# Diamond Offshore

Boston/New York NDR

June 2024

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# Diamond Offshore

Investment Highlights and

Financial Profile

# Diamond Offshore Highlights

**Extended 3 of 4 BlackShips by 2 years each**

**Secured marketing rights for 3 7th gen drillships**

**GreatWhite completed repairs and departed S/Y for location**

Backlog[1]

**~$2.1B**

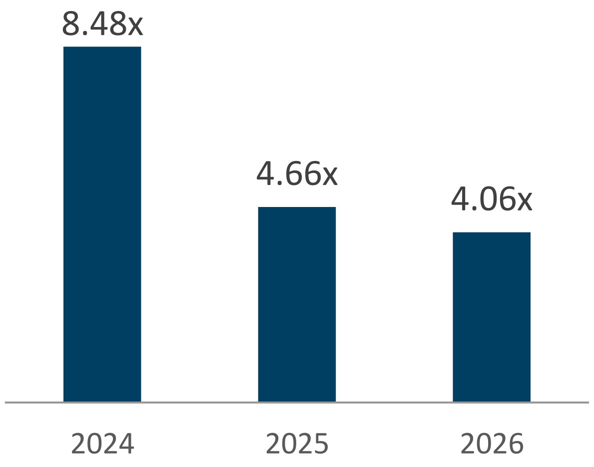
2024E Adj. EBITDA[2]

**$225-245M**

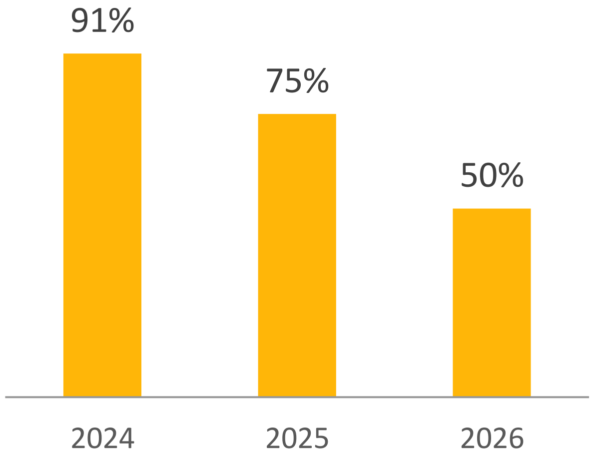
Net Debt[3]/Rig[4]

**$35M**

**Multiple on Consensus EBITDA[5]**



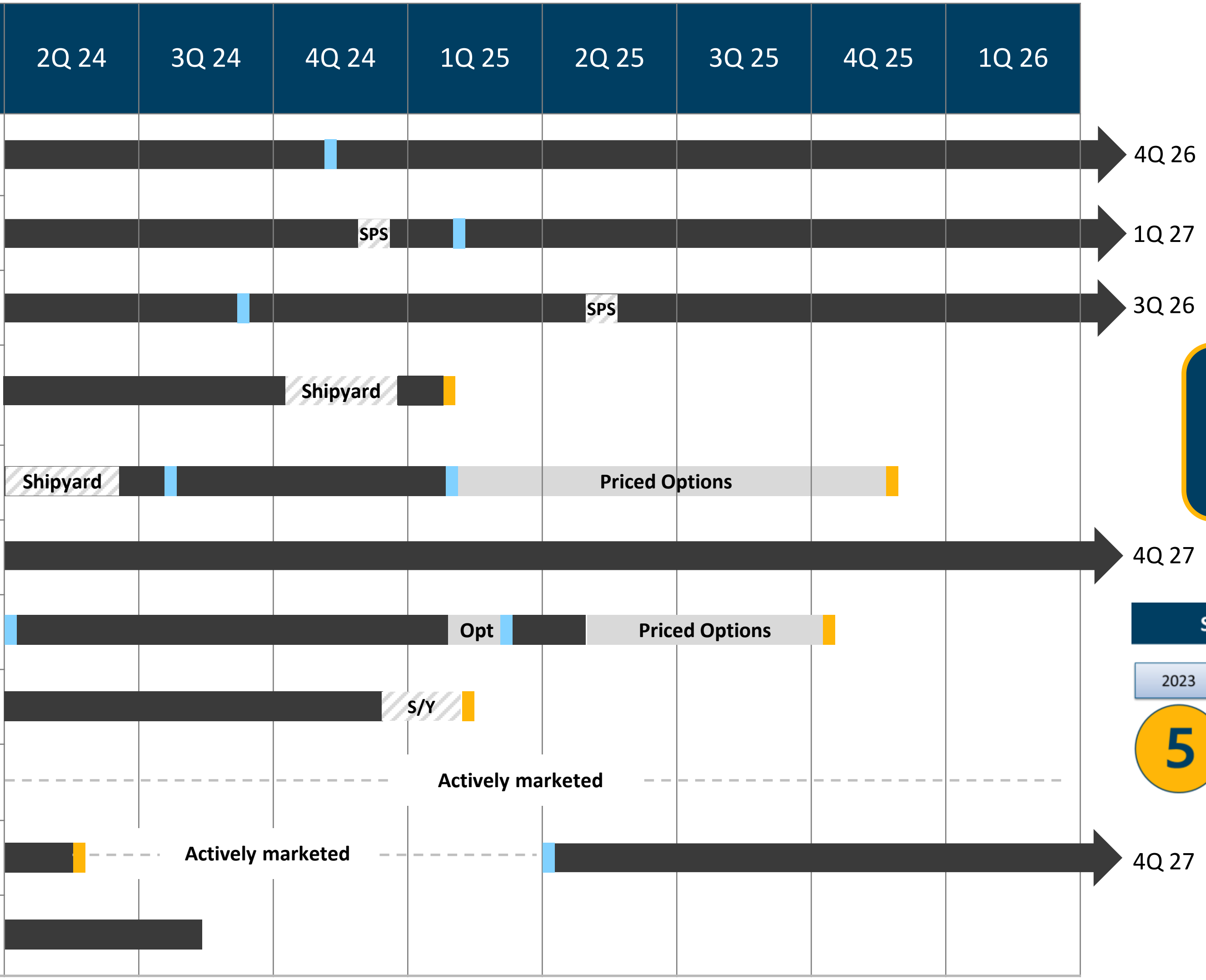

**Percentage of Available Days Committed[1,6]**




1) As of May 15, 2024.
2) As of May 8, 2024. Non-GAAP, excludes asset sales and impairments. Includes estimated financial impact of the GreatWhite incident.
3) As of Mar 31, 2024. Excludes BOP finance lease.
4) Owned rigs.
5) Source – Consensus EBITDA per Bloomberg as of May 29, 2024. Enterprise Value / Consensus EBITDA estimates.
6) Contract coverage based on committed days, excluding cold stacked rigs and including priced options.

