and oil price
- Upturn expected to last for number of years
- Increased drilling activity globally
- Upturn in tenders and inquiries creates growth potential in all our services
- Tight rig market, no new builds expected

### Well Services

- Well positioned to capitalise on the increase in drilling activity and field investment expected in the coming years.
- Positive outlook creates opportunities to expand our services into new geographical markets

### Operations

- Stable and predictable market outlook
- Possibilities in new business opportunities
- Opportunities to expand through integrated solutions
- Positioning for energy transition business opportunities

### Projects & Engineering

- General increase in activity due to global growth in investments, rig and platform modifications and maintenance
- Large volume in planned SPS (Special Period Surveys) for drilling rigs as well as modification and upgrades
- Energy transition creates new engineering opportunities

# Business Area reporting

## Business Area highlights

### Well Services

**3.4NOKbn**

Backlog

**4.5NOKbn**

Cost price  
equipment pool

- Strong growth in Q3 due to high activity level in all regions
- New operations offshore Africa and Canada commenced in Q3 increasing revenue and margin level
- Focus on expanding margins and creating profitable growth in all key markets
- High tender activity internationally in existing and new regions

### Operations

**7.0NOKbn**

Backlog

**16**

Platforms

- Stable operations and activity level in Q3
- Bonus earnings lower than expected in Q3
- Expecting very high tender activity in Q4 2023 and Q1 2024
- Backlog remains strong

### Projects & Engineering

**475NOKm**

Backlog

**85%**

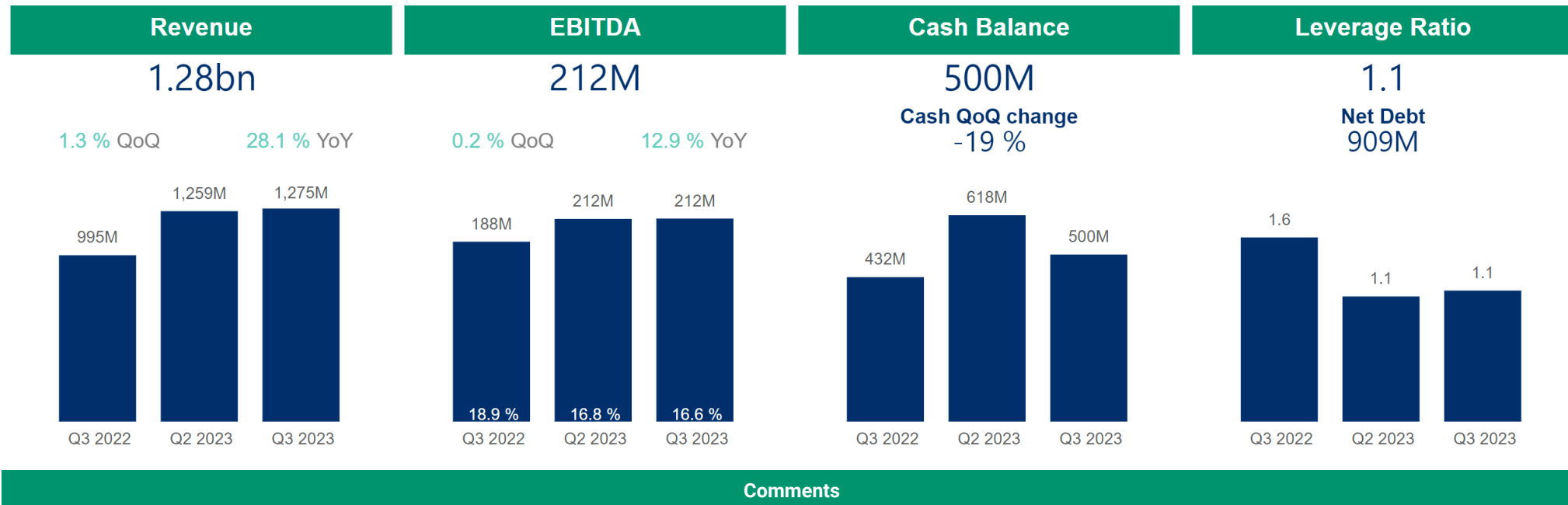
Utilisation (people-hours)

