



# VALARIS (NYSE: VAL)

## Investor Presentation

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November 2023

# Forward-Looking Statements

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Statements contained in this investor presentation that are not historical facts are 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. Forward-looking statements include words or phrases such as "anticipate," "believe," "estimate," "expect," "intend," "likely," "plan," "project," "could," "may," "might," "should," "will" and similar words and specifically include statements regarding expected financial performance; expected utilization, day rates, revenues, operating expenses, cash flows, contract status, terms and duration, contract backlog, capital expenditures, insurance, financing and funding; the offshore drilling market, including supply and demand, customer drilling programs, stacking of rigs, effects of new rigs on the market and effect of the volatility of commodity prices; expected work commitments, awards, contracts and letters of intent; scheduled delivery dates for rigs; performance of our joint ventures, including our joint venture with Saudi Aramco; timing of the delivery of the Saudi Aramco Rowan Offshore Drilling Company ("ARO") newbuild rigs and the timing of additional ARO newbuild orders; the availability, delivery, mobilization, contract commencement, availability, relocation or other movement of rigs and the timing thereof; rig reactivations; suitability of rigs for future contracts; divestitures of assets; general economic, market, business and industry conditions, including inflation and recessions, trends and outlook; general political conditions, including political tensions, conflicts and war (such as the ongoing conflict in Ukraine); cybersecurity attacks and threats; impacts and effects of public health crises, pandemics and epidemics, such as the COVID-19 pandemic; any exercise of our options for delivery of the VALARIS DS-13 and DS-14; future operations; increasing regulatory complexity; targets, progress, plans and goals related to environmental, social and governance ("ESG") matters; the outcome of tax disputes; assessments and settlements; and expense management. The forward-looking statements contained in this investor presentation are subject to numerous risks, uncertainties and assumptions that may cause actual results to vary materially from those indicated, including cancellation, suspension, renegotiation or termination of drilling contracts and programs; our ability to obtain financing, service our debt, fund capital expenditures and pursue other business opportunities; adequacy of sources of liquidity for us and our customers; future share repurchases; actions by regulatory authorities, or other third parties; actions by our security holders; internal control risk; commodity price fluctuations and volatility, customer demand, loss of a significant customer or customer contract, downtime and other risks associated with offshore rig operations; adverse weather, including hurricanes; changes in worldwide rig supply, including as a result of reactivations and newbuilds; and demand, competition and technology; supply chain and logistics challenges; consumer preferences for alternative fuels and forecasts or expectations regarding the global energy transition; increased scrutiny of our ESG targets, including our Scope 1 emissions intensity reduction target, initiatives and reporting and our ability to achieve such targets or initiatives; changes in customer strategy; future levels of offshore drilling activity; governmental action, civil unrest and political and economic uncertainties, including recessions, volatility affecting the banking system and financial markets, inflation and adverse changes in the level of international trade activity; terrorism, piracy and military action; risks inherent to shipyard rig reactivation, upgrade, repair, maintenance or enhancement; our ability to enter into, and the terms of, future drilling contracts; suitability of rigs for future contracts; the cancellation of letters of intent or letters of award or any failure to execute definitive contracts following announcements of letters of intent, letters of award or other expected work commitments; the outcome of litigation, legal proceedings, investigations or other claims or contract disputes; governmental regulatory, legislative and permitting requirements affecting drilling operations; our ability to attract and retain skilled personnel on commercially reasonable terms; environmental or other liabilities, risks or losses; compliance with our debt agreements and debt restrictions that may limit our liquidity and flexibility; cybersecurity risks and threats; and changes in foreign currency exchange rates. In addition to the numerous factors described above, you should also carefully read and consider "Item 1A. Risk Factors" in Part I and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of our most recent annual report on Form 10-K, which is available on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov) or on the Investor Relations section of our website at [www.valaris.com](http://www.valaris.com). Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to update or revise any forward-looking statements, except as required by law.

# Valaris is well positioned to deliver meaningful value to shareholders

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## Leading Offshore Driller

- Largest and highest specification fleet in the industry with exposure to both floaters and jackups
  - Presence and scale in key offshore basins, with deep customer relationships
  - Strong balance sheet provides capital allocation flexibility
- 

## Strong Industry Fundamentals

- Commodity supply and demand is highly constructive for our industry
  - Offshore capex and demand for offshore drilling are expected to continue to increase
  - Constrained rig supply dynamics are supportive of a sustained industry upcycle
- 

## Earnings and Cash Flow Growth

- Significant growth in earnings and cash flow expected over the next few years
- Attractive investments in our fleet in near-term expected to generate meaningful returns
- Intend to return all future free cash flow to shareholders, unless there is a better or more value accretive use for it

# Leading Offshore Driller

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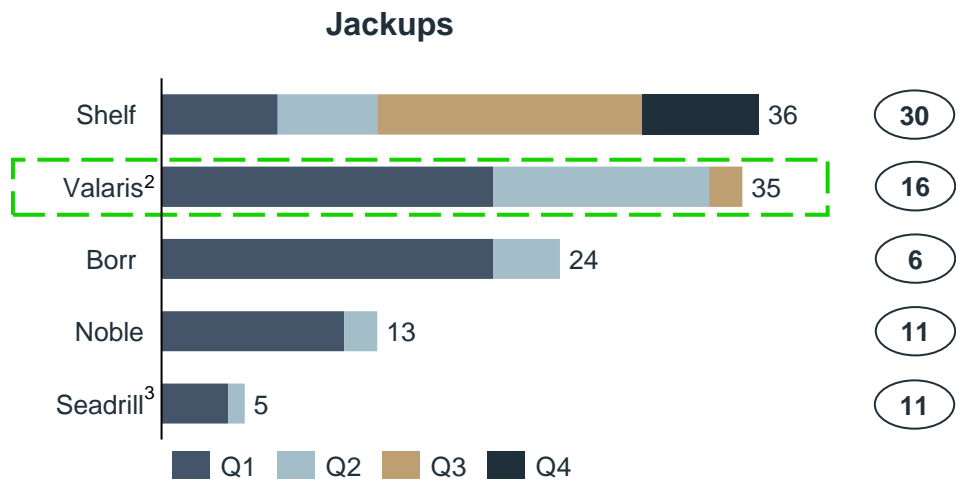
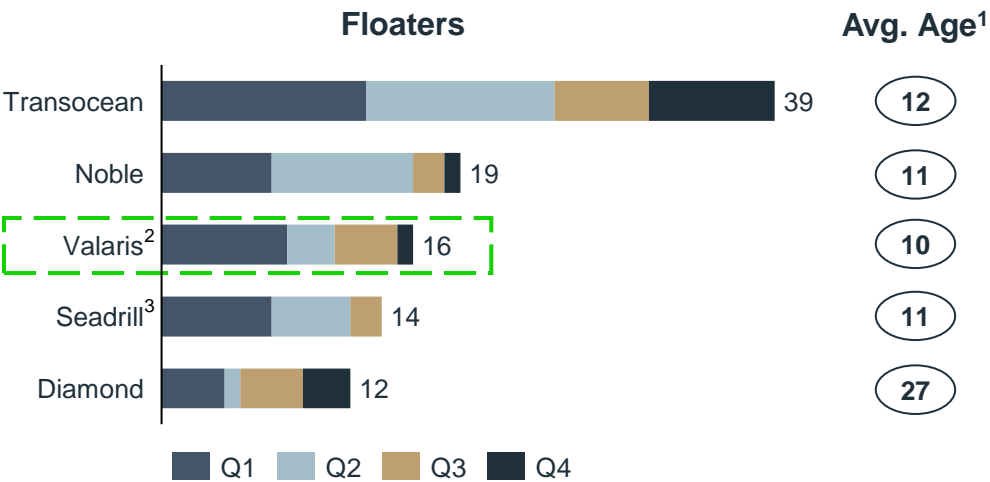
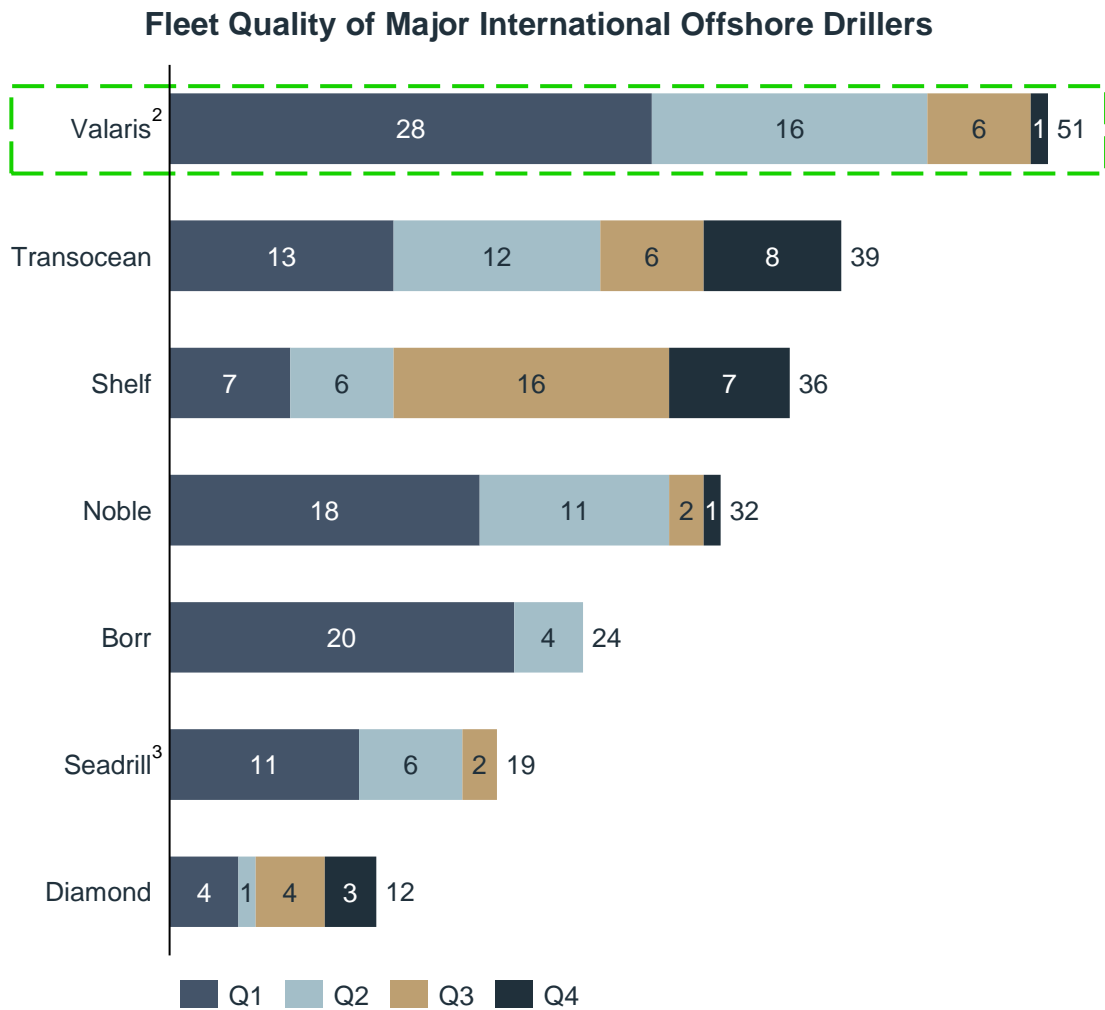


