

Seadrill[★]

4Q22 Earnings Presentation

Rounding up a
landmark year



Forward-Looking Statements & Disclaimer

This communication includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements other than statements of historical facts included in this communication, including those regarding future guidance, including total revenue, Adjusted EBITDA, Total Adjusted EBITDA and capital expenditures and long-term maintenance, and statements about the Company's plans, strategies, business prospects, 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, which speak only as of the date of this communication. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, offshore drilling market conditions including supply and demand, day rates, customer drilling programs and effects of new rigs on the market, contract awards and rig mobilizations, contract backlog, dry-docking and other costs of maintenance of 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, liquidity and adequacy of cash flow from operations, 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 impact of global economic conditions and global health threats, pandemics and epidemics, our ability to successfully complete any acquisitions, divestitures and mergers, our liquidity and the adequacy of cash flows for our obligations, our liquidity and the adequacy of cash flows for our obligations, our ability to satisfy the continued listing requirements of the New York Stock Exchange ("NYSE") and the Oslo Stock Exchange ("OSE"), or other exchanges where our common shares may be listed, or to cure any continued listing standard deficiency with respect thereto, the cancellation of drilling contracts currently included in reported contract backlog, losses on impairment of long-lived assets, shipyard, construction and other delays, the results of meetings of our shareholders, political and other uncertainties, including those related to the conflict in Ukraine, the effect and results of litigation, regulatory matters, settlements, audits, assessments and contingencies, including any litigation related to the merger of the Company (the "Merger") with Aquadrill LLC ("Aquadrill"), our ability to successfully integrate with Aquadrill following the Merger, 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, 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, and 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. Consequently, no forward-looking statement can be guaranteed. When considering these forward-looking statements, you should also keep in mind the risks described from time to time in the Company's filings with the SEC, including its Annual Report on Form 20-F for the year ended December 31, 2021, filed with the SEC on April 29, 2022 (File No. 001-39327) and subsequent reports on Form 6-K. The Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, the Company cannot assess the impact of each such factors on its business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.

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Key highlights



\$265m
FY22

\$41m
4Q22

Total adjusted EBITDA at the top end of 2022 guidance range⁽¹⁾



4Q22 strategic initiatives

\$592m

Prepaid 2nd lien debt⁽²⁾

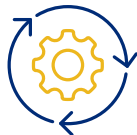


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Aquadrill floater and HE rigs acquired

14

Floater and HE rigs in operation⁽³⁾



95%
Technical

91%
Economic

4Q22 utilization



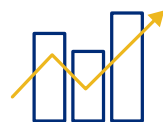
A transformational acquisition, delivering value for shareholders

A highly attractive transaction for all stakeholders



Consideration

All-stock transaction



Governance

J. Robertson to remain Chair and S. Johnson President & CEO



Closing

Completed in April 2023 on accelerated timeline

Overview of the transaction

- 1 Compatible fleets and seamless integration
Long-standing operational and management history with Seadrill
- 2 Improved capacity to deploy in a rising market
- 3 Substantial synergies to be realized
- 4 Significant credit and liquidity improvements

Acquisition provides enhanced fleet and scale



Drillships

4 drillships
(2x 7G and 2x 6G)



Harsh environment

1 semi-sub
(6G Harsh Environment)