# Diamond Fleet Status[1]

| | Rig Name | Client | Location |
|---|---|---|---|
| 7th Gen Drilships | BlackHawk | Occidental | USGOM |
| | BlackHornet | bp | USGOM |
| | BlackLion | bp | USGOM |
| | BlackRhino | Woodside, Undisclosed, Foxtrot | Senegal, G.B., Ivory Coast |
| HE DP Semi | GreatWhite | bp | UK |
| DP Semi | Courage | Petrobras | Brazil |
| HE Moored Semis | Apex | Inpex, Santos, Chevron | Australia |
| | Endeavor | Shell | UK |
| | Onyx | stacked | Malaysia |
| | Patriot | TAQA | UK |
| Managed Rig | Vela[2] | Beacon | USGOM |




Current Backlog ~$2.1B[1]

**Special Survey Schedule (# of rigs)**

| 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|
| 5 | 2 | 1 | None |

Near-term repricing opportunities

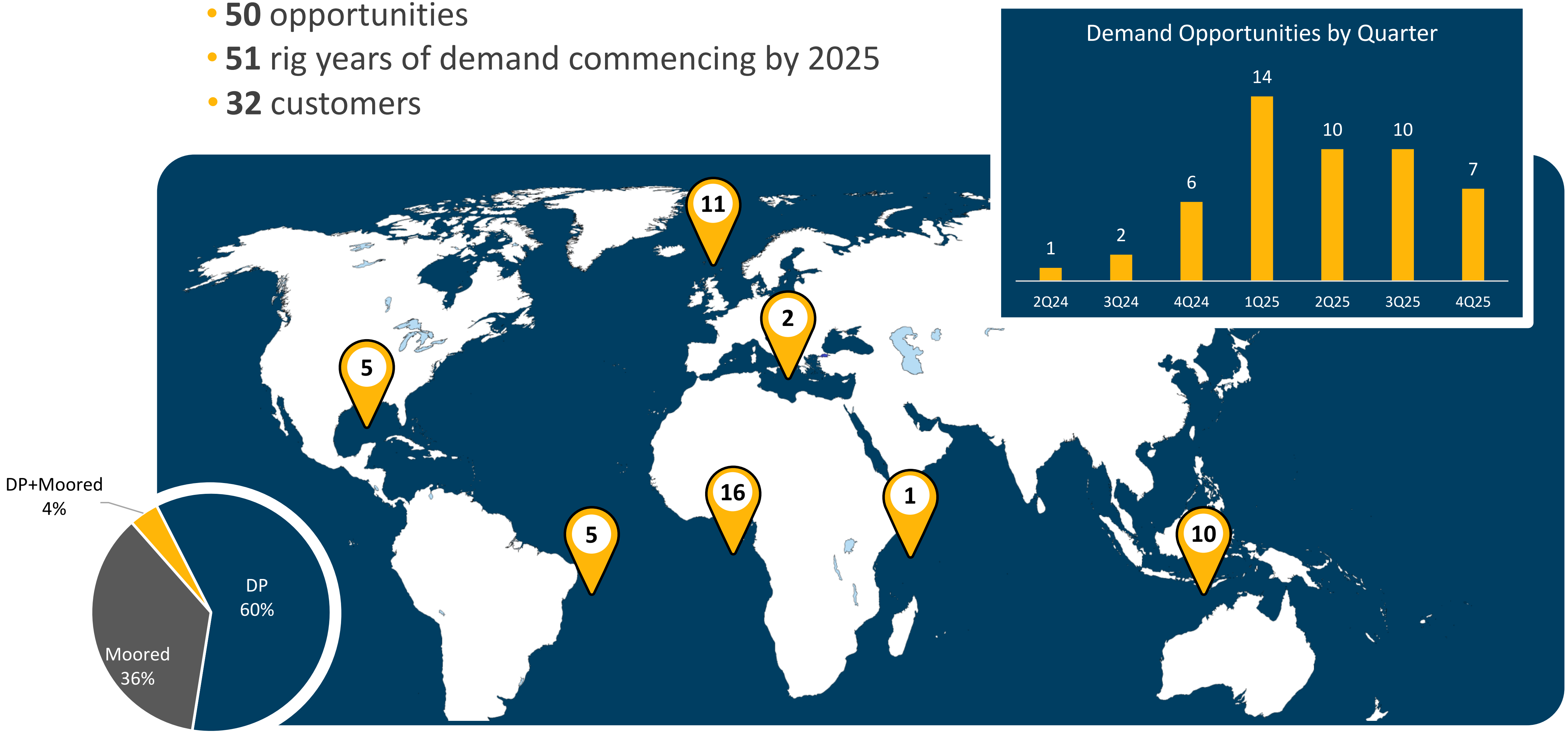
Indicates contracted dayrate increases

Indicates repricing opportunities

Note: HE = Harsh Environment. DP = Dynamically Positioned. Excludes rigs not currently marketed.
1) As of May 15, 2024. 2) Managed rig. Assumes rig no longer managed after firm term.

# 50 Floater Opportunities[1] Commencing through 2025

- **50** opportunities
- **51** rig years of demand commencing by 2025
- **32** customers




1) Source: Diamond Offshore marketing analysis – represents opportunities that have been published or privately discussed with operators.

# Illustrative EBITDA and Cash Flow Potential

| Key asset classes | Highlights | Hypothetical Day Rates ($000s Per Day) | Illustrative Annual Rig EBITDA potential ($M)[2] |
|---|---|---|---|
| 4x 7th gen. UDW Drillships | ◆ Best-in-class UDW Drillships<br>◆ Attractive availability windows<br>◆ Fully contracted since delivery | $470 – $500 | $393m – $433m |
| 1x HE DP Semi | ◆ Unique asset built for ultra harsh opportunities<br>◆ Attractive availability window | $285 – $450 | $57m – $112m |
| 1x Benign DP Semi | ◆ Brazil demand continues to grow<br>◆ Committed into 2027<br>◆ Low Opex with fully nationalized crews | ~$290 | $51m – $51m |
| 3x HE Moored Semis[1] | ◆ Supply side drastically changed<br>◆ Typically follows tightening UDW market<br>◆ Cost and emission friendly | $190 – $350 | $107m – $134m |
| | | | **$608m – $730m** |
| | | Approximate G&A and Indirect Costs[3] | ($125m) – ($135m) |
| | | Illustrative EBITDA Potential | **$483m – $595m** |
| | | Additional Cash Payments[4] | ($170m) – ($200m) |
| | | Illustrative Free-Cash Flow Potential | **$313m – $395m** |