# Largest fleet of modern offshore drilling rigs in the industry















1 Excludes newbuild drillships VALARIS DS-13 and DS-14, which Valaris has the option to purchase before year-end 2023  
2 HD = Heavy Duty; SD = Standard Duty. Heavy duty jackups are well-suited for operations in tropical revolving storm areas

# Largest fleet of high-specification assets



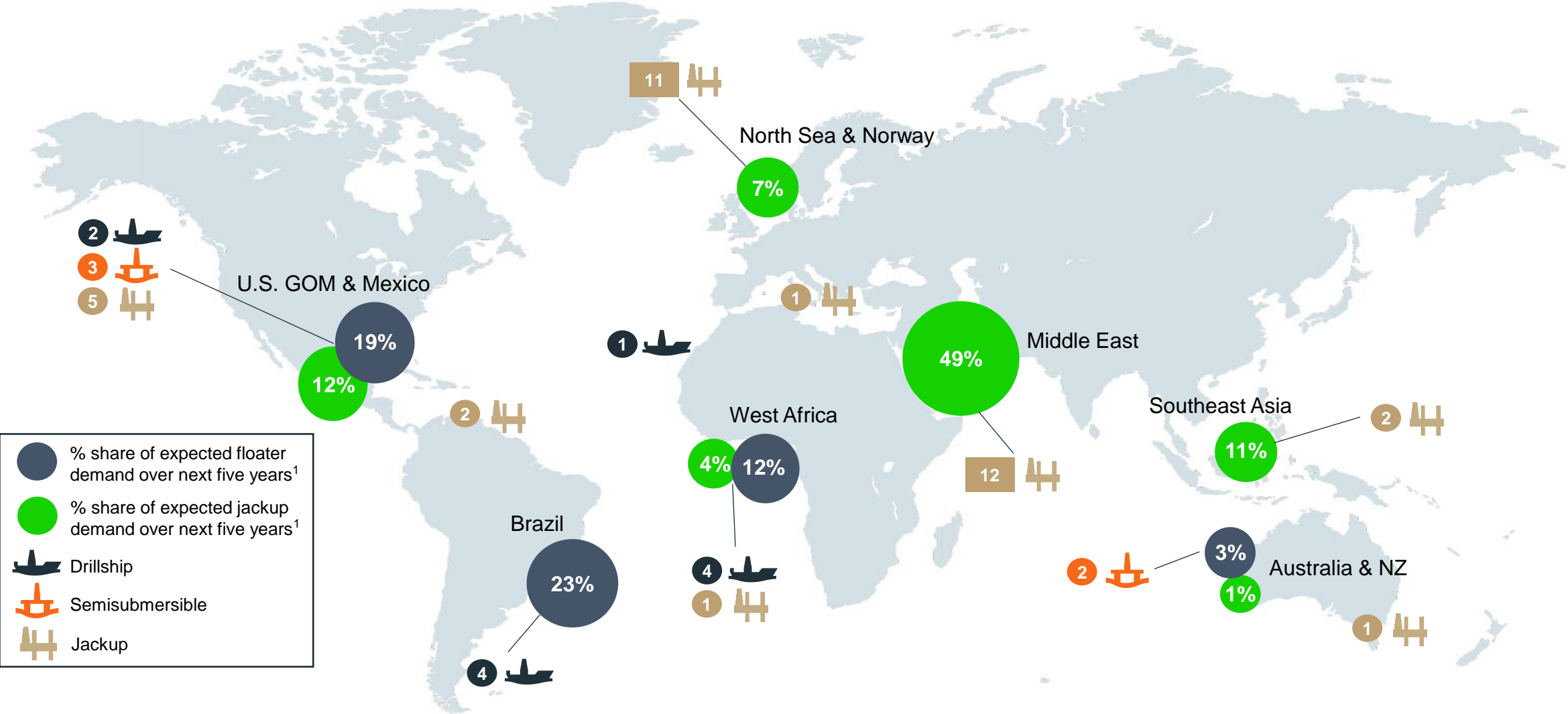
Source: S&P Global Petrodata as of October 2023; Rystad Energy. Rigs ranked into quartiles using Rystad Rig Score (Q1 = top quartile). Floaters and jackups ranked separately.  
1 Average age includes delivered rigs only; 2 Excludes two drillships that Valaris has the option to purchase before year-end 2023. Includes nine jackup rigs leased to ARO Drilling;  
3 Includes rigs owned by Seadrill Ltd

# Strong customer relationships with major IOCs, NOCs and independents

Majors <sup>1</sup>				National Oil Companies and Other Select Customers <sup>1</sup>			
	<u>Floaters</u>	<u>Jackups</u>	<u>Locations</u>		<u>Floaters</u>	<u>Jackups</u>	<u>Locations</u>
	✓	✓	Brazil, Mediterranean, Southeast Asia, Trinidad			✓	Middle East
	✓		U.S. GOM		✓		Brazil
	✓	✓	Mexico, North Sea			✓	North Sea
	✓	✓	Australia, West Africa		✓		U.S. GOM
	✓	✓	North Sea, Southeast Asia, West Africa		✓		Brazil
	✓		Brazil, West Africa		✓		Australia



# Focused on key basins expected to drive a large share of future demand



<sup>1</sup> Demand by country/region represents rig years as a % of total rig years for floaters and jackups, excluding China and Iran, per Rystad Cube Dashboards as of October 2023  
Note: Rigs that are currently stacked with a future contract are shown in the location of the future contract. Includes eight jackup rigs owned by Valaris that are leased to ARO Drilling in Saudi Arabia. Excludes nine jackup rigs owned by ARO Drilling (operating and under construction), two rigs that Valaris manages on behalf of a customer and two drillships that Valaris has the option to purchase by year-end 2023.



