



**Borr
Drilling**

**Borr Drilling Limited
Company presentation
Q3 2018 Results**
21 November 2018



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Highlights

- Operating revenues of US\$49.7 million, EBITDA* of negative US\$10.3 million and net loss of US\$39.1 million
- Secured six new contracts since last reporting date, including three newbuilds, adding total backlog of approximately 88 months
- Commenced contracts for the premium jack-up rig “Prospector 5”, the standard jack-up rig “C20051” and the premium jack-up rig “Mist” in August, September and November, respectively
- Realised gains of US\$25 million from the sale of forward contracts in a listed company in Q3 and Q4 2018 combined. (Q3: US\$9.2 million Q4: US\$16 million)
- Completed the sale of the standard jack-up rig L1112 (Ed Holt) in October 2018 for retirement from the international jack-up rig fleet
- Took delivery of three newbuilds from PPL Shipyard in July, September and October
- Announced activations of seven newbuilds and reactivation of one premium jack-up year to date

The Company uses certain financial information calculated on a basis other than in accordance with accounting principles generally accepted in the United States (US GAAP) including EBITDA. EBITDA as used herein represent net loss less: depreciation and impairment of non-current assets, amortisation of contract backlog, net financials, gain from bargain purchase and income tax expense. EBITDA is included as a supplemental disclosure because the Company believes that the measure provides useful information regarding the Company's operational performance.

Key Financials Q3 2018

Income Statement

USDm	YTD 2018	Q3 2018	Q3 2017
Operating revenues	111.4	49.7	-
Gain on disposals	17.5	-	-
Rig operating and maintenance expenses	(120.6)	(45.7)	(9.4)
Depreciation and impairments	(55.7)	(21.5)	(8.0)
Amortisation of contract backlog	(15.7)	(9.7)	-
G&A	(23.5)	(9.7)	(7.5)
Restructuring costs	(31.9)	(4.6)	-
Total operating expenses	(247.4)	(91.2)	(24.9)
Operating loss	(118.5)	(41.5)	(24.9)
Net financial items	2.2	4.5	15.3
Gain from bargain purchase	38.1	-	-
Loss be fore tax	(78.2)	(37.0)	(9.6)
Tax	(2.0)	(2.0)	-
Net (loss) attributable to non-contr. interests	(0.2)	0.1	-
Net loss for the period attributable to shareholders of Borr Drilling Limited	(80.0)	(39.1)	(9.6)
Basic loss per share (\$/share)	(0.155)	(0.073)	(0.031)

Comments Q3 2018

- On average 8.6 operating rigs in the third quarter
- Rig operating and maintenance expenses for the operating rigs was US\$36.9 million in the quarter
- Restructuring cost of US\$4.6 million is a cost accrual related to the Paragon acquisition
- Net financial items includes realised and unrealised gain on forward contracts of US\$9.2 million and US\$3.5 million, respectively

Key Financials Q3 2018

Balance Sheet Key Numbers

USDm	Q3 2018	Q2 2018	Q4 2017
Total assets	2,790.5	2,652.2	1,672.3
Total liabilities	1,138.5	953.9	179.4
Total equity	1,652.0	1,698.3	1,492.9
Cash and cash equivalents	40.6	54.0	164.0
Restricted cash	21.2	32.1	39.1

Comments

- Increase in total assets due to delivery of the two newbuildings “Groa” and “Gyme”
- Long term debt increased mainly due to US\$174.0 in delivery financing for the two newbuildings “Groa” and “Gyme”
- Total available free liquidity at the end of the third quarter was US\$210.6 million, including undrawn revolving credit facility of US\$170.0 million. This compares to US\$224.0m in Q2.

