



Diamond Offshore

NYSE: DO

Investor Update – March 2024



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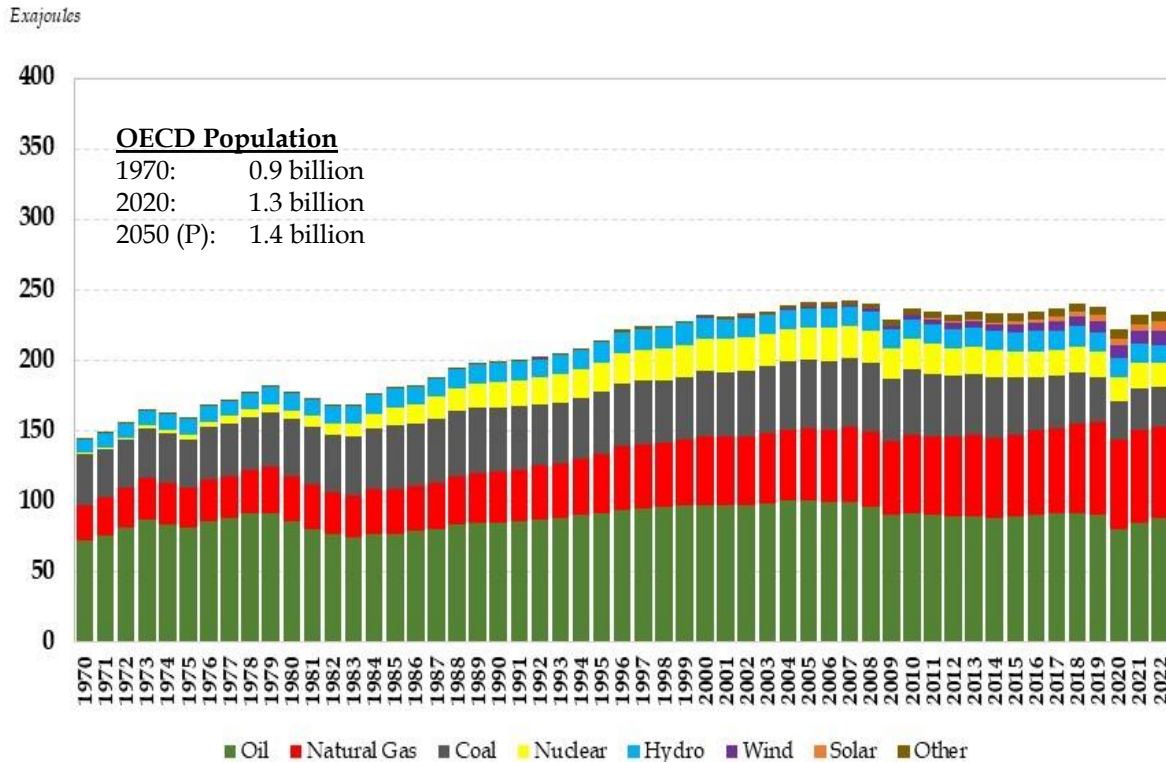
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Market Fundamentals

