



MAERSK DRILLING INVESTOR PRESENTATION

JULY 2019

Forward-looking statements

This presentation contains certain forward-looking statements (being all statements that are not entirely based on historical facts including, but not limited to, statements as to the expectations, beliefs and future business, contract terms, including commencement dates, contract durations and day rates, rig availability, financial performance and prospects of The Drilling Company of 1972 A/S, hereinafter referred to as “Maersk Drilling” or “the Company”). These forward-looking statements are based on our current expectations and are subject to certain risks, assumptions, trends and uncertainties that could cause actual results to differ materially from those indicated by the forward-looking statements due to external factors, including, but not limited to, oil and natural gas prices and the impact of the economic climate; changes in the offshore drilling market, including fluctuations in supply and demand; variable levels of drilling activity and expenditures in the energy industry; changes in day rates; ability to secure future contracts; cancellation, early termination or renegotiation by our customers of drilling contracts; customer credit and risk of customer bankruptcy; risks associated with fixed cost drilling operations; unplanned downtime; cost overruns or delays in transportation of drilling units; cost overruns or delays in maintenance, repairs, or other rig projects; operating hazards and equipment failure; risk of collision and damage; casualty losses and limitations on insurance coverage; weather conditions in the Company’s operating areas; increasing costs of compliance with regulations; changes in tax laws and interpretations by taxing authorities, hostilities, terrorism, and piracy; impairments; cyber incidents; the outcomes of disputes, including tax disputes and legal proceeding; and other risks disclosed in Maersk Drilling’s Annual Reports and company announcements. Each forward-looking statement speaks only as of the date hereof, and the Company expressly disclaims any obligation to update or revise any forward-looking statements, except as required by law.





Q1 2019 performance

Highlights

Revenue

308

(USDm)

In line with expectations. Decline from Q4 2018 (USD 336m) mainly driven by completion of legacy contracts, primarily in the floater segment

Financial uptime

99.9

(Percent)

Solid financial uptime driven by continued focus on operational excellence

Contract backlog⁽¹⁾

2,533

(USDm)

One new contract and six contract extensions signed during Q1 2019 adding USD 72m to the backlog.

On 3 April 2019, Mærsk Deliverer was awarded a USD 300m, three-year contract with Inpex Australia.

On 4 April, Maersk Drilling was listed on the Nasdaq Copenhagen stock exchange under the symbol, DRLCO

Maersk Intrepid to be launched as first hybrid, low-emission offshore rig

In late-April, Mærsk Inspirer celebrated 10 years without LTI's⁽²⁾



(1) Contract backlog includes Mærsk Deliverer's three-year contract with Inpex Australia. (2) Lost Time Incidents



Norway – Ultra harsh environment

Maersk Drilling's jack-up fleet sold out for the rest of 2019 and efforts now directed at positioning the rigs ideally for 2020



North Sea – Harsh Environment

Non-Norway North Sea showing continued signs of improvement, while still dampened by oversupply



Global floaters – Deepwater

In the benign floater market, activity levels continue to increase, especially for 6th and 7th generation units. However, still short-term contracts with oversupply impacting rate levels

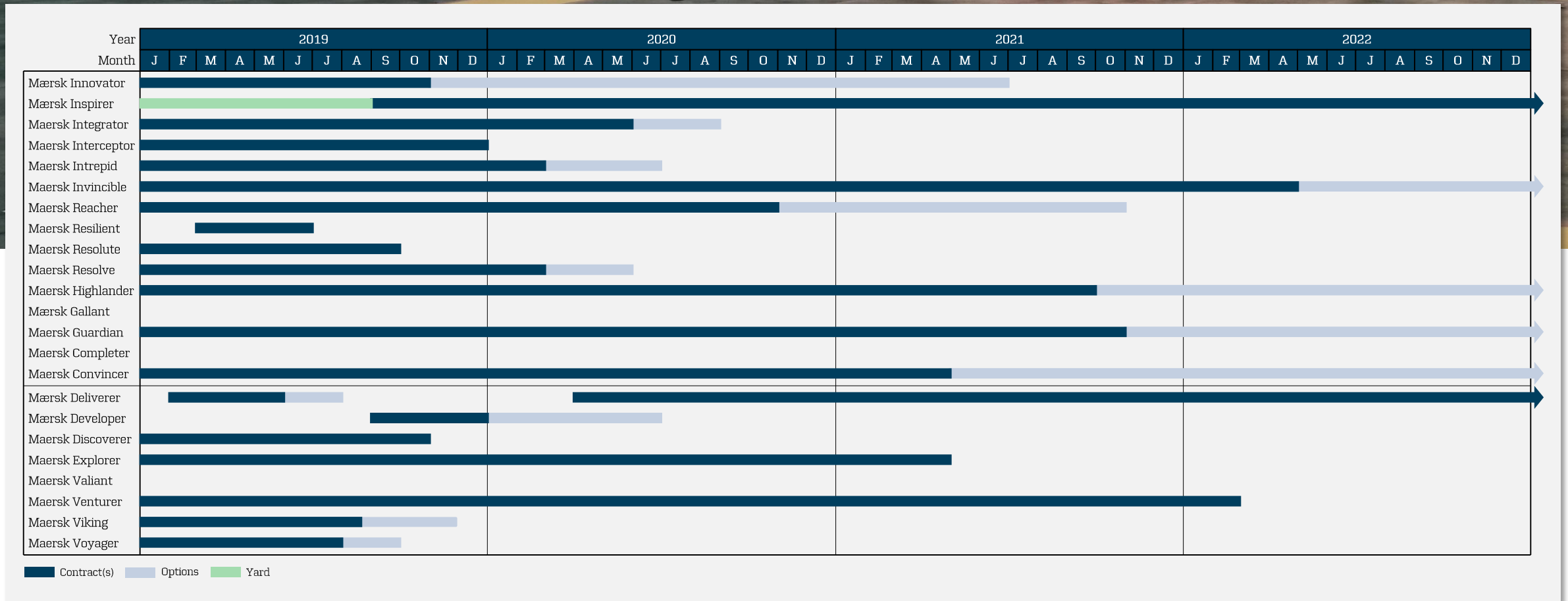
Contracts signed during Q1 2019

- Maersk Voyager** Eni exercised a 35-day option on the rig in direct continuation of its current contract with the customer in Ghana
- Maersk Viking** Aker Energy exercised two options of 41 days and 49 days, respectively, on the rig in direct continuation of its current contract with the customer in Ghana
- Maersk Resolve** Awarded 180-day contract, plus three months options, with Wintershall Noordzee in the Netherlands from September 2019
- Maersk Innovator** CNOOC International exercised the first of the contract's nine one-well options. Expected duration of the extension is 75 days
- Maersk Voyager** Awarded 70-day contract with Noble Energy in Equatorial Guinea. Expected commencement is Q2 2019
- Maersk Resolute** Awarded 49-day extension from Petrogas. This extension will keep the rig working into October 2019
- Maersk Resolve** Awarded 60-day contract with Wintershall Noordzee in the Netherlands.

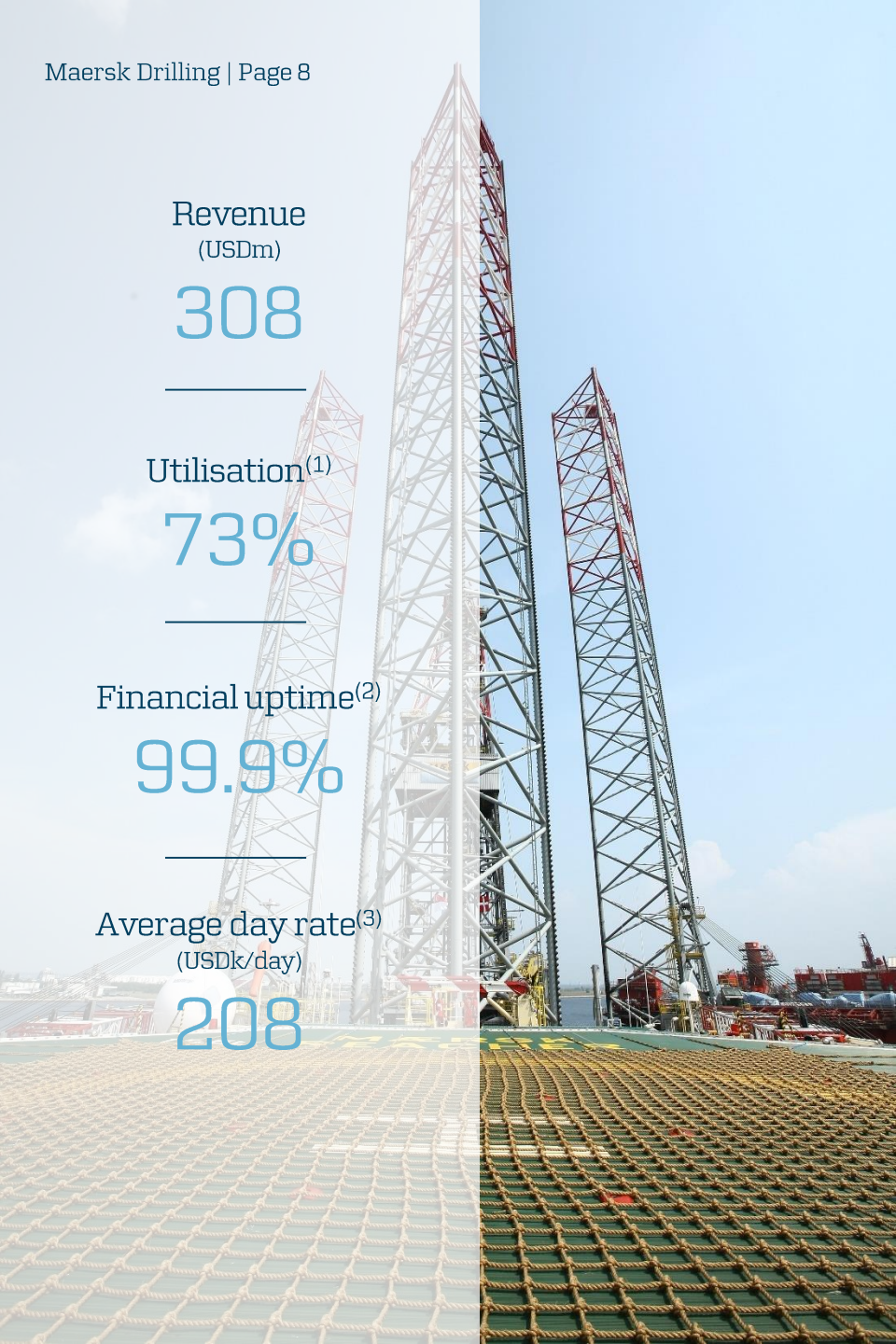
Contracts signed after the end of Q1 2019

- Maersk Deliverer** Awarded three-year contract with Inpex Australia, plus two one-year options, with a total contract value of USD 300m. The contract is expected to commence in Q2 2020
- Maersk Discoverer** Awarded 100-days extension of the rig's current contract with BP in Egypt which will keep the rig working into November 2019
- Maersk Viking** AGM Petroleum Ghana has awarded the rig a one-well contract with three one-well options. Subsequently, one of the one-well options has been exercised.

Strong visibility while maintaining exposure to market upturn



Notes: Chart showing Maersk Drilling's contract status as of 16 May 2019



Revenue
(USDm)

308

Utilisation⁽¹⁾

73%

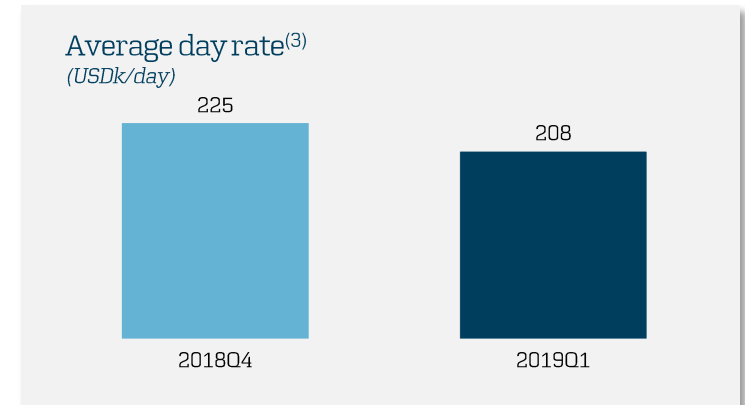
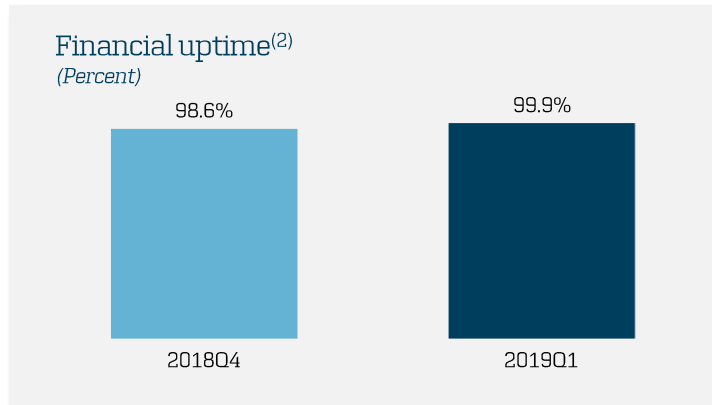
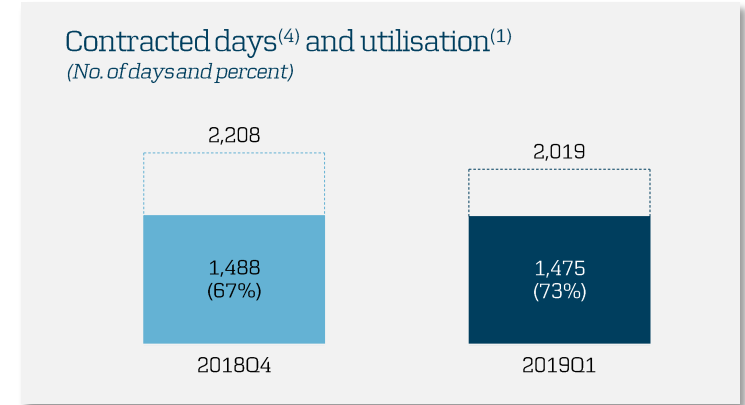
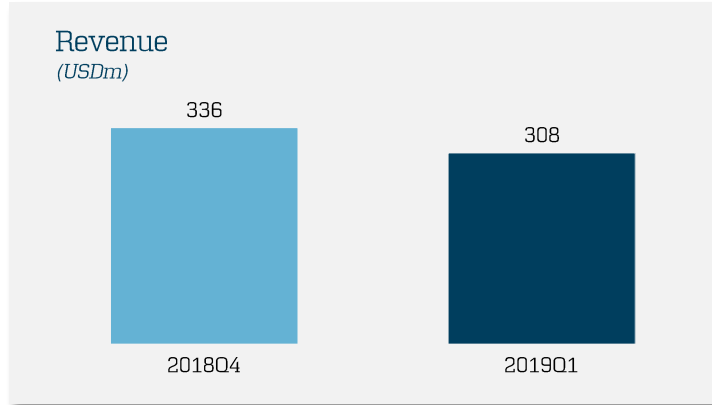
Financial uptime⁽²⁾

99.9%

Average day rate⁽³⁾
(USDk/day)