# ARO Drilling joint venture provides strong presence in the largest jackup market in the world

- ARO is an unconsolidated 50/50 JV with Saudi Aramco that owns and operates jackups in Saudi Arabia, providing a strategic partnership with the largest customer for jackups in the world
- **50% Equity Ownership**
  - ARO currently operates 16 rigs for Saudi Aramco, with contract backlog of ~\$2.3 billion as of September 30, 2023
  - 20-rig newbuild program backed by long-term contracts with Saudi Aramco
  - Newbuilds expected to be financed by third-party financing and ARO operating cash flow (financing secured for first two rigs – Kingdom 1 & 2)
- **\$403M Shareholder Notes**
  - Valaris has shareholder notes receivable from ARO with a principal balance of \$403M as of September 30, 2023
- **Leased Rigs**
  - 8 rigs owned by Valaris leased to ARO under bareboat charter agreements<sup>1</sup>
  - Provide high levels of utilization and stable cash flows



## Income Statement Highlights

	2022
Revenue	\$460M
<b>EBITDA</b>	<b>\$99M</b>

## Balance Sheet Highlights

	Q3 2023 <sup>2</sup>
Cash	\$110M
Shareholder Notes	\$822M
Third-Party Debt	\$359M

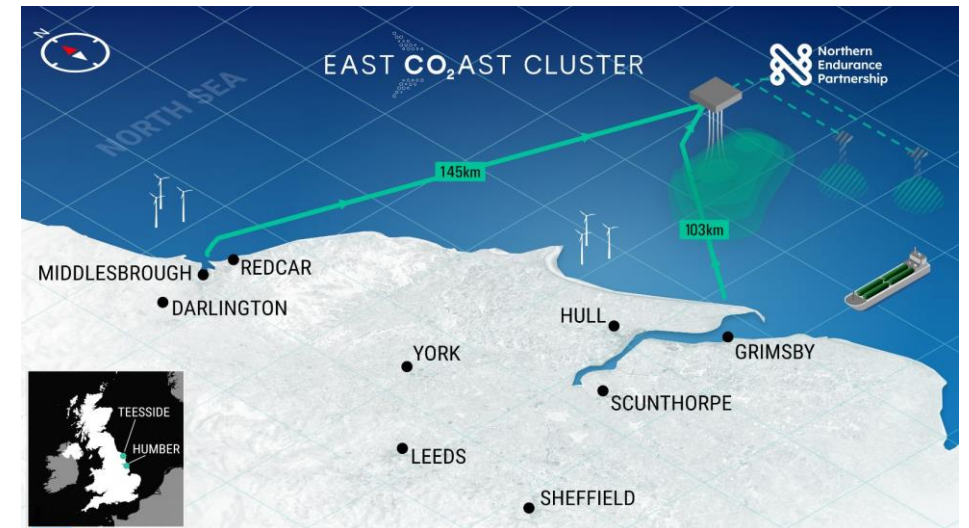
# Reduce emissions from our own operations and partner with customers

## Reduce Emissions from our own Operations

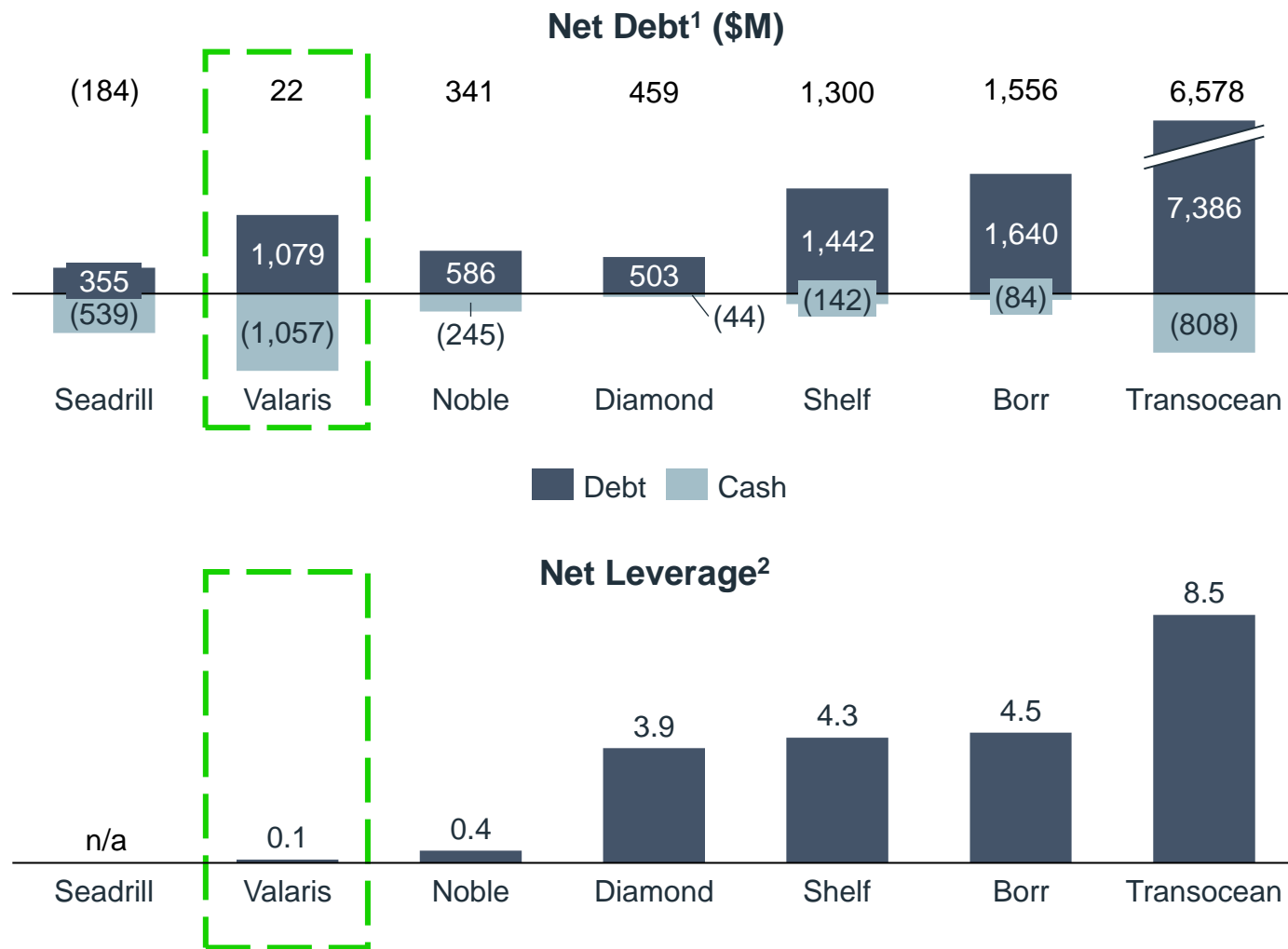
- Target to reduce emissions intensity by 10% to 20% by 2030 compared to a 2019 baseline
- Four focus areas identified to achieve this target:
  1. Energy Efficient Practices
  2. Energy-Saving Upgrades and Procedures
  3. Biofuel Blends
  4. Jackup Rig Electrification

## Partner with Customers on their Energy Transition Efforts

- Carbon capture and storage (CCS)
  - VALARIS 247 contracted to perform CCS project offshore Australia
  - VALARIS Norway worked on the Northern Endurance Partnership project in the UK North Sea
  - VALARIS 123 worked on the Porthos CO<sub>2</sub> project in preparation for CO<sub>2</sub> transport and storage offshore the Netherlands
  - VALARIS 72 and 92 have performed plug and abandonment work on multiple reservoirs in the UK North Sea potentially suitable for CCS