- High activity and high utilisation continued in Q3
- Seasonal effect caused by reduced staffing through the summer months - as expected
- Won important contract with AkerBP - firm contract period is 5 years with an estimated value of NOK 100m
- Energy transition strategy on track



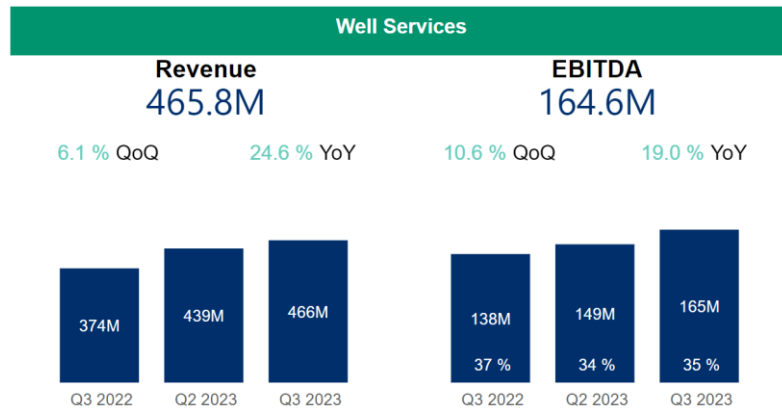
# Financial information

# Financial Performance

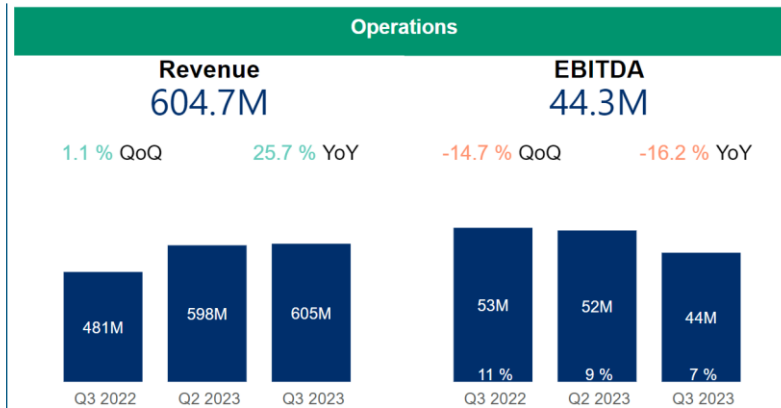


- Revenue growth of 1% compared with previous quarter and 28% compared to Q3 2022 exemplifies strong market, improved contract portfolio and operational performance
- EBITDA in line with previous quarter and up 13% (24m) compared to same quarter last year
- Net profit of NOK 85m in Q3 2023 vs 44m in Q3 2022 and YTD net profit of 208m vs 143m same period last year
- Cash balance of 500m this quarter vs 432m Q3 in 2022
- Cash generated from operations in Q3 2023 of 45m vs 162m in Q3 2022. Reduction mainly caused by negative development in working capital. Expect improvement in working capital Q4 based on estimates for receivables and timing elements
- Leverage ratio and net debt stable and in line with previous quarters

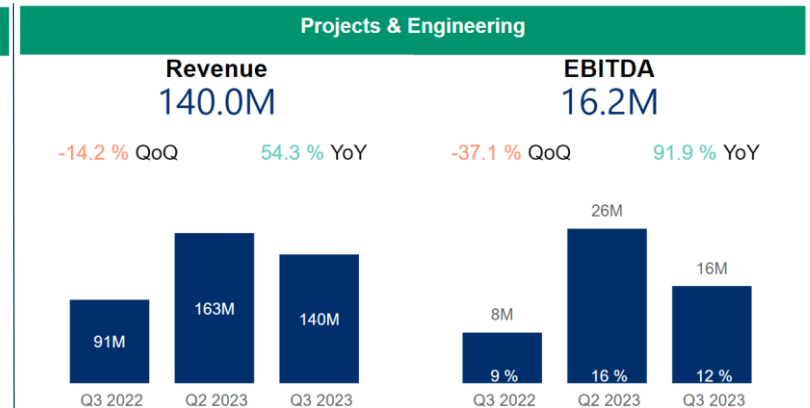
# Financial Performance by Business Area



- Revenue growth continues with a 6% improvement compared to previous quarter and 25% improvement compared to Q3 2022.
- Growth is result of new contracts in Africa, Canada and Asia combined with continued good activity in other markets.
- EBITDA up 10% compared to previous quarter and 19% compared to Q2 2022.
- EBITDA improvement driven by revenue growth and lower cost as the new operations are up and running.



