



# Diamond Offshore

NYSE: DO

Q4 2023 Earnings Call

February 28, 2024

# 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.

# Key Results and Operational Highlights



Awarded  
**\$245M**  
in new contracts

Earned  
**\$72M**  
in Adjusted EBITDA

Started  
**4 Contracts**  
at higher rates

- **Ocean Patriot** secured 35-well P&A campaign for approximately three years of work commencing in early 2025
- **Ocean GreatWhite** secured third priced option well in the UK with an estimated duration of 60 days
- **Ocean BlackRhino** secured one-well campaign offshore Guinea-Bissau
- **Ocean Courage, Ocean BlackHawk, Ocean Apex, and Ocean Patriot** commenced higher-rate contracts
- After the quarter, we secured \$362 million of contract awards, including a two-year contract extensions for the **Ocean BlackLion** in the Gulf of Mexico at a leading edge dayrate and additional P&A work for the **Ocean Patriot** in the UK

# Diamond Offshore At a Glance



Backlog<sup>1</sup>

**~\$1.6B**

Avg. Drillship  
Dayrate in Backlog

**\$408k/d**

2024 Projected  
EBITDA<sup>2</sup>

**\$230-250M**

Liquidity<sup>3</sup>

**\$422M**

Share of Fleet  
Contracted<sup>4</sup>

**83%**

Drillship fleet with  
MPD<sup>5</sup>

**100%**

Owned Fleet<sup>6</sup>

**11 rigs**

1) As of Feb 27, 2024.

2) Excludes the estimated financial impact of the GreatWhite incident.

3) As of Dec 31, 2023.

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

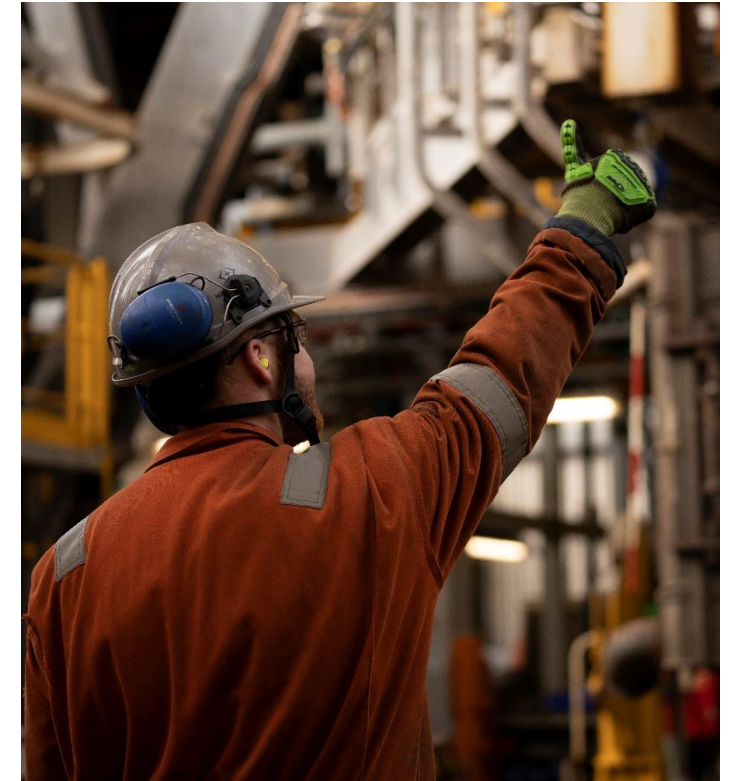
5) BlackRhino MPD to be installed in 2024.

6) Excludes rig held for sale.

# Q4 '23 Financial Highlights (\$M)



	Q4 2023	Q3 2023
Adjusted EBITDA	\$72	\$28
Total Revenues	\$298	\$245
G&A Expenses	\$19	\$17
Capital Expenditures	\$32	\$41
Free Cash Flow	(\$22)	(\$48)
Net Debt <sup>2</sup>	\$426	\$403
Liquidity	\$422	\$445
Backlog	\$1,605 <sup>1</sup>	\$1,642