1) 2 x cold-stacked moored semis and managed unit not included in EBITDA calculation
2) Assumes 100% utilization for benign DP semi, 95% for drillships/HE DP semi, and 85% for HE moored semis. Assumes revenue efficiency of 95% for all classes.
3) Includes SG&A, shorebase and indirect costs
4) Includes average annual capex, taxes, interest and BOP Lease payments

# Marketed Rigs Overview

| Rig Name | Status | Marketing Rights | 2Q 24 | 3Q 24 | 4Q 24 | 1Q 25 | 2Q 25 | 3Q 25 | 4Q 25 | 1Q 26 |
|---|---|---|---|---|---|---|---|---|---|---|
| West Dorado | Delivered, Under Reactivation | Brazil, Latin America, West Africa, Malaysia, Indonesia | | Reactivation | | Actively marketed | | | | |
| West Draco | Delivery Pending | Brazil, Latin America, West Africa, Malaysia, Indonesia | Shipyard | | Reactivation | | | | | |
| Tidal Action | Under Reactivation | U.S. Gulf of Mexico | | | Reactivation | | Actively marketed | | | |

**$ 35 - 45 million**

Aggregate potential annual EBITDA contribution


Source: Pelago Management


Source: Pelago Management


Source: Northern Drilling

# 2024E Updated Guidance ($M)

| Contract Drilling Revenue[1,2] | Adjusted EBITDA[1,3] | CAPEX[1] |
| --- | --- | --- |
| **$925 – $945** | **$225 – $245** | **$135 – $145** |

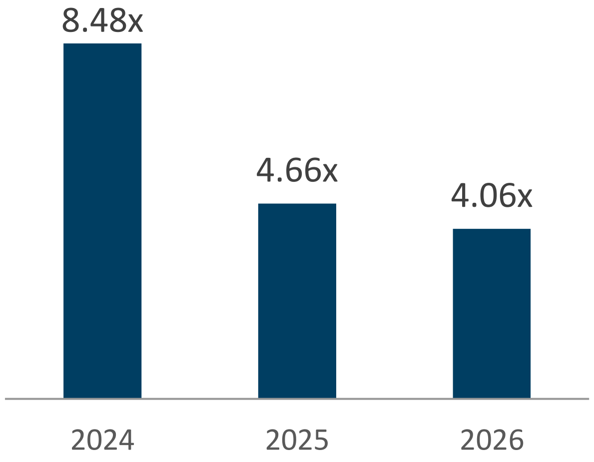
## YE 2024E Revolving Credit Facility and Indenture Restricted Payment terms[1]:

- Net Leverage Ratio < 2.0 ✓
- Total Collateral Coverage Ratios ✓
- Builder Baskets ✓

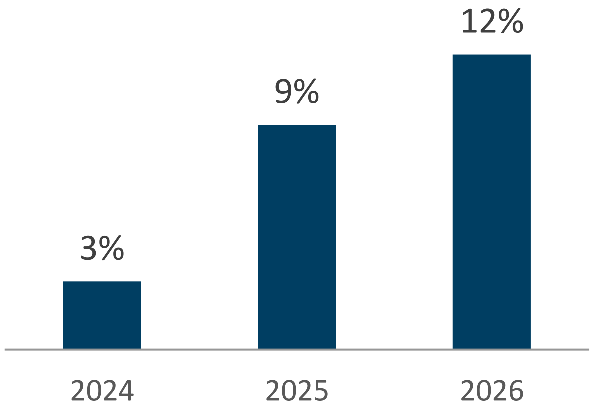
1) **Includes** the estimated potential financial impact of the Ocean GreatWhite event.
2) Includes revenue associated with managed rig contracts, excludes reimbursable revenue.
3) Non-GAAP, excludes asset sales and impairments.

# Diamond EBITDA Multiples and Free Cash Flow Yield

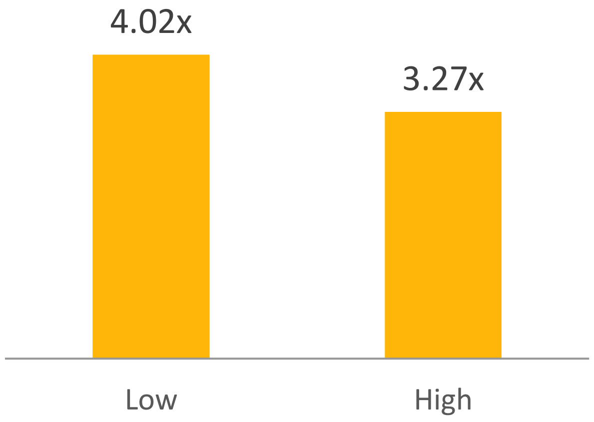
## Multiple on Consensus EBITDA[1]



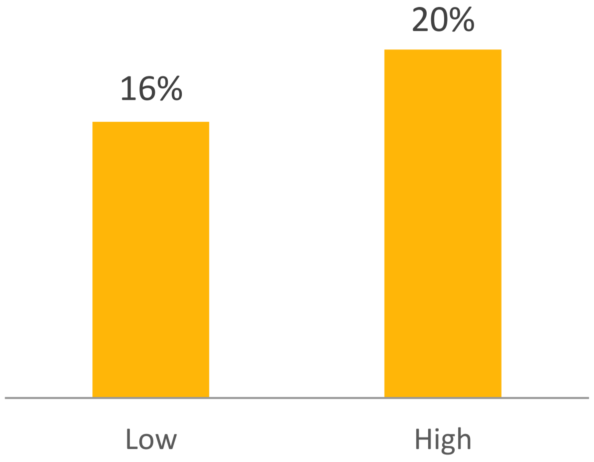

## Consensus Free Cash Flow Yield[2]




## Multiple on Illustrative EBITDA[3]




## Illustrative Free Cash Flow Yield[3,4]




1) Source – Consensus EBITDA and FCF per Bloomberg as of May 31, 2024. Enterprise Value / Consensus EBITDA estimates. Enterprise Value excludes long-term lease obligations.
2) Consensus FCF estimates / Enterprise Value.
3) Illustrative EBITDA and FCF per Diamond shown on slide 7. Enterprise Value / Illustrative EBITDA (High and Low).
4) Illustrative FCF (High and Low) / Enterprise Value