Tender Assist Units

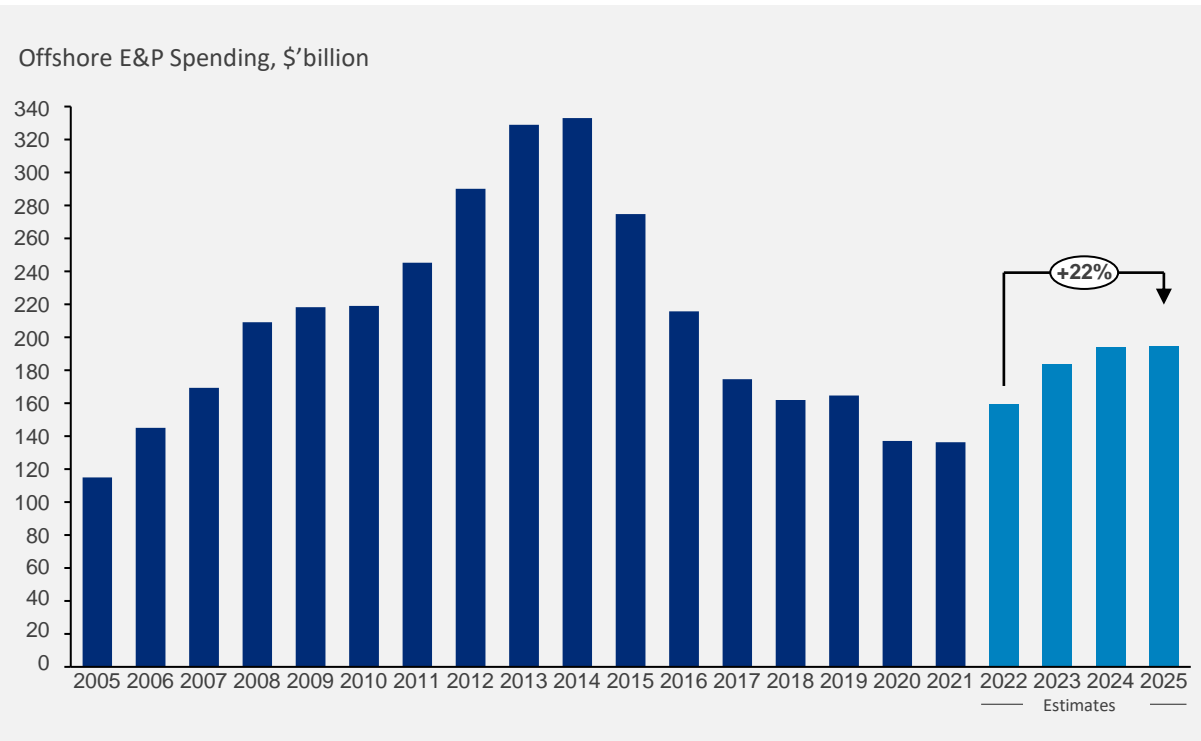
3x Tender Assist Units

Highly synergistic and easy-to-integrate platform

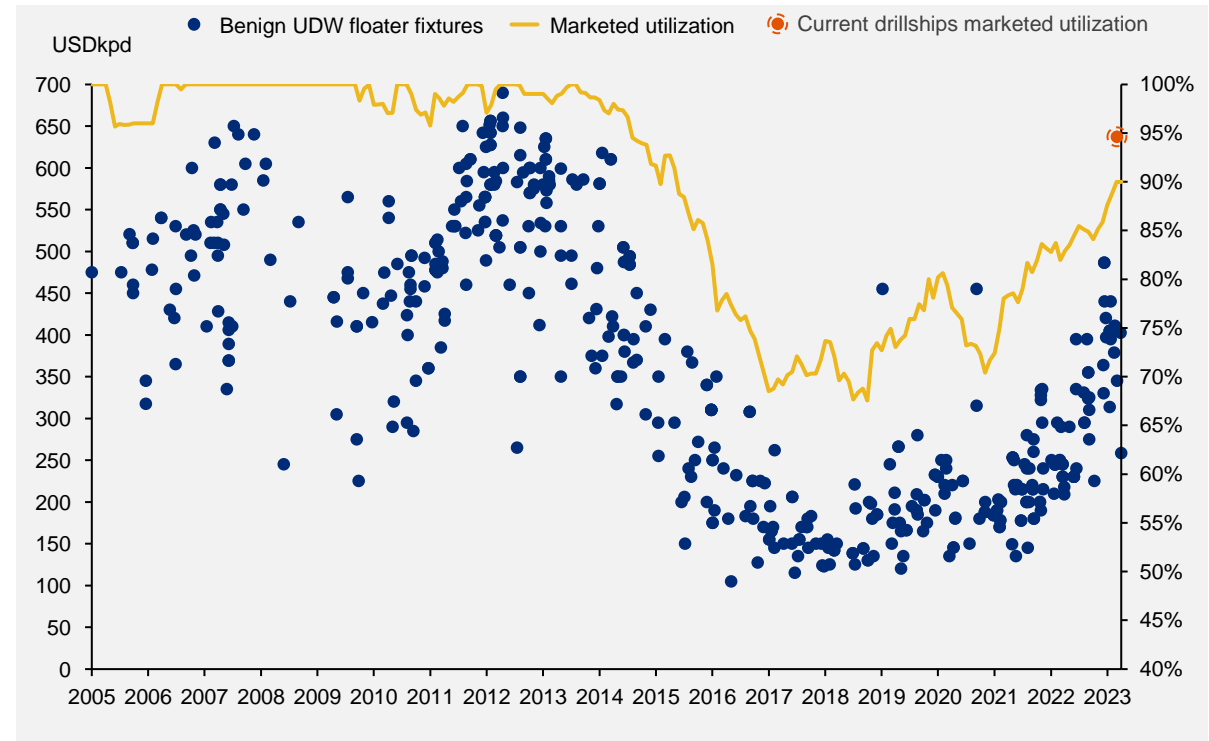


Demand continuing to accelerate in a tightening market

E&P spending expected to be buoyant in coming years



Benign UDW fixtures reflect tightening market dynamics⁽¹⁾



A snapshot of the income statement and balance sheet

Income statement highlights

	4Q22	3Q22	%
In \$'million			
Total operating revenue ⁽¹⁾	228	269	(15)
Total adjusted EBITDA ⁽²⁾	41	71	(42)
Total adjusted EBITDA margin (%)	17.4	23.4	(26)