- Revenue up 1% compared to Q2 and 26% up compared to Q3 2022. Increase in revenue from Q3 2022 to Q3 2023 mainly due to Linus rig management contract and high activity for rig inspection services
- Reduced EBITDA from Q2 to Q3 due to lower bonus earnings and high maintenance activity which is handled as passthrough with low markup



- Revenue reduced by 14% compared to Q2 while up 54% compared to same quarter last year
- EBITDA of 16m in Q3 is 37% lower than in Q2, but up 92% compared to same quarter last
- Seasonal effects reduced the number of hours delivered and invoiced as we see every year. Still, activity level remained stronger than previous years due to large project portfolio

# Summary



## Summary

- Delivering on strategic plan to grow internationally
- Strategically important engineering contract with AkerBP secured in October
- High tender activity in all business areas
- Solid revenue and EBITDA performance
- EBITDA of NOK 814m delivered last 12 months vs full year 2022 EBITDA of NOK 673m
- Cash from operations expected to improve in Q4
- Dividend distribution of NOK 25m approved by BoD with payment in November bringing the total dividend distribution for 2023 to NOK 100m



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)

# Appendix



# Summary Financials

## Condensed Consolidated income statement

P&L (NOKm)	Q3 23	Q2 23	Q3 22	YTD 23	FY 22
<b>Operating revenue</b>	<b>1 275,1</b>	<b>1 259,2</b>	<b>995,5</b>	<b>3 679,8</b>	<b>3 885,0</b>
Other gains and losses	9,4	1,0	1,1	12,2	13,6
Personnel expenses	(757,3)	(764,4)	(584,8)	(2 221,0)	(2 381,6)
Other operating expenses	(315,2)	(284,2)	(223,9)	(854,3)	(844,5)
<b>EBITDA</b>	<b>212,0</b>	<b>211,6</b>	<b>187,8</b>	<b>616,7</b>	<b>672,5</b>
Depreciation and amortisation	(82,6)	(90,4)	(83,7)	(261,0)	(288,4)
<b>Operating profit (EBIT)</b>	<b>129,4</b>	<b>121,2</b>	<b>104,1</b>	<b>355,7</b>	<b>384,1</b>
Share of profit (loss) from joint ventures and associates	(0,3)	(1,1)	(7,6)	(5,2)	(19,9)
Net financial items	(37,7)	(41,9)	(48,6)	(128,3)	(138,0)
<b>Profit (loss) before tax</b>	<b>91,4</b>	<b>78,2</b>	<b>48,0</b>	<b>222,2</b>	<b>226,2</b>
Income tax expense	(6,6)	1,2	(4,2)	(14,6)	26,8
<b>Net profit (loss)</b>	<b>84,8</b>	<b>79,4</b>	<b>43,8</b>	<b>207,6</b>	<b>253,0</b>
<b>Well Services</b>	<b>Q3 23</b>	<b>Q2 23</b>	<b>Q3 22</b>	<b>YTD 23</b>	<b>FY 22</b>
Operating revenue	465,8	439,0	374,0	1 297,8	1 365,4
EBITDA	164,6	148,9	138,4	449,8	485,3
Operating profit (EBIT)	93,5	69,2	65,5	220,4	226,0
EBITDA Margin %	35 %	34 %	37 %	104 %	36 %
<b>Operations</b>	<b>Q3 23</b>	<b>Q2 23</b>	<b>Q3 22</b>	<b>YTD 23</b>	<b>FY 22</b>
Operating revenue	604,7	597,9	481,1	1 751,2	1 972,1
EBITDA	44,3	51,9	52,8	130,6	184,8
Operating profit (EBIT)	44,3	51,9	52,8	130,6	184,8
EBITDA Margin %	7 %	9 %	11 %	22 %	9 %
<b>Projects &amp; Engineering</b>	<b>Q3 23</b>	<b>Q2 23</b>	<b>Q3 22</b>	<b>YTD 23</b>	<b>FY 22</b>
Operating revenue	140,0	163,2	90,7	443,2	356,6
EBITDA	16,2	25,8	8,5	70,3	44,5
Operating profit (EBIT)	16,1	25,6	8,2	69,9	43,9
EBITDA Margin %	12 %	16 %	9 %	48 %	12 %

