



Seadrill

# Investor Presentation

September 2024

Version 2



# Disclaimer

**FORWARD-LOOKING STATEMENTS:** This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company's outlook and guidance, plans, strategies, business prospects and financial performance, operations and rig activity and changes and trends in its business and the markets in which it operates, are forward-looking statements. These forward-looking statements can often, but not necessarily, be identified by the use of forward-looking terminology, including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative, or other variations or comparable terminology. These statements are based on management's current plans, expectations, assumptions and beliefs concerning future events impacting the Company and therefore involve a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: those described under Item 3D, "Risk Factors" in the Company's Annual Report on Form 20-F for the year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission (the "SEC") on March 27, 2024, offshore drilling market conditions including supply and demand, dayrates, customer drilling programs and effects of new or reactivated rigs on the market, contract awards and rig mobilizations, contract backlog, dry-docking and other costs of maintenance, special periodic surveys, upgrades and regulatory work for the drilling rigs in the Company's fleet, the cost and timing of shipyard and other capital projects, the performance of the drilling rigs in the Company's fleet, delay in payment or disputes with customers, Seadrill's ability to successfully employ its drilling units, procure or have access to financing, ability to comply with loan covenants, fluctuations in the international price of oil, international financial market conditions, inflation, changes in governmental regulations that affect the Company or the operations of the Company's fleet, increased competition in the offshore drilling industry, the review of competition authorities, the impact of global economic conditions and global health threats, pandemics and epidemics, our ability to maintain relationships with suppliers, customers, employees and other third parties, our ability to maintain adequate financing to support our business plans, our ability to successfully complete and realize the intended benefits of any mergers, acquisitions and divestitures, and the impact of other strategic transactions, our liquidity and the adequacy of cash flows to satisfy our obligations, future activity under and in respect of the Company's share repurchase program, our ability to satisfy (or timely cure any noncompliance with) the continued listing requirements of the New York Stock Exchange, or other exchanges where our shares may be listed, the cancellation of drilling contracts currently included in reported contract backlog, losses on impairment of long-lived fixed assets, shipyard, construction and other delays, the results of meetings of our shareholders, political and other uncertainties, including those related to the conflicts in Ukraine and the Middle East, and any related sanctions, the effect and results of litigation, regulatory matters, settlements, audits, assessments and contingencies, including any litigation related to acquisitions or dispositions, our ability to successfully integrate with Aquadrill LLC following its merger with the Company, the concentration of our revenues in certain geographical jurisdictions, limitations on insurance coverage, our ability to attract and retain skilled personnel on commercially reasonable terms, the level of expected capital expenditures, our expected financing of such capital expenditures and the timing and cost of completion of capital projects, fluctuations in interest rates or exchange rates and currency devaluations relating to foreign or U.S. monetary policy, tax matters, changes in tax laws, treaties and regulations, tax assessments and liabilities for tax issues, legal and regulatory matters in the jurisdictions in which we operate, customs and environmental matters, the potential impacts on our business resulting from decarbonization and emissions legislation and regulations, the impact on our business from climate change generally, the occurrence of cybersecurity incidents, attacks or other breaches to our information technology systems, including our rig operating systems, and other important factors described from time to time in the reports filed or furnished by us with the SEC.

The foregoing risks and uncertainties are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties, many of which are difficult to predict and beyond our control. In many cases, we cannot predict the risks and uncertainties that could cause our actual results to differ materially from those indicated by the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to us or to any person(s) acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement. We expressly disclaim any obligations or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in our expectations or beliefs with regard to the statement or any change in events, conditions or circumstances on which any forward-looking statement is based, except as required by law. Investors should note that we announce material financial information in SEC filings, press releases and public conference calls. Based on guidance from the SEC, we may use the Investors section of our website ([www.seadrill.com](http://www.seadrill.com)) to communicate with investors. It is possible that the financial and other information posted there could be deemed to be material information. The information on our website is not part of, and is not incorporated into, this presentation.

**NON-GAAP FINANCIAL MEASURES:** This presentation refers to Adjusted EBITDA and Adjusted EBITDA Margin, including certain metric(s) derived therefrom. These non-GAAP financial measures are not alternatives to GAAP measures and should not be considered in isolation or as an alternative for analysis of the Company's results as reported under GAAP. For additional disclosures regarding these non-GAAP measures, including definitions of these terms and a reconciliation to the most directly comparable GAAP measure(s), please refer to the appendix found at the end of this presentation.