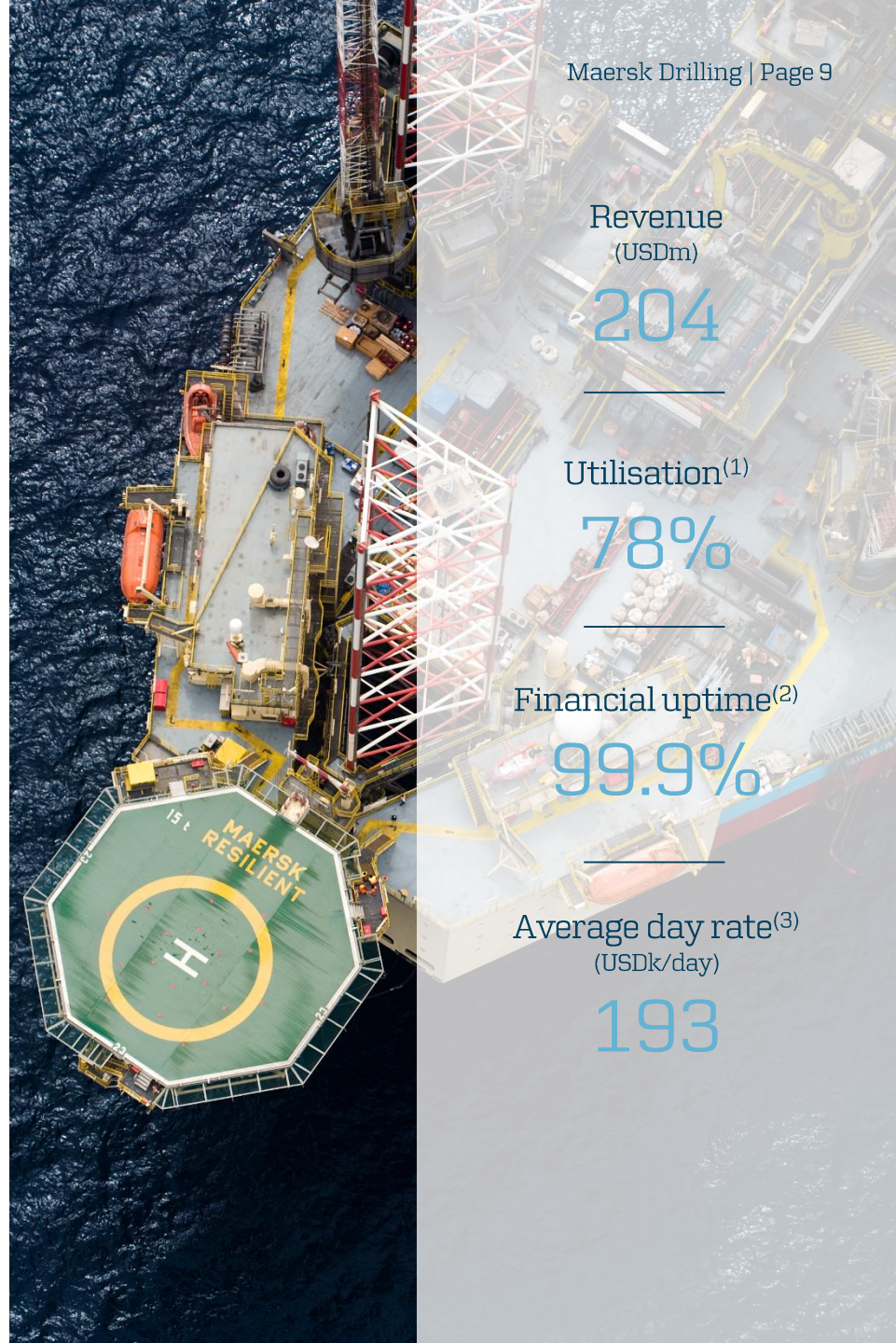
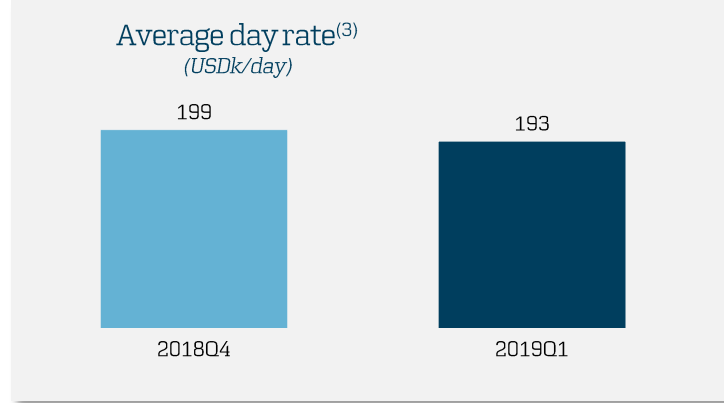
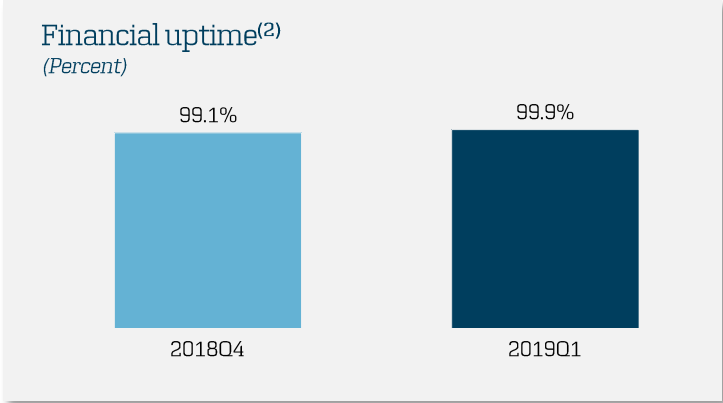
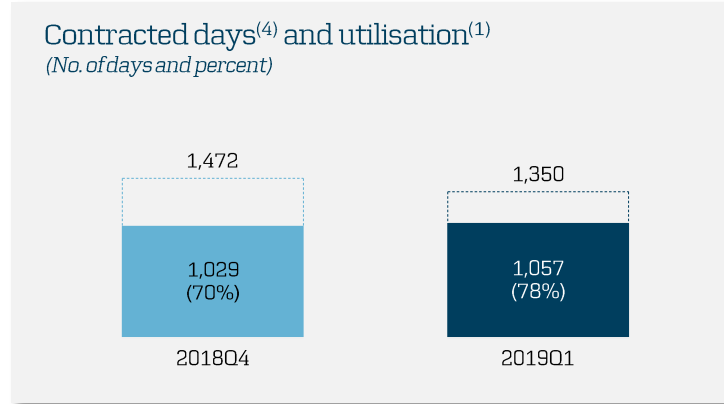
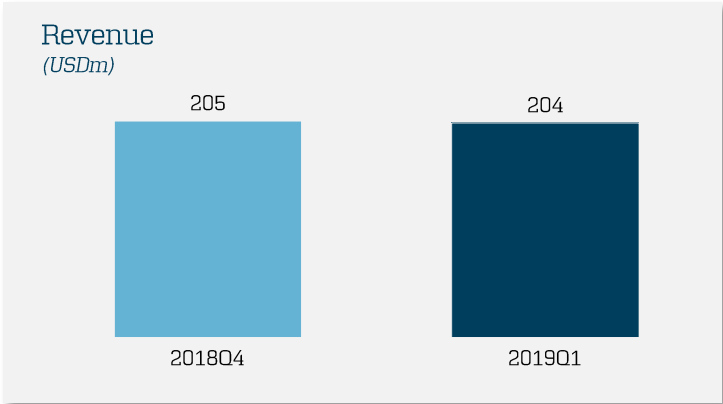
208

Financial highlights of Q1 2019



(1) Number of contracted days relative to number of days available in the period (2) Percentage of days charged to customers (3) Weighted average of day rates across the fleet. Excludes customer-paid yard stays and mobilisation (4) Defined as days covered by the contract with a customer, including mobilisation and ramp-up period

Jack-up segment



Revenue (USDm)

204

Utilisation⁽¹⁾

78%

Financial uptime⁽²⁾

99.9%

Average day rate⁽³⁾
(USDk/day)

193

(1) Number of contracted days relative to number of days available in the period (2) Percentage of days charged to customers (3) Weighted average of day rates across the jack-up fleet. Excludes customer-paid yard stays and mobilisation (4) Defined as days covered by the contract with a customer, including mobilisation and ramp-up period

Revenue
(USDm)

104

Utilisation⁽¹⁾

62%

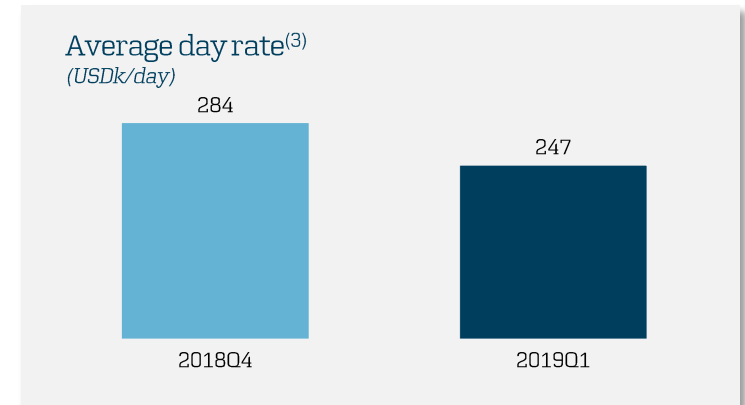
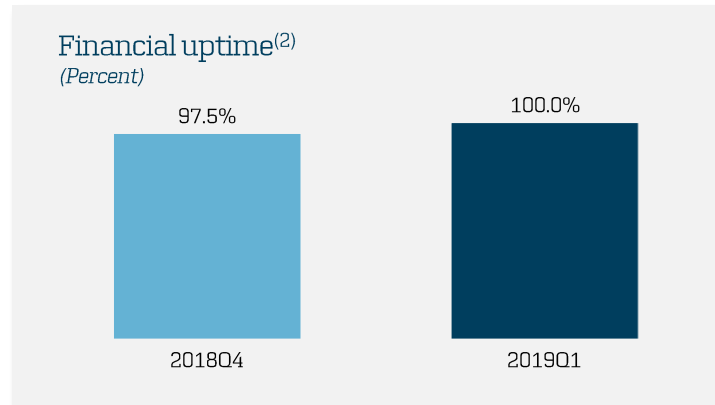
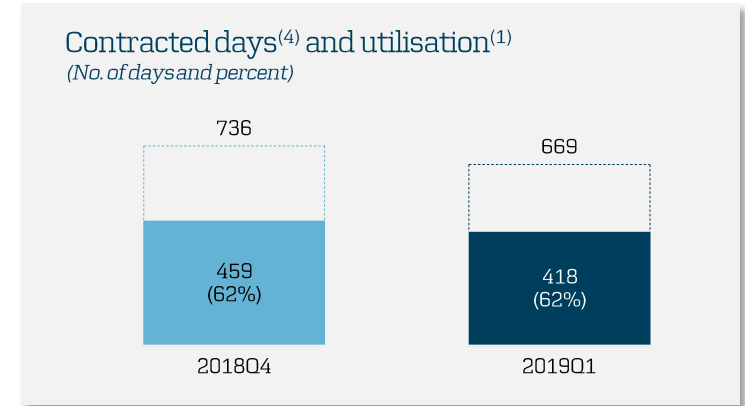
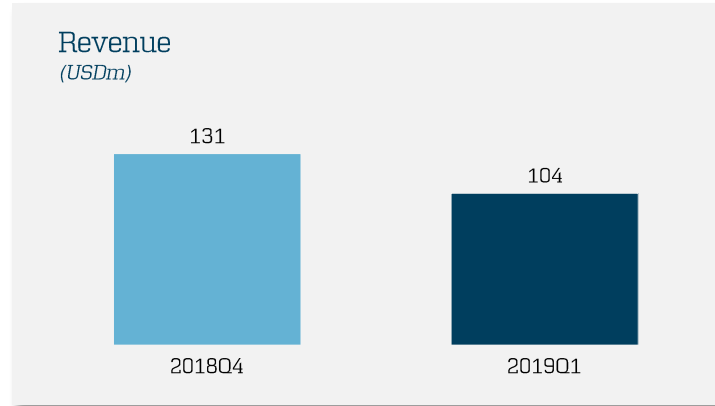
Financial uptime⁽²⁾

100.0%

Average day rate⁽³⁾
(USDk/day)

247

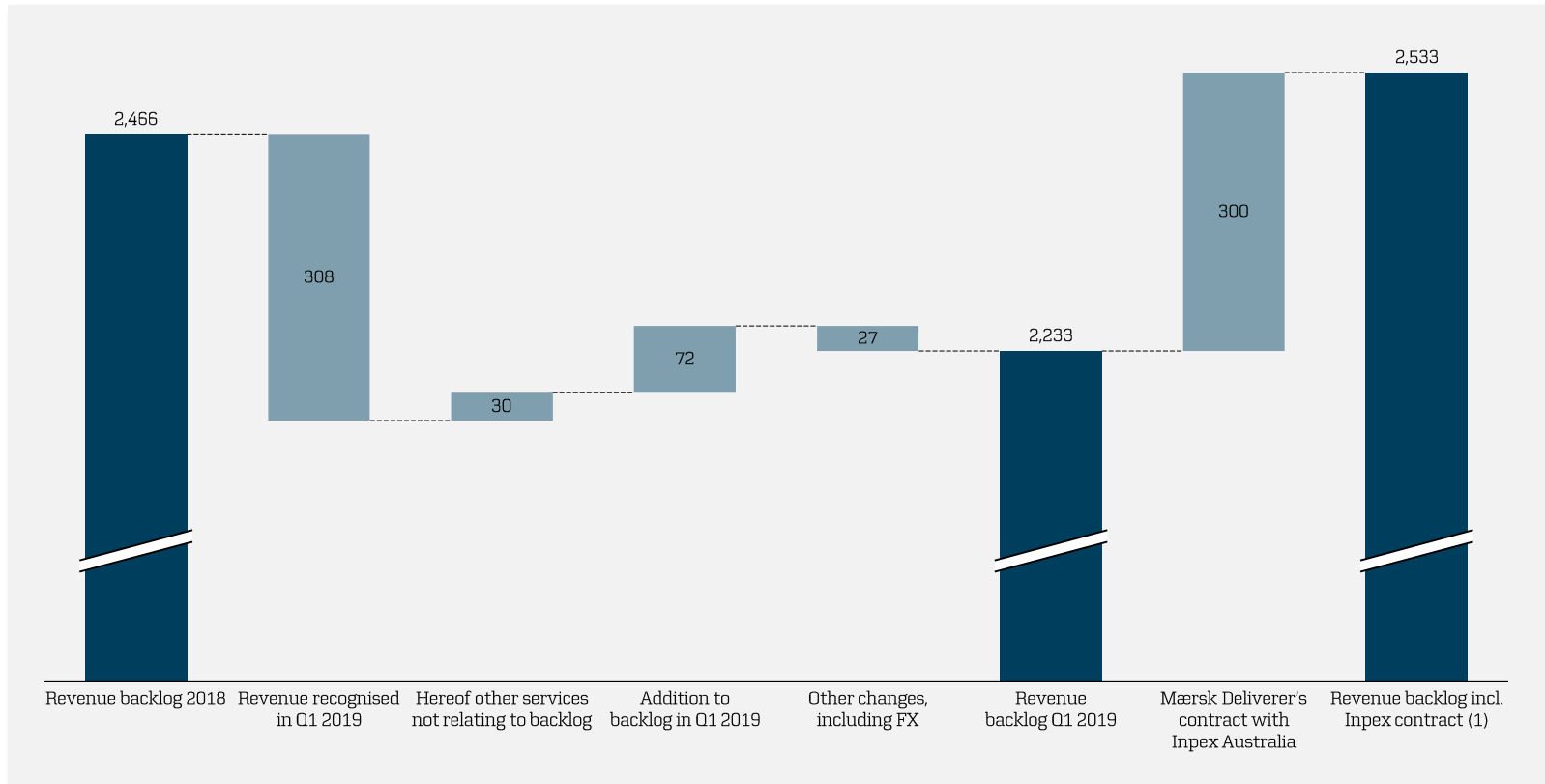
Floater segment



(1) Number of contracted days relative to number of days available in the period (2) Percentage of days charged to customers (3) Weighted average of day rates across the floater fleet. Excludes customer-paid yard stays and mobilisation (4) Defined as days covered by the contract with a customer, including mobilisation and ramp-up period

Development of revenue backlog in Q1 2019

Revenue backlog build-up in Q1 2019



(1) The extension for Maersk Discoverer and contract for Maersk Viking, both signed in Q2 2019, are not included in the revenue backlog figure

Contracts signed in Q2 2019

Mærsk Deliverer awarded **three-year contract** with Inpex Australia with a total contract value of USD 300m. The contract includes two one-year options

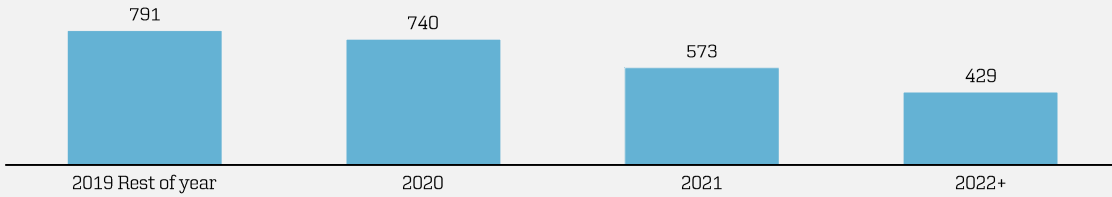
Maersk Discoverer awarded **100-day extension** with BP in Egypt, keeping the rig working into **November 2019**

AGM Petroleum Ghana has awarded Maersk Viking a **one-well contract** with three one-well options. Subsequently, one of the three one-well options has been exercised.

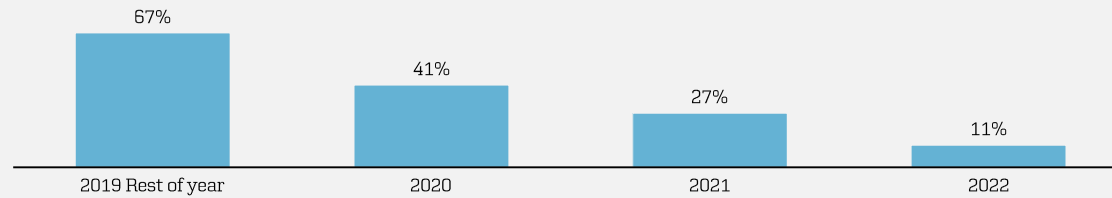
Strong contract coverage provides visibility

Combined

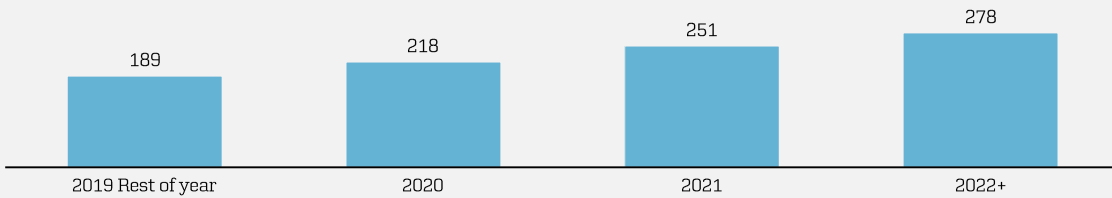
Total backlog (USDm)



Forward contract coverage⁽¹⁾



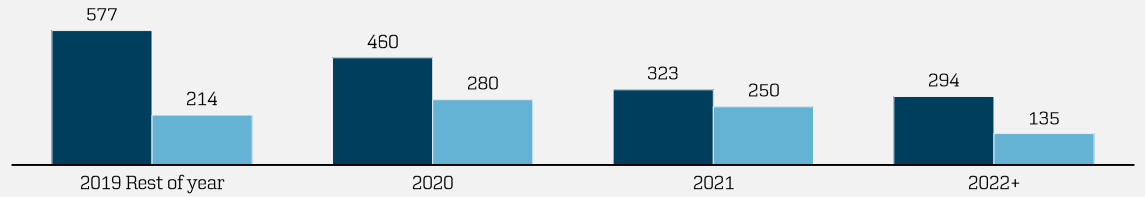
Average backlog day rate (USDk/day)



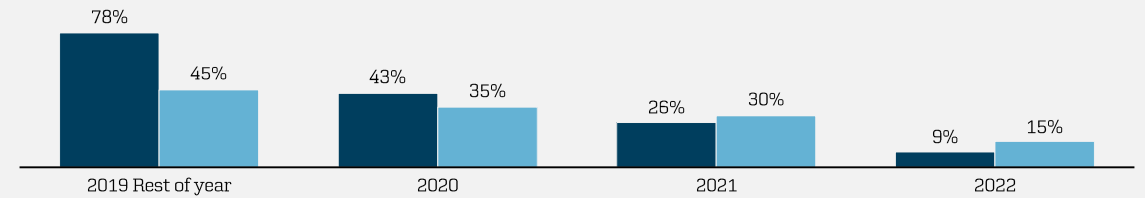
By segment

Jack-ups
Floaters

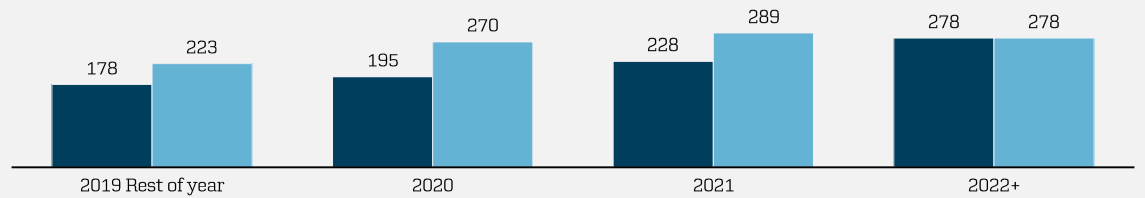
Total backlog (USDm)



Forward contract coverage⁽¹⁾



Average backlog day rate (USDk/day)



(1) Calculated as the total number of contracted days for jack-ups and floaters, divided by total number of available days. Available days are defined as the aggregate number of calendar days in the period less yard stay days for current fleet, or, with respect to new rigs entering service, when the rig is in operation.