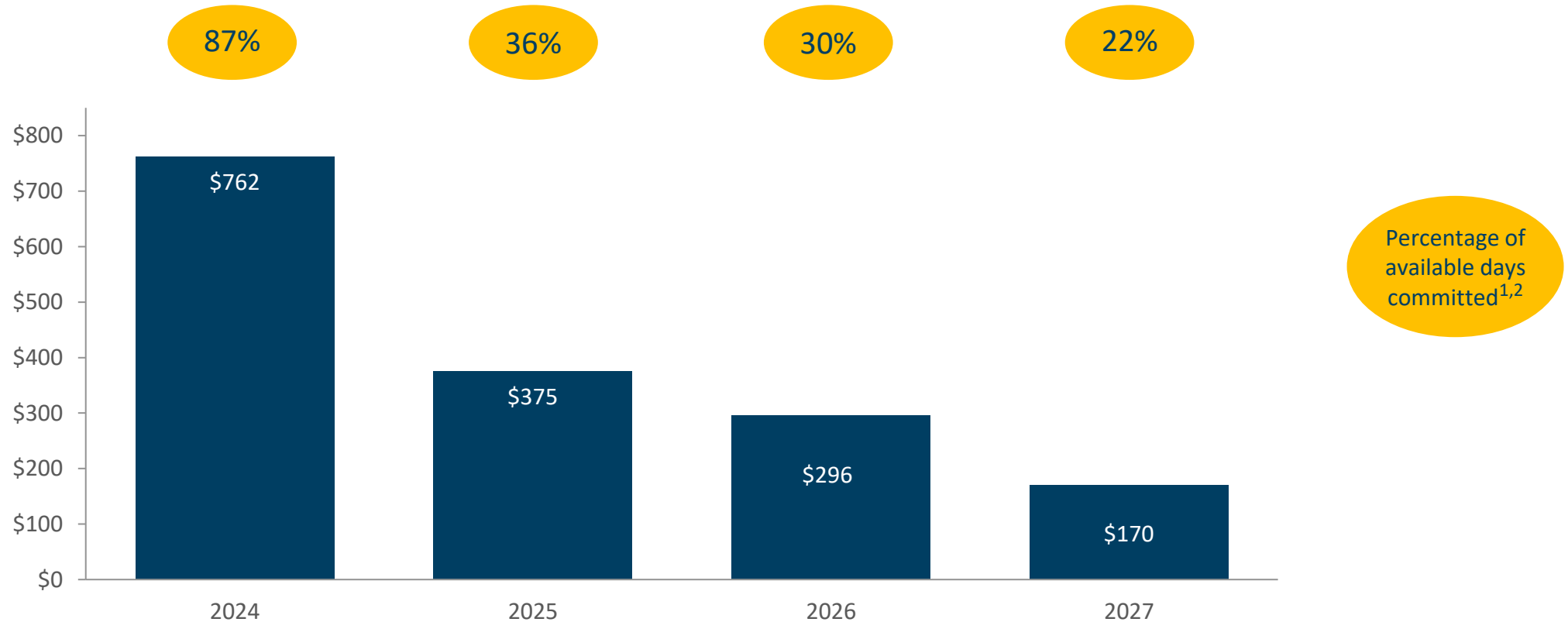


1) Backlog as of Feb 27, 2024.  
 2) Excludes finance lease liabilities.

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



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



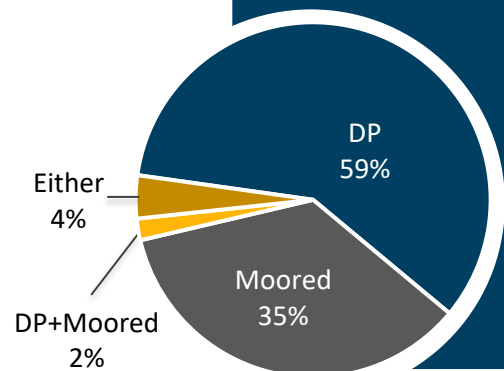
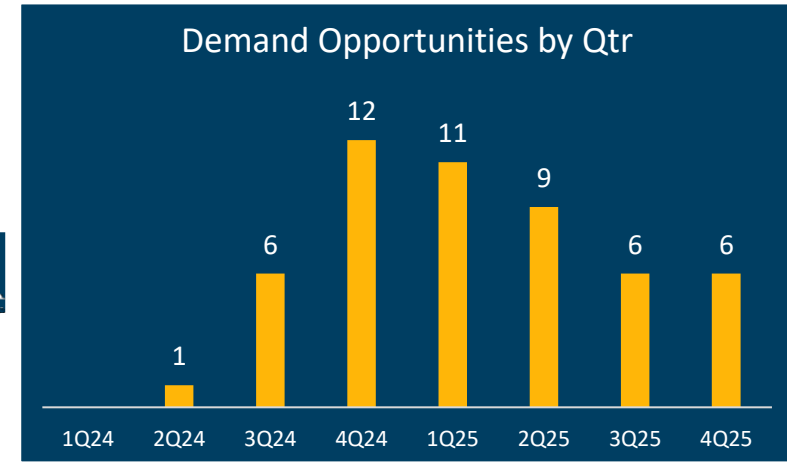
1) As of Feb 27, 2024.