Fleet Status Report November 2018

Fleet summary

		Operating/ Committed	Available	Cold Stack	Under Construction
Premium Jack-Ups	29	9	9	2	9
Standard Jack-Ups	6	4		2	
Total Jack-Ups	35				
Semi - Submersible	1	1			
Total Fleet	36	14	9	4	9

Fleet main movements and operations

- Strong technical utilisation on the operating rigs of 99.2% in Q3 2018
- Converted previously announced LOI/LOAs into firm contracts:
 - Gerd / Groa: Exxon Nigeria (24 months each)
 - Natt: First E&P Nigeria (24 months)
 - Norve: Undisclosed (10 months)
 - Ran: Spirit Energy UK (11 months)
 - Mist: Kris Energy Thailand (3-4 months)
- New contract secured for the “Norve” with RGE (2 months)
- Commenced contracts for the “Prospector 5”, the “C20051”, and the “Mist” in August, September and November, respectively
- Newbuilds: took delivery of the “Groa” in July, “Gyme” in September and “Natt” in October
- The standard jack-up “L1112” was divested in October 2018

Fleet Update

Contracted and Future Contracted Rigs (14)

Rig Name	Location	2018				2019				2020				2021			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Premium Jack-Ups																	
Mist	Thailand				Kris Energy												
Frigg ¹	Nigeria	Total				Operating with option to extend											
Prospector 5 ¹	United Kingdom	Available - Warm Stacked		Nexen													
Prospector 1 ¹	Netherlands	Available - Warm Stacked				Tulip											
Gerd	Singapore / Nigeria			Activation & Mobilization		Exxon				Operating with option to extend →							
Groa	Singapore / Nigeria			Activation & Mobilization		Exxon				Operating with option to extend →							
Ran ¹	Netherlands / United Kingdom			Activation & Mobilization		Spirit Energy											
Norve	Gabon / Cameroon / West Africa	BW Energy Dussafu		Perenco		RoyalGate		Undisclosed									
Natt	Singapore / Nigeria			Activation & Mobilization		First E&P				Operating with option to extend →							
Standard Jack-Ups																	
C20051	Netherlands		Perenco	Total													
Dhabi II	United Arab Emirates	NDC (ADOC)															
B152	United Arab Emirates	NDC (ADOC)															
B391	United Kingdom		Spirit Energy				Up to 13 option wells (425 days)										
Semi-Submersible																	
MSS1	United Kingdom		TAQA				Up to 5 option wells (375 days)										
		Contract				Option				Available				Under Construction			

¹ HD/HE Capability

Fleet Update continued

Available (9), Under Construction (9) and Cold Stacked (4)

