



# Diamond Offshore

NYSE: DO

Q2 2023 Earnings Call

August 8, 2023

# Forward Looking Statements

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The statements in this presentation that are not historical facts, including statements regarding future performance, are forward-looking statements within the meaning of the federal securities laws. Forward-looking statements are inherently uncertain and subject to a variety of assumptions, risks and uncertainties that could cause actual results to differ materially from those currently anticipated or expected by management of Diamond Offshore Drilling, Inc. (the “Company”). These risks and uncertainties include, among others, risks associated with worldwide demand for drilling services, level of activity in the oil and gas industry, renewing or replacing expired or terminated contracts, contract cancellations and terminations, maintenance and realization of backlog, impairments and retirements, operating risks, regulatory initiatives and compliance with governmental regulations, litigation, rig reactivations, and various other factors, many of which are beyond the Company’s control. A discussion of the risk factors and other considerations that could materially impact the Company’s overall business and financial performance can be found in the Company’s reports filed with the Securities and Exchange Commission (the “SEC”) and readers of this report are urged to review these reports carefully. Given these risk factors, investors and analysts should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of such statement, and the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

The Company uses non-generally accepted accounting principles (“non-GAAP”) financial measures in this presentation. Generally, a non-GAAP financial measure is a numerical measure of a company’s performance, financial position or cash flows that excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. Management believes that an analysis of this data is meaningful to investors because it provides insight with respect to ongoing operating results of the Company and allows investors to better evaluate the financial results of the Company. Non-GAAP financial measures should be considered to be a supplement to, and not as a substitute for, or superior to, financial measures prepared in accordance with GAAP.



Awarded  
**\$229M**  
in new contracts

Revenue and Adjusted  
EBITDA increased  
compared to Q1 2023

Available days<sup>1</sup>  
booked:  
**2023: 94%**  
**2024: 68%**

- **Ocean BlackHawk** completes Senegal contract and commences shipyard project ahead of Gulf of Mexico campaign
- **Ocean Endeavor** earns performance bonus for first well after shipyard stay
- **Ocean Apex** completes shipyard project and mobilizes to contract location offshore Australia

1) Based on committed days for actively marketed rigs, excluding cold stacked rigs and excluding priced options.



# Diamond Offshore At a Glance

Market  
Capitalization<sup>1</sup>

**\$1.6B**

Backlog<sup>2</sup>

**\$1.6B**

Q2-23 Adjusted  
EBITDA

**\$36M**

Share of Fleet  
Contracted<sup>3</sup>

**85%**

Average Fleet Age<sup>4</sup>

**15 years**

Owned Fleet<sup>5</sup>

**11 rigs**

1) Source: Bloomberg as of 01 Aug 2023

2) As of Jul 1, 2023

3) Includes managed rigs and excludes rig held for sale.

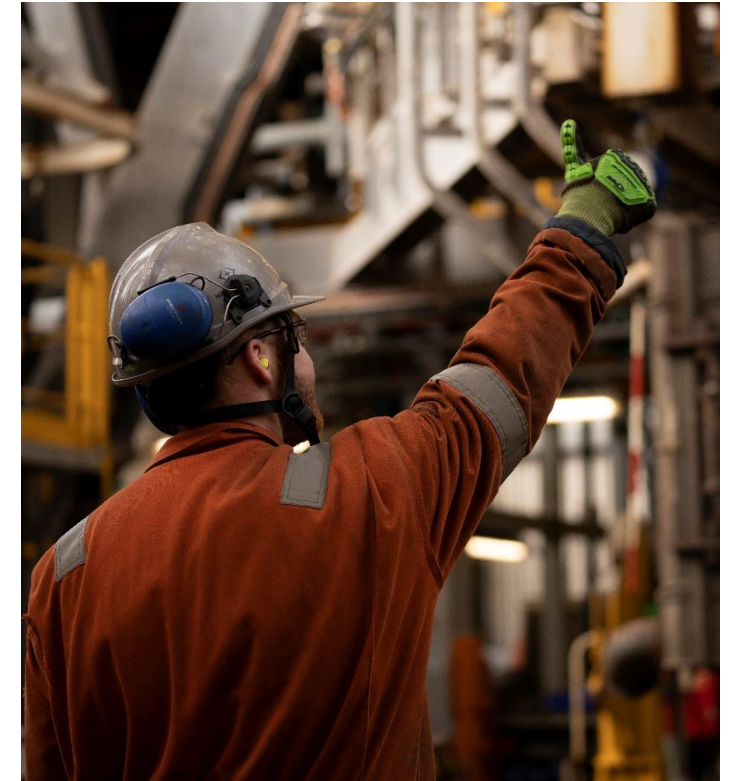
4) As of 01 Aug 2023. Source: S&P Global, adjusted for re-delivery of rigs following major upgrades.