## Strong balance sheet provides capital allocation flexibility



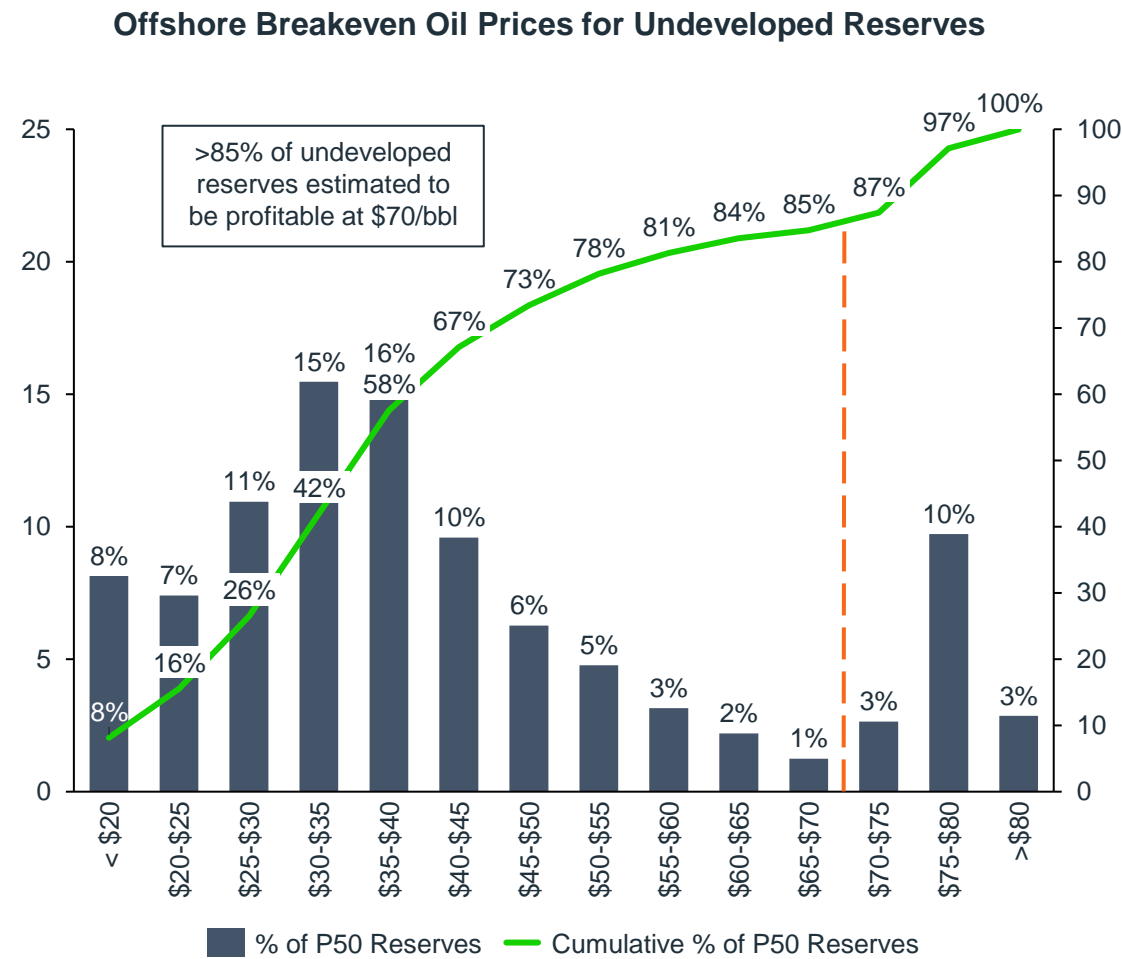
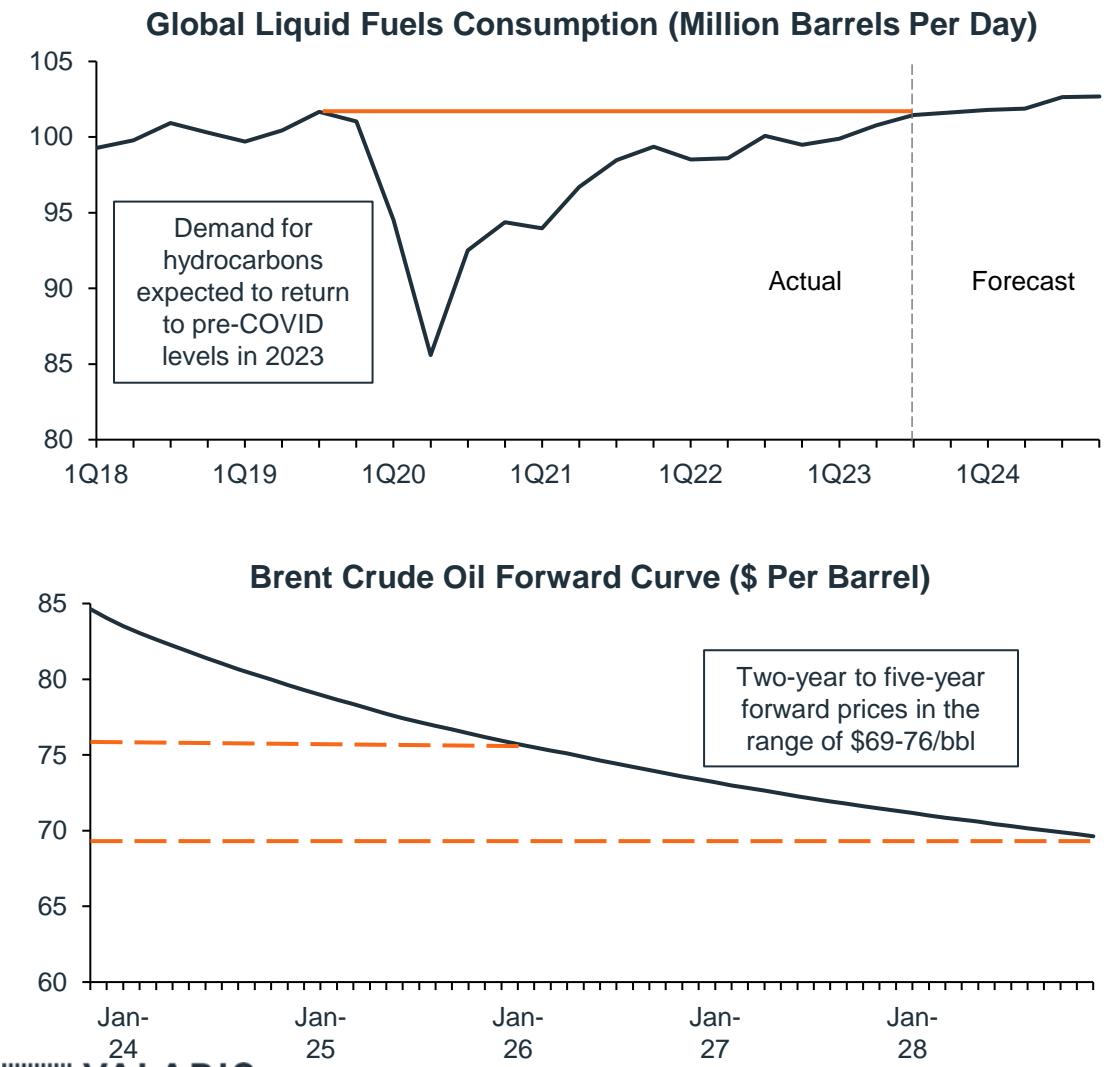
- Recent financings, including addition of revolving credit facility enhanced capital structure
  - Refinanced \$550M 1L notes with \$700M 2L notes and executed \$375M revolving credit facility in April 2023
  - Issued add-on to 2L notes of \$400M in August 2023 to finance intended exercise of newbuild drillship options for VALARIS DS-13 and DS-14
- \$1.4 billion<sup>3</sup> of liquidity
  - Provides ability to support rig reactivations and pursue other attractive growth opportunities
  - Enhances capital allocation flexibility, including our ability to return capital to shareholders
  - On track to repurchase \$200M of shares by year-end 2023
- Conservative approach to leverage, with only tranche of debt being \$1.1B senior secured 2L notes due 2030 (8.375%)

# Strong Industry Fundamentals

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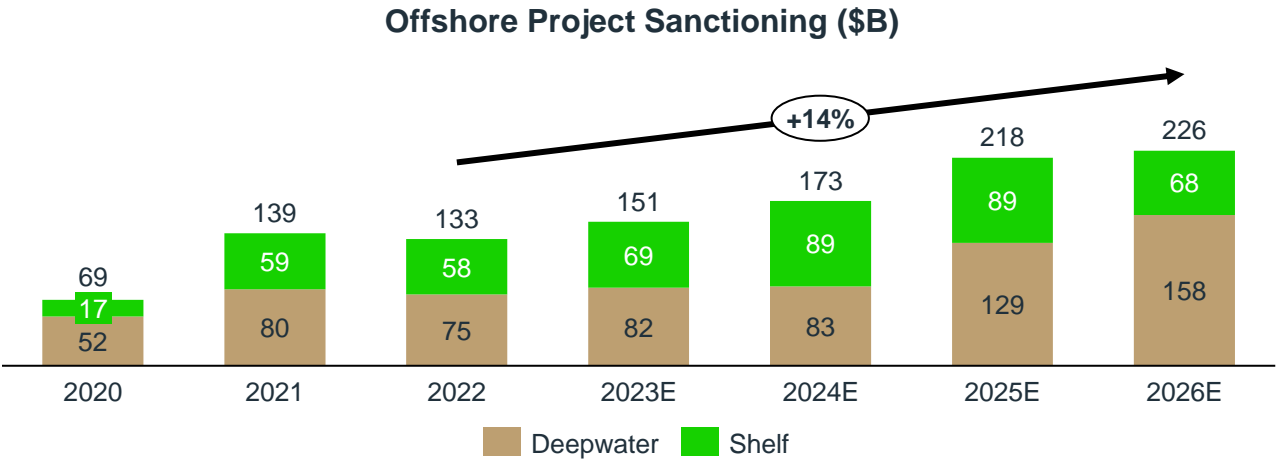
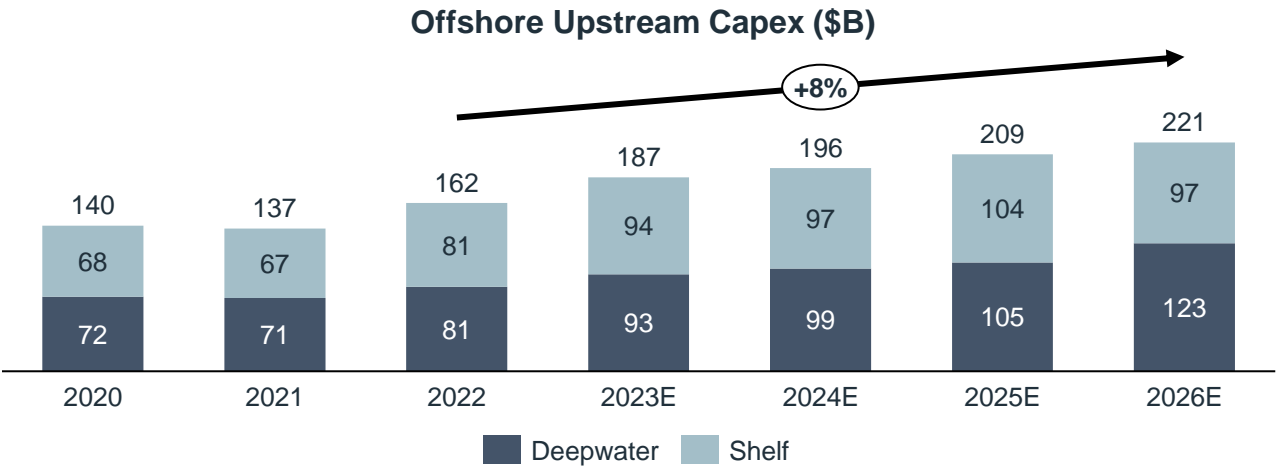