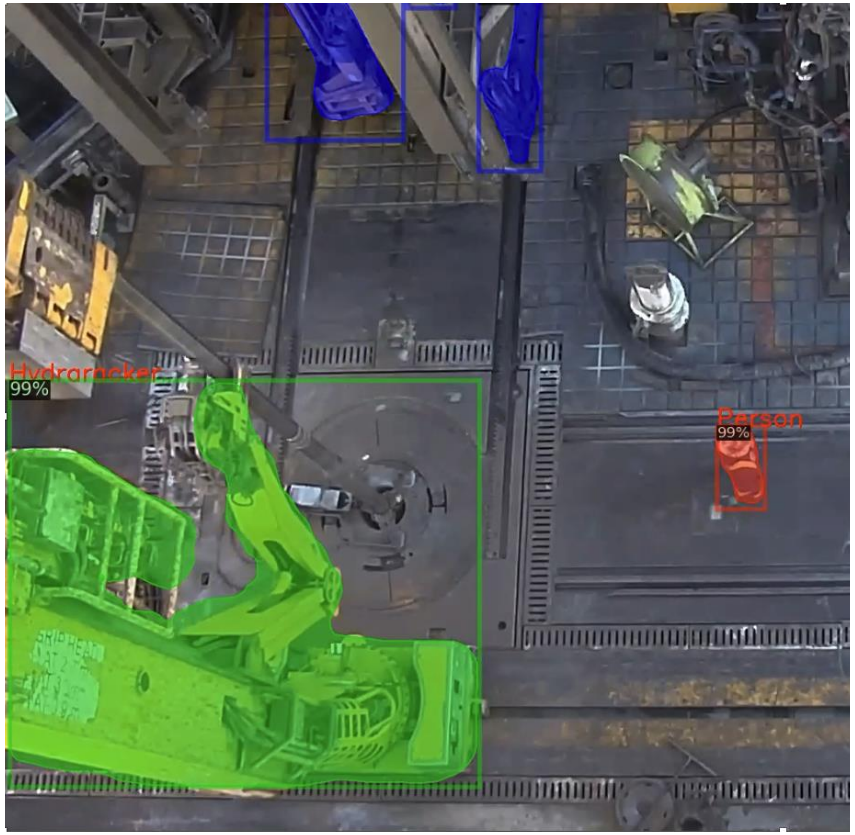
# Balance Sheet – Solid Liquidity

| Debt Obligations (Mar 31, 2024) | Coupon | Maturity | Drawn Amount | Facility Size |
|---|---|---|---|---|
| Revolving Credit Facility | SOFR + 4.250 % | Apr-26 | - | 300 |
| Secured Second Lien Notes | 8.5% | Oct-30 | 550 | 550 |
| **Total** | | | **550** | **850** |
| (-) Cash[1] | | | (162) | |
| **Net Debt** | | | **$ 388** | |
| **Liquidity[2]** | | | | **$ 461** |
| Annualized BOP Lease Payments<br>BOP Lease Buyout | | Due 2026<br>(through mid-2026) | | $26 million<br>Up To $85 million |

| Share Count Build (Mar 31, 2024) | Number of RSUs and RS (mm) | Number of Warrants (mm) | Strike Price | Shares (mm) |
|---|---|---|---|---|
| Common Stock | NA | NA | NA | 102.5 |
| Emergence Warrants | NA | 7.5 | $ 29.22 | NA |
| Long Term Incentive Equity (Unvested) | 3.9 | NA | NA | 3.9 |
| **Potential Diluted Shares Outstanding** | | | | **106.4** |

1) Excludes restricted cash
2) Excludes $1.9 million of LCs issued under Revolving Credit Facility

# Investing in Our Future




## Investment in People and Processes

**Safer Operations**
Automated Red Zone Management

**Precision**
Managed Pressure Drilling (MPD)

**Emissions Reduction**
Engine control management and enhanced fuel monitoring

**Process Safety**
Electronic Permit to Work

**Data Analysis**
Leveraging AI to analyze historical incident data to manage risk

**Personal Safety**
Human factors performance focus

## Environmental and Social Governance

**Responsible Stewardship**
Real-time emissions monitoring

**Hardening Security**
Cybersecurity focus

**Responsible Operation**
New Human Rights Policy

# Diamond Offshore Value Proposition

### Building Backlog at Leading-Edge Dayrates

- Recent contract wins at improving dayrates drive EBITDA and FCF growth
- Favorable repricing opportunities with drillship & semis in 2025

### Operational Leverage

- Reduced shipyard days with 2 SPS's planned for 2024, 1 for 2025, and none for 2026
- Secured marketing rights for three 7th gen drillships

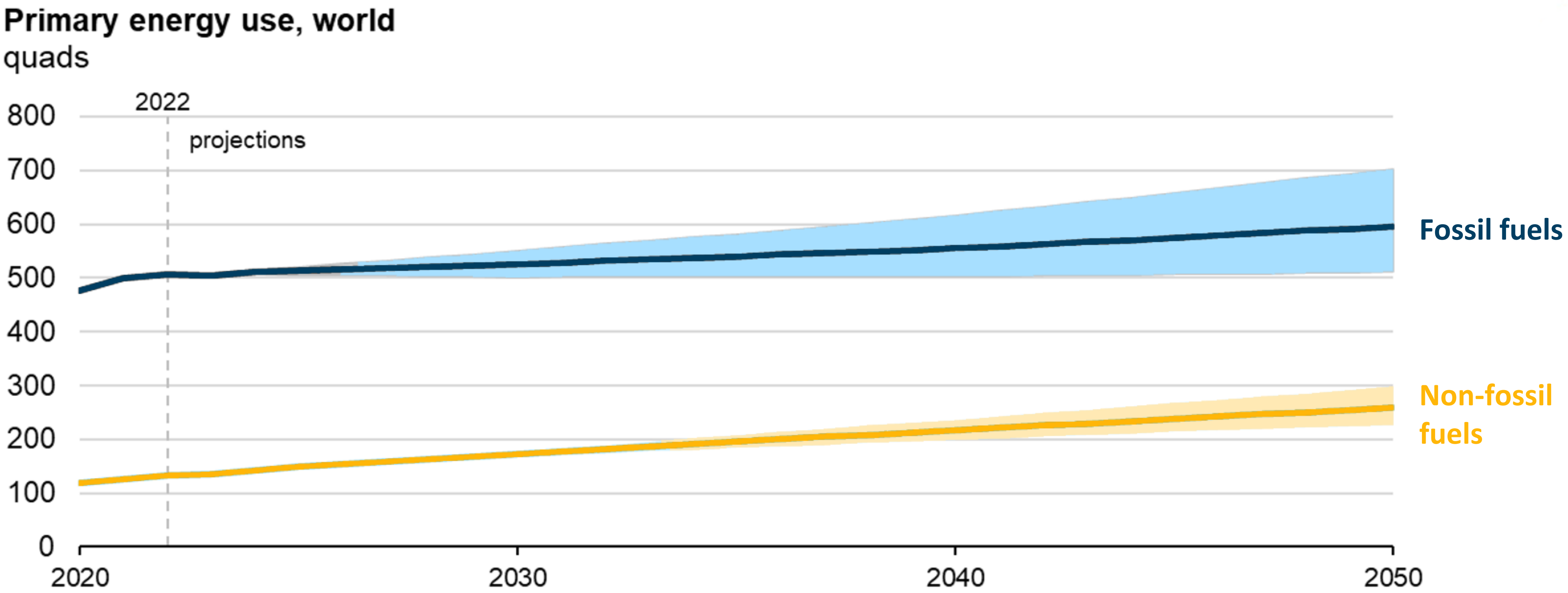
### Earnings Growth and Deleveraging

- Minimal near-term maturities, ample liquidity and substantial deleveraging as dayrates progress higher