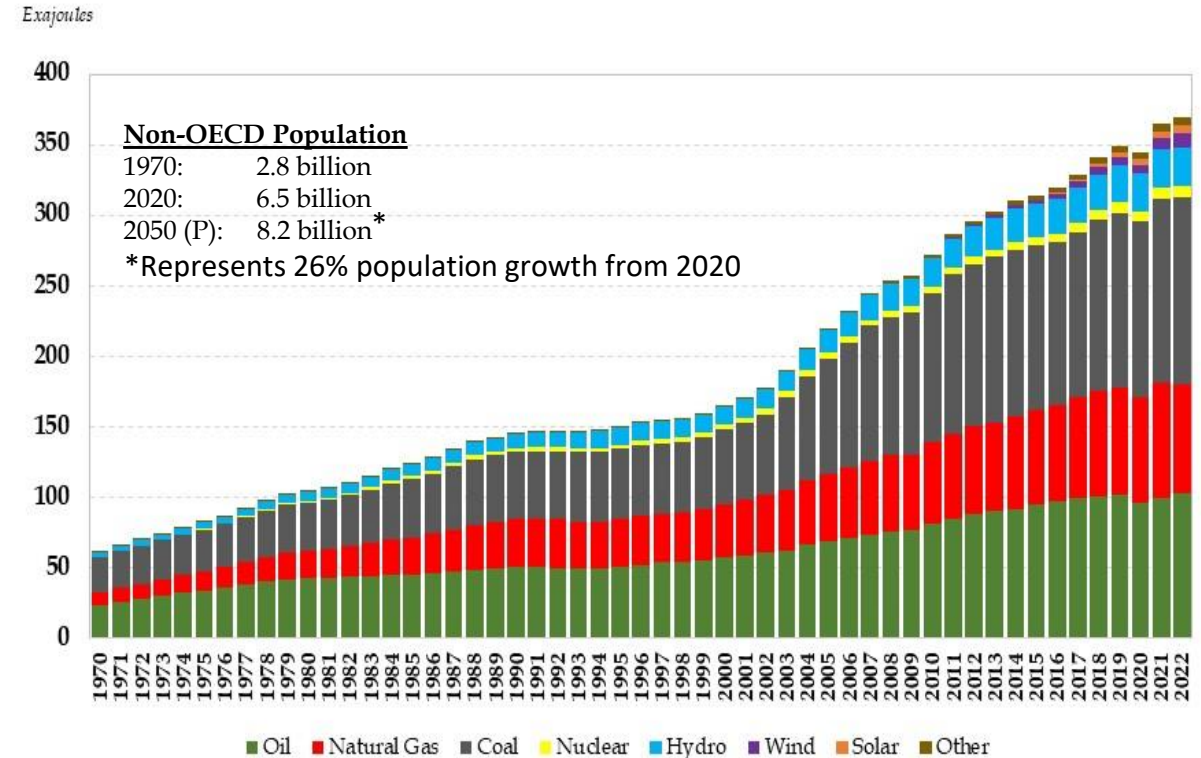


Population Growth in Developing World Driving Demand for Hydrocarbons

Primary Energy Consumption by Fuel Type – OECD

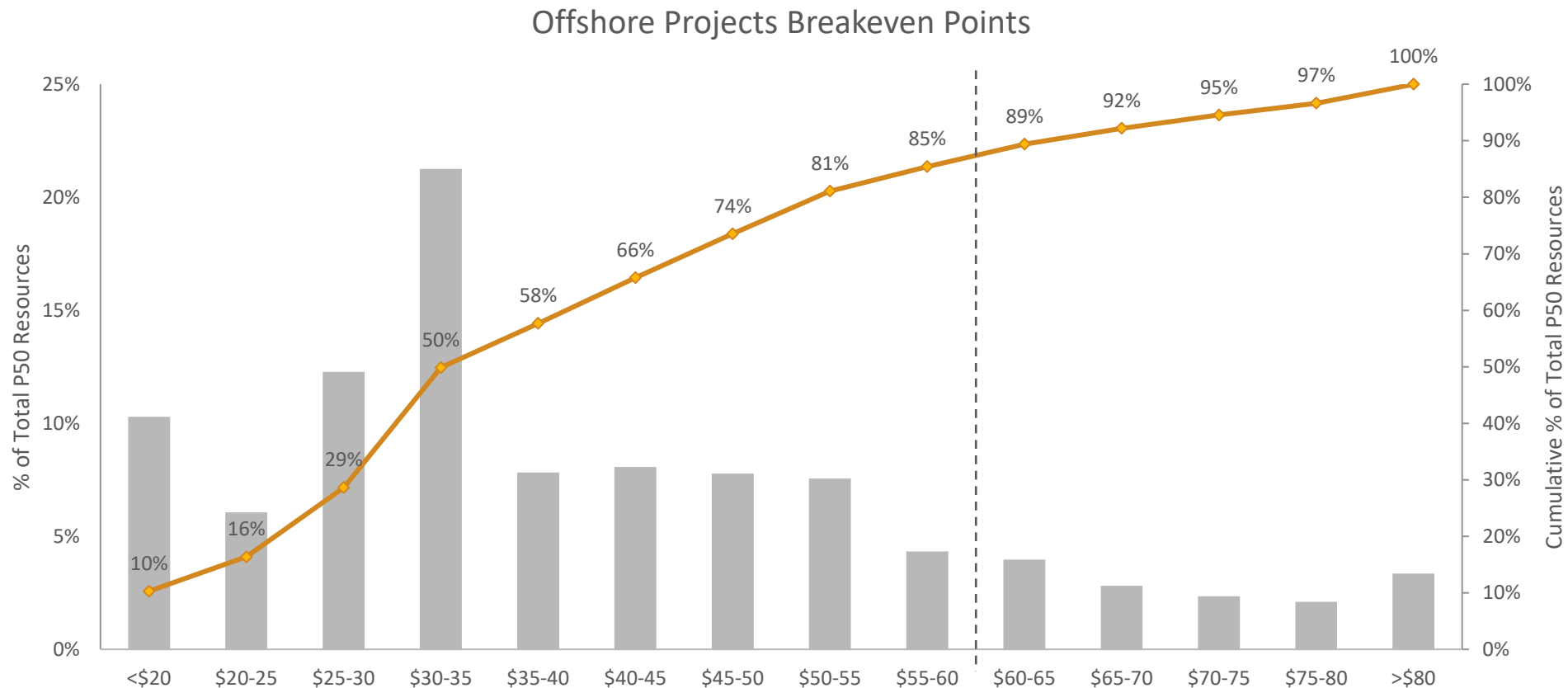


Primary Energy Consumption by Fuel Type – Non-OECD



Breakeven Oil Prices for Undeveloped Offshore Reserves

- Approximately 85% of offshore projects profitable above \$60 Oil