Unchanged full-year guidance for 2019



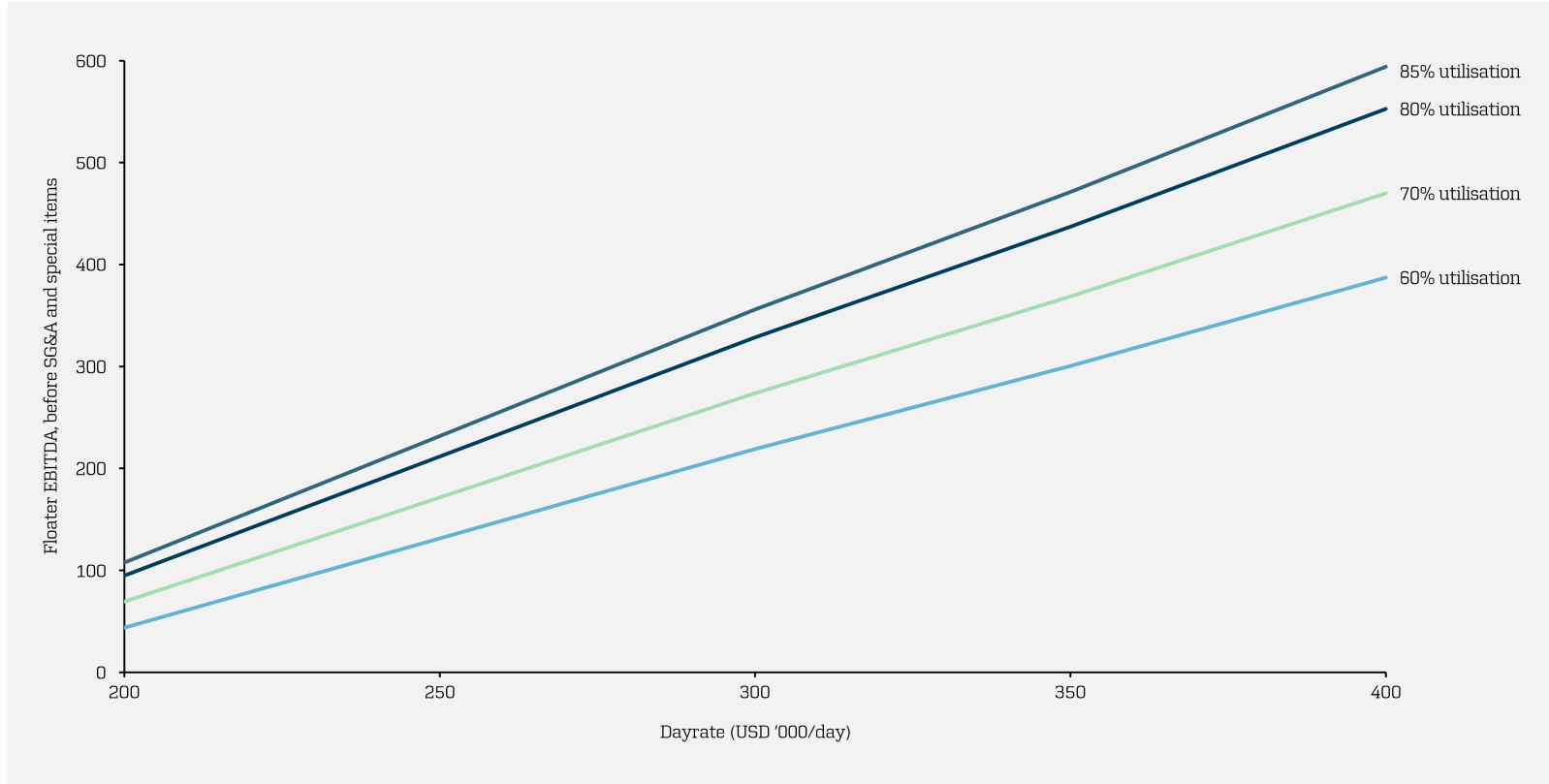
SPS⁽¹⁾ for 7-10 rigs⁽²⁾ (4 in 2018) result in fewer contracted days and higher capex compared to 2018

Certain rigs rolling off contracts with higher dayrates, especially in the floater segment

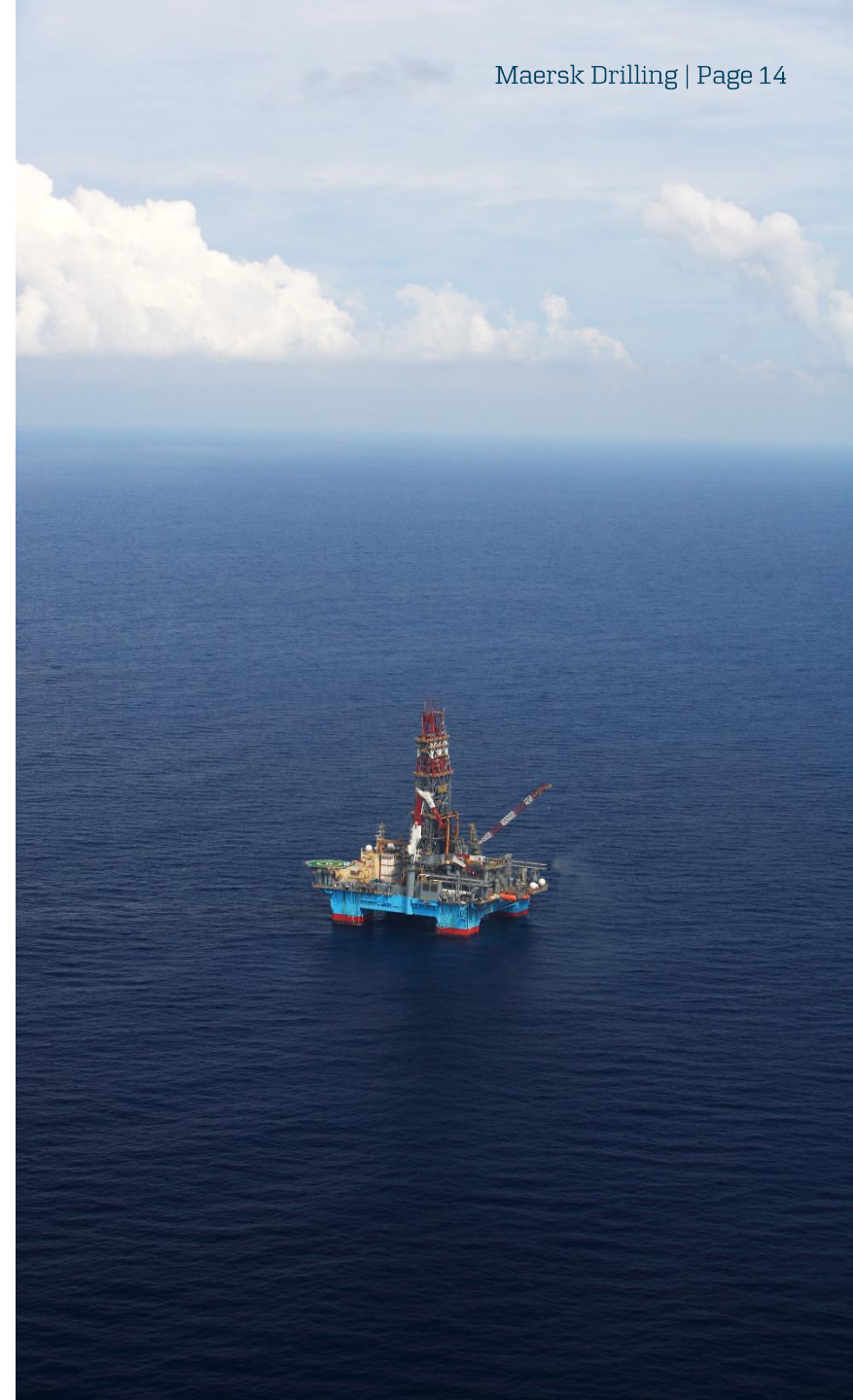
(1) SPS: Special Periodic Survey. (2) Final scheduling and scoping of rig upgrades and yard stays are subject to commercial and operational planning.

Illustrative potential upside for the floater fleet

Maersk Drilling floater segment EBITDA, before SG&A and special items⁽¹⁾



(1) Assumptions: Daily opex for operating units = USD 150k, daily opex for idle units = USD 37.5k, number of days in year = 365. Calculations are based on a fleet of eight floaters





Investment case

Investment Highlights

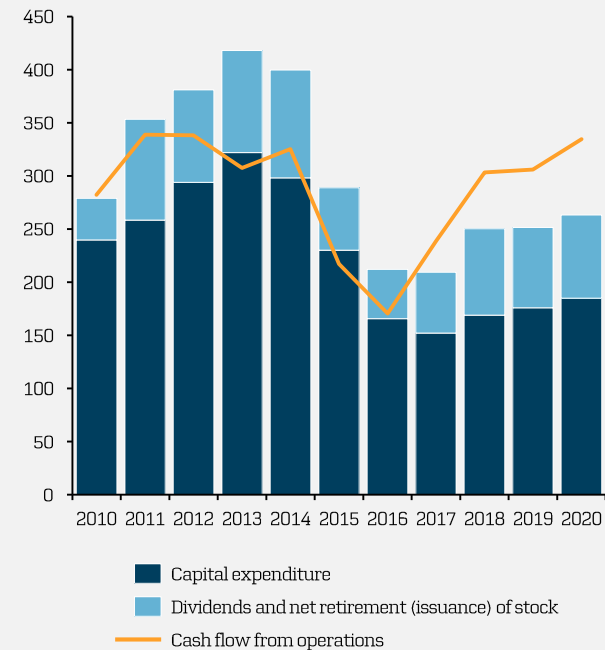
- 1 Improving fundamentals in offshore drilling
- 2 Strongly positioned with a modern fleet in attractive market segments
- 3 Differentiated services, long-term customer relations and partnerships
- 4 Industry leading profitability and strong cash flow generation
- 5 Solid backlog and strong balance sheet provide visibility and flexibility



Fundamentals in place for increased offshore investments

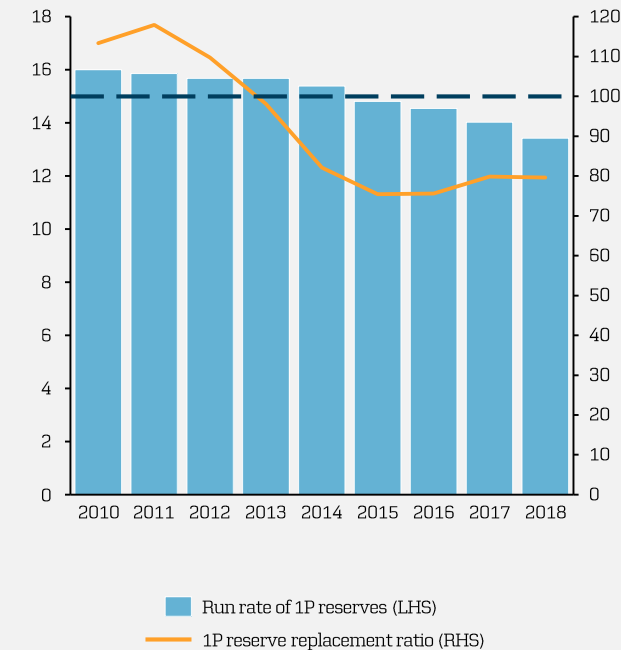
Ability – cash available

Total cash flows for top-25 listed E&P companies (USDbn)⁽¹⁾



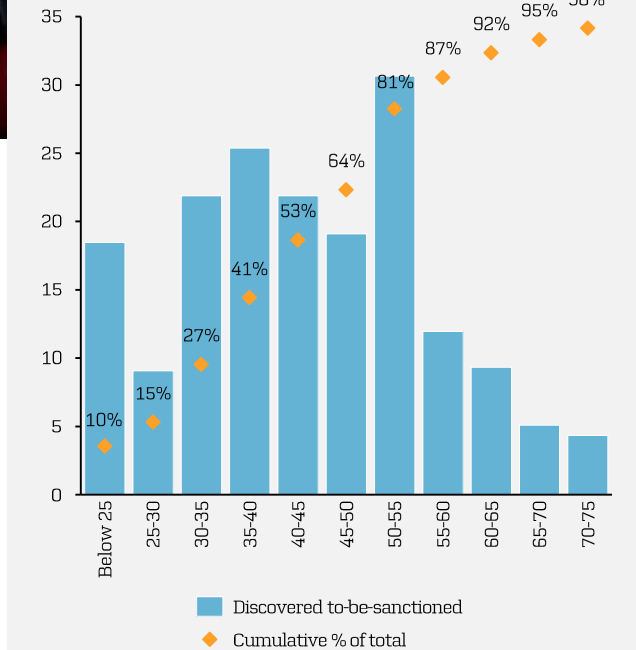
Motivation – declining reserves

Aggregate run rate (lifespan) of 1P reserves (years) and average 1P reserve replacement ratio (%)



Opportunity – attractive well economics

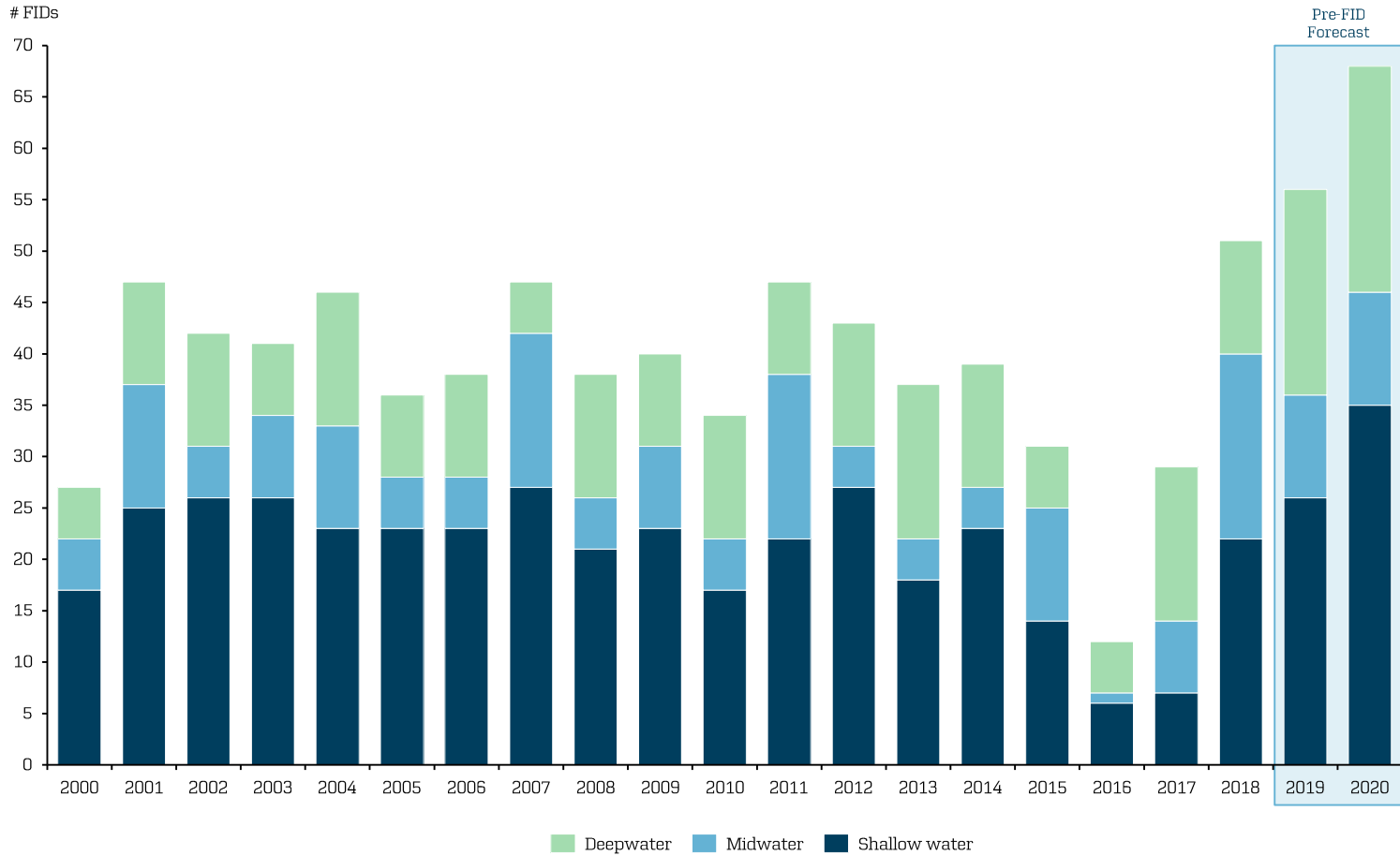
Global offshore oil and gas resources (billion boe) to be sanctioned in 2019-2025E by break-even category (USD)