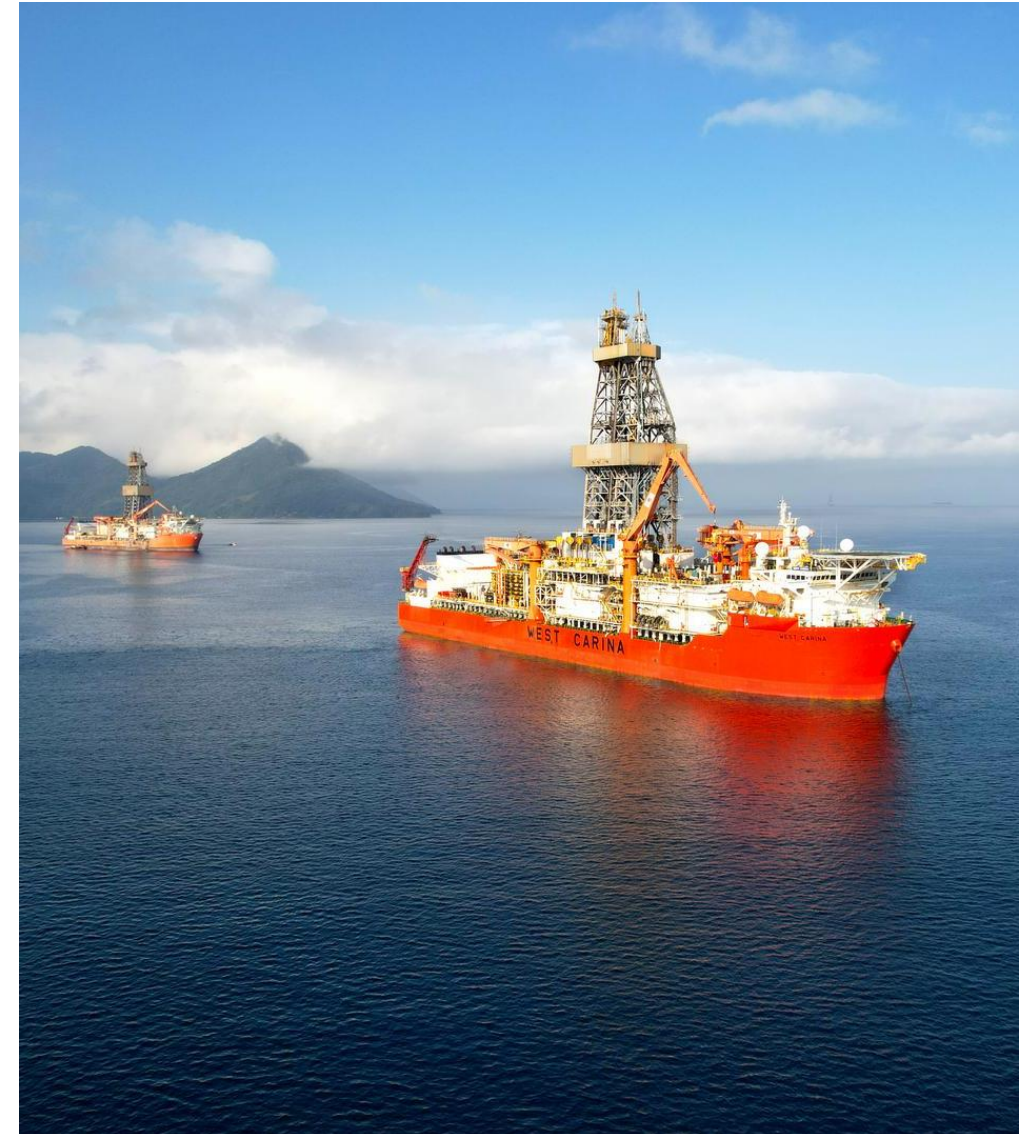
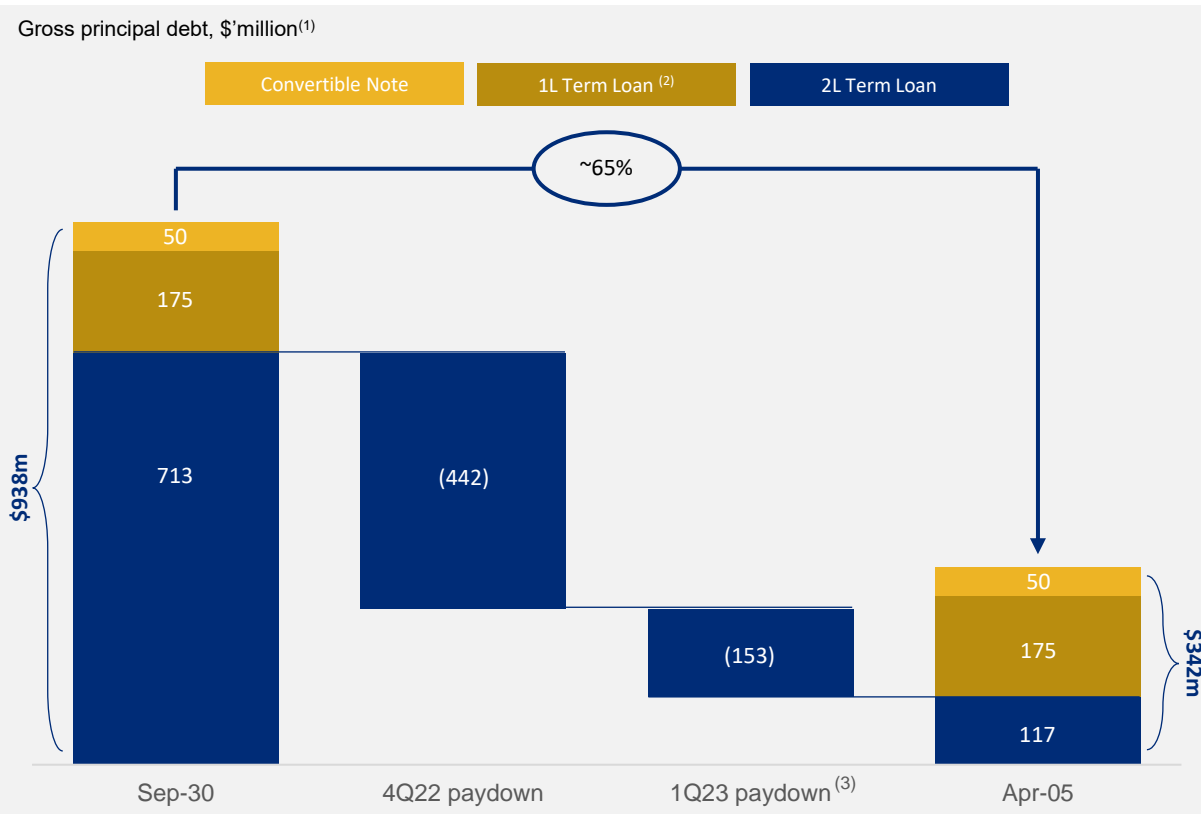
Balance sheet highlights⁽³⁾