**INDUSTRY AND MARKET DATA:** This presentation includes market data, estimates and forecasts that are based on publicly available information or information and data from third-party sources believed by the Company to be reliable. We have not independently verified the accuracy or completeness of the information and data and neither guarantee its accuracy or completeness nor undertake the responsibility to update such data after the date of this presentation.



# Seadrill is a disciplined deepwater driller



## Premium floater pure-play

Operate 12 drillships, one niche semi-sub, and two harsh environment units<sup>1</sup>  
Exited jack-up segment in two transactions (Sept. 2022, June 2024)



## Intentional positioning in advantaged geographies

Cluster assets primarily in Golden Triangle, 70%+ of global deepwater demand  
Target three or more rigs in each region, achieving local leadership and scale



## Commitment to maximizing fleet's earnings potential

Deliver safe, responsible, efficient drilling operations to achieve most uptime  
Secure leading rates and terms and conditions that support revenue efficiency  
Apply portfolio approach to contracting fleet, laddering expirations



## Prudent capital stewardship with leading shareholder returns program

Maintain strong balance sheet with low leverage to support capital priorities  
Invest in performance, competitiveness, and utility of active fleet  
Returned more than \$665MM through share repurchases since Sept. 2023

AT A GLANCE  
NYSE: SDRL

~\$2.8B

Enterprise value

15

Actively-marketed rigs

~\$2.6B

Contract backlog

\$340MM

2024E Adj. EBITDA<sup>2</sup> mid-point

~25%

2024E Adj. EBITDA margin<sup>2</sup> mid-point

~18%

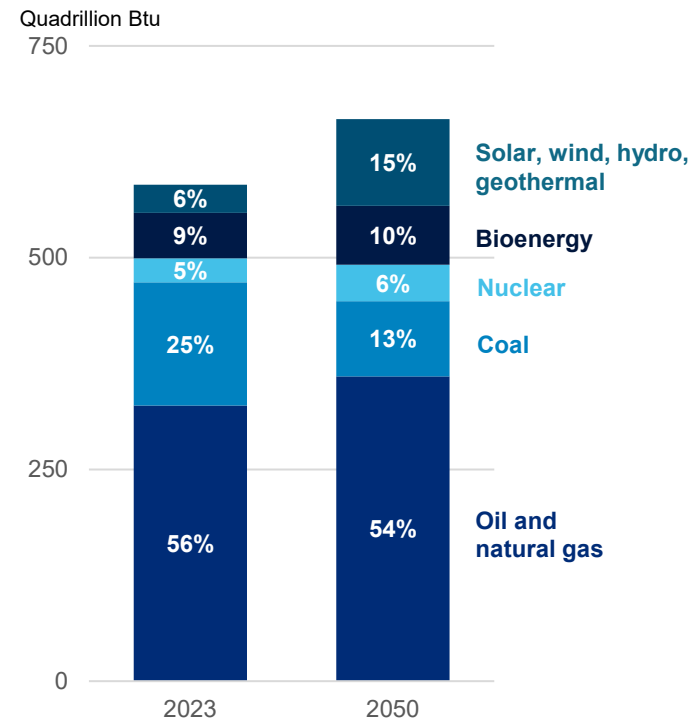
Share count reduction  
in last 12 months

# Deepwater demand will prove resilient

## Oil and gas remains essential

It will continue to represent >50% of global energy supply, reaffirming industry sustainability