# Commodity supply and demand is constructive for our industry



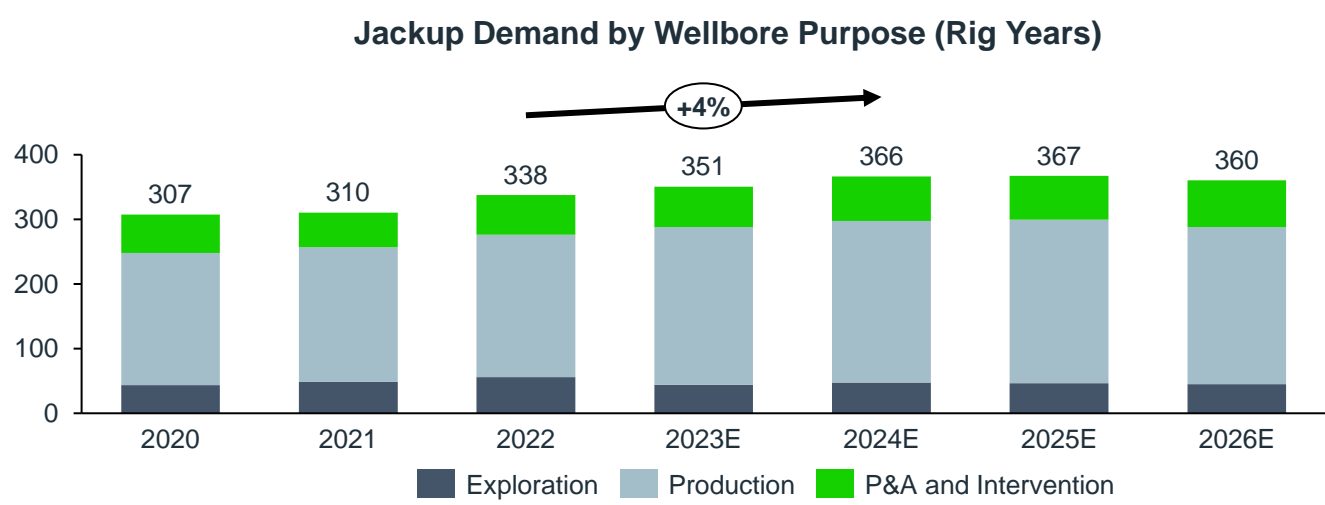
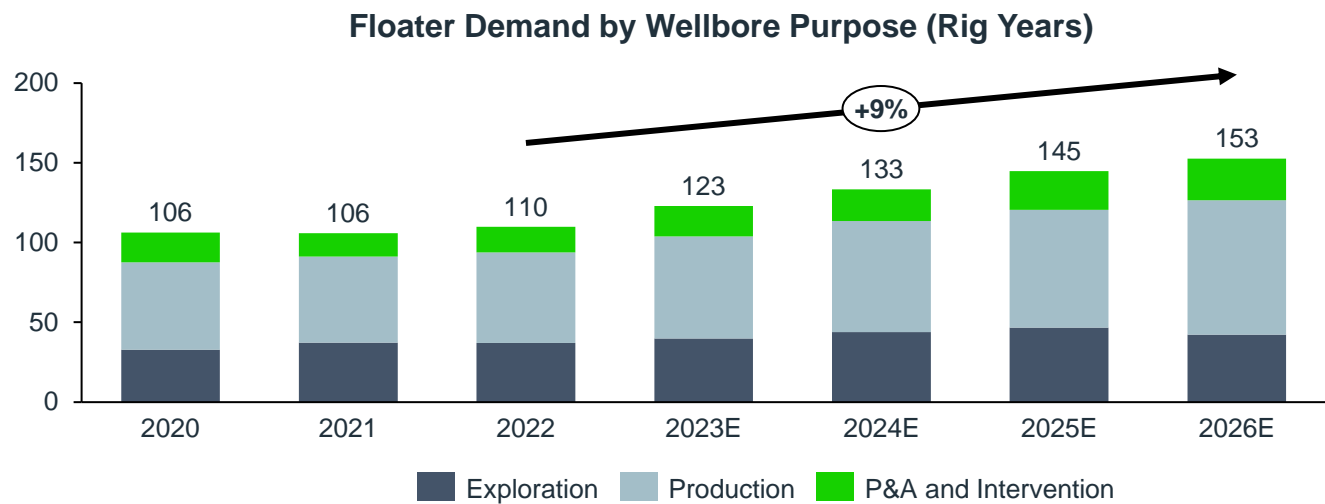
P50 reserves: reserves volume with a probability of recovery of between 50% and 90%

# Offshore upstream capex and new project sanctioning are expected to increase



- Record free cash flows in 2022 for exploration and production companies and attractive project economics are expected to drive increased investment in offshore projects over the next few years
- Offshore upstream capex is expected to increase at a compound annual growth rate (CAGR) of 8% through 2026
- Growth in offshore spending expected in both deepwater and shelf (shallow water)
- Offshore project approvals are also expected to increase meaningfully through 2026, and are anticipated to be at their highest levels in more than a decade

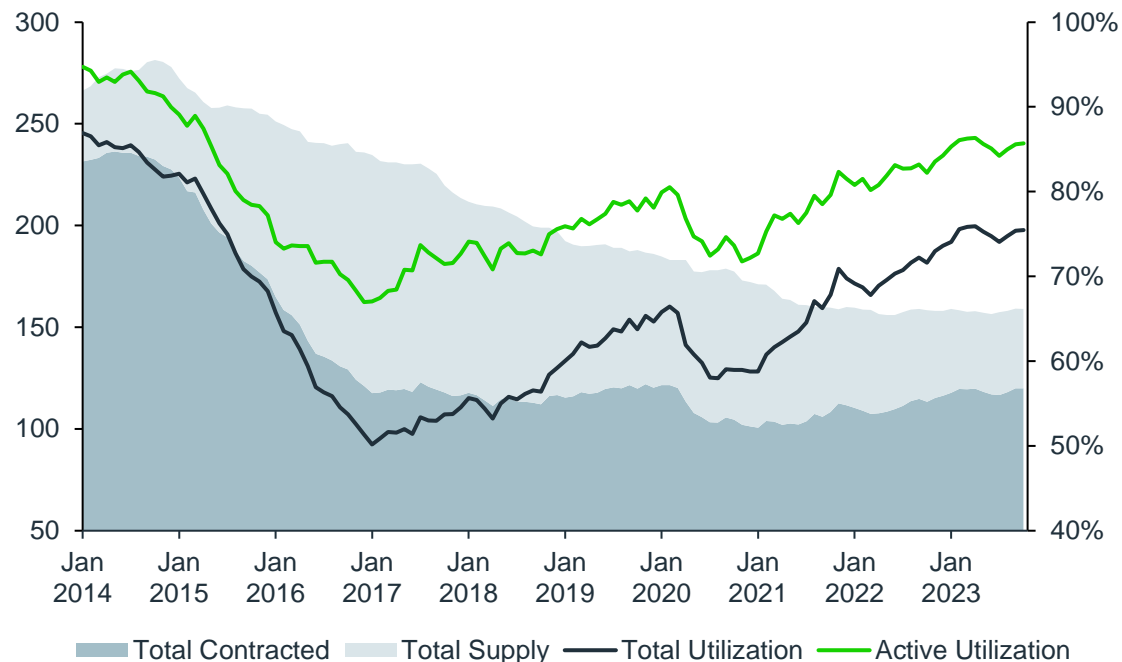
# Demand for offshore drilling is expected to increase over the next several years



- Floater demand is expected to increase at a compound annual growth rate (CAGR) of 9% through 2026
- More than 30% of floater demand through 2026 is expected to be for exploration drilling
- This is a strong signal of customers' conviction on the economics for deepwater projects and is positive for longer-term demand for these rigs
- Jackup demand is anticipated to increase further through 2024 as operators with exposure to shorter cycle barrels are expected to ramp up production to benefit from high commodity prices
- More than 70% of all jackup demand through 2026 is expected to be for production drilling, of which 43% is for infill work