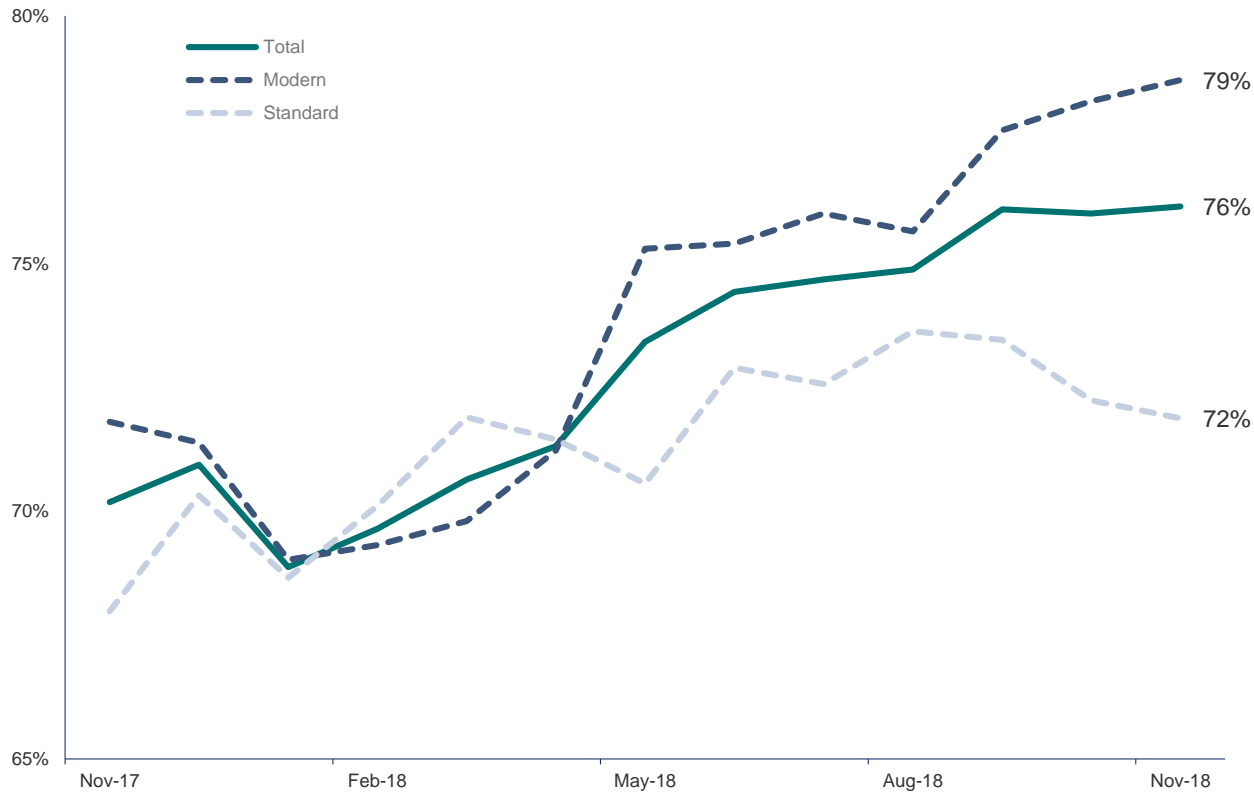
Rig Name	Location	2018				2019				2020				2021				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Premium Jack-Ups																		
Galar	Singapore	Available - Warm Stacked																
Gersemi	Singapore	Available - Warm Stacked																
Grid	Singapore	Available - Warm Stacked																
Gunnlod	Singapore	Available - Warm Stacked																
Gyme	Singapore	Available - Warm Stacked																
Idun	Singapore	Available - Warm Stacked																
Odin	Singapore	Available - Warm Stacked																
Saga	Singapore	Available - Warm Stacked																
Skald	Singapore	Available - Warm Stacked																
Jack-Ups Under Construction																		
Njord	PPL shipyard, Singapore	Rig Delivery in January - 2019																
Hild	KFELS shipyard, Singapore	Rig Delivery in October - 2019																
Heimdal	KFELS shipyard, Singapore	Rig Delivery in January - 2020																
Hermod	KFELS shipyard, Singapore	Rig Delivery in April - 2020																
Huldra	KFELS shipyard, Singapore	Rig Delivery in July - 2020																
Tivar	KFELS shipyard, Singapore	Rig Delivery in July - 2020																
Heidrun	KFELS shipyard, Singapore	Rig Delivery in October - 2020																
Vale	KFELS shipyard, Singapore	Rig Delivery in October - 2020																
Var	KFELS shipyard, Singapore	Rig Delivery in December - 2020																
Cold Stacked Jack-Ups																		
Atla	United Arab Emirates																	
Balder	Cameron																	
Baug ¹	United Kingdom	Not Marketed																
Eir ¹	United Kingdom	Not Marketed																

Contract
 Option
 Available
 Under Construction

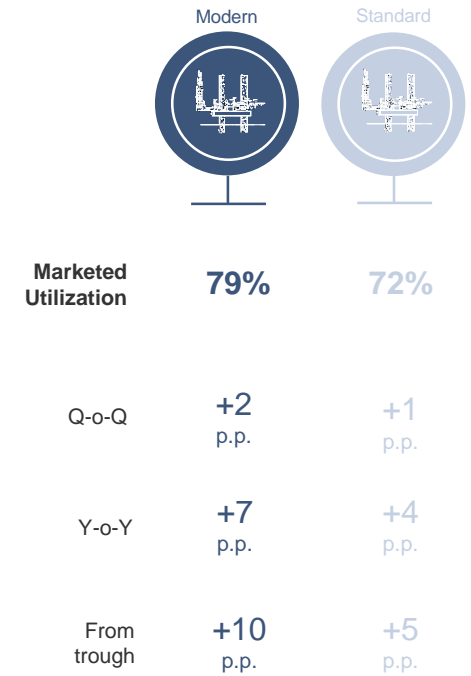
¹ HD/HE Capability

Market Update

Marketed Utilization continues to trend upwards...