## Comments

- Please refer to the Quarterly report for further details



# Summary statement of financial position

## Balance sheet

NOK million	30.09.2023	30.09.2022	31.12.2022
<b>Assets</b>			
Property, plant and equipment	1 107,5	1 153,6	1 068,4
Intangible assets	258,9	242,5	252,1
Deferred tax asset	77,4	17,0	51,3
Non-current tax asset	307,2	-	-
Investments in joint venture	63,8	57,1	50,0
Other non-current assets	60,0	14,3	44,6
<b>Total non-current assets</b>	<b>1 874,8</b>	<b>1 484,6</b>	<b>1 466,5</b>
Other current receivables and assets	202,4	191,6	145,8
Cash and cash equivalents	499,8	423,2	560,1
<b>Total current assets</b>	<b>1 886,5</b>	<b>1 513,3</b>	<b>1 648,4</b>
<b>Total assets</b>	<b>3 761,2</b>	<b>2 997,9</b>	<b>3 114,9</b>

NOK million	30.09.2023	30.09.2022	31.12.2022
<b>Equity and liabilities</b>			
Paid-in capital	1 093,8	1 093,8	1 093,8
Other equity	(22,1)	(304,5)	(315,0)
<b>Total equity</b>	<b>1 071,7</b>	<b>789,4</b>	<b>778,8</b>
Non-current interest-bearing borrowings	1 087,5	1 083,2	1 084,2
Non-current lease liabilities	139,8	81,2	96,8
Post-employment benefits	37,1	43,3	46,7
Non-current contract liabilities	53,1	58,9	37,9
<b>Total non-current liabilities</b>	<b>1 624,7</b>	<b>1 266,6</b>	<b>1 265,6</b>
Current interest-bearing borrowings	278,1	275,7	255,7
Current lease liabilities	37,1	27,9	30,6
Trade payables	271,4	266,0	264,1
Current income tax	47,2	29,4	55,4
Other current liabilities	431,0	343,0	464,6
<b>Total current liabilities</b>	<b>1 064,8</b>	<b>941,9</b>	<b>1 070,4</b>
<b>Total liabilities</b>	<b>2 689,5</b>	<b>2 208,5</b>	<b>2 336,1</b>
<b>Total equity and liabilities</b>	<b>3 761,2</b>	<b>2 997,9</b>	<b>3 114,9</b>

# Summary statement of cash flow

Cash flow					Comments
Cash flow (NOKm)	Q3 23	Q2 23	YTD 23	FY 22	
Profit/(loss) before tax	91,4	78,2	222,2	226,2	
Adjustment for provisions and other non-cash elements	112,4	138,3	386,1	438,9	
Changes in working capital	(158,9)	(19,7)	(280,6)	10,6	
<b>Cash generated from operations</b>	<b>44,9</b>	<b>196,8</b>	<b>327,8</b>	<b>675,7</b>	
Net interest (paid) / received	(32,8)	(32,1)	(95,5)	(86,8)	
Net income tax paid	(4,3)	(45,1)	(45,3)	(21,2)	
<b>Net cash flow from operating activities</b>	<b>7,8</b>	<b>119,6</b>	<b>186,9</b>	<b>567,7</b>	
<b>Net cash flow from investing activities</b>	<b>(79,9)</b>	<b>(65,4)</b>	<b>(186,0)</b>	<b>(2 705,4)</b>	
<b>Net cash flow from financing activities</b>	<b>(31,5)</b>	<b>(57,2)</b>	<b>(94,6)</b>	<b>2 200,2</b>	
Effects of exchange rate changes on cash and cash equivalents	(14,1)	22,6	33,3	(0,1)	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(117,7)</b>	<b>19,6</b>	<b>(60,3)</b>	<b>62,3</b>	
<b>Free Cash Flow</b>	<b>(39,4)</b>	<b>86,3</b>	<b>96,5</b>	<b>335,0</b>	

- Full year 2022 cash flow from investing and financing activities are greatly affected by split, re-organisation and financing transactions recorded in Q1 22
- Please refer to the Quarterly report for further details