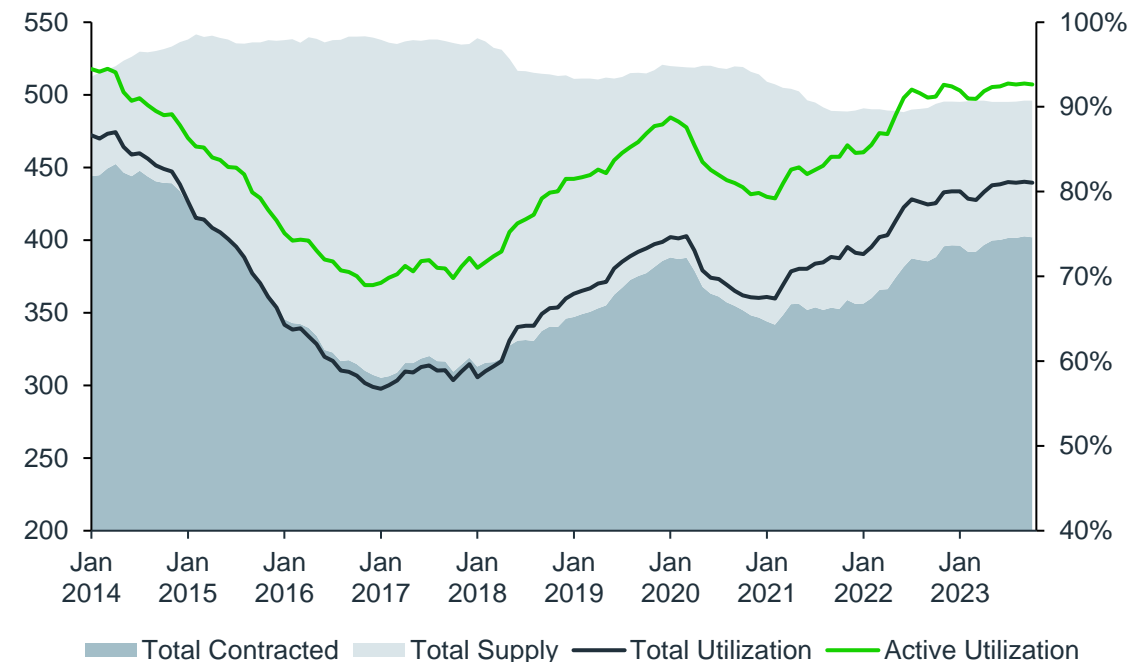
# Significant supply rationalization over the past several years has improved market balance

## Benign Environment Floater Supply and Utilization



- Benign environment floater supply has declined by 43% to 159 from a peak of 281 in late 2014
- Majority of current supply are modern assets. Only 16% of current supply is > 20 years of age

## Jackup Supply and Utilization



- Jackup supply has declined by 8% to 497 from a peak of 542 in early 2015
- 33% of current supply is > 30 years of age with limited useful lives remaining

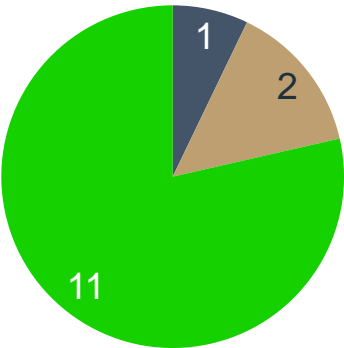


# Active utilization currently > 90% for drillships and benign environment jackups

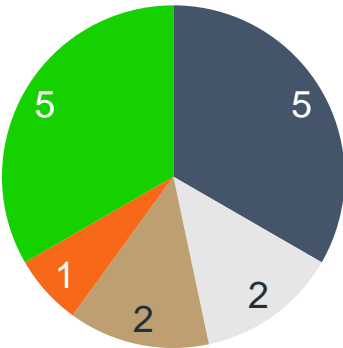
Delivered Rigs	6/7G Drillships <sup>1</sup>	6/7G Benign Semis <sup>2</sup>	Harsh Jackups <sup>2</sup>	Benign Jackups <sup>2</sup>
Contracted	74	24	28	377
Available <sup>3</sup>	5	9	6	24
Active Fleet	79	33	34	401
Cold Stacked <sup>4</sup>	9	6	-	62
Total Fleet	88	39	34	463
Active Utilization	94%	73%	82%	94%
Total Utilization	84%	62%	82%	81%
Newbuilds	12	3	5	15

Time Stacked – Available and Cold Stacked Rigs

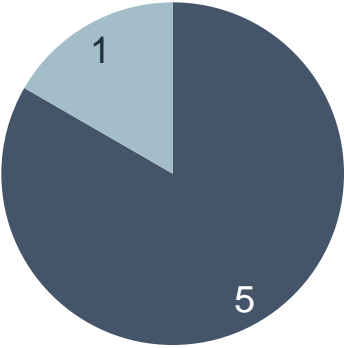
6/7G Drillships<sup>1</sup>



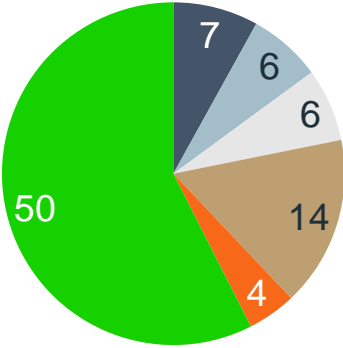
6/7G Benign Semis<sup>1</sup>



Harsh Jackups



Benign Jackups



- < 1 Year
- 1-2 Years
- 2-3 Years
- 3-4 Years
- 4-5 Years
- > 5 Years



Source: S&P Global Petrodata, October 2023  
1 6<sup>th</sup> and 7<sup>th</sup> generation drillships and benign semisubmersibles as classified by S&P Global Petrodata  
2 Market category field used to categorize rigs as harsh or benign environment  
3 Idle rigs categorized as “Available” if they are considered “Marketed” in S&P Global Petrodata and included in rig supply for active utilization  
4 Idle rigs categorized as “Cold Stacked” if they are considered “Not Marketed” in S&P Global Petrodata and excluded from rig supply for active utilization

# Supply dynamics are supportive of a sustained upcycle

## Floaters



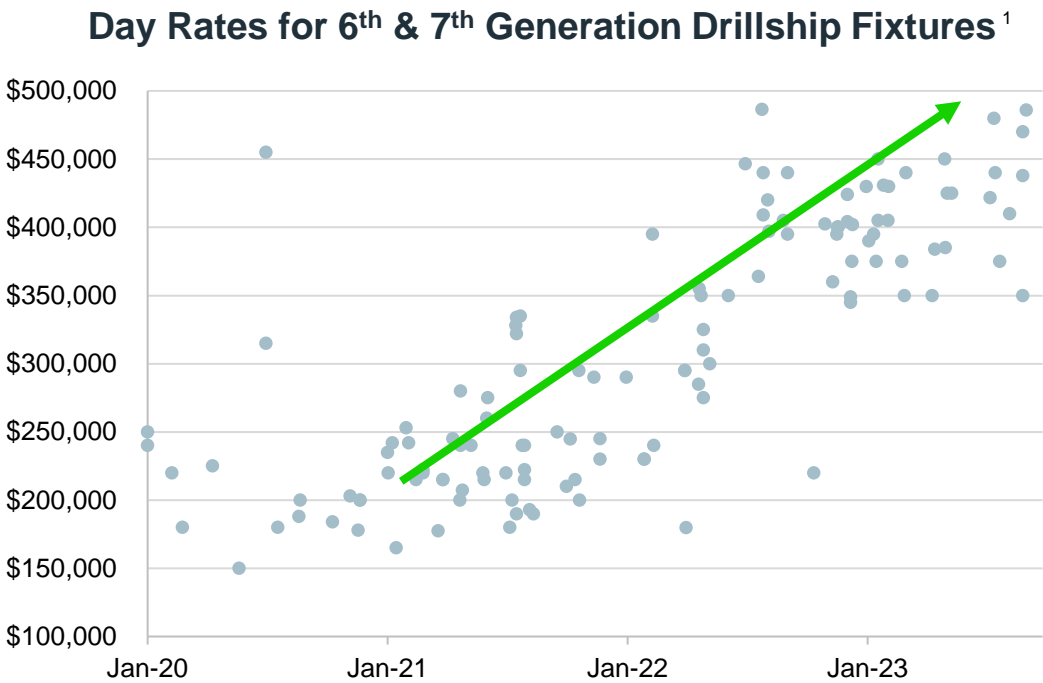
- Benign environment floater supply has declined by 43% to 159 from a peak of 281 in late 2014
- Available capacity is shrinking:
  - Only 10 competitive<sup>1</sup> warm or cold stacked drillships remaining, including VALARIS DS-11
  - Only 8 newbuild drillships in South Korean shipyards remaining, including VALARIS DS-13 & DS-14
- These rigs expected to be reactivated/delivered only when demand supports incremental supply
- Given high expected costs and lack of shipyard capacity, another newbuild cycle is unlikely