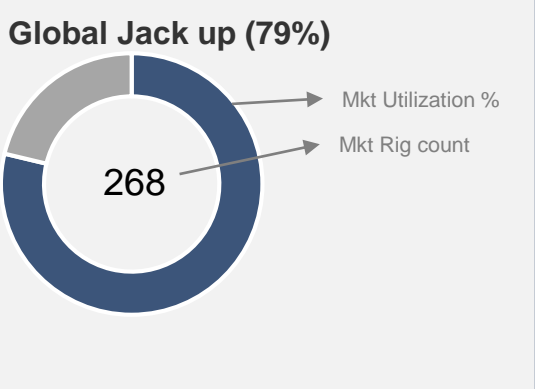
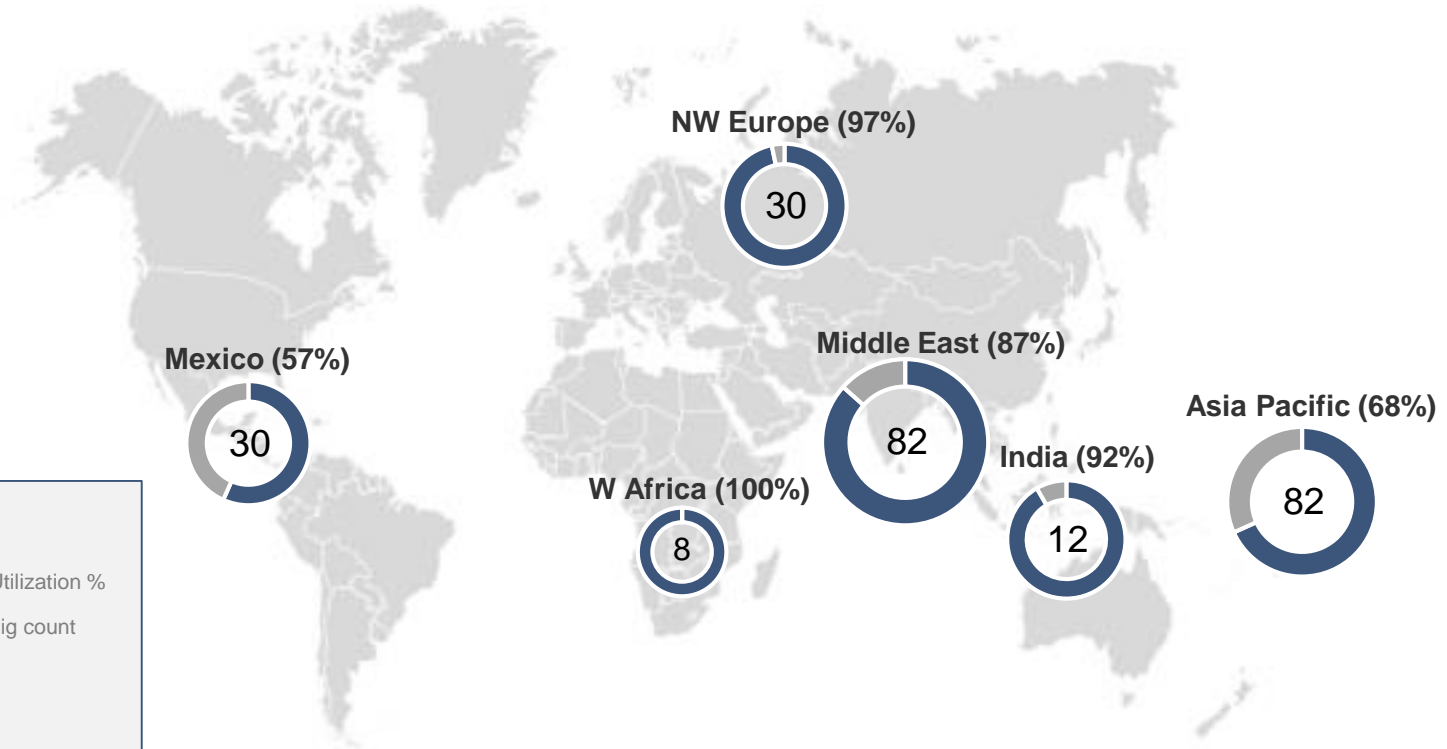
Modern JUs approaching critical levels ¹