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

# 51 Floater Opportunities<sup>1</sup> Commencing through 2025



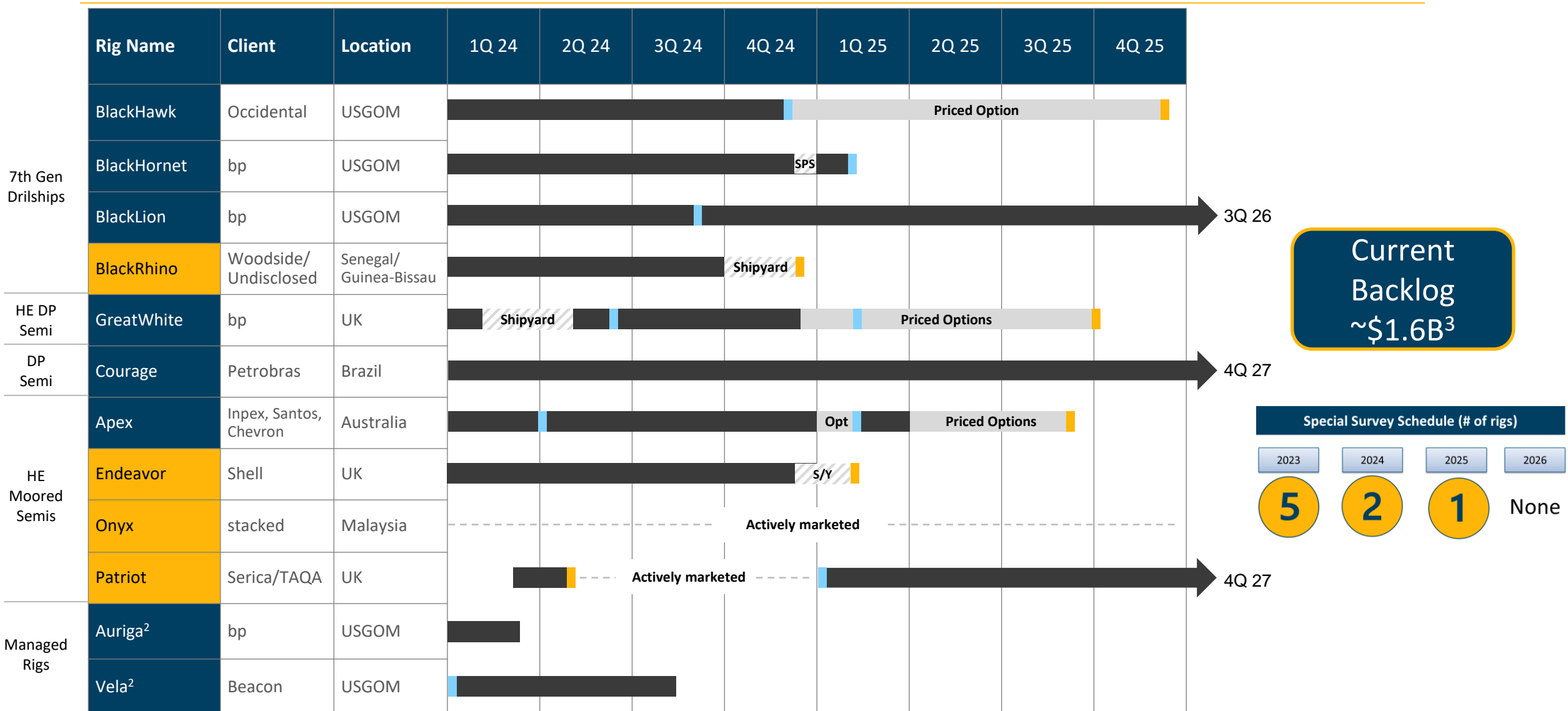
- **51** opportunities
- **52** rig years of demand commencing by 2025
- **31** customers



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



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



Note: HE = Harsh Environment. DP = Dynamically Positioned. Excludes rigs not currently marketed. ■ Near-term repricing opportunities ■ Indicates contracted dayrate increases ■ Indicates repricing opportunities

1) As of Feb 27, 2024. 2) Managed rigs. Assumes rigs no longer managed after firm term. 3) As of Feb 27, 2024.