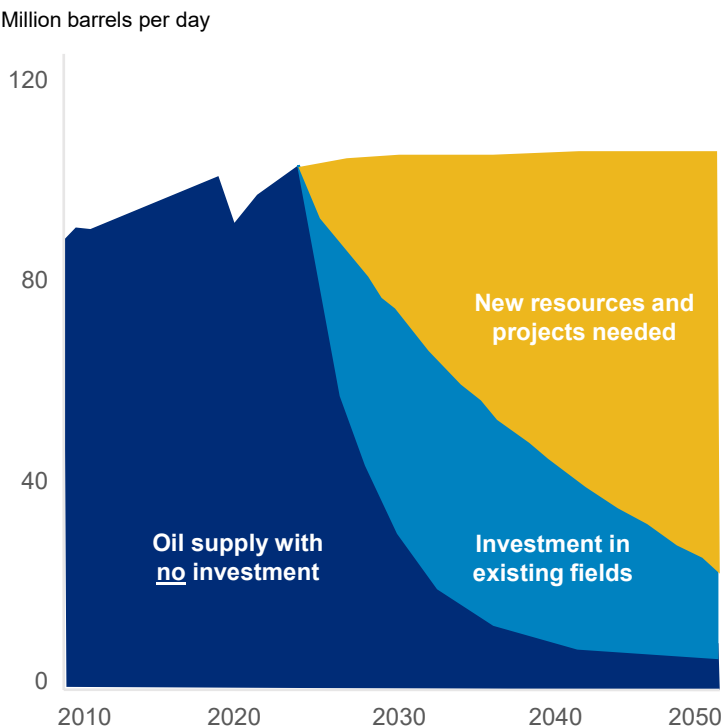
### Global energy mix



## Depleting resources require reinvestment

Natural decline rates contribute to diminishing supply, absent investment in the drill bit

### Oil supply outlook



## Deepwater is *the* marginal barrel

It should continue to attract E&P capital as it represents some of the most advantaged, profitable projects

### Deepwater performance relative to other sources

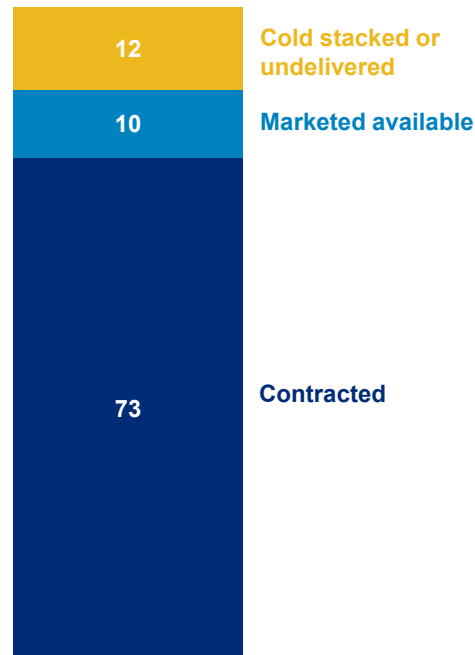
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Production volumes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Break-evens	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Decline rates	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Emissions profile	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

# Supply-demand balance is dynamic

## Global drillship supply is limited

Reinvestment requirements and lack of operating history may disadvantage certain sidelined assets

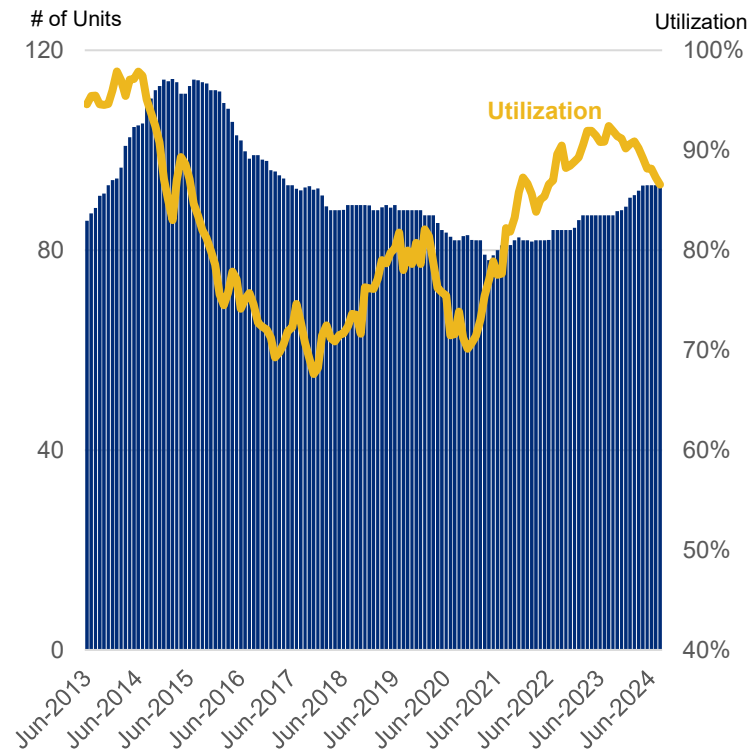
### Global drillship supply<sup>1</sup>



## Contracted utilization recently softened

Demand deferrals led to fewer contract awards and more idle supply, though utilization still exceeds 85%