## Jackups

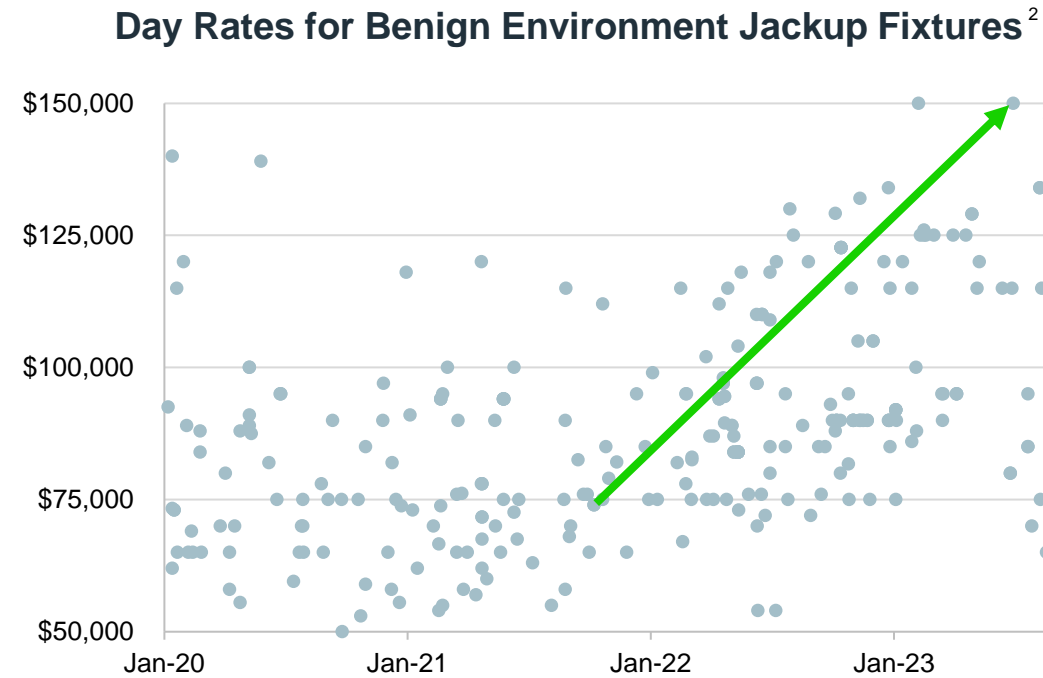


- Jackup supply has declined by 8% to 497 from a peak of 542 in early 2015 and 33% of current supply is > 30 years of age with limited useful lives remaining
- Many of the ~90 warm and cold stacked jackups are not competitive:
  - 60 are > 30 years of age | 68 have been stacked > three years
  - 71 are in the bottom half of global fleet rankings
  - Only 9 stacked rigs are not included in any of the above three categories
- Available jackup supply in the shipyards continues to decline

# Day rates have increased meaningfully since early 2021



- Average day rates have more than doubled since early 2021
- Leading-edge day rates are \$450K/day+
- Active utilization for 6<sup>th</sup> and 7<sup>th</sup> generation drillships > 90%



- Average day rates have nearly doubled since early 2021
- Leading-edge day rates in certain regions are \$150K/day+
- Active utilization for benign jackups > 90%

# Earnings and Cash Flow Growth

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## Significant earnings and cash flow growth expected over the next few years

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### Rigs Recontracting at Higher Day Rates

- Most of Valaris' floater fleet currently on legacy day rate contracts in the low to mid \$200s
  - Leading edge floater day rates are in the mid to high \$400s
  - Seven floaters expected to recontract at meaningfully higher market rates by year-end 2025
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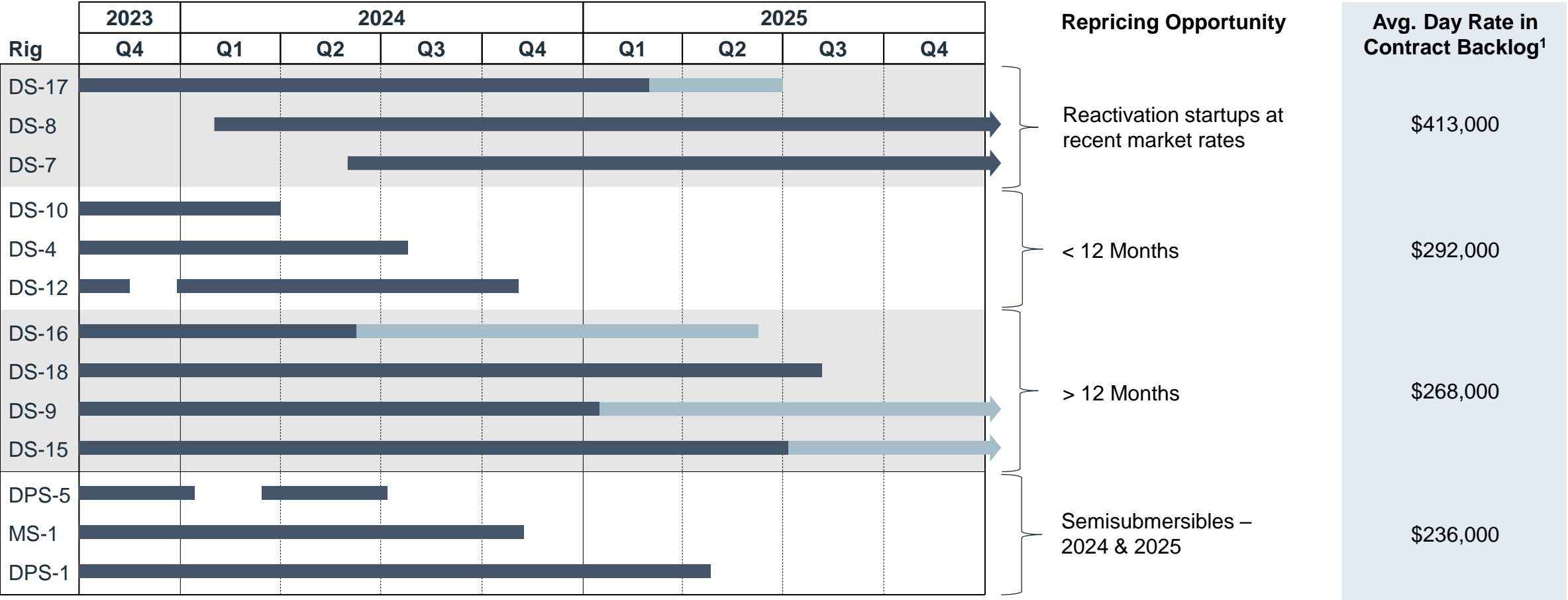
### Impact of Recent and Ongoing Reactivations

- VALARIS DS-17 recently commenced contract offshore Brazil at a day rate in the mid \$400s
  - VALARIS DS-7 and DS-8 expected to commence attractive contracts in first half of 2024
  - Well-positioned for follow on work in key floater basins offshore Brazil and West Africa
- 

### Additional Operating Leverage

- One uncontracted stacked drillship – VALARIS DS-11
- Attractive purchase options for newbuild drillships VALARIS DS-13 and DS-14
- Investments in our fleet in near-term expected to generate meaningful returns

# Earnings from floater fleet expected to increase meaningfully as rigs reprice to market rates



Firm term or estimated duration of contracted wells

Unexercised priced options

# Drillship reactivations provide a compelling return at current market rates

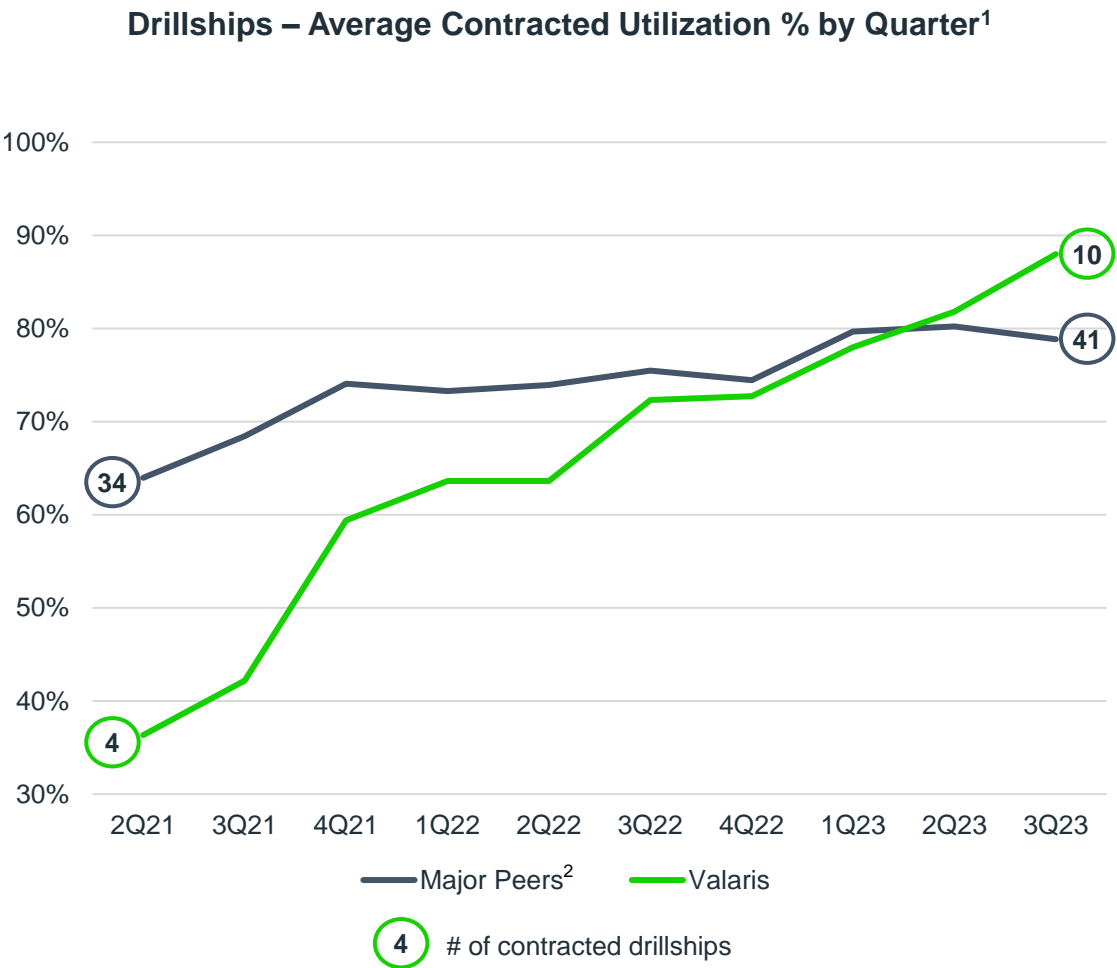
## Reactivation Overview

- Disciplined approach to reactivations – rigs only reactivated for opportunities expected to provide a meaningful return over initial contract term
- Reactivation economics for ~2.5-year VALARIS DS-7 contract are compelling
- Further operating leverage to the ultra-deepwater market
  - One remaining uncontracted stacked drillship (DS-11)
  - Attractive purchase options on a further two drillships (DS-13 and DS-14)
  - Current estimate for an additional reactivation is ~\$100 million