(1) Cash flow for top 25 listed oil and gas companies. Consensus estimates for 2019 and 2020. Source: Rystad, Thomson Reuters

Sanctioning activity on the rise

Number of FIDs⁽¹⁾ with more than 30 million boe



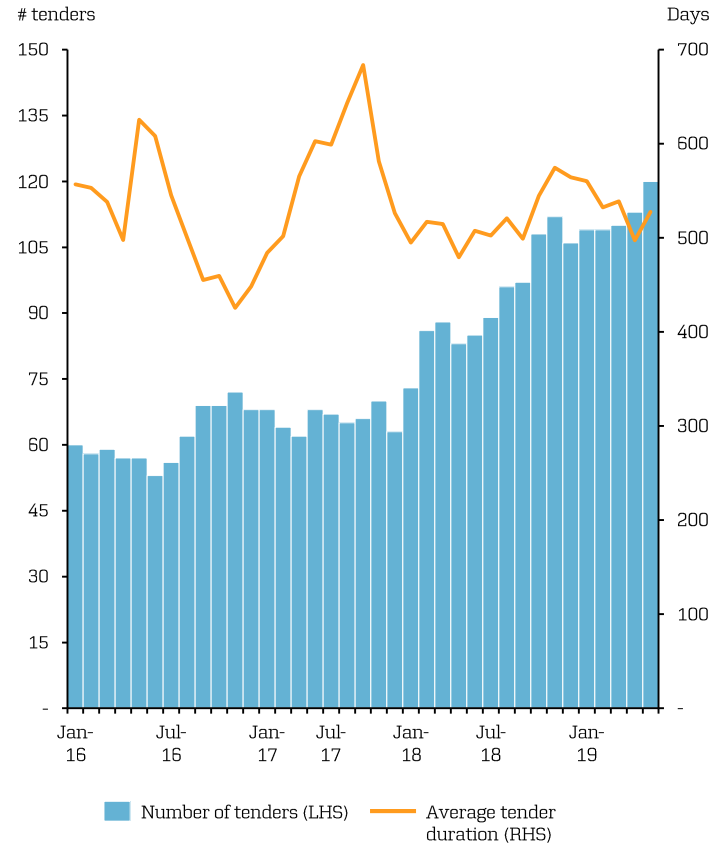
(1) Final Investment Decisions
Source: Rystad



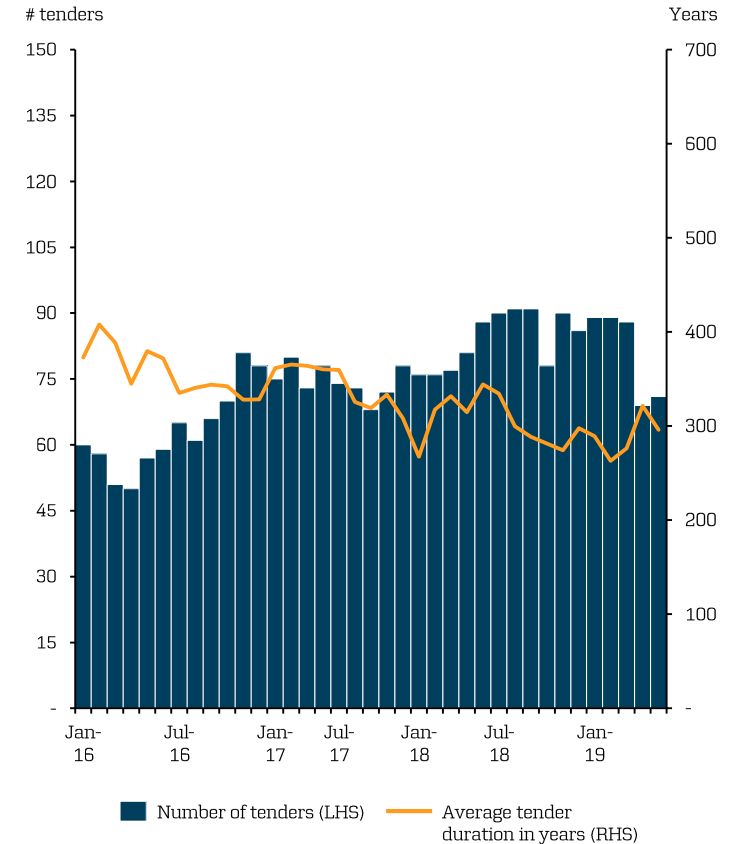


Increasing tender activity since 2016...

Jack-up tender⁽¹⁾ activity



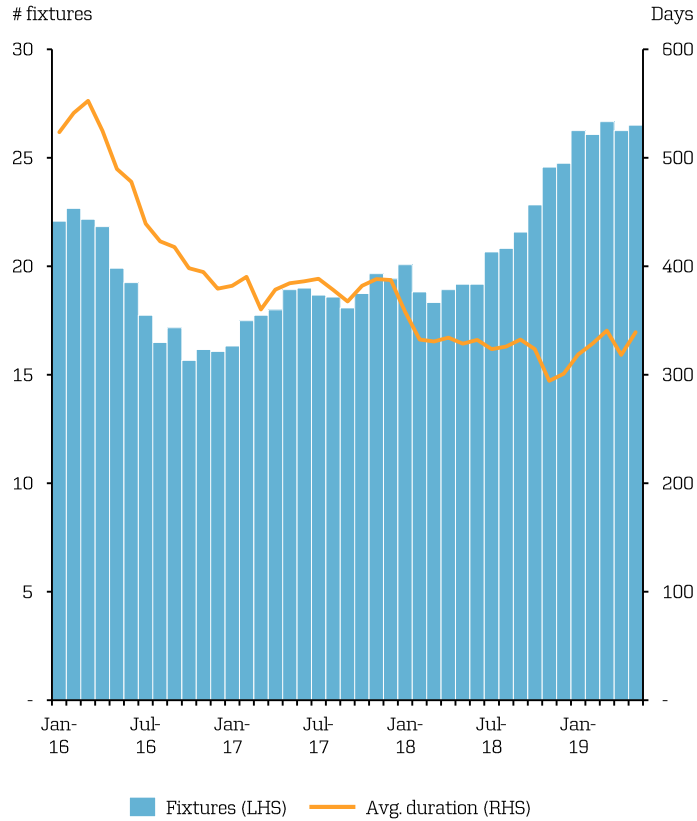
Floater tender⁽¹⁾ activity



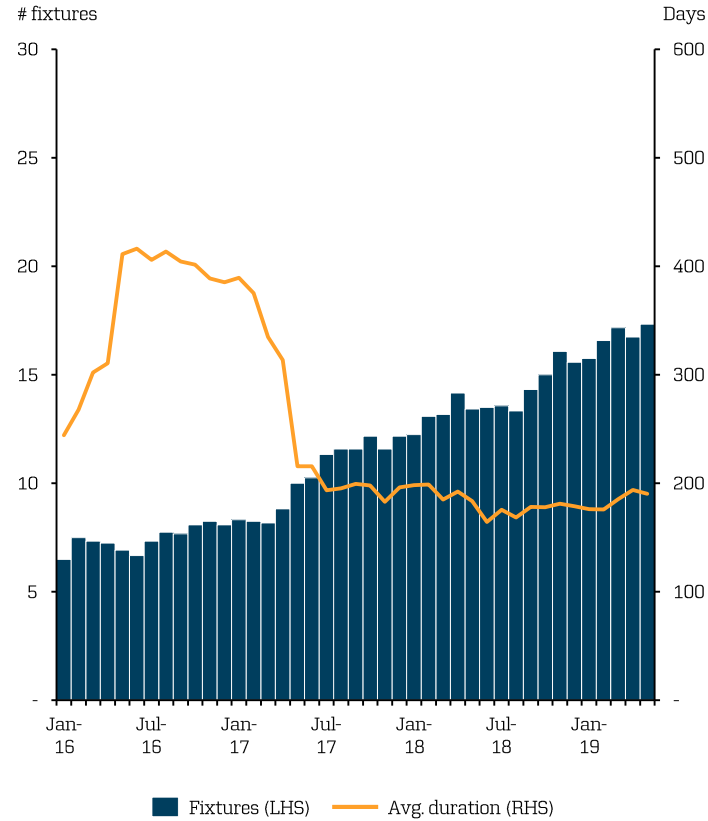
(1) Tender data based on open demand. Includes tender and pre-tender only.
Source: IHS Markit - RigPoint, Maersk Drilling

...translating into more contract awards...

Jack-up fixture⁽¹⁾ activity



Floater fixture⁽¹⁾ activity



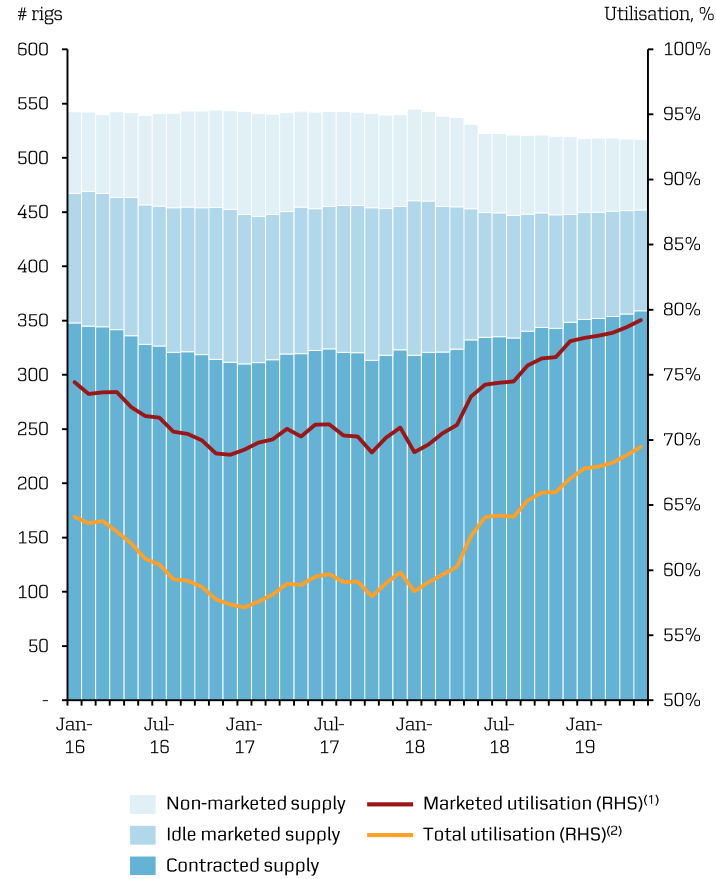
(1) Number of fixtures awarded and average duration of fixtures awarded are calculated as 12-month moving averages. Awards include new mutual contracts, priced sublets, priced options, priced contracts, mutual sublets, mutual options, mutual renegotiations and indexed contracts.
Source: IHS Markit – RigPoint



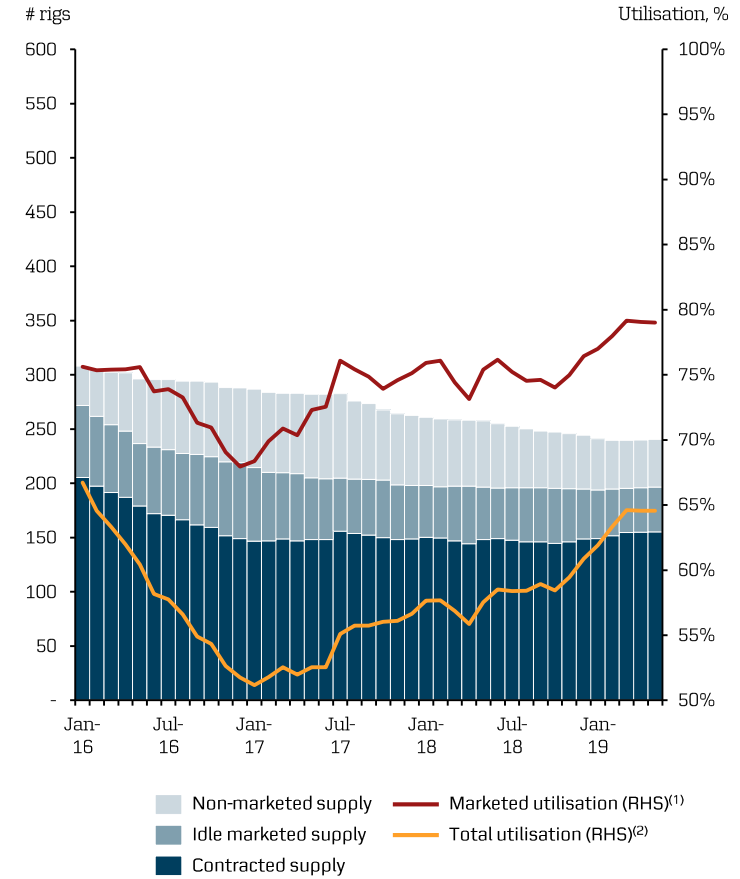


...lifting the utilisation of the global drilling fleet

Global jack-up demand, supply and utilisation⁽¹⁾

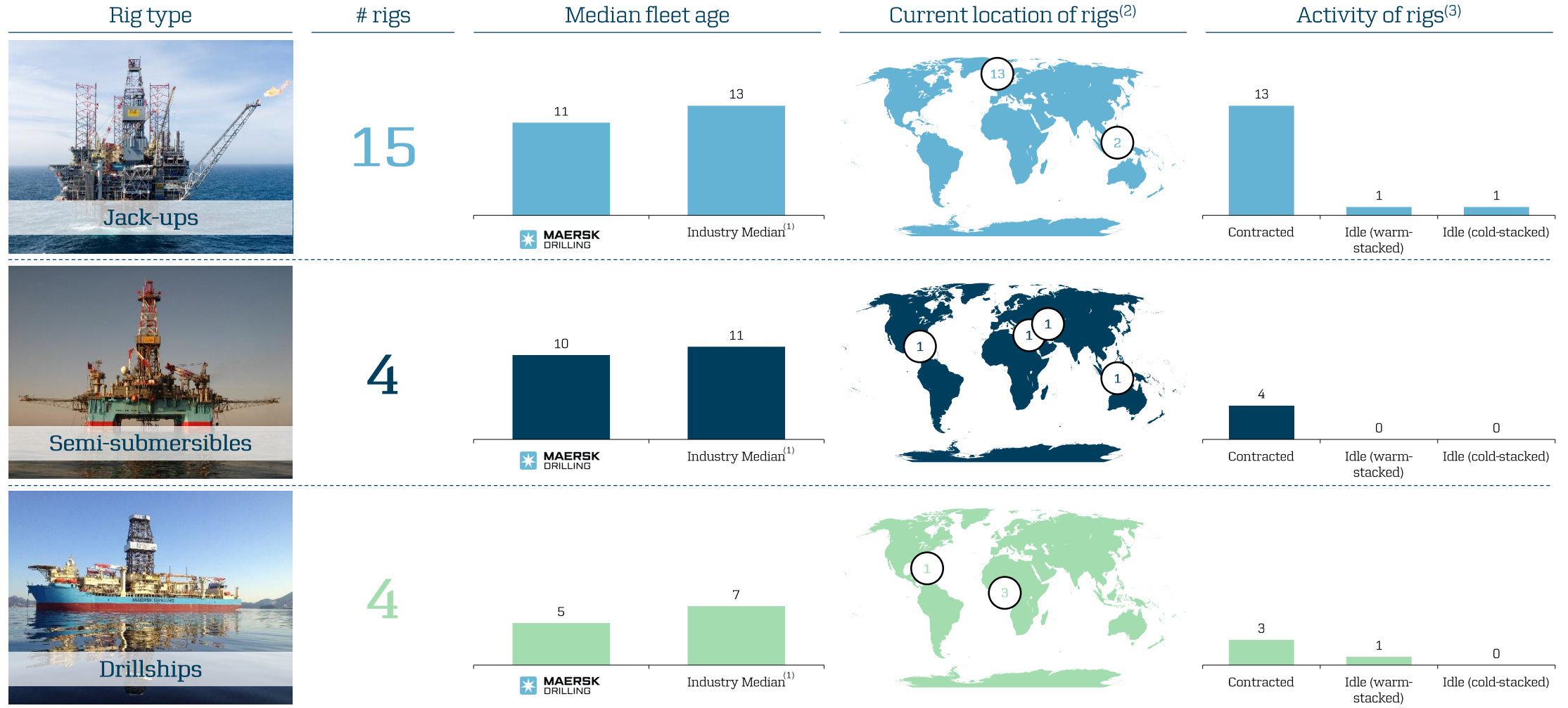


Global floater demand, supply and utilisation⁽¹⁾



(1) Marketed utilisation calculated as contracted rig years in percentage of marketed supply for jack-ups and floaters (drillships and semi-submersibles), respectively (2) Total utilisation calculated as contracted rig years in percentage of total supply for jack-ups and floaters (drillships and semi-submersibles), respectively
 Source: IHS Markit - RigPoint, Maersk Drilling