Source: IHS Petrodata
¹ Modern Jackups build after 2000

Regional Marketed Utilization and Fleet Size in key jack-up markets

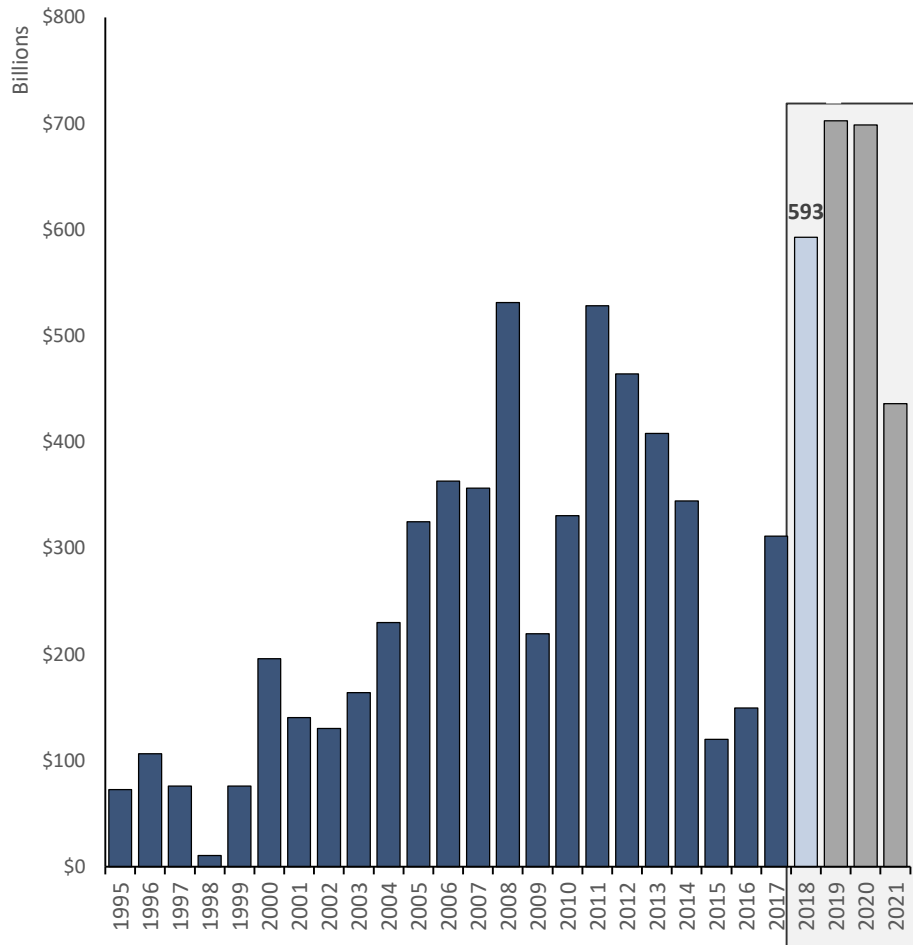
Modern rigs built after 2000



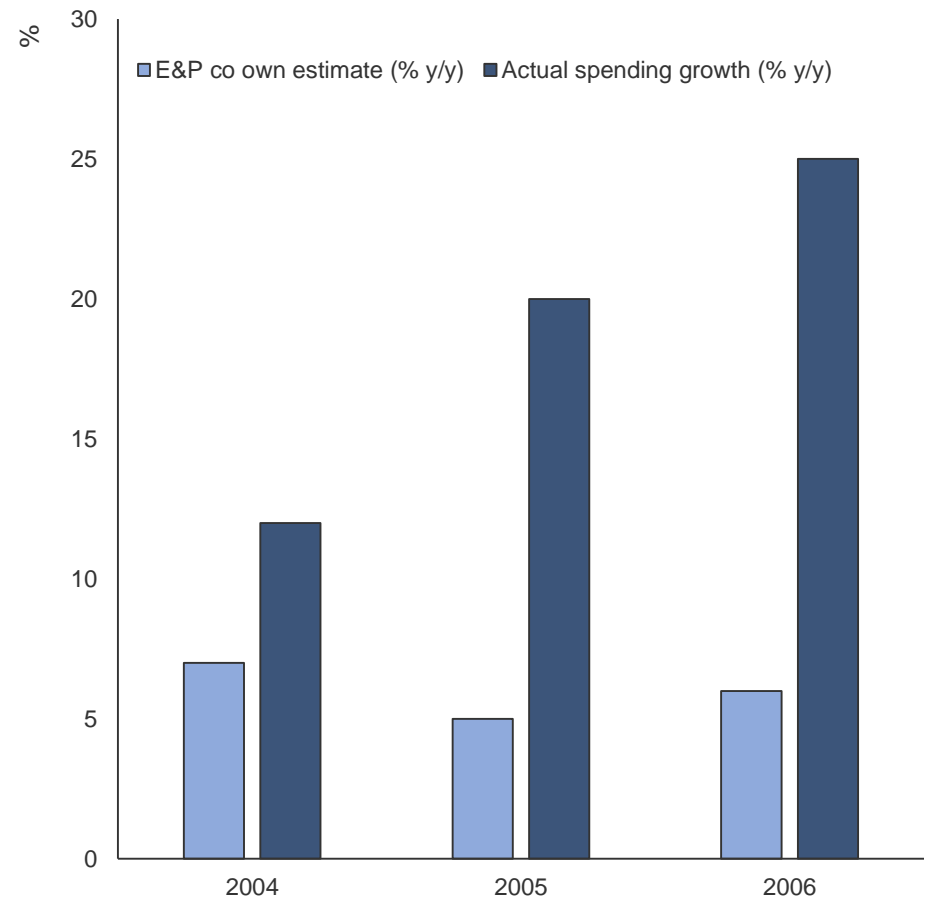
Source: IHS Petrodata, Independent Cantilever (IC) Jackups built after 2000