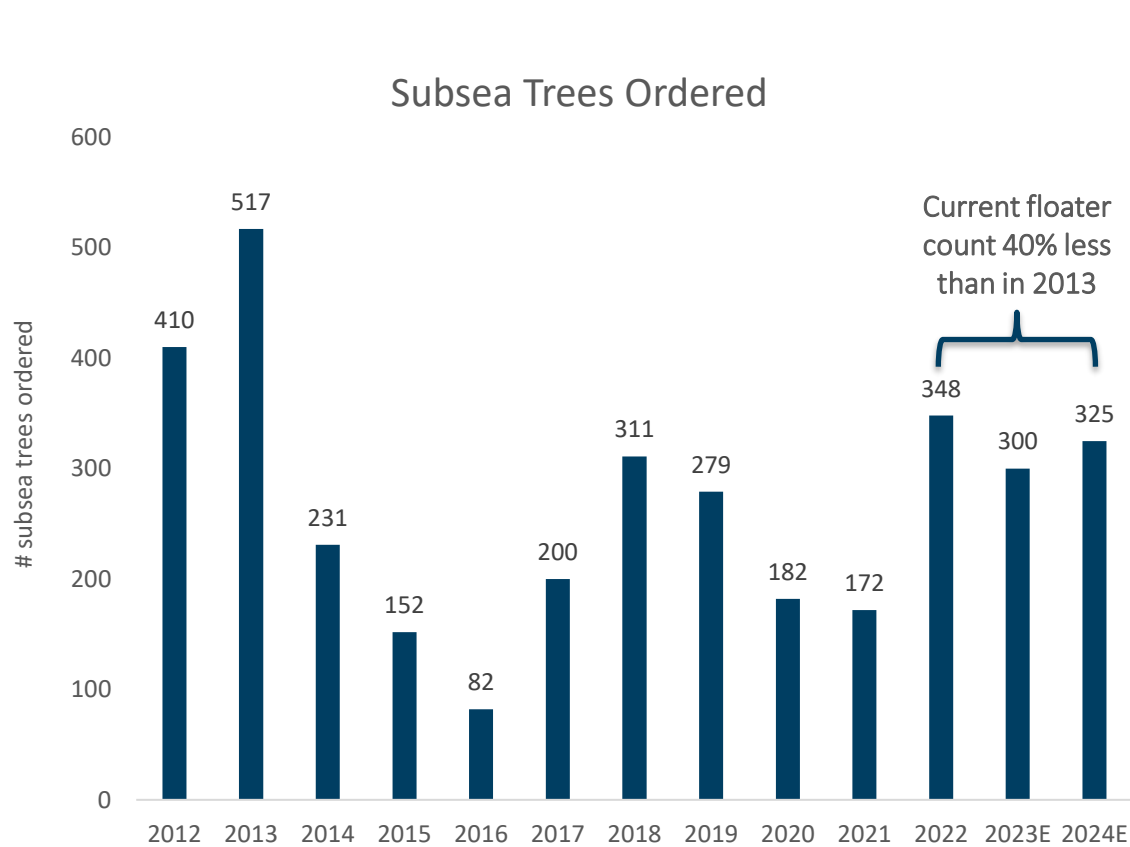


Note: P50 Resources are such offshore resources where there is at least a 50% probability that the quantities recovered will equal or exceed the best estimate.

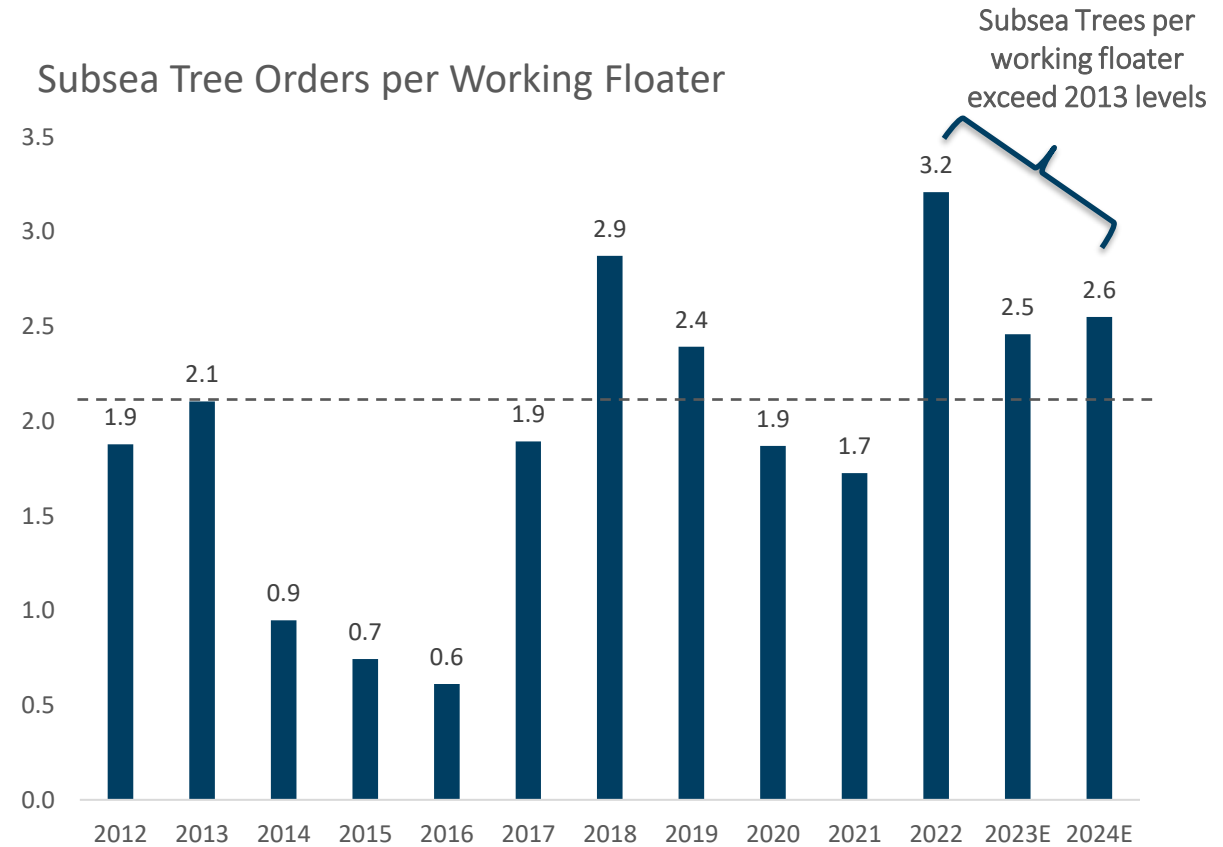
Source: Rystad

Energy Poised for Multi-Year Upcycle

- Growth in subsea tree orders support long tail of activity in offshore drilling