	Dec 31, 2022	Sep 30, 2022
In \$'million		
Cash and cash equivalents	480	224
Restricted cash	118	125
Other current assets	333	422
Assets held for sale	-	392
Non-current assets	1,870	1,819
Total assets	2,801	2,982
Liabilities associated with assets held for sale	-	37
Other current liabilities	404	380
Non-current liabilities	695	1,111
Equity	1,702	1,454
Total liabilities and equity	2,801	2,982

- Full year 2022 operating revenue within financial guidance at \$1,116m
- Full year 2022 total adjusted EBITDA at the top end of financial guidance range at \$265m
- Full year 2022 capital expenditure & long-term maintenance within financial guidance range at \$289m
- 4Q22 operating revenue decreased quarter on quarter due to fewer rig operating days overall across the fleet
- In line with expectations, 4Q22 total adjusted EBITDA was lower than previous quarters, primarily due to:
 - the West Tellus idle time while it completed upgrades ahead of its long-term campaign with Petrobras that commenced in early January 2023;
 - the West Hercules rolling off contract in Canada and demobilizing to Norway; and
 - not benefiting from a full quarter of operating results from the Saudi jackups business following completion of the sale in October 2022
- Unrestricted cash increased quarter on quarter primarily due to the proceeds from the Saudi jackups sale, partly offset by debt payments made under the secured 2nd lien debt facility

Significant debt deleveraging advancements

Evolution in debt since 3Q22



Capitalizing on opportunities to maximize shareholder value

Recent milestones



Our path forwards



Enhance positioning in core markets



Proactively develop capital structure



Establish sustainable shareholder returns policy



Evaluate further accretive transactions



Q&A