Oil Co free cash-flow is strong – capex levels to improve

Global oil co free cash flows reaching record levels



Oil Co underestimated capex growth in last cycle



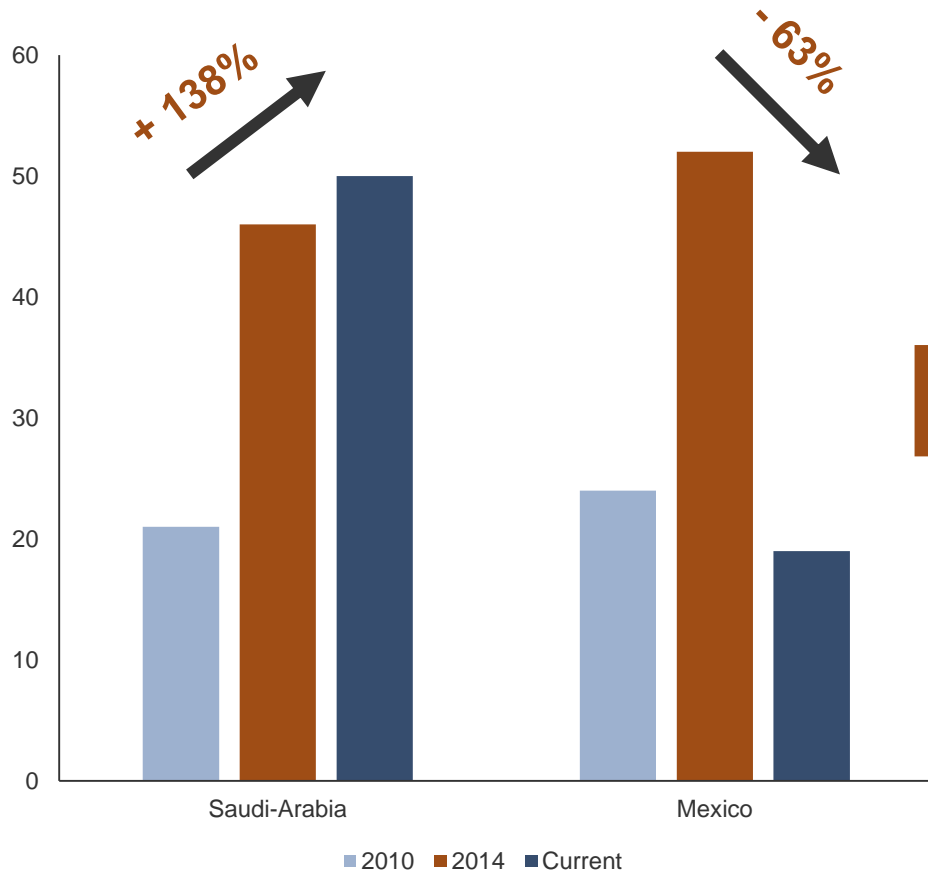
Source: Graph 1 - Rystad Energy UCube, Free cash flow available for investors