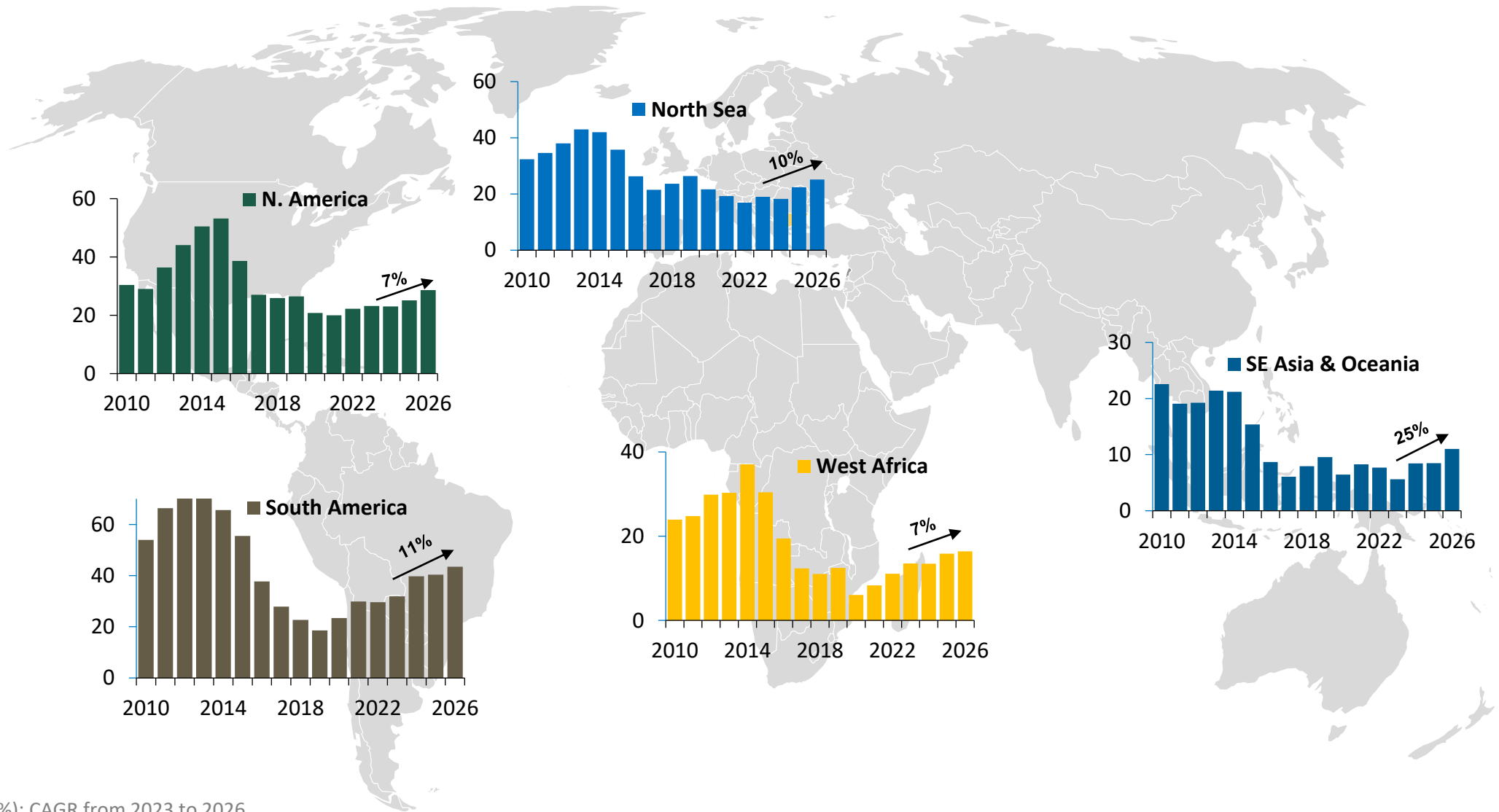


Source: Wood Mackenzie, Company Reports, Barclays Research



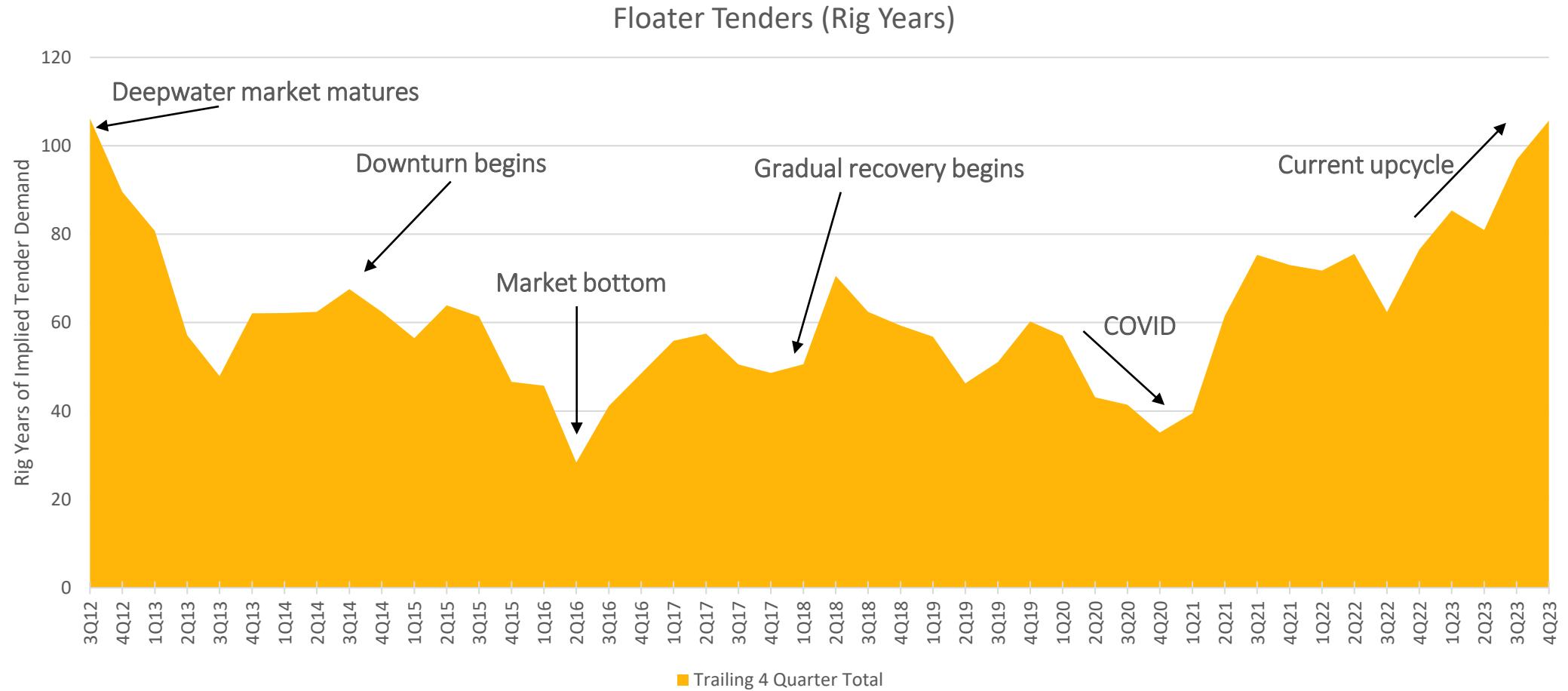
Source: Wood Mackenzie, Company Reports, Barclays Research, S&P Global