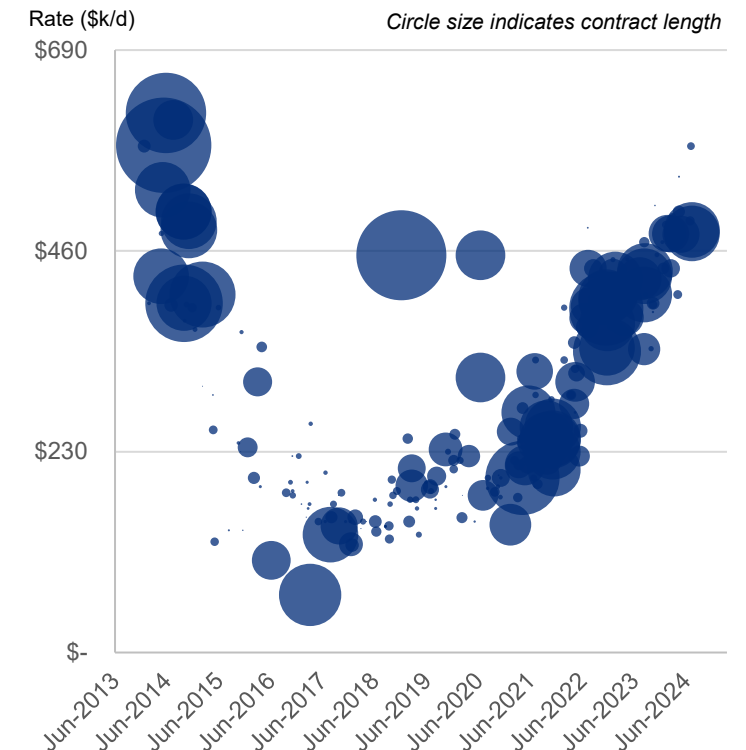
### Drillship contracted utilization



## Dayrate progression continues

Intensifying competition may contribute to rate distribution, in certain geographies and asset classes