## The Diamond Difference™

# Market Fundamentals

# Fossil Fuels Predicted to Grow and Remain Primary Source of Energy Through 2050

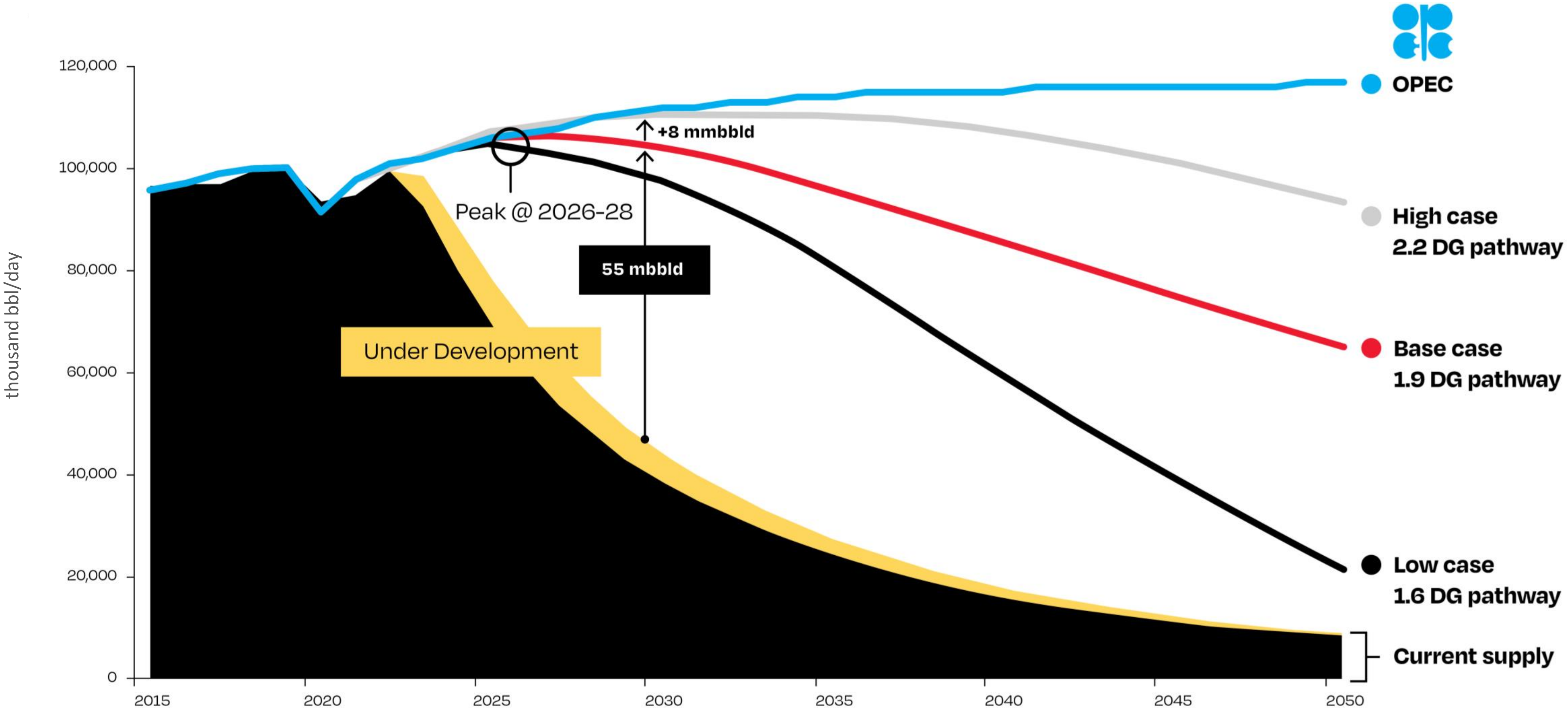



Data source: U.S. Energy Information Administration, *International Energy Outlook 2023* (IEO2023)
Note: Each line represents IEO2023 Reference case projections. Shaded regions represent maximum and minimum values for each projection year across the IEO2023 Reference case and side cases. Quads=quadrillion British thermal units.

