

COMPANY ANNOUNCEMENT

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Maersk Drilling releases H1 2021 interim financial report: Solid operational performance drives upgrade of financial guidance for 2021

Today, the Board of Directors of The Drilling Company of 1972 A/S ("Maersk Drilling") has adopted the interim financial report for the first half of 2021 (H1 2021):

Performance highlights for Q2 2021 (Q1 2021 in brackets)

- Revenue of USD 350m (USD 264m)
- Contracted days were 1,520 (1,199) resulting in a utilisation of 80% (61%)
- Average day rate of USD 230k (USD 220k)
- Financial uptime of 99.8% (92.9%)
- Secured contracts with a total contract value of USD 129m (USD 730m)
- Revenue backlog of USD 1.6bn at 30 June 2021 (USD 1.8bn at 31 March 2021). Forward contract coverage for the remainder of 2021 of 71% and 31% for 2022
- Agreement to divest Mærsk Inspirer for a price of USD 373m

Financial performance for H1 2021 (H1 2020 in brackets except otherwise stated)

- Revenue of USD 614m (USD 584m)
- EBITDA before special items of USD 163m (USD 168m)
- Cash flow from operating activities of USD 94m (USD 145m) equal to a cash conversion of 62% (104%)
- Capex of USD 36m (USD 101m)
- Free cash flow of USD 22m (USD 3m)
- Net debt of USD 1,009m (31 December 2020: USD 1,059m) and leverage of 3.6x (31 December 2020: 3.7x)
- Liquidity reserves of USD 599m (31 December 2020: USD 626m), including an undrawn revolving credit facility of USD 400m (31 December 2020: USD 400m)
- Gain on sale of non-current assets of USD 17m (USD -3m)

Guidance 2021

The full-year guidance for 2021 was revised on 19 August 2021 as follows:

- Profit before depreciation and amortisation, impairment losses/reversals and special items (EBITDA before special items) is expected to be in the range of USD 290-330m (previously USD 260-310m)
- Capital expenditures are expected to be in the range of USD 110-130m (previously USD 120-140m)

The Drilling Company of 1972 A/S

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The guidance range for EBITDA before special items reflects ordinary operational uncertainties, including general rig performance, mobilisation for and commencement of new contracts, and uncertainties regarding exercise of options and contract extensions for execution in 2021.

CEO Jorn Madsen quote

"I am very pleased with our financial performance in the first half of 2021, building on exemplary efficiency and service delivery across our rig fleet and supported by a strong commercial performance in a market that is showing signs of an impending recovery. I am proud of our successful focus on taking responsibility for a larger part of well delivery, with additional services accounting for an increasing part of our revenue. The sale of Mærsk Inspirer will bolster our already solid balance sheet and provide financial flexibility to invest in further strategic progress."

Webcast

In connection with the release of the H1 2021 interim financial report, a conference call for investors and analysts is scheduled today at 10:00 (10:00 a.m.) CEST. On the call, CEO Jorn Madsen and CFO Christine Morris will present the H1 2021 interim financial report. The presentation will be followed by a Q&A session.

The conference call can be followed live via webcast [here](#).

The presentation slides for the conference call will be available beforehand [here](#).

A replay of the conference call will be available afterwards on the [Investor Relations site](#).

For further information, please contact:

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