

COMPANY ANNOUNCEMENT

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## Maersk Drilling releases Q1 2020 Trading Statement: Well positioned to respond to the unprecedented business environment

Today, the Board of Directors of The Drilling Company of 1972 A/S ("Maersk Drilling") has adopted the trading statement for the first quarter of 2020 (Q1 2020):

### Performance highlights for Q1 2020 (Q4 2019 in brackets)

- Revenue of USD 279m (USD 305m).
- Financial uptime of 97.5% (98.6%).
- Number of contracted days of 1,555 corresponding to utilisation of 78% (1,523 contracted days corresponding to utilisation of 76%).
- Average day rate of USD 179k (USD 200k) impacted by extended mobilisations for new contracts in the International floater segment.
- Revenue backlog as of 31 March 2020 of USD 1.7bn (USD 2.1bn) impacted by limited new contract activity as well as termination of the drilling contract for Maersk Venturer. As of 31 March 2020, the forward contract coverage for the remainder of 2020 was 64%.
- Subsequent to quarter end, notices of early termination for convenience of the drilling contracts for Mærsk Developer, Maersk Reacher, Mærsk Innovator and Maersk Guardian have been received. The terminations are expected to have immaterial financial impact given early termination fees.
- On 30 April 2020, a four-well extension for the low-emission jack-up rig Maersk Intrepid was announced with expected commencement in September 2020 and an estimated duration of 339 days. The contract value is approximately USD 100m, including rig modifications and upgrades, but excluding the integrated services provided and potential performance bonuses.
- Steps taken to reduce cost by adapting both the offshore and onshore organisation to the current lower activity in the offshore drilling market.

### CEO Jorn Madsen quote

"With the combination of COVID-19 and lower oil prices we are facing unprecedented times in the offshore drilling industry. Maersk Drilling succeeded in maintaining a strong operational performance during Q1, and we are well positioned to respond to the changed business environment due to a combination of operational, commercial and financial strengths. In addition, we are taking immediate steps to adapt our cost structure to the updated market outlook."

### The Drilling Company of 1972 A/S

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Ticker: DRLCO

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

**Guidance 2020**

The full-year guidance for 2020 as revised on 7 May 2020 is maintained:

- Profit before depreciation and amortisation, impairment losses/reversals and special items (EBITDA before special items) is expected to be in the range of USD 250-300m.
- Capital expenditures are expected to be around USD 150m.

**Webcast**

In connection with the release of the Q1 2020 trading statement, 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 Jesper Ridder Olsen will present the Q1 2020 trading statement. 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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