IEO2023 Release, CSIS
October 11, 2023

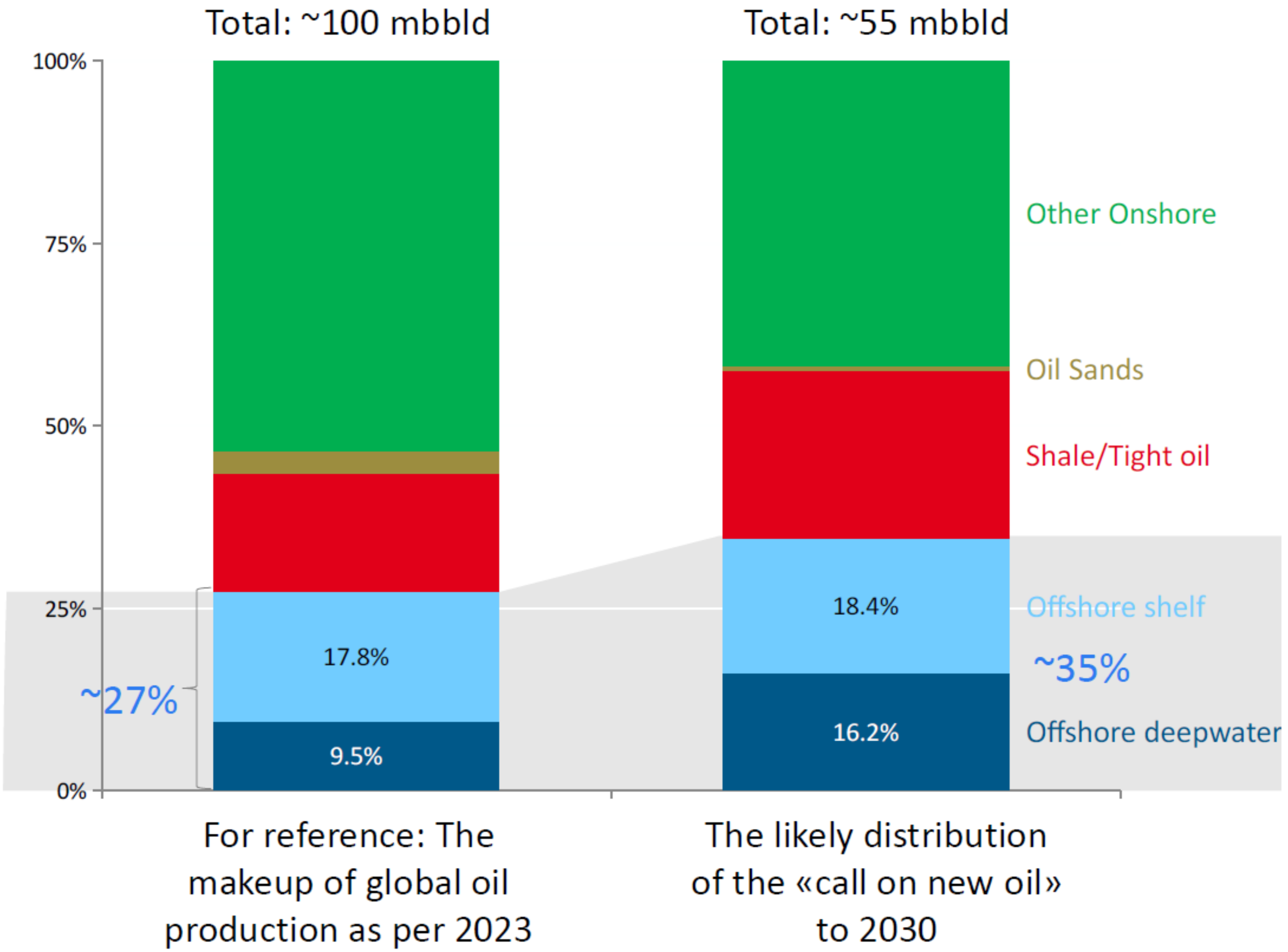
# Significant New Barrels Required Under a Variety of Scenarios

- 55 million bbl/day to be developed to address depletion through 2030




Source: RystadEnergy

# Deepwater to Fill Call for New Oil to Replace Depletion

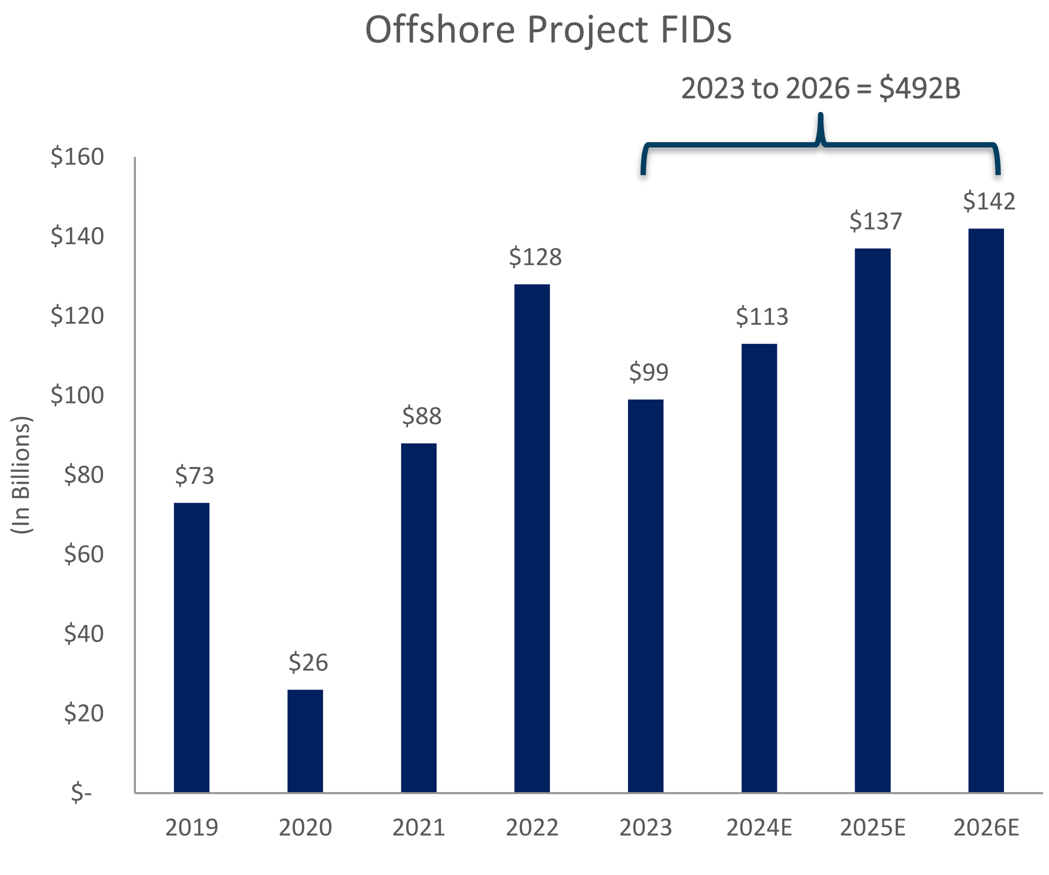



Offshore, driven by deepwater, to capture a larger share of the «call for new oil» than what it has in the current supply-stack