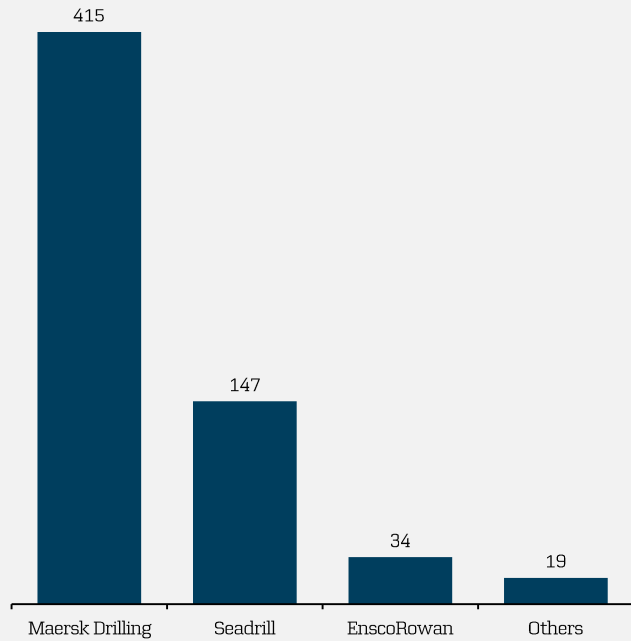
Modern, high-quality fleet in attractive market segments



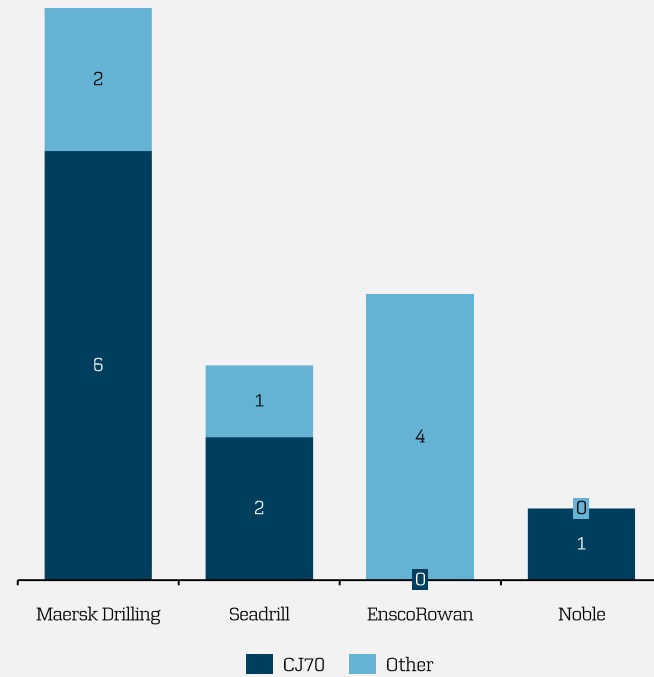
(1) Median fleet age based on IHS Markit, including cold-stacked rigs, but excluding rigs under construction. Data as of 28 May 2019. (2) As of 16 May 2019 (3) Contracted rigs include rigs with current or future contract
 Source: IHS Markit – RigPoint, Maersk Drilling

Leader in the attractive Norwegian jack-up market

Number of wells drilled in Norway by jack-up rigs since 1990



Largest and most advanced ultra harsh-environment jack-up fleet⁽¹⁾



(1) Excludes two ultra harsh environment jack-up rigs owned by Equinor
 Source: IHS Markit - RigPoint, Rystad, Maersk Drilling



High barriers to entry

AoC certification

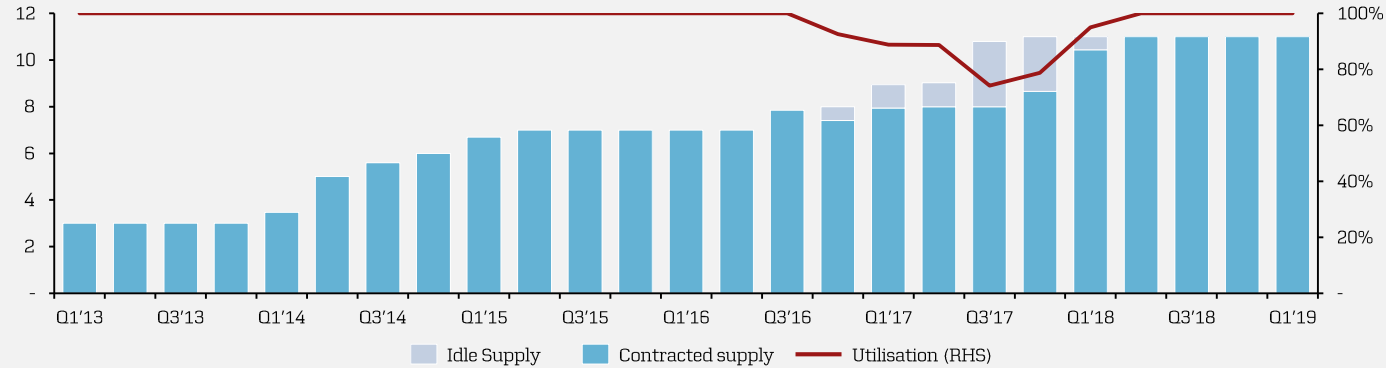
Operational efficiency

Technology focus

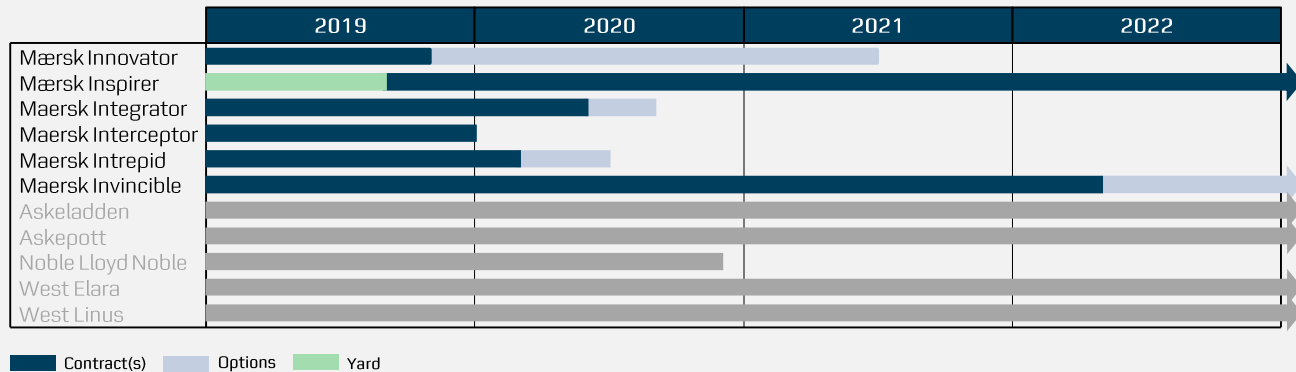
Safety

CJ70 jack-up market

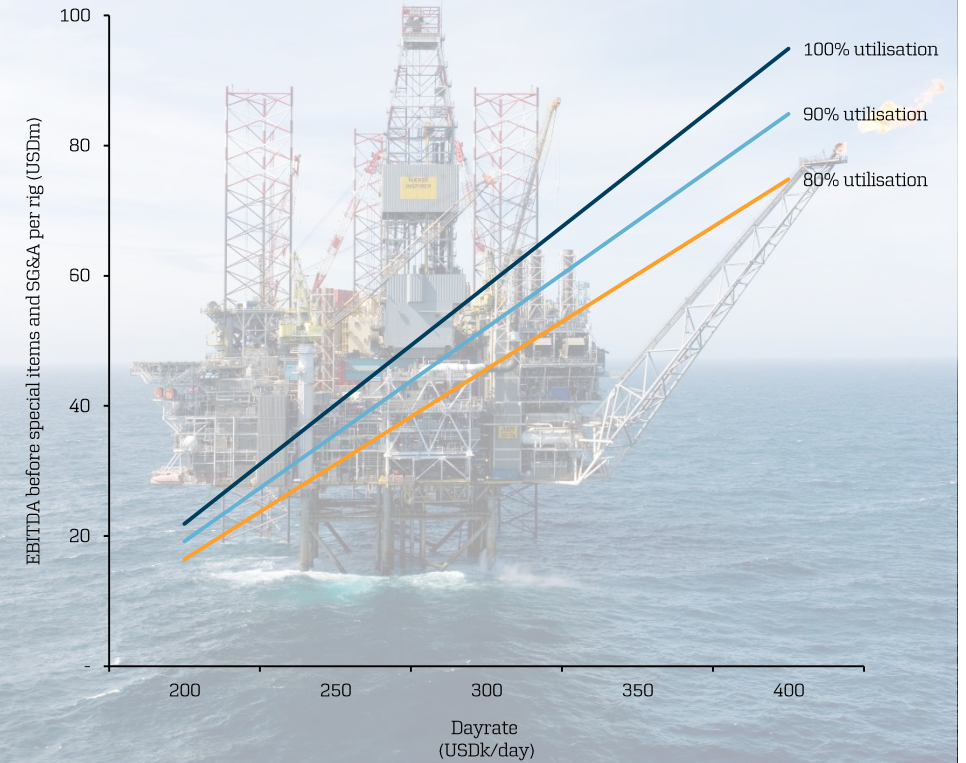
A well-balanced market enjoying 100% utilisation rates



CJ70 fleet sold out in 2019



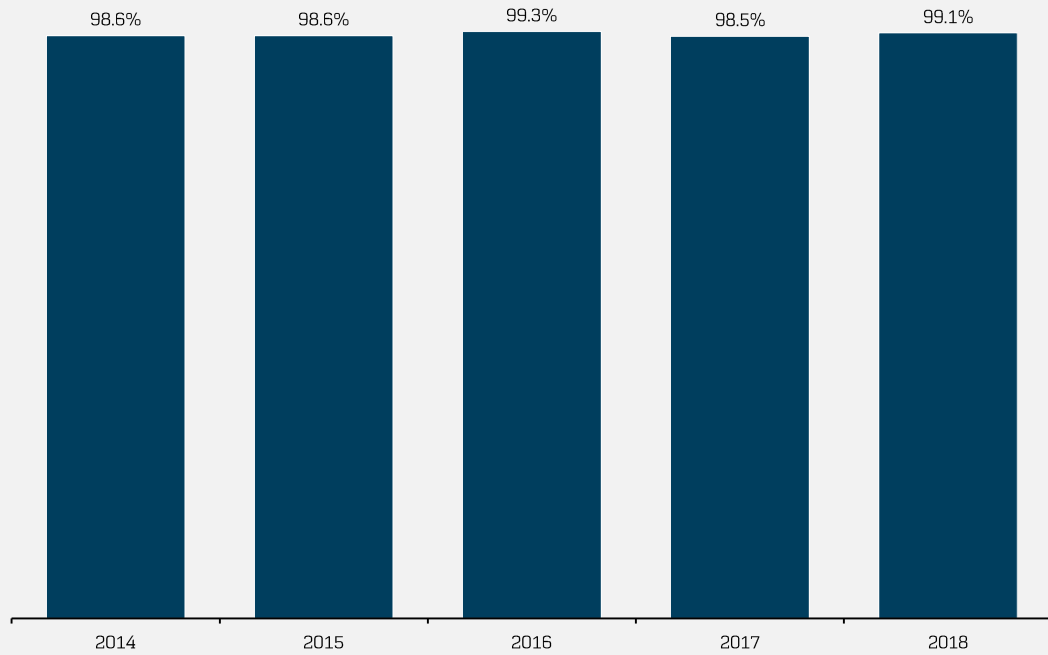
Highly profitable niche-market⁽¹⁾



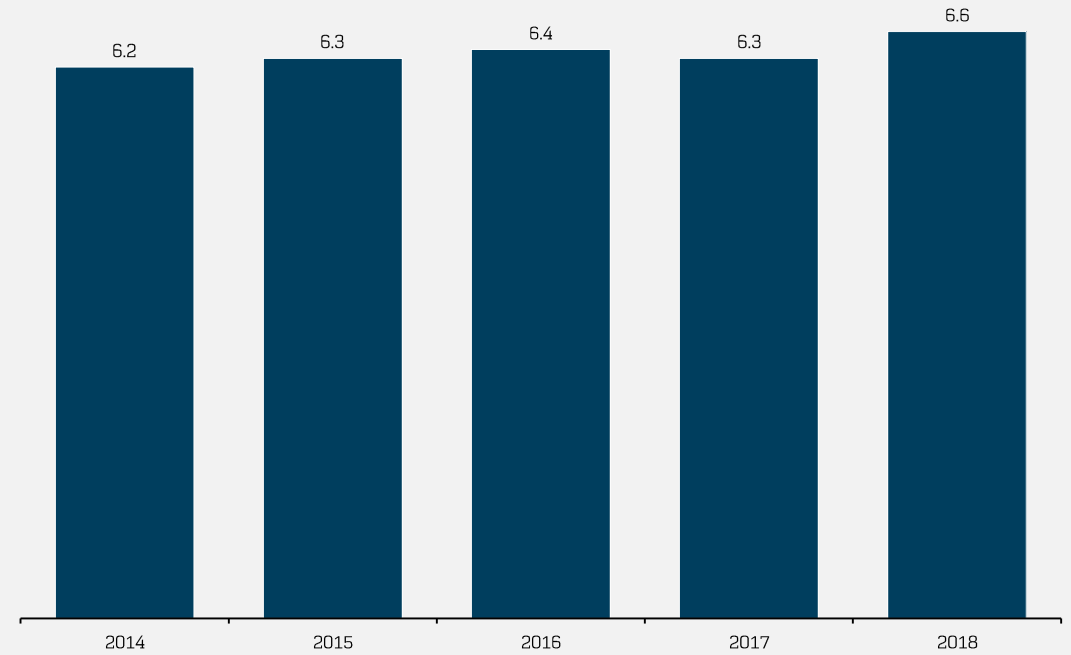
(1) Chart showing potential EBITDA before special items and SG&A on a per rig basis. Assumptions: Daily opex while operating = USD 140k, daily opex while idle = USD 15k, number of days in year = 365
Source: IHS Markit – RigPoint, Maersk Drilling

Consistent, high performance and customer satisfaction

Financial uptime⁽¹⁾



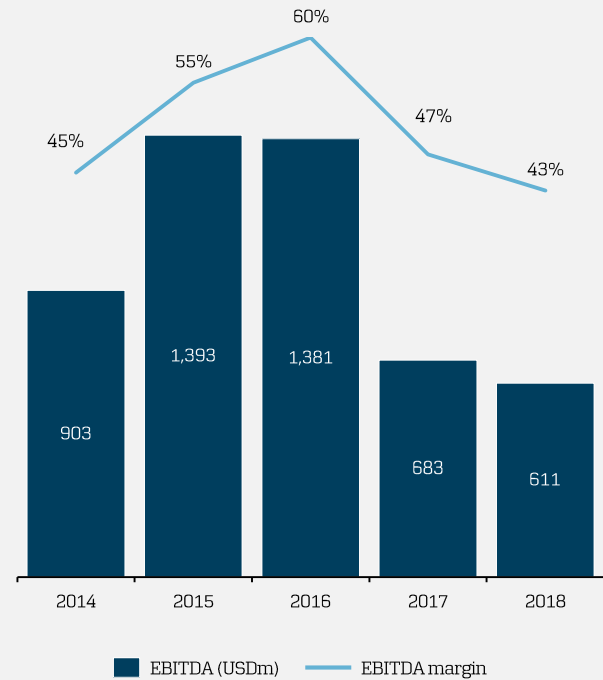
Customer satisfaction⁽²⁾



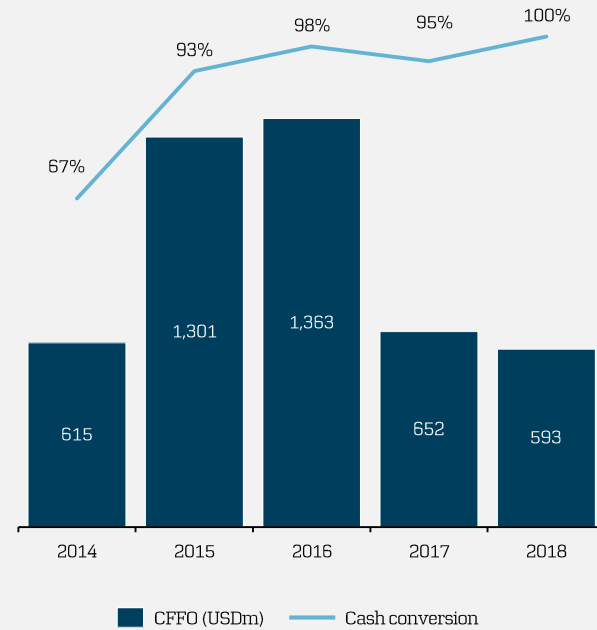
(1) Defined as percentage of total days charged to customers (2) Scale 1-7, where 7 is highest possible score. Based on post-project customer evaluation for each rig

High EBITDA margin and strong cash flow generation

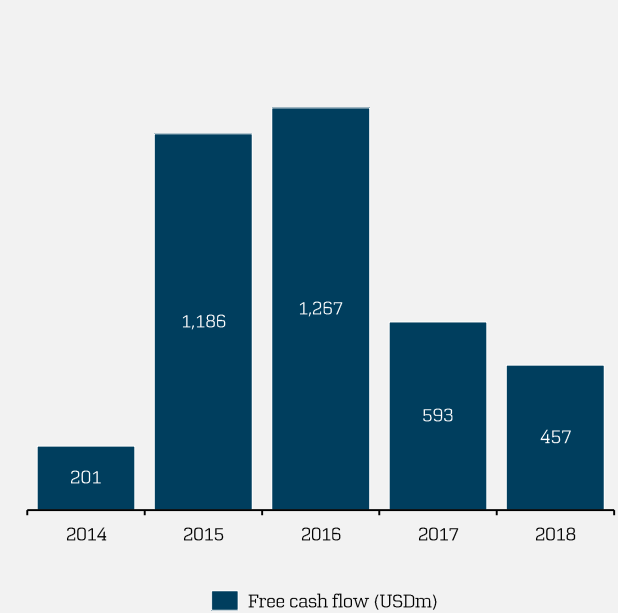
Consistently high EBITDA margin
EBITDA ⁽¹⁾ and EBITDA as % of revenue