Source: Graph 2 – SEB E&P survey

You need to drill to get oil

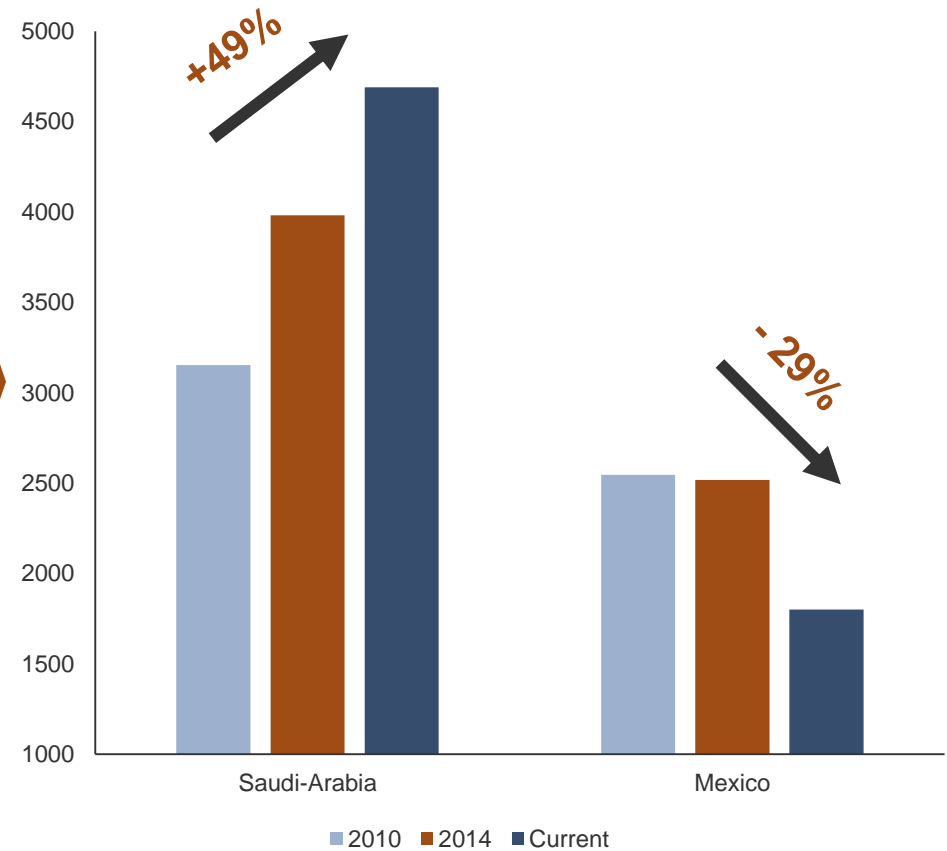
Saudi rig count up – Mexico rig count down