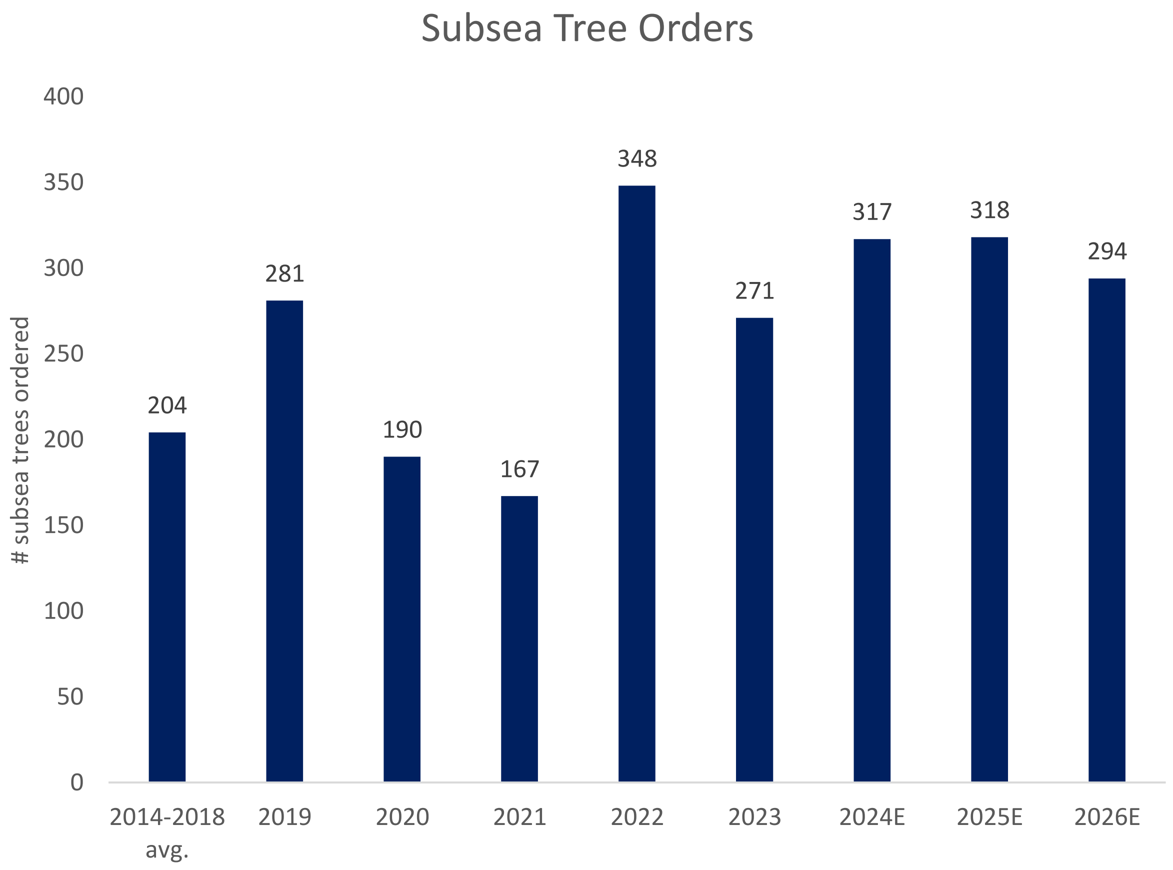
Source: RystadEnergy

# Energy Poised for Multi-Year Upcycle

- Robust levels of FIDs and subsea tree orders support long tail of activity in offshore drilling