Global Offshore Demand Growth* in Rig Years - Floaters



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

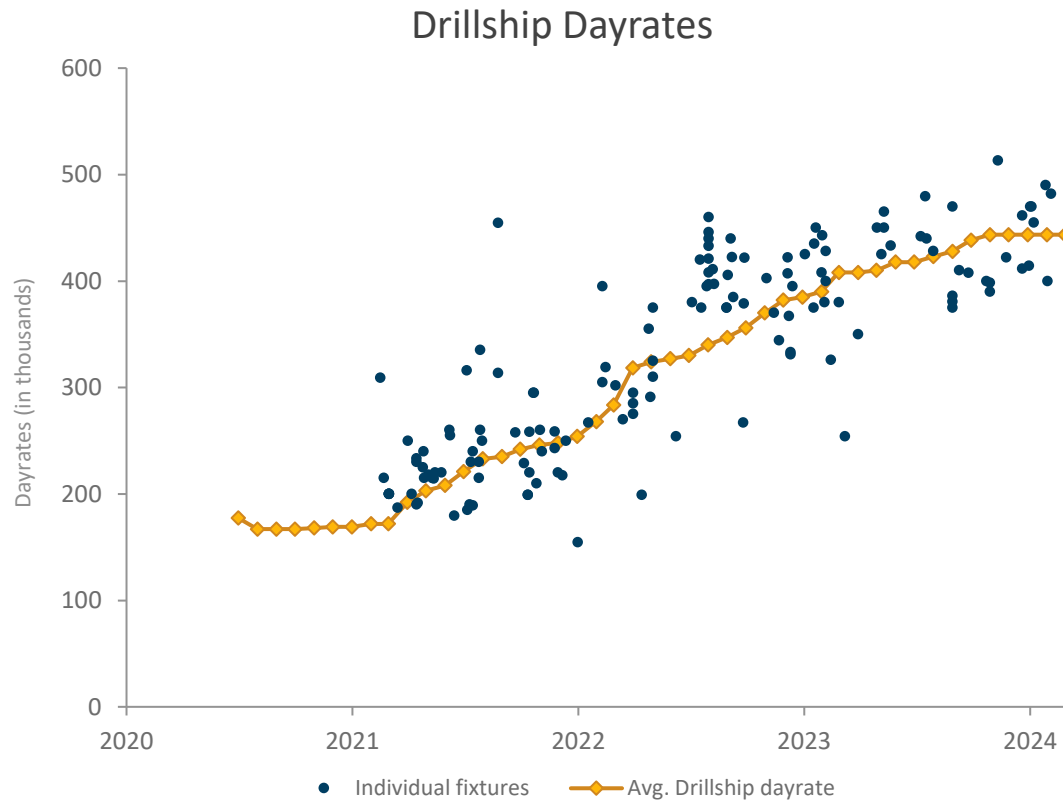
Tender Activity Continues to Drive Demand



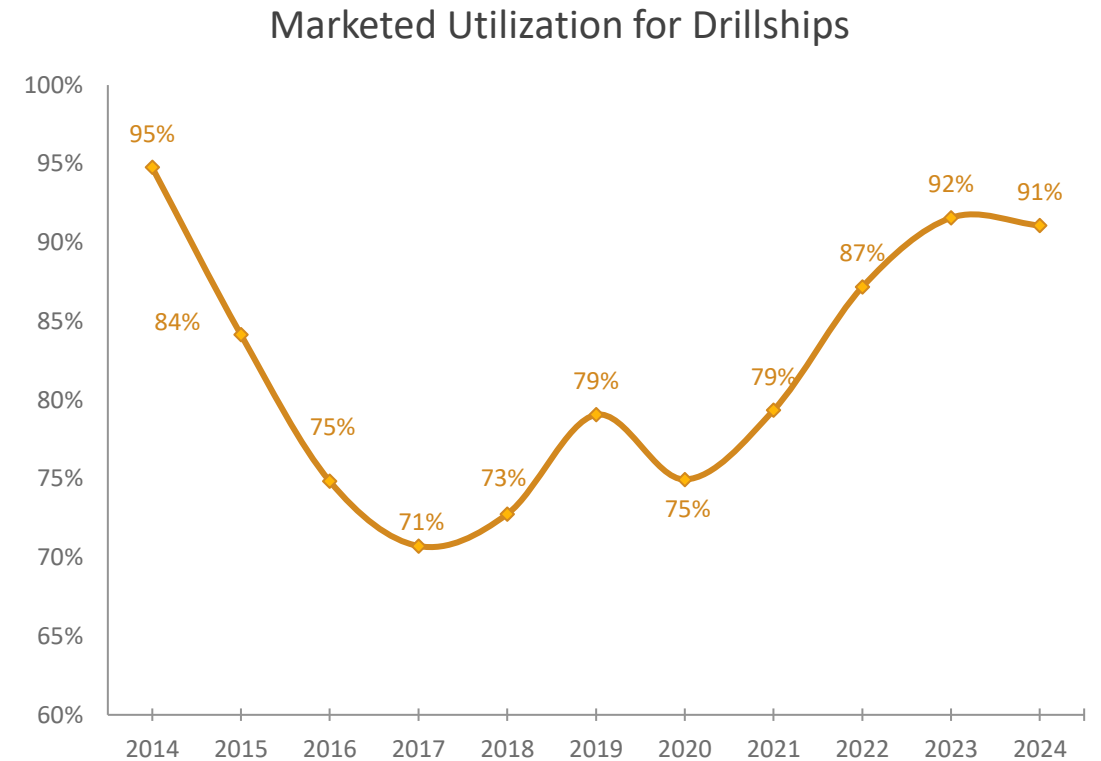
Source: Pickering Energy Partners, Petrodata