Solid operating cash flow
Cash flow from operations and cash conversion ⁽²⁾



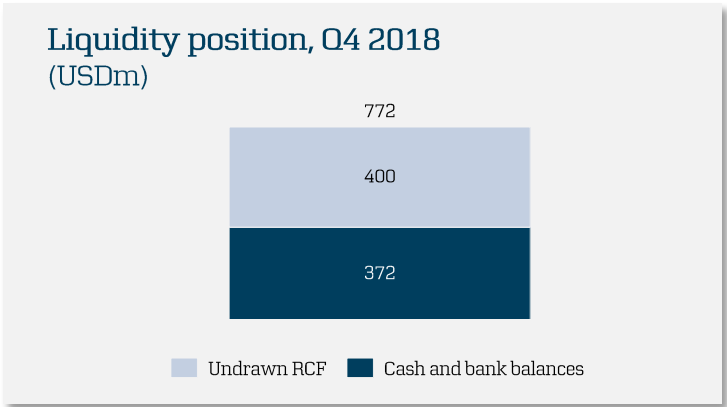
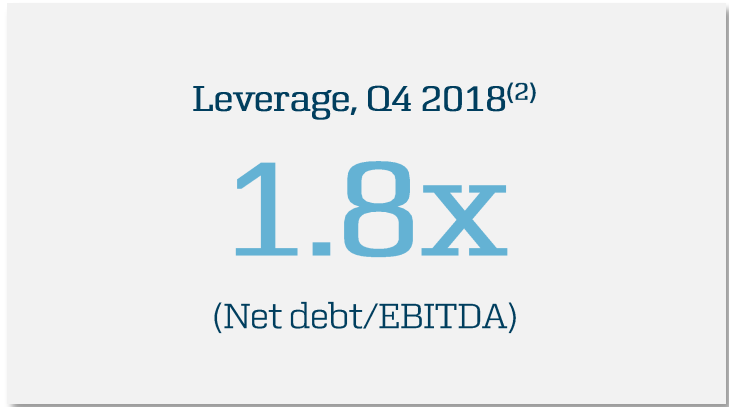
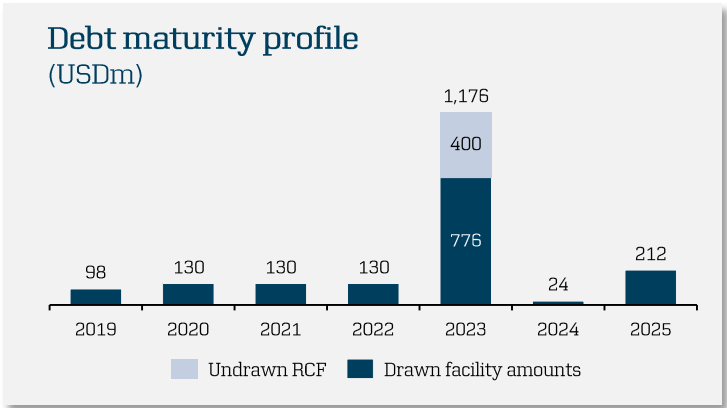
Free cash flow
Adjusted free cash flow ⁽³⁾



(1) EBITDA before special items (2) Cash conversion = cash flow from operations (CFFO) divided by EBITDA post-special items (3) Free cash flow defined as operating cash flow less cash flow used for investing activities adjusted for newbuild capex and proceeds from sale of activities



Strong balance sheet and liquidity position



(1) Contract backlog includes Mærsk Deliverer's three-year contract with Inpex Australia (2) Net debt/EBITDA; net debt of USD 1,097m (Q4 2018) and EBITDA before special items of USD 611m (2018)



Appendix

Consolidated full-year financials and key drivers

Financial reporting

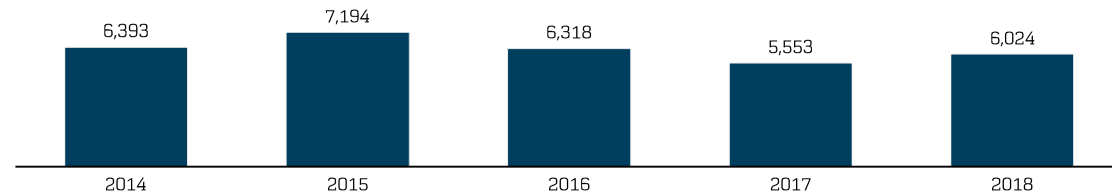
USDm	2014	2015	2016	2017	2018
Revenue	1,998	2,518	2,297	1,439	1,429
EBITDA	903	1,393	1,381	683	611
EBITDA margin	45%	55%	60%	47%	43%
Assets	7,528	7,876	6,083	4,355	4,901

Business drivers and performance metrics	2014	2015	2016	2017	2018
Utilisation rate	100%	92%	80%	66%	69%
No. of rigs at year end	21	22	23	24	23 ⁽¹⁾
Asset turnover	-	33%	33%	28%	31%

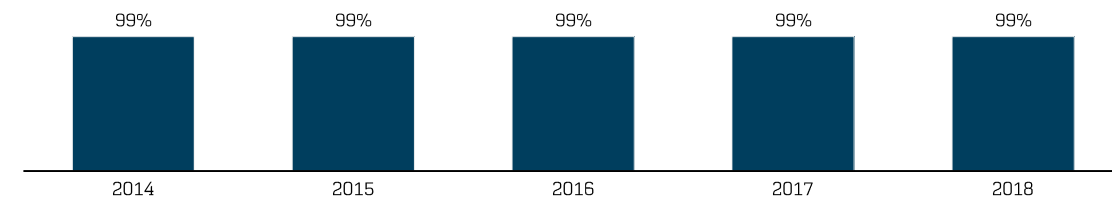
(1) Mærsk Giant classified as asset held for sale

Key revenue drivers

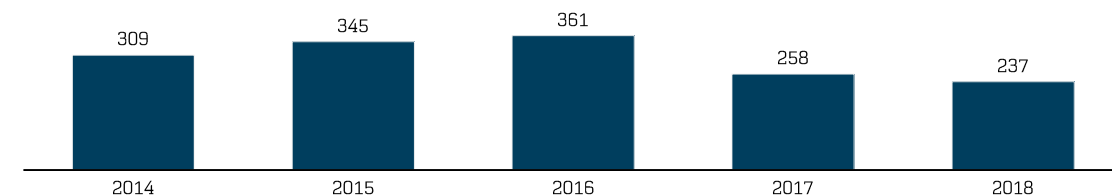
Contracted days



Financial uptime



Average day rate (USDk/day)



Jack-up segment full-year financials and key drivers

Segment reporting

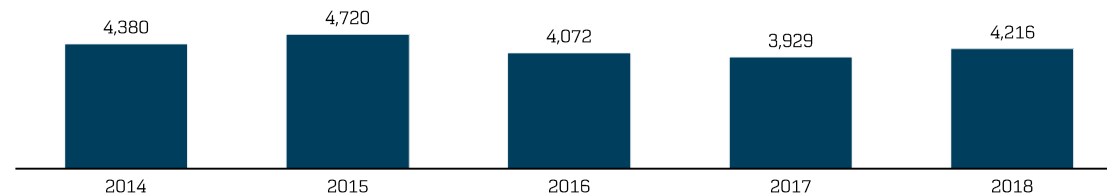
USDm	2014	2015	2016	2017	2018
Revenue	1,138	1,272	1,012	890	896
EBITDA	548	724	545	473	459
EBITDA margin	48%	57%	54%	53%	51%
Assets	3,352	3,479	3,049	2,620	2,855

Business drivers and performance metrics	2014	2015	2016	2017	2018
Utilisation rate	100%	94%	82%	71%	73%
No. of rigs at year end	14	14	15	16	15 ⁽¹⁾
Asset turnover	34%	37%	31%	31%	33%

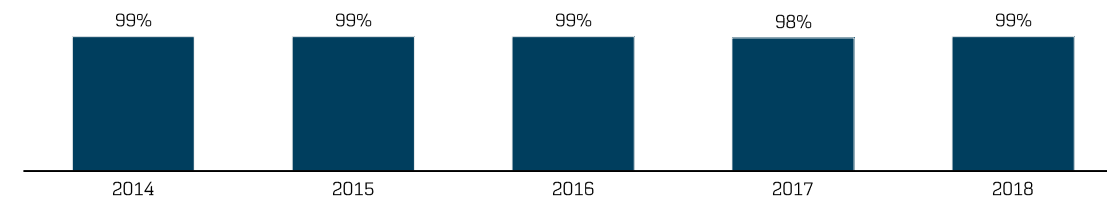
(1) Mærsk Giant classified as asset held for sale

Key revenue drivers

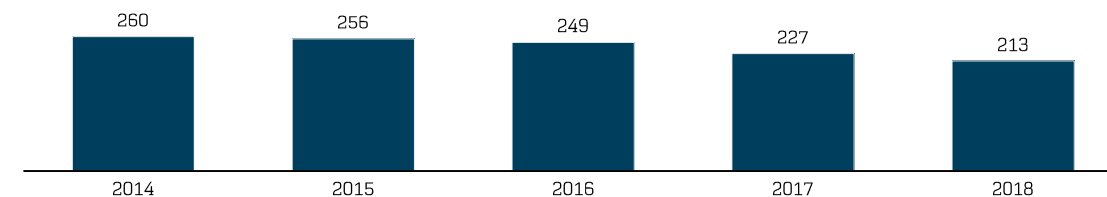
Contracted days



Financial uptime



Average day rate (USDk/day)



Floater segment full-year financials and key drivers

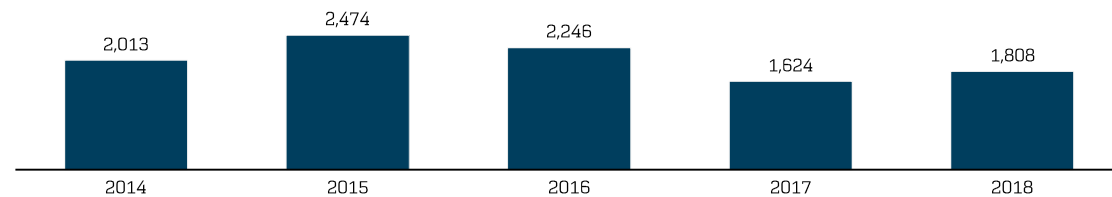
Segment reporting

USDm	2014	2015	2016	2017	2018
Revenue	836	1,209	1,266	541	530
EBITDA	354	682	832	209	163
EBITDA margin	42%	56%	66%	39%	31%
Assets	4,118	4,328	2,932	1,639	1,957

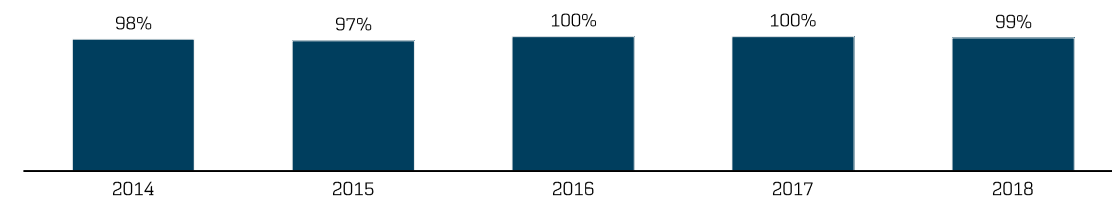
Business drivers and performance metrics	2014	2015	2016	2017	2018
Utilisation rate	100%	88%	77%	56%	62%
No. of rigs at year end	7	8	8	8	8
Asset turnover	20%	28%	35%	24%	29%

Key revenue drivers

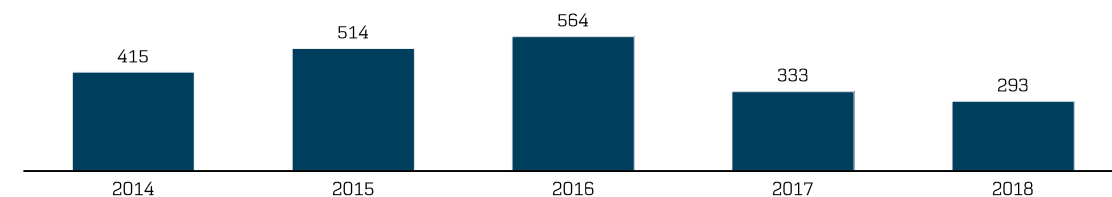
Contracted days



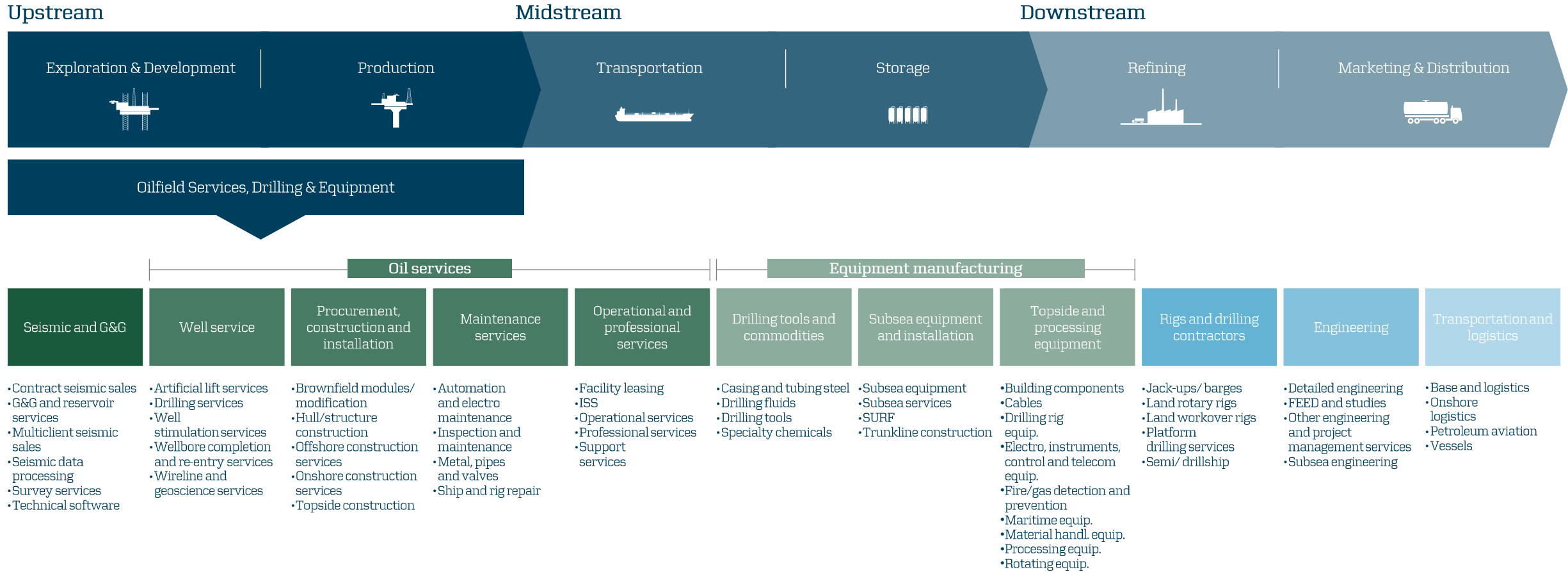
Financial uptime



Average day rate (USDk/day)