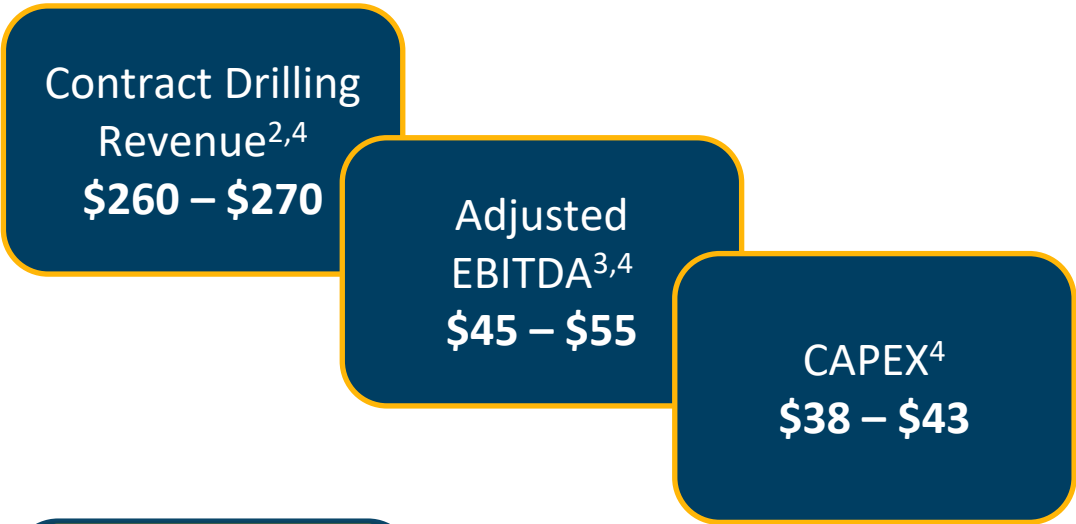
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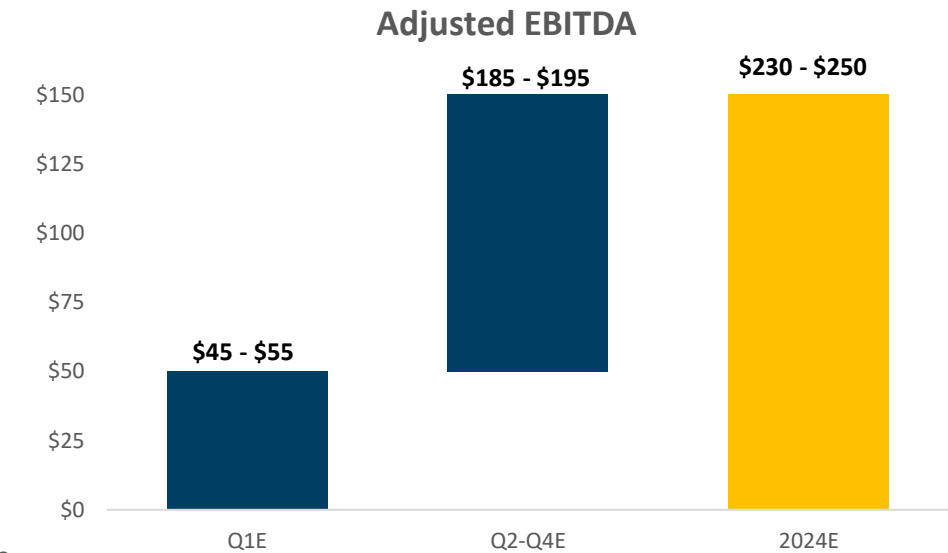
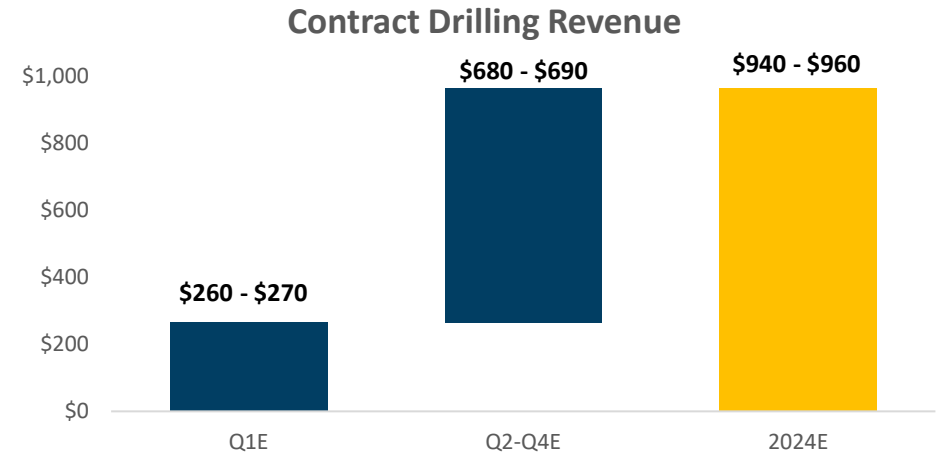
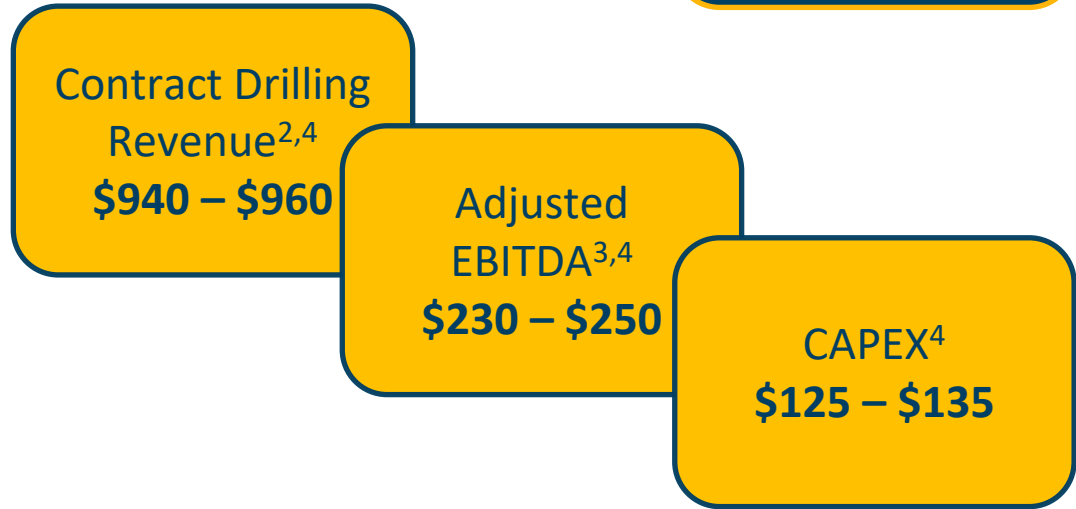
# Q1E and Full Year 2024E Guidance (\$M)<sup>1</sup>



## Q1E



## 2024E



1) As of Feb 28, 2024.  
 2) Includes revenue associated with managed rig contracts, excludes reimbursable revenue.  
 3) Non-GAAP, excludes asset sales and impairments.  
 4) Excludes the estimated financial impact of the GreatWhite incident.

# Appendix: Reconciliation to GAAP Measures



Reconciliation of Income (Loss) Before Income Tax Expense to Adjusted EBITDA: (In thousands)	Three Months Ended December 31, 2023	Three Months Ended September 30, 2023
As reported income (loss) before income tax expense	\$ 28,615	\$ (19,580)
Interest expense	14,847	13,774
Interest income	(1,464)	(161)
Foreign currency transaction loss (gain)	2,863	(184)
Loss on extinguishment of long-term debt	—	6,529
Depreciation	27,705	27,785
Gain on disposition of assets	(280)	(955)
Other, net	54	485
<b>Adjusted EBITDA</b>	<b>\$ 72,340</b>	<b>\$ 27,693</b>



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