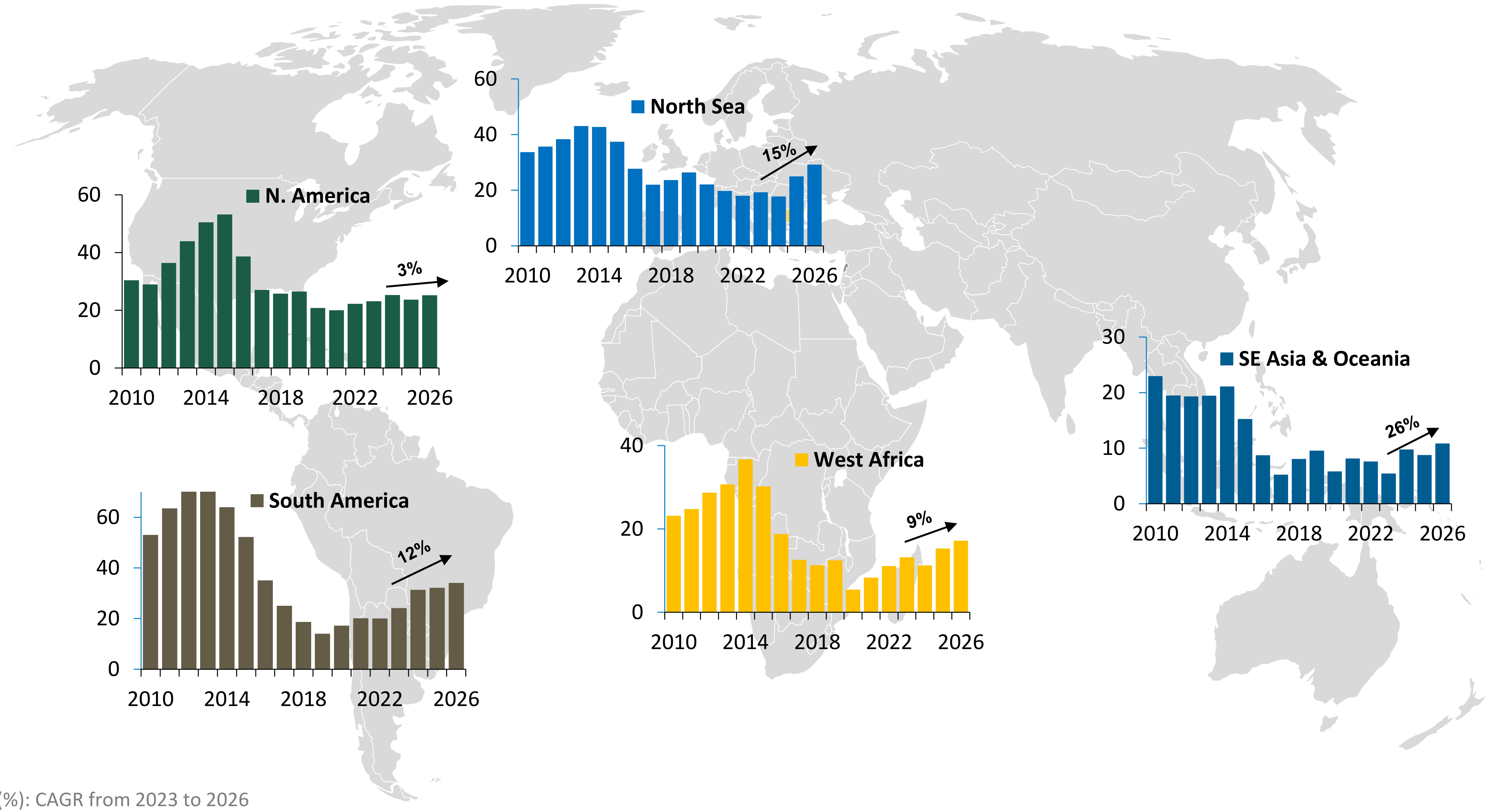



Source: Wood Mackenzie (March 2024), Company Reports, Barclays Research




Source: Bloomberg, BTIG Research

# Global Offshore Demand Growth* in Rig Years - Floaters




*Growth (%): CAGR from 2023 to 2026
Source: Rystad Energy RigCube April 2024

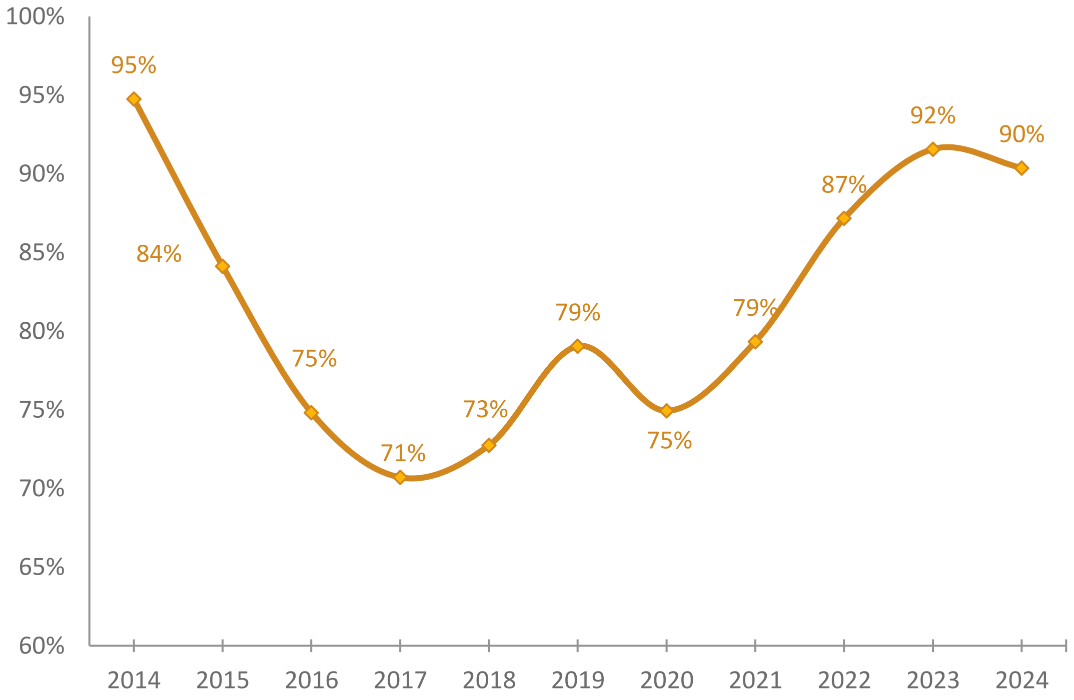
# Strength in Drillship Dayrates and Marketed Utilization Continues

- Dayrates and marketed utilization at highest levels since prior peak

Drillship Dayrates


Sources: Clarksons Platou Securities AS, Clarksons Research Services Ltd., RigLogix

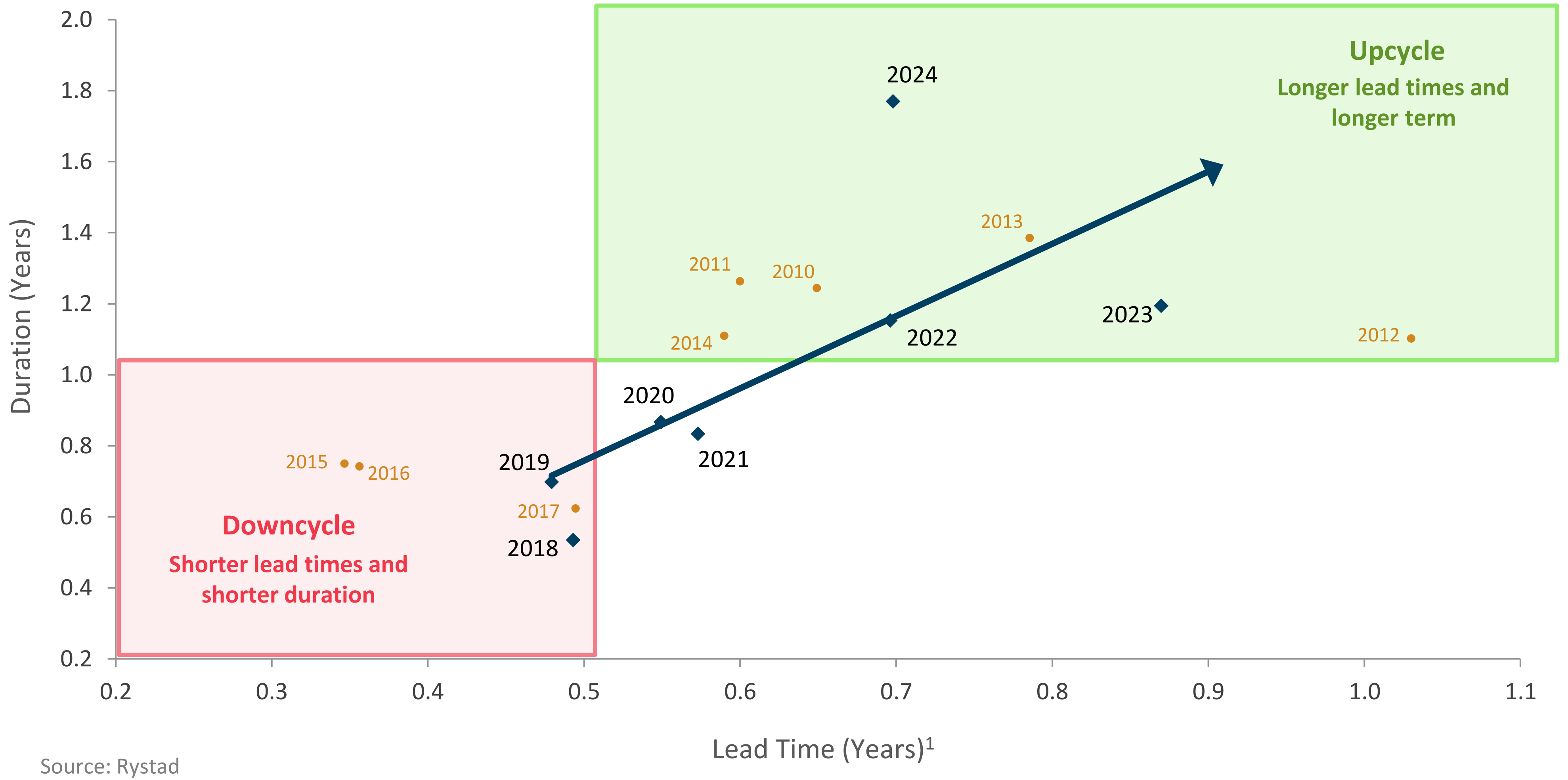
Marketed Utilization for Drillships




Source: S&P Global

# Contract Lead Times and Durations Confirm Upcycle

- 2024 fixtures confirm industry upcycle




Source: Rystad

1) Represents time from contract execution to contract commencement.

Kevin Bordosky

Senior Director – Investor Relations
Phone: +1.281.647.4035
E-mail: ir@dodi.com

diamondoffshore.com