Strength in Drillship Dayrates and Marketed Utilization Continues

- Dayrates and marketed utilization at highest levels since prior peak



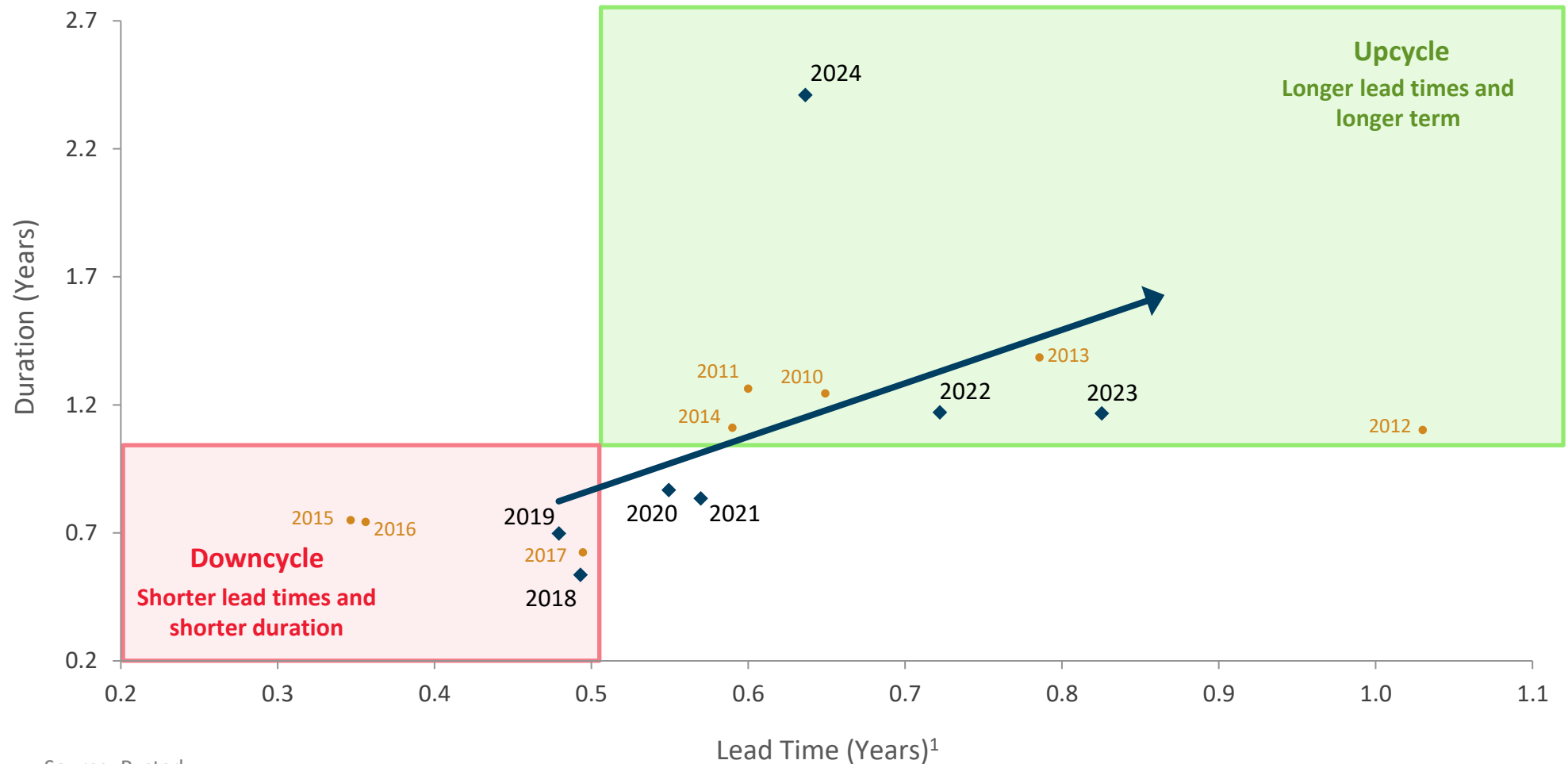
Sources: Clarksons Platou Securities AS, Clarksons Research Services Ltd., RigLogix



Source: S&P Global

Contract Lead Times and Durations Confirm Upcycle

- 2024 fixtures extend industry upcycle



Source: Rystad

1) Represents time from contract execution to contract commencement.