5) Excludes rig held for sale.

## Q2 '23 Financial Highlights (\$M)



	Q2 2023	Q1 2023
Adjusted EBITDA	\$36	\$22
Total Revenues	\$282	\$232
G&A Expenses	\$17	\$20
Capital Expenditures	\$29	\$29
Free Cash Flow	(\$9)	(\$41)
Net Debt <sup>2</sup>	\$337	\$328
Liquidity	\$269	\$280
Backlog <sup>1</sup>	\$1,580	\$1,596

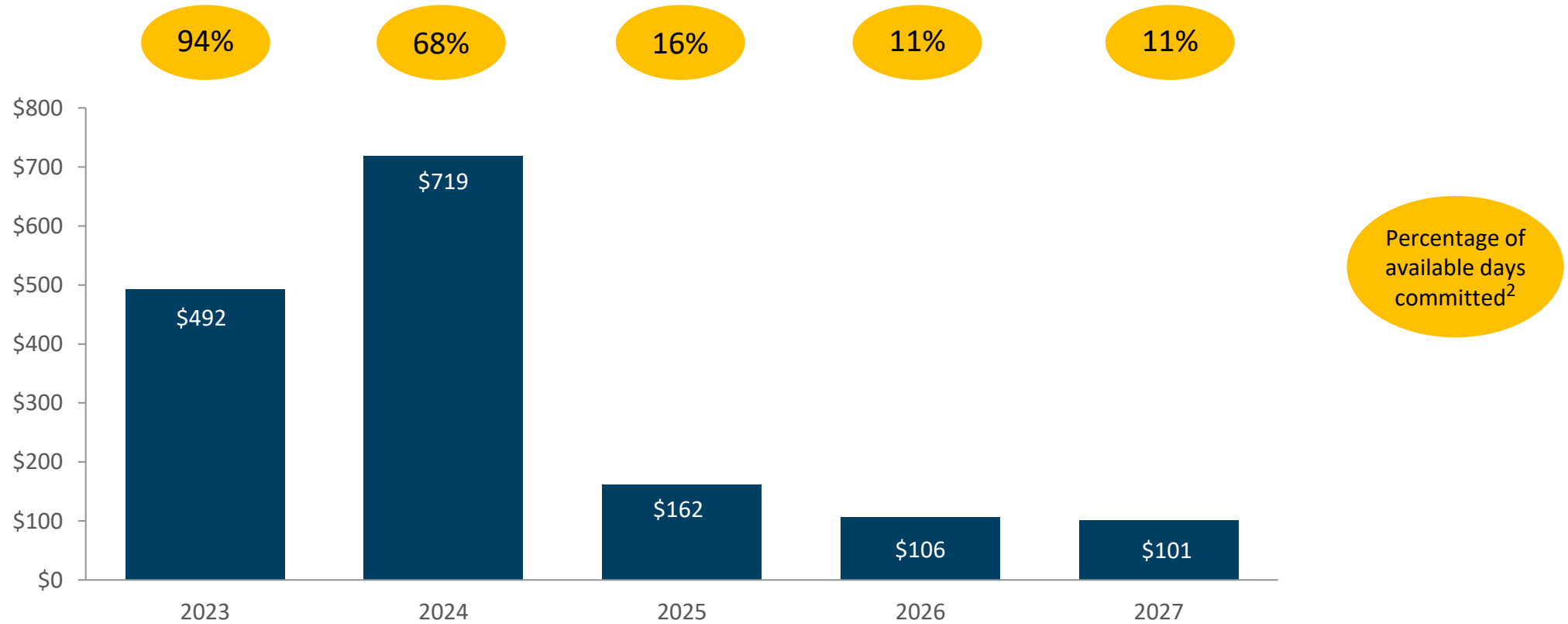


- 1) Backlog as of Jul 1, 2023.
- 2) Excludes finance lease liabilities

# Backlog (\$M)<sup>1</sup> and Contract Coverage (%)<sup>2</sup>



- Current Backlog is \$1.6B<sup>1</sup>



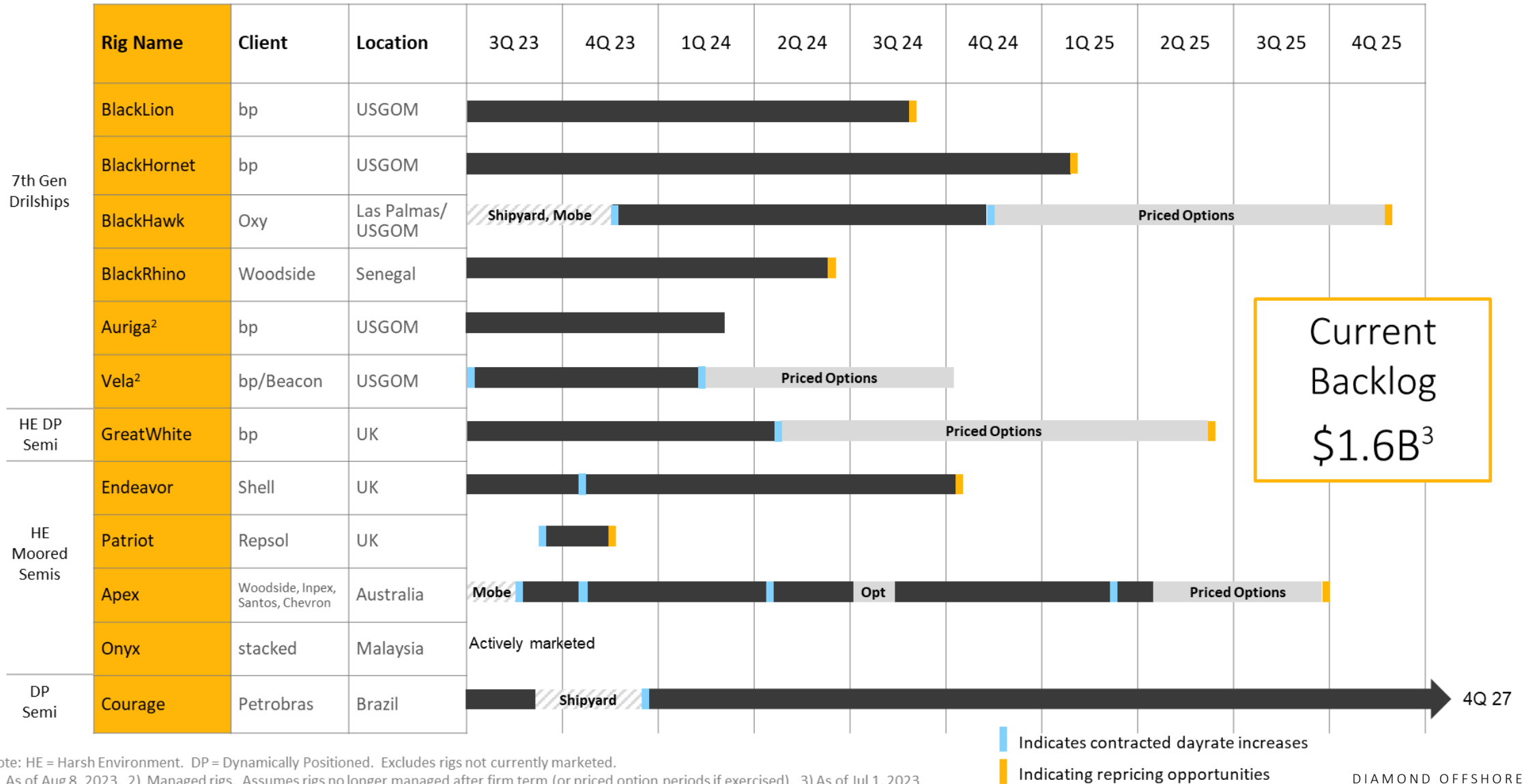
1) As of Jul 1, 2023.

2) Contract coverage is based on committed days, excluding cold stacked rigs and excluding priced options.

# Diamond Offshore Fleet Status<sup>1</sup>



Recent contract wins totaling \$229 million on BlackHawk, BlackRhino, Endeavor, Patriot and GreatWhite



Note: HE = Harsh Environment. DP = Dynamically Positioned. Excludes rigs not currently marketed.

1) As of Aug 8, 2023. 2) Managed rigs. Assumes rigs no longer managed after firm term (or priced option periods if exercised). 3) As of Jul 1, 2023.

## 2023E Current Guidance (\$M)<sup>1</sup>

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Total Revenue<sup>2</sup>  
**\$950 – \$960**

Adjusted EBITDA<sup>3</sup>  
**\$105 – \$120**

CAPEX  
**\$120 – \$135**

- 1) As of Aug 8, 2023
- 2) Includes revenue associated with managed rig contracts, excludes reimbursable revenue
- 3) Non-GAAP, excludes asset sales and impairments.



# Appendix: Reconciliation to GAAP Measures



Reconciliation of Loss Before Income Tax Benefit (Expense) to Adjusted EBITDA: (In thousands)	Three Months Ended June 30, 2023	Three Months Ended March 31, 2023
As reported loss before income tax benefit (expense)	\$ (4,342)	\$ (18,416)
Interest expense	12,755	12,040
Interest income	(5)	(7)
Foreign currency transaction loss	1,968	1,271
Depreciation	27,906	27,906
Gain on disposition of assets	(1,933)	(1,213)
Other, net	(136)	152
<b>Adjusted EBITDA</b>	<b>\$ 36,213</b>	<b>\$ 21,733</b>



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