jack-up



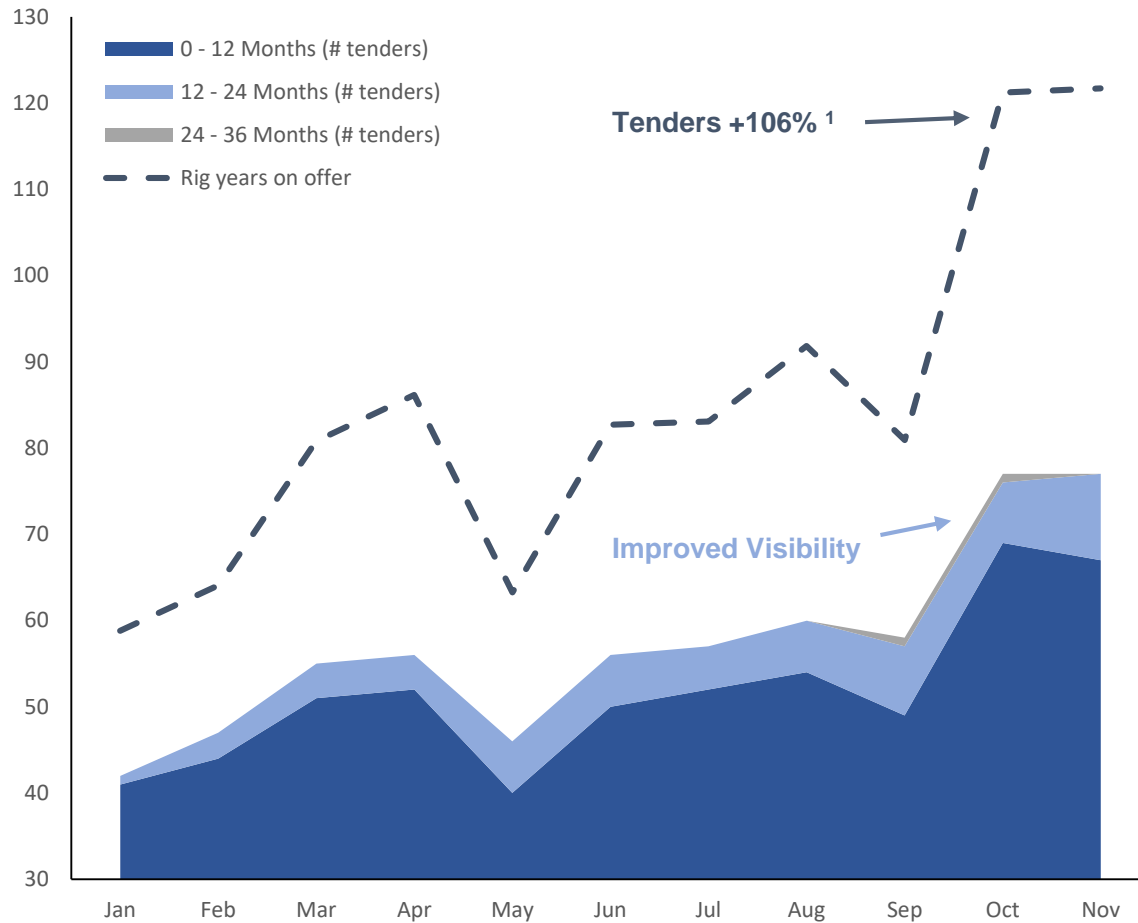
Saudi production up – Mexico production down¹

k brl/day



1) Shallow water production

Tender activity improving – confidence in contracting activity



- Increase largely driven by NOCs making demand less oil price sensitive
- Several tenders initiated in a lower oil price environment than today
- Anticipated that approximately 35 to 40 of these requirements represent new rig demand which could equate to an increase in utilization of up to 8%
- Borr is well-positioned to compete in several of these opportunities and leverage on its modern and competent fleet

Estimated utilization increase based on 37 new rig requirements and a total delivered fleet of 467 IC units.
Simple estimation considering maintained activity levels in other projects and attrition level to match number of new builds coming into the active fleet.

Q&A