Diamond Offshore

Investment Highlights and
Financial Profile





Key Company Highlights

Building Backlog at Leading Edge Dayrates

\$958mm in recent contract awards reflects strong customer relationships, operational excellence and safety performance with two drillships and two semis well positioned to secure further work in 2025 at leading edge rates

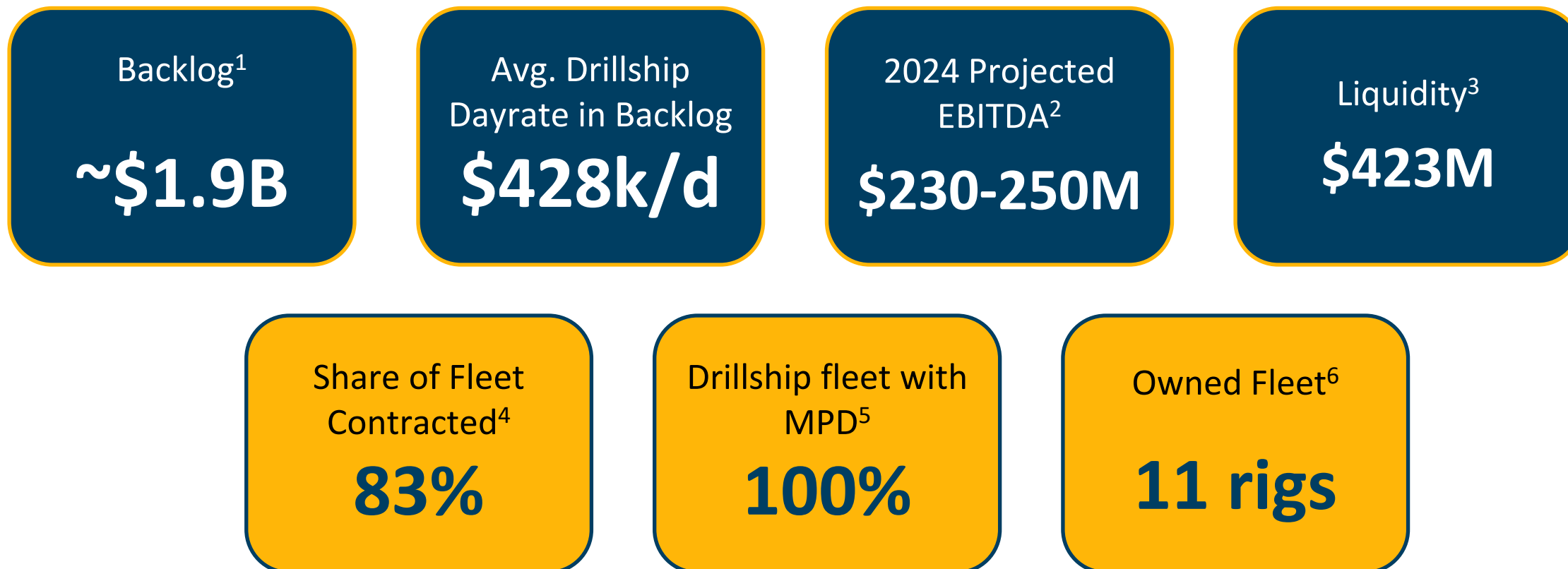
Lower Shipyard Days

Over the last 20 months we have completed Special Periodical Surveys on 6 of our 10 actively marketed rigs, with 2 SPS's due in 2024 and one in 2025

Earnings Growth and Deleveraging

Net leverage decreases to approximately 1.5 to 2.0x by YE 2024; company will have no near-term maturities and reduced capital intensity in 2025 and 2026

Diamond Offshore At a Glance



1) As of Mar 3, 2024.

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

3) As of Dec 31, 2023.

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

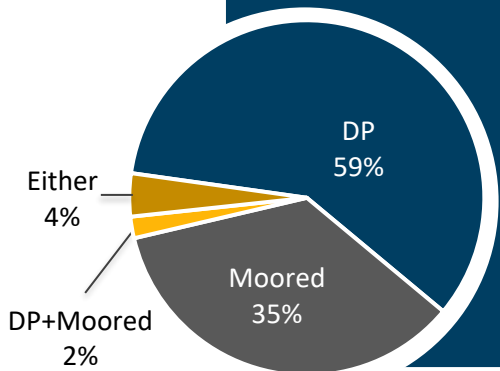
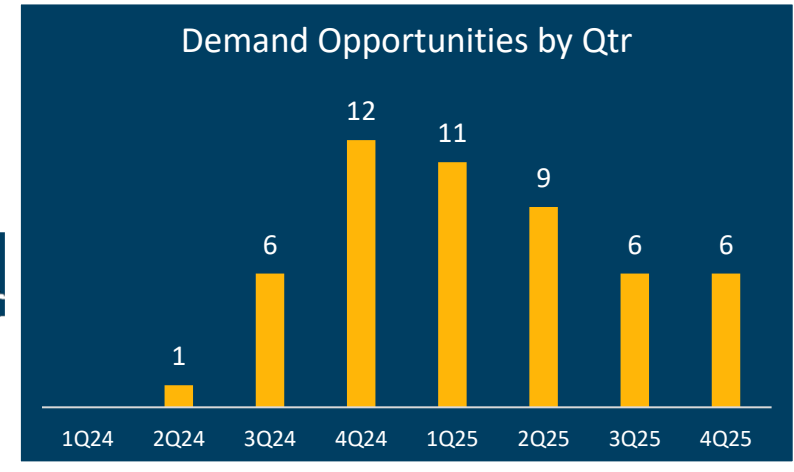
5) BlackRhino MPD to be installed in 2024.

6) Excludes rig held for sale.