### Drillship dayrates and duration



# Upcoming contracting opportunities drive growth

## Strong contracting coverage in 2025

67% of available days already committed

### Key activities

Renewal and repricing of legacy Brazil contracts

Utilization secured for available near-term capacity

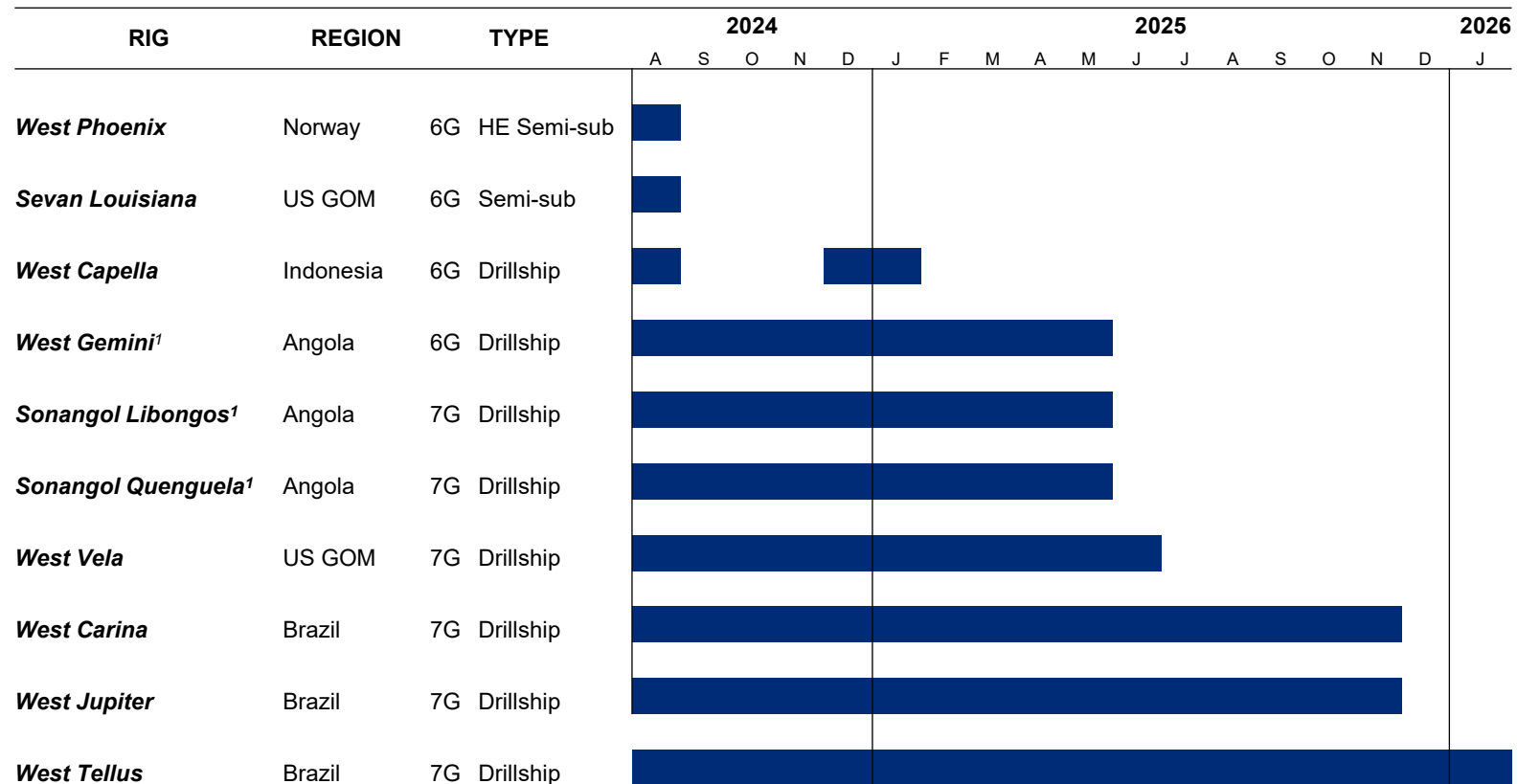
Cost management on idle units

Recontracting of three Sonadrill drillships

Continued rate progression on *West Vela*

## Seadrill rigs with availability over next ~18 months

Excerpt from August fleet status report



Firm contracts

**Seadrill is a disciplined, deepwater driller**

**Deepwater demand will prove resilient**

**Supply-demand balance is dynamic**

**Upcoming contracting opportunities drive growth**

# Appendix: Non-GAAP Measure Reconciliation

Adjusted EBITDA represents operating profit before depreciation, amortization and similar non-cash charges. Additionally, in any given period, the Company may have significant, unusual or non-recurring items which may be excluded from Adjusted EBITDA for that period. When applicable, these items are fully disclosed and incorporated into the reconciliation provided. Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of Total operating revenues.

Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. The Company believes that the aforementioned non-GAAP financial measures assist investors by excluding the potentially disparate effects between periods of interest, other financial items, taxes and depreciation and amortization, which are affected by various and possibly changing financing methods, capital structure and historical cost basis and which may significantly affect operating profit between periods.

Adjusted EBITDA and Adjusted EBITDA Margin, should not be considered as alternatives to operating profit or any other indicator of Seadrill Limited's performance calculated in accordance with US GAAP.

## Below table reconciles operating profit to Adjusted EBITDA for 2024 guidance numbers

<i>Figures in USD million, unless otherwise indicated</i>	2024 Guidance	
	Low end of the range	High end of the range
<b>Operating profit</b>	<b>322</b>	<b>372</b>
Depreciation and amortization	173	173
Merger and integration related expenses	15	15
Gain on sale of assets	(203)	(203)
Other adjustments <sup>(1)</sup>	8	8
<b>Adjusted EBITDA (a)</b>	<b>315</b>	<b>365</b>
<b>Total operating revenues (b)</b>	<b>1,355</b>	<b>1,405</b>
<i>Adjusted EBITDA margin (a)/(b)</i>	23.2%	26.0%