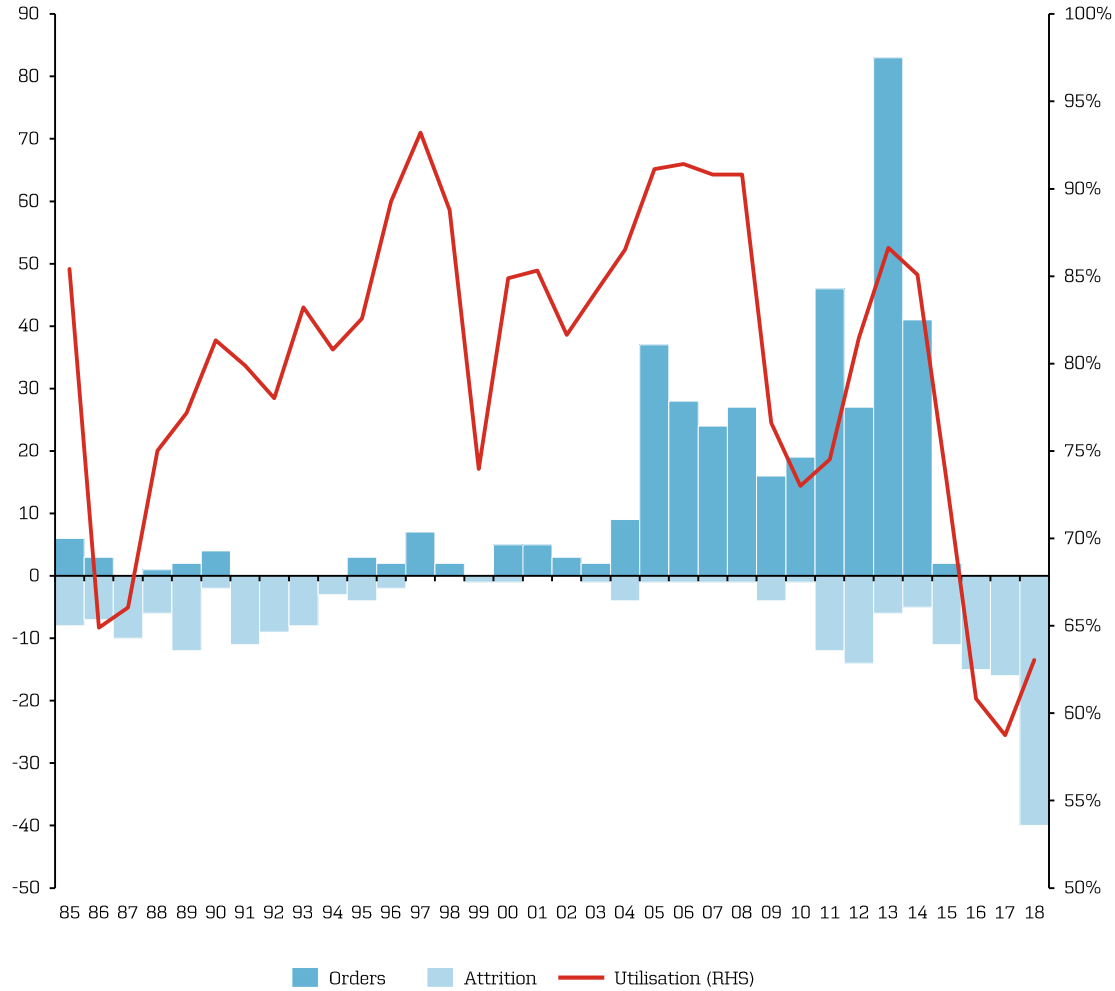


Our position and role in the oil and gas value chain

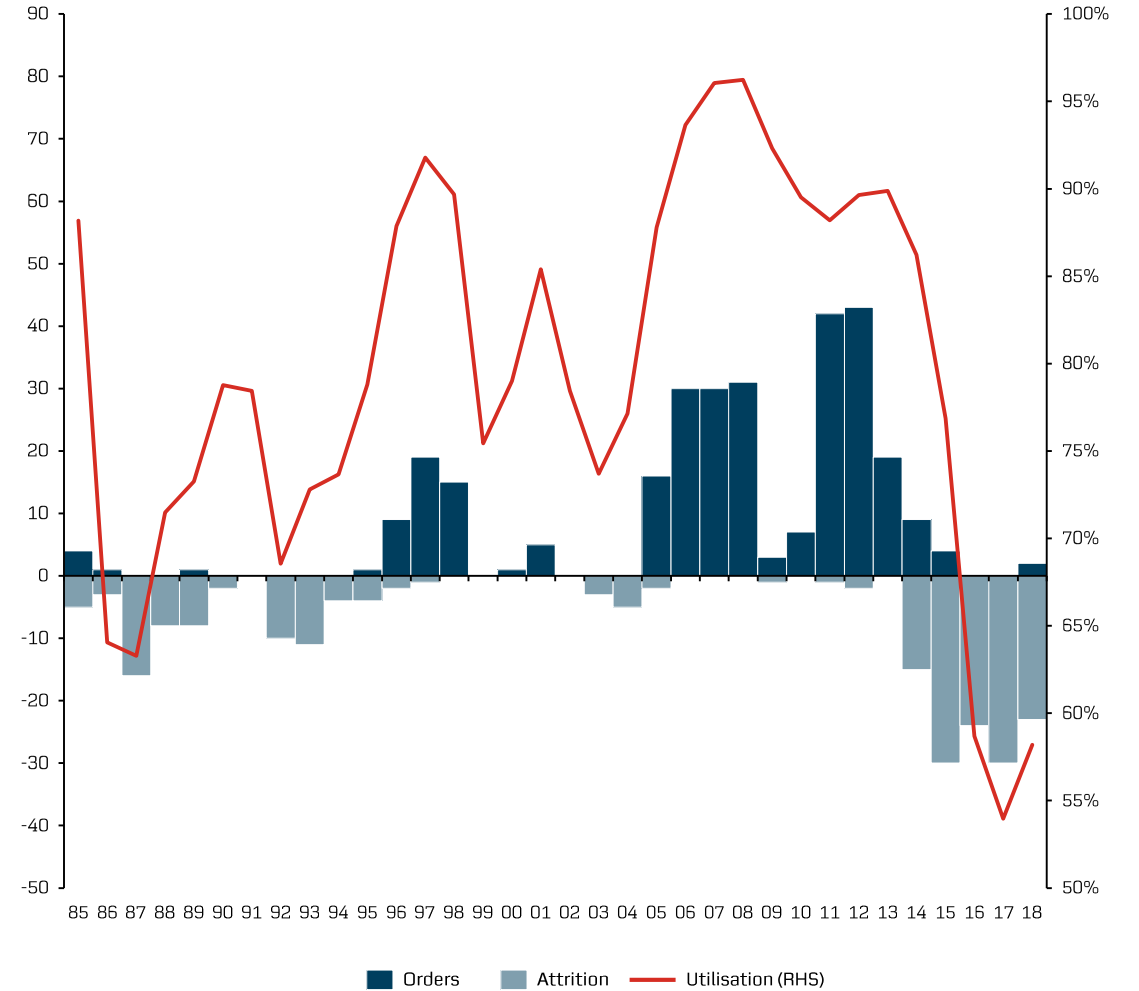


Ordering and attrition relative to state of market (utilisation)

Jack-up ordering⁽¹⁾, attrition⁽²⁾ and total utilisation



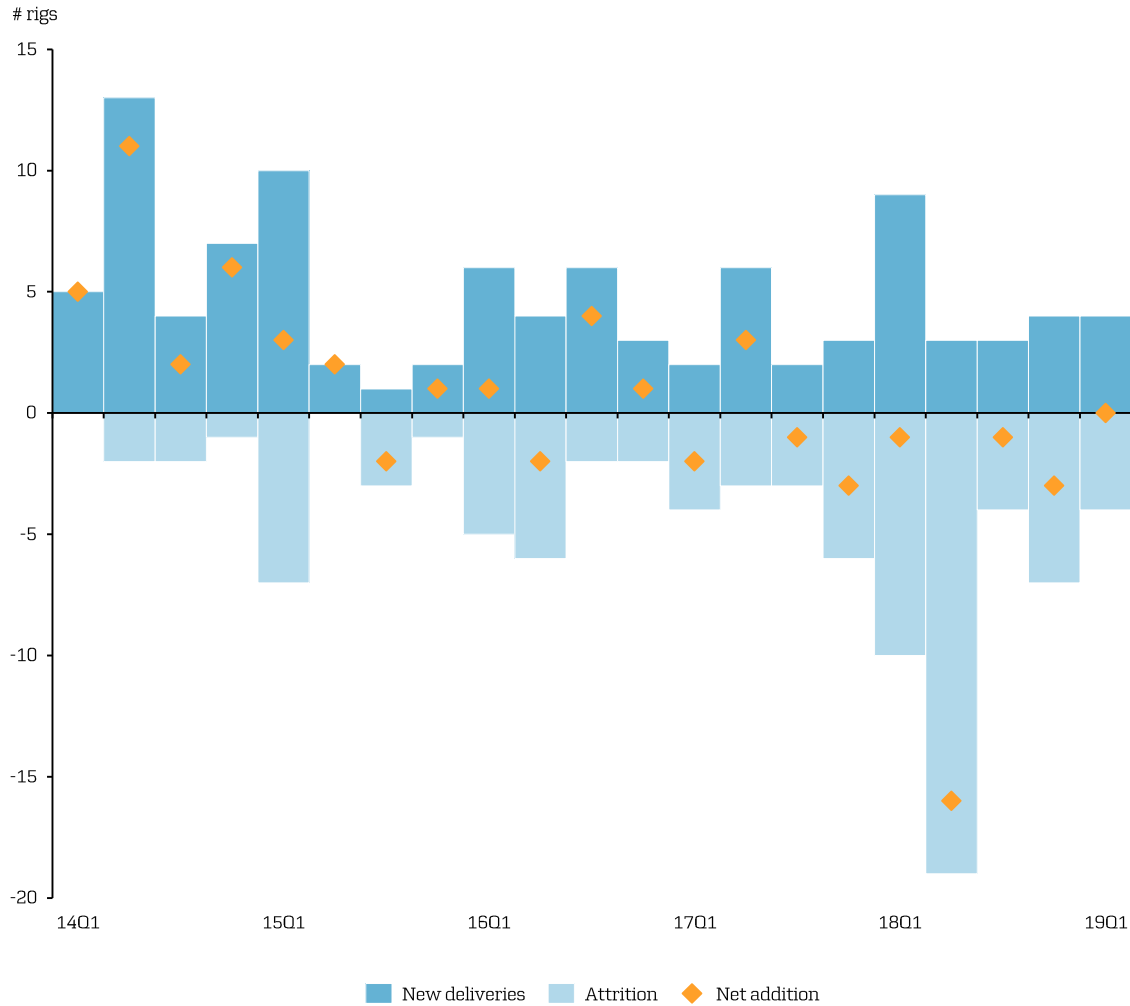
Floater ordering⁽¹⁾, attrition⁽²⁾ and total utilisation



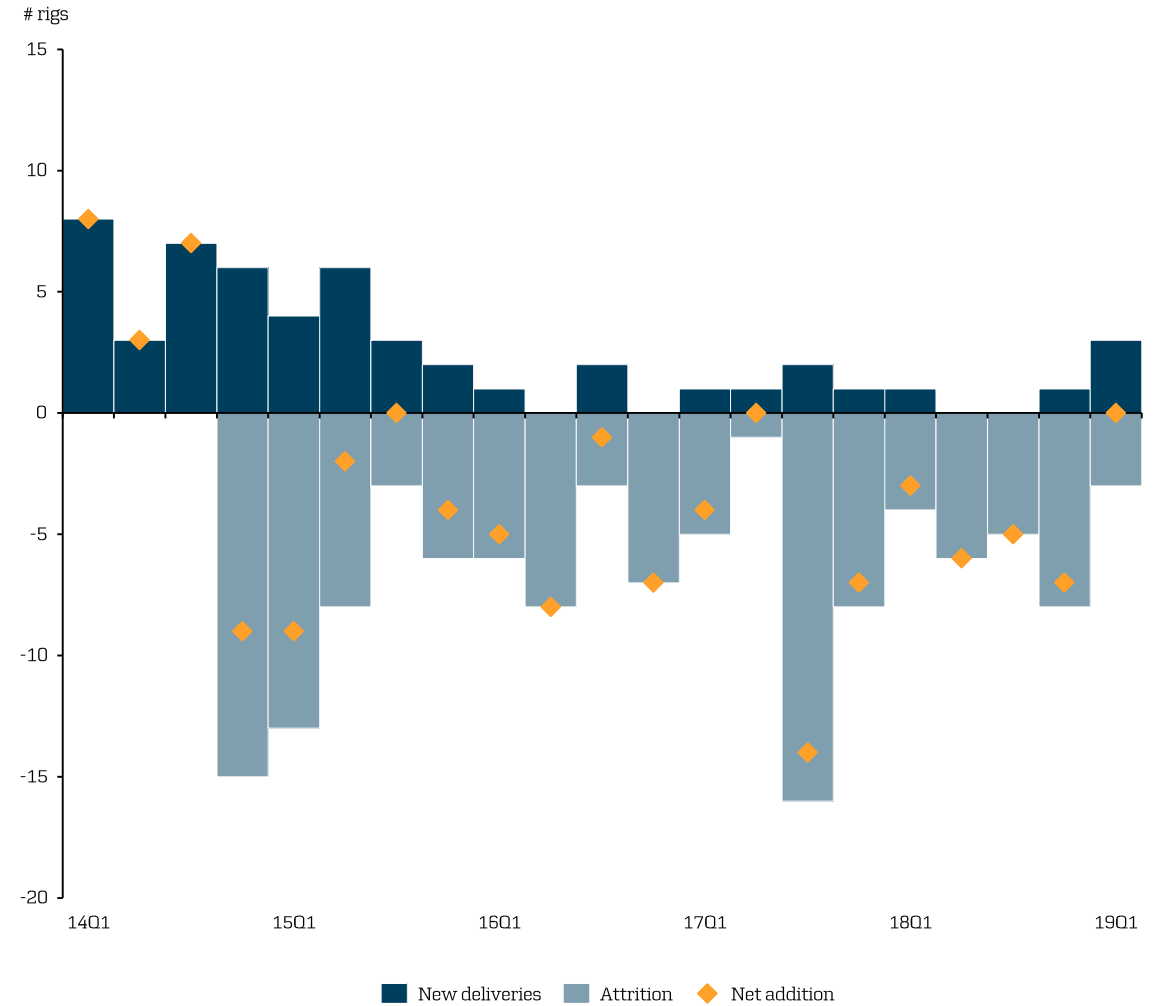
(1) A rig is characterised as 'on order' once a firm has placed an order for the construction of a unit (2) Attrition includes all rigs that are deemed to be permanently removed from active drilling service, excluding rigs that have been removed as a result of an accident
Source: IHS Markit - RigPoint

Rig delivery and attrition per segment

Jack-up delivery⁽¹⁾ and attrition⁽²⁾, quarterly



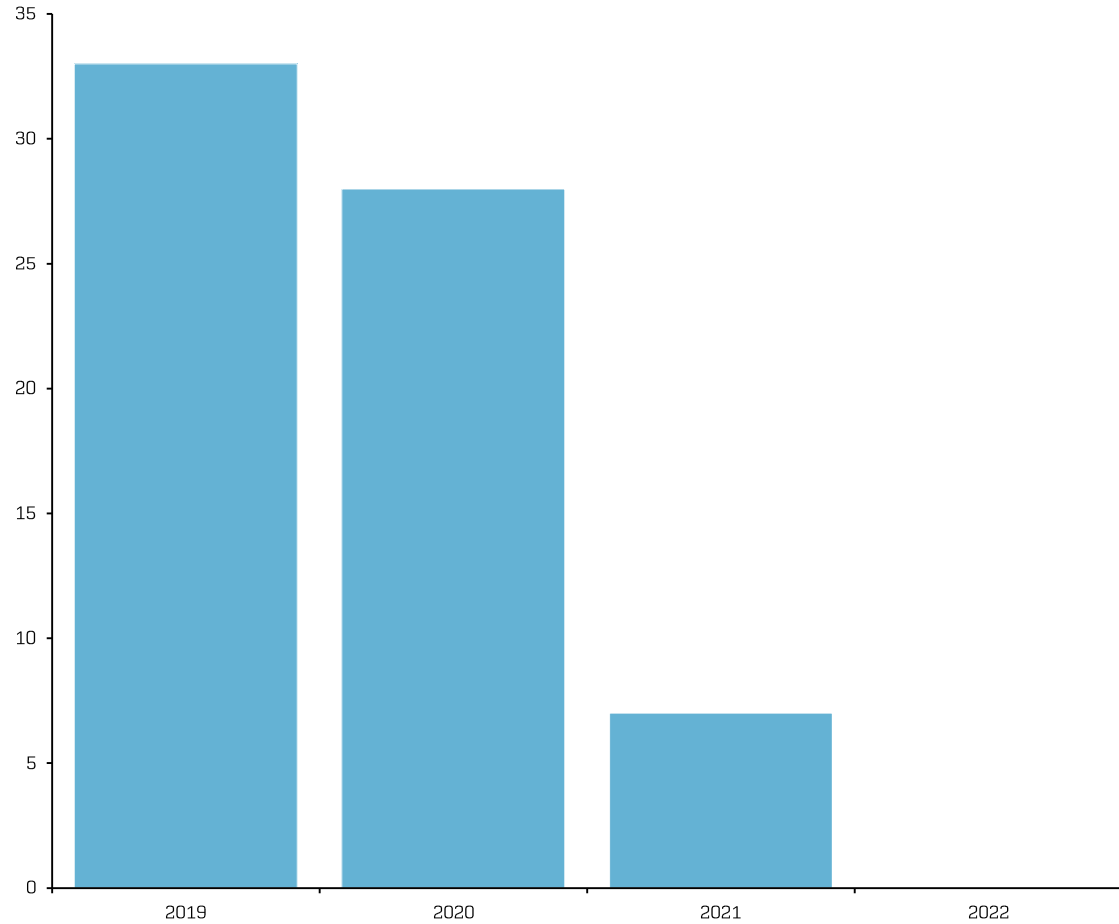
Floater delivery⁽¹⁾ and attrition⁽²⁾, quarterly