51 Floater Opportunities¹ Commencing through 2025



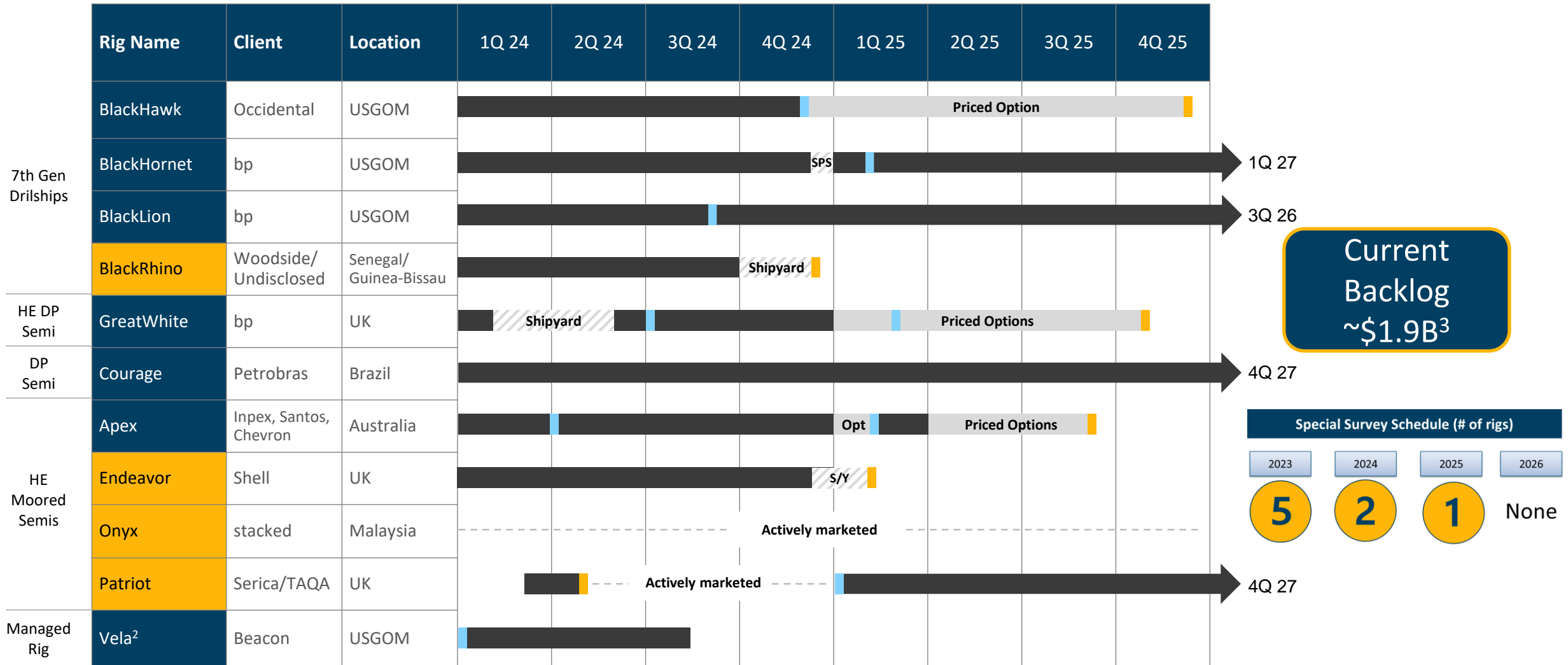
- **51** opportunities
- **52** rig years of demand commencing by 2025
- **31** customers



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



Diamond Fleet Status¹



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

1) As of Mar 18, 2024. 2) Managed rig. Assumes rig no longer managed after firm term.

3) As of Mar 3, 2024.

Near-term repricing opportunities

Indicates contracted dayrate increases

Indicates repricing opportunities



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	<ul style="list-style-type: none"> Best-in-class UDW Drillships Attractive availability windows Fully contracted since delivery 	\$450 – \$500	\$367m – \$432m
1x HE DP Semi	<ul style="list-style-type: none"> Unique asset built for ultra harsh opportunities Attractive availability window 	\$285 – \$450	\$57m – \$112m
1x Benign DP Semi	<ul style="list-style-type: none"> Brazil demand continues to grow Committed into 2027 Low Opex with fully nationalized crews 	\$275 – \$325	\$46m – \$63m
3x HE Moored Semis ¹	<ul style="list-style-type: none"> Supply side drastically changed Typically follows tightening UDW market Cost and emission friendly 	\$170 – \$350	\$101m – \$138m
			\$571m – \$745m
Approximate G&A and Indirect Costs ³			(\$135m) – (\$155m)
Illustrative EBITDA Potential			\$436m – \$590m
Additional Cash Payments ⁴			(\$170m) – (\$200m)
Illustrative Free-Cash Flow Potential			\$266m – \$390m

- 1) 3 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



2024E Current Guidance (\$M)¹

Contract Drilling
Revenue²
\$940 – \$960

Adjusted EBITDA³
\$230 – \$250

CAPEX
\$125 – \$135

YE 2024E Revolving Credit Facility and Indenture Restricted Payment terms¹:

Net Leverage
Ratio < 2.0



Total Collateral
Coverage Ratios



Builder Baskets



- 1) As of Feb 28, 2024. Excludes 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.



Balance Sheet – Solid Liquidity

Debt Obligations (Dec 31, 2023)	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			(124)	
Net Debt			\$ 426	
Liquidity²				\$ 423
Annualized BOP Lease Payments				\$26 million
BOP Lease Buyout		Due 2026 (through mid-2026)		Up To \$85 million

Share Count Build (Dec 31, 2023)	Number of RSUs and RS (mm)	Number of Warrants (mm)	Strike Price	Shares (mm)
Common Stock	NA	NA	NA	102.3
Emergence Warrants	NA	7.5	\$ 29.22	NA
Long Term Incentive Equity (Unvested)	3.2	NA	NA	3.2
Potential Diluted Shares Outstanding				105.5

1) Excludes restricted cash

2) Excludes \$1.9 million of LCs issued under Revolving Credit Facility



Building Backlog at Leading-Edge Dayrates

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



Lower Shipyard Time

- ◆ SPS's completed on 6 out of 10 actively marketed rigs in last 20 months
- ◆ 2 SPS's planned for 2024, 1 for 2025



Earnings Growth and Deleveraging

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

The Diamond Difference™



Kevin Bordosky

Senior Director – Investor Relations

Phone: +1.281.647.4035

E-mail: ir@dodi.com

diamondoffshore.com