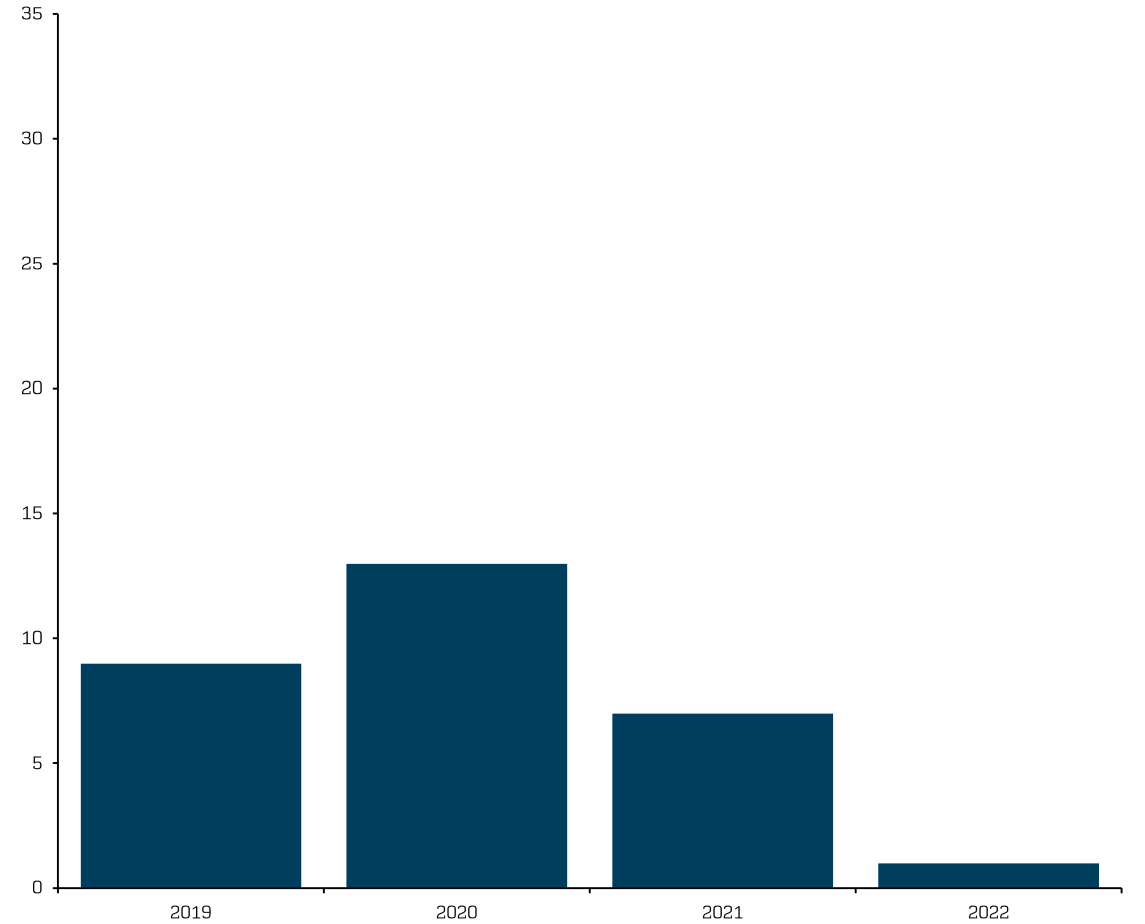
(1) Rig deliveries defined as units that have not previously existed as a drilling rig of the same type. (2) Attrition includes all rigs that are deemed to be permanently removed from active drilling service, excluding rigs that have been removed as a result of an accident
Source: IHS Markit – RigPoint

Current order book by segment

Jack-up order book (number of rigs and expected delivery year)



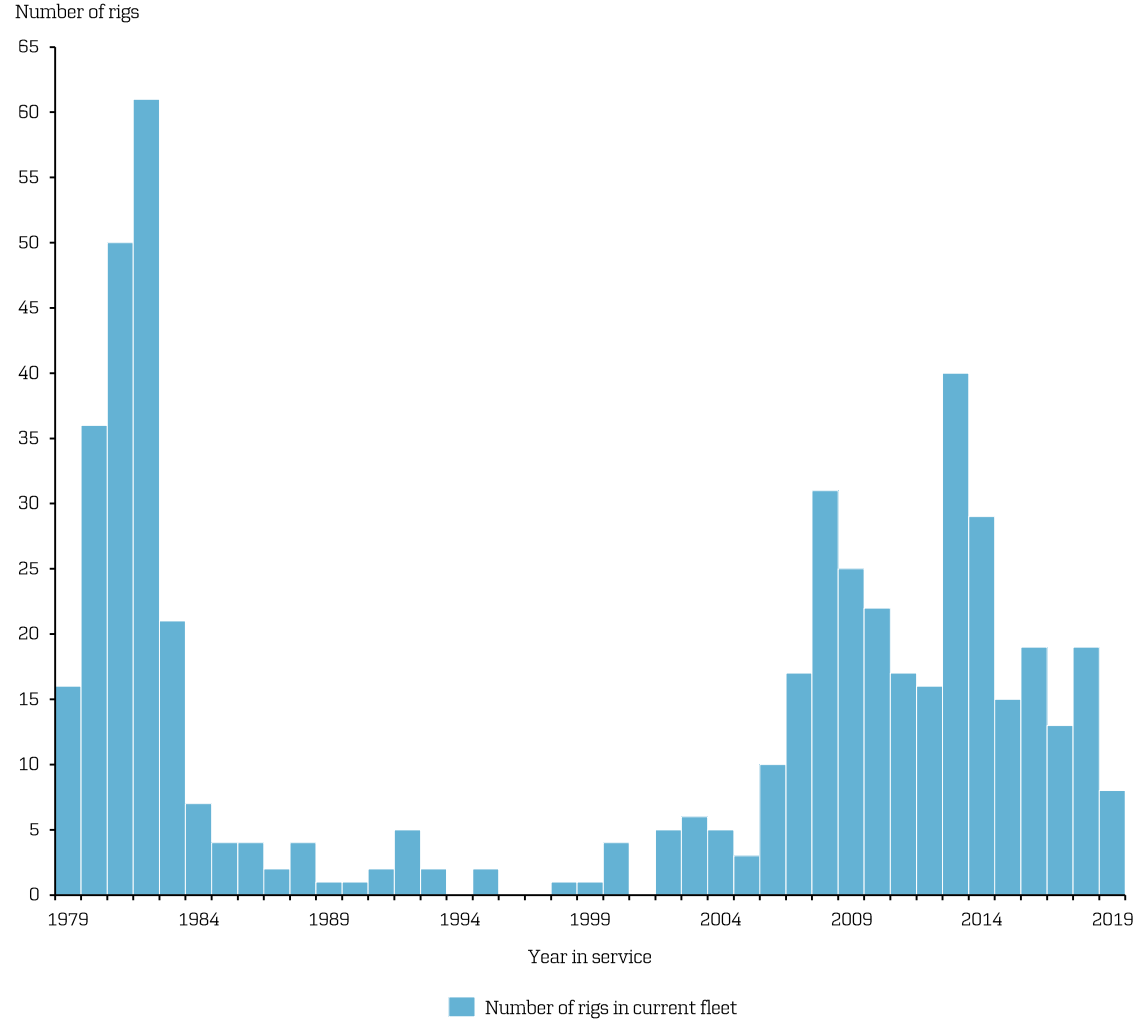
Floater order book (number of rigs and expected delivery year)



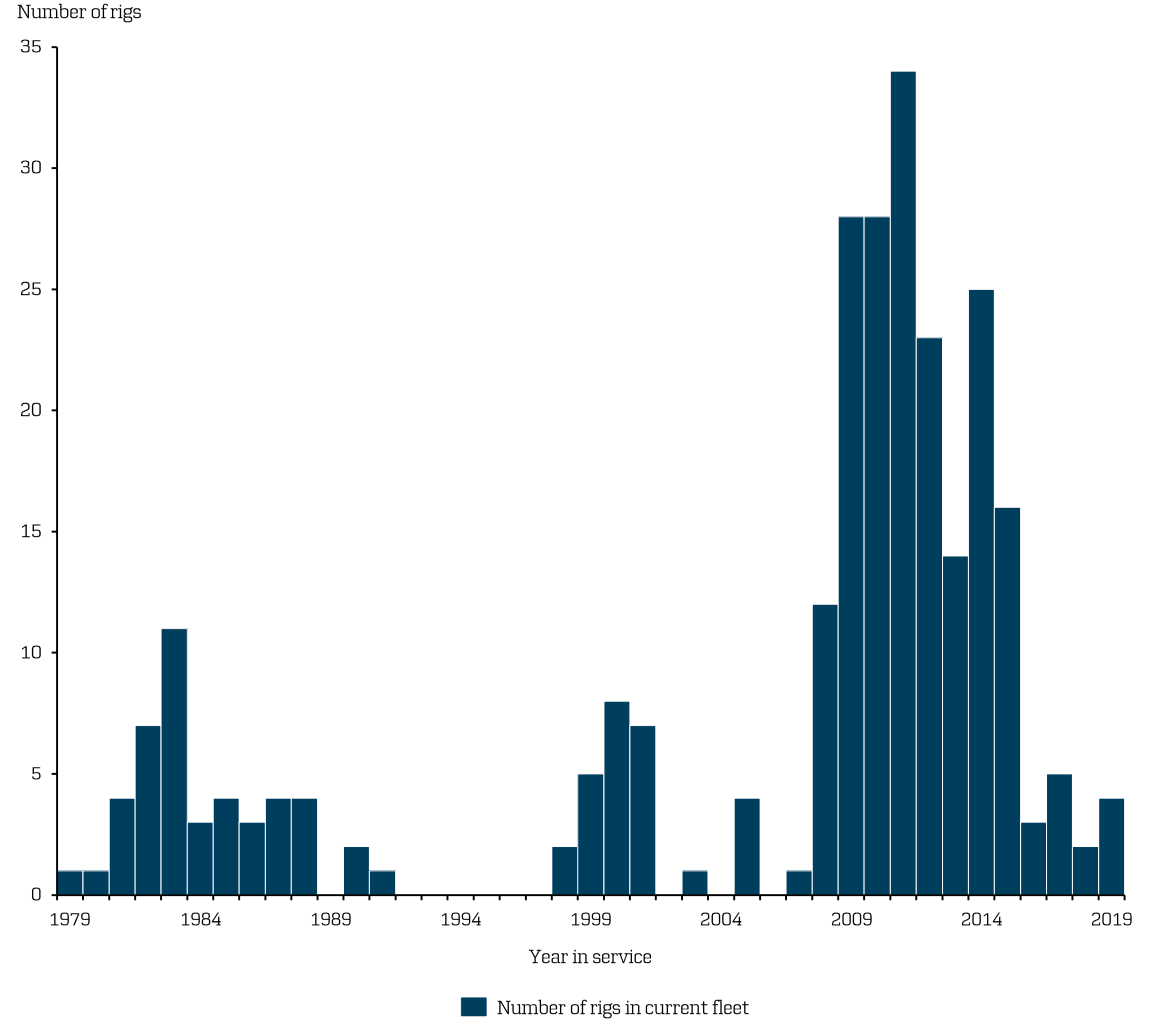
Source: IHS Markit - RigPoint

Global fleet demography

Jack-up fleet age profile



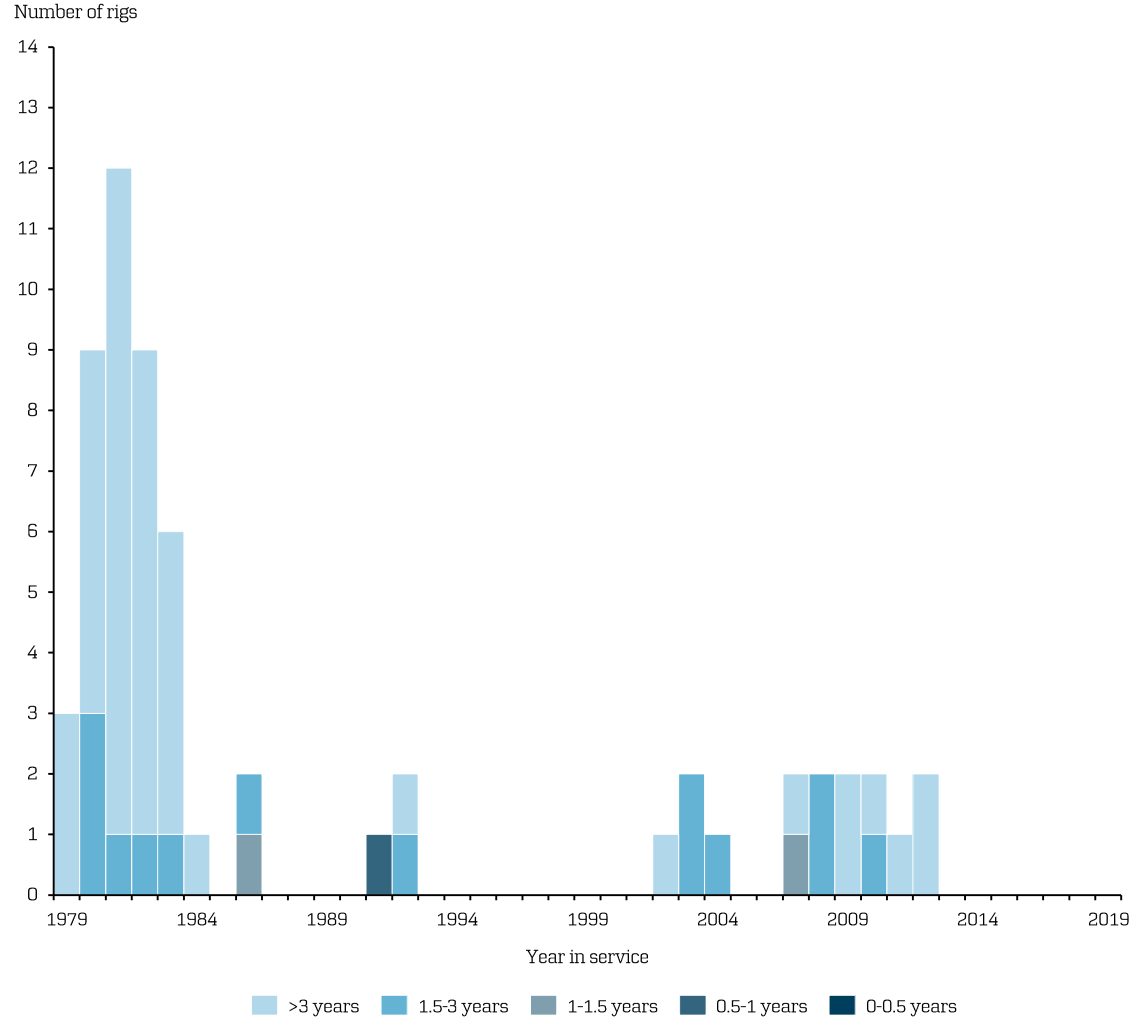
Floater fleet age profile



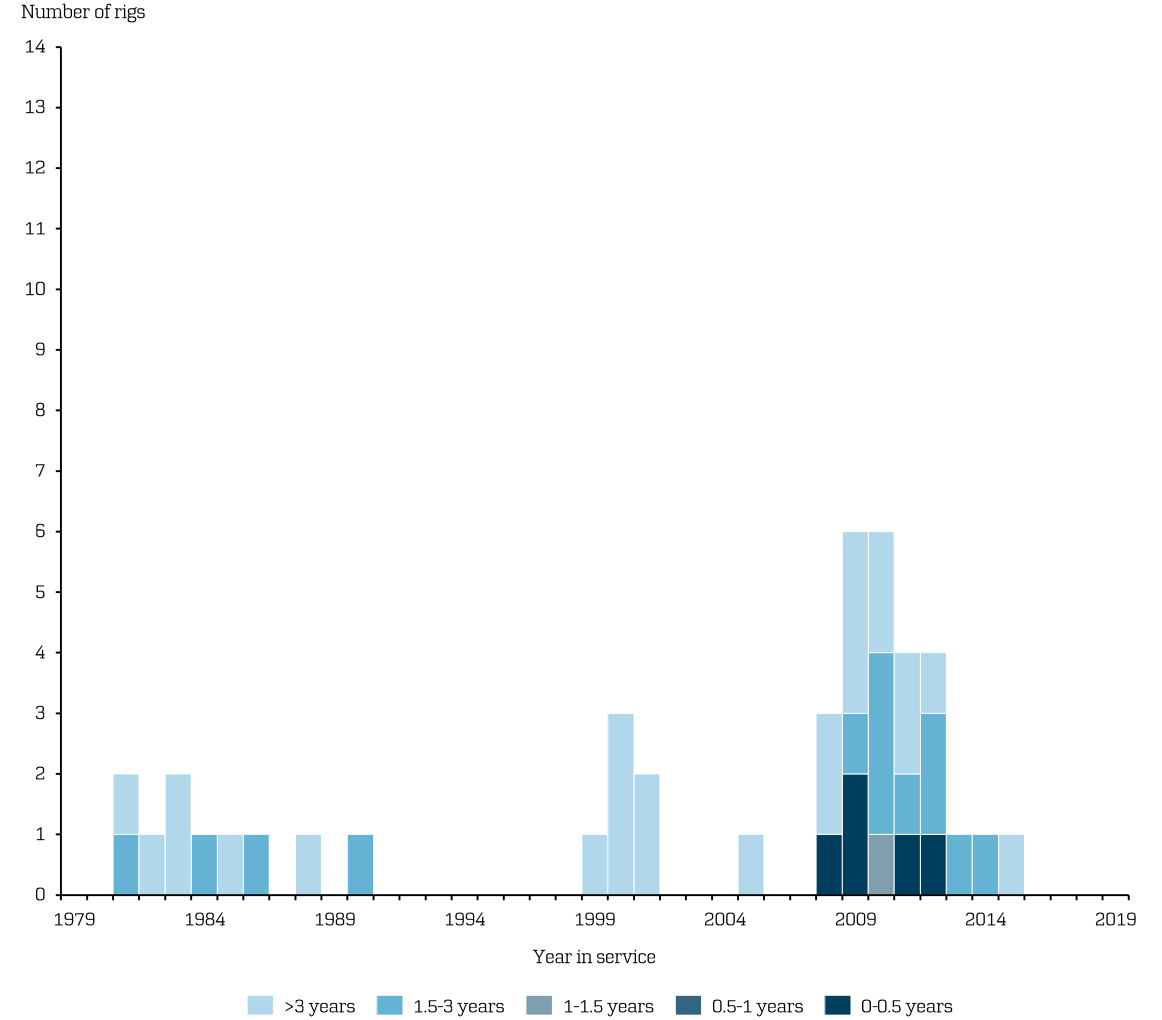
Source: IHS Markit – RigPoint

Global cold-stacked fleet demography

Cold-stacked jack-ups by age and stacking duration



Cold-stacked floaters by age and stacking duration



Source: IHS Markit - RigPoint

A large industrial drilling rig is shown at sea, with a complex network of steel beams and yellow safety railings. The rig is positioned on the left side of the frame, extending towards the center. The ocean is dark and choppy, with whitecaps visible. The sky is filled with dramatic, dark clouds, and a bright sun is shining from the upper right corner, creating a lens flare effect. The overall scene is industrial and powerful.

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