## Reactivation Example

VALARIS DS-7	3Q23
Reactivation Costs	~\$90M
Customer-Specific and Other Capex	~\$10M
Total Cost <sup>1</sup>	~\$100M
Effective Day Rate <sup>2</sup>	~\$428,000
Expected Annualized Rig-Level EBITDA	\$95-100M
Payback Period	< 1 Year

# Proven track record of winning attractive contracts for drillships requiring reactivation



- Six contracts won for stacked drillships since relisting in May 2021, increasing drillship backlog by more than 10x from ~\$160 million to ~\$1.7 billion<sup>3</sup>
- In addition to VALARIS DS-7, covered on the previous slide, the two most recent contracts for stacked drillships were:
- VALARIS DS-17 (Brazil)
  - Day rate of ~\$447K/d; approx. 20% above average market day rate for drillship fixtures at time of award<sup>4</sup>
  - Total effective day rate of ~\$606K/d including \$86M upfront payment for contract-specific upgrades and mobilization
- VALARIS DS-8 (Brazil)
  - Day rate of ~\$428K/d; approx. 10% above average market day rate for drillship fixtures at time of award<sup>4</sup>
  - Total effective day rate of ~\$456K/d including \$30M upfront payment for contract-specific upgrades and mobilization
  - DS-8 achieved the highest day rate awarded under this tender<sup>5</sup>



Source: S&P Global Petrodata  
1 Contracted utilization % includes rigs currently under contract and rigs with future contracts (per S&P Global Petrodata); 2 Major peers comprises Diamond, Noble, Seadrill and Transocean and includes former Aquadrill and Maersk rigs for the period presented; 3 Contract backlog as of latest Fleet Status Report dated November 1, 2023; 4 Average market day rate reflects drillship fixtures signed three months before and after date of Valaris fixture; 5 Eight contracts were awarded under this Petrobras tender, with DS-8 achieving the highest day rate.



# Additional operating leverage from attractive purchase options on two newbuild drillships

**Given the strong market outlook, we intend to exercise the purchase options for DS-13 and DS-14**

- Among the highest specification drillships in the global fleet
- Both rigs equipped with two BOPs – preferred by customers globally
- Strong customer interest – expect that most, if not all, stacked and newbuild drillships will be required to meet growing future demand
- \$119 million shipyard price for DS-13 represents a ~60% discount to a comparable asset, with two BOPs, at current estimates<sup>1</sup>
- \$218 million shipyard price for DS-14 represents a ~30% discount to a comparable asset, with two BOPs, at current estimates<sup>1</sup>
- Will only reactivate the rigs once we have secured attractive contracts
- These investments are expected to generate strong returns

**VALARIS DS-13 and DS-14**



## Key Technical Specifications

Asset Type	7 <sup>th</sup> Generation Drillships
BOP Status	Dual Equipped
Rated Drilling Depth	40,000 Feet
Hookload	2.5 Million lbs
Thruster Capacity	5.5 MW

## Significant earnings potential and cash flow from Valaris fleet

Total Rigs	Rigs Under Contract or with Future Contract	Illustrative Annual Earnings and Cash Flow from Valaris Fleet <sup>1</sup>			
		Illustrative Scenario	A	B	C
11	10	6 <sup>th</sup> / 7 <sup>th</sup> Gen Drillship Day Rates	\$400K	\$450K	\$500K
5	3	Benign Semisubmersible Day Rates	\$300K	\$350K	\$400K
12	9	HD Ultra-Harsh & Harsh Jackup Day Rates <sup>2</sup>	\$125K	\$150K	\$175K
21	16	Modern HD & SD Jackup Day Rates <sup>2</sup>	\$100K	\$125K	\$150K
49	38	Fleet Utilization	70%	75%	80%
		<b>Operating Margin<sup>3</sup></b>	<b>~\$1,100M</b>	<b>~\$1,690M</b>	<b>~\$2,330M</b>
		Onshore Costs (G&A and Support) <sup>4</sup>	~\$240M	~\$240M	~\$240M
		<b>EBITDAR<sup>5</sup></b>	<b>~\$860M</b>	<b>~\$1,450M</b>	<b>~\$2,090M</b>
		Other Cash Uses <sup>6</sup>	~\$400M	~\$500M	~\$600M
		<b>Free Cash Flow</b>	<b>~\$460M</b>	<b>~\$950M</b>	<b>~\$1,490M</b>

# Value-driven approach to capital allocation

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## Maintain a Strong Balance Sheet

- Committed to maintaining a conservative balance sheet with low leverage
  - Provides capital allocation flexibility
  - Recent financings, including addition of revolving credit facility, enhance capital structure
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②

## Pursue Accretive Investments in our Fleet and/or Strategic Growth Opportunities

- Near-term investments in our fleet expected to generate attractive returns
  - 7 floater reactivations completed or in progress and intend to exercise 2 newbuild options
  - Pursue strategic growth opportunities if value-enhancing and accretive to our shareholders
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③

## Return Cash Flow to Shareholders

- **Intend to return all future free cash flow to shareholders unless there is a better or more value accretive use for it**
- \$300 million share repurchase authorization; 2023 share repurchase target of \$200 million
- > \$170 million of shares repurchased year-to-date November 2023

# Valaris is well positioned to deliver meaningful value to shareholders

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## Leading Offshore Driller

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# Appendix

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# Contract Backlog as of November 1, 2023

## Contract Backlog <sup>(1) (2)</sup>

(\$ millions)	2023	2024	2025+	Total
Drillships	\$ 113.2	\$ 894.9	\$ 718.4	\$ 1,726.5
Semis	38.9	194.5	26.1	259.5
<b>Floaters</b>	<b>\$ 152.1</b>	<b>\$ 1,089.4</b>	<b>\$ 744.5</b>	<b>\$ 1,986.0</b>
HD - Ultra-Harsh & Harsh	\$ 43.9	\$ 223.2	\$ 60.8	\$ 327.9
HD & SD - Modern	36.9	212.9	157.0	406.8
SD - Legacy	8.9	58.2	119.8	186.9
<b>Jackups</b>	<b>\$ 89.7</b>	<b>\$ 494.3</b>	<b>\$ 337.6</b>	<b>\$ 921.6</b>
<b>Other <sup>(3)</sup></b>	<b>\$ 26.5</b>	<b>\$ 108.7</b>	<b>\$ 115.3</b>	<b>\$ 250.5</b>
<b>Total</b>	<b>\$ 268.3</b>	<b>\$ 1,692.4</b>	<b>\$ 1,197.4</b>	<b>\$ 3,158.1</b>

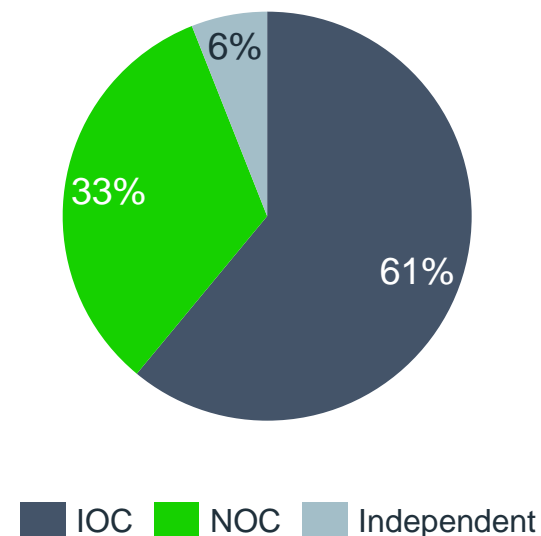
ARO Drilling <sup>(4)</sup>	2023	2024	2025+	Total
Owned Rigs	\$ 50.2	\$ 357.1	\$ 1,139.7	\$ 1,547.0
Leased Rigs	46.0	354.4	352.3	743.7
<b>Total</b>	<b>\$ 96.2</b>	<b>\$ 702.5</b>	<b>\$ 1,492.0</b>	<b>\$ 2,290.7</b>

## Contracted Days <sup>(1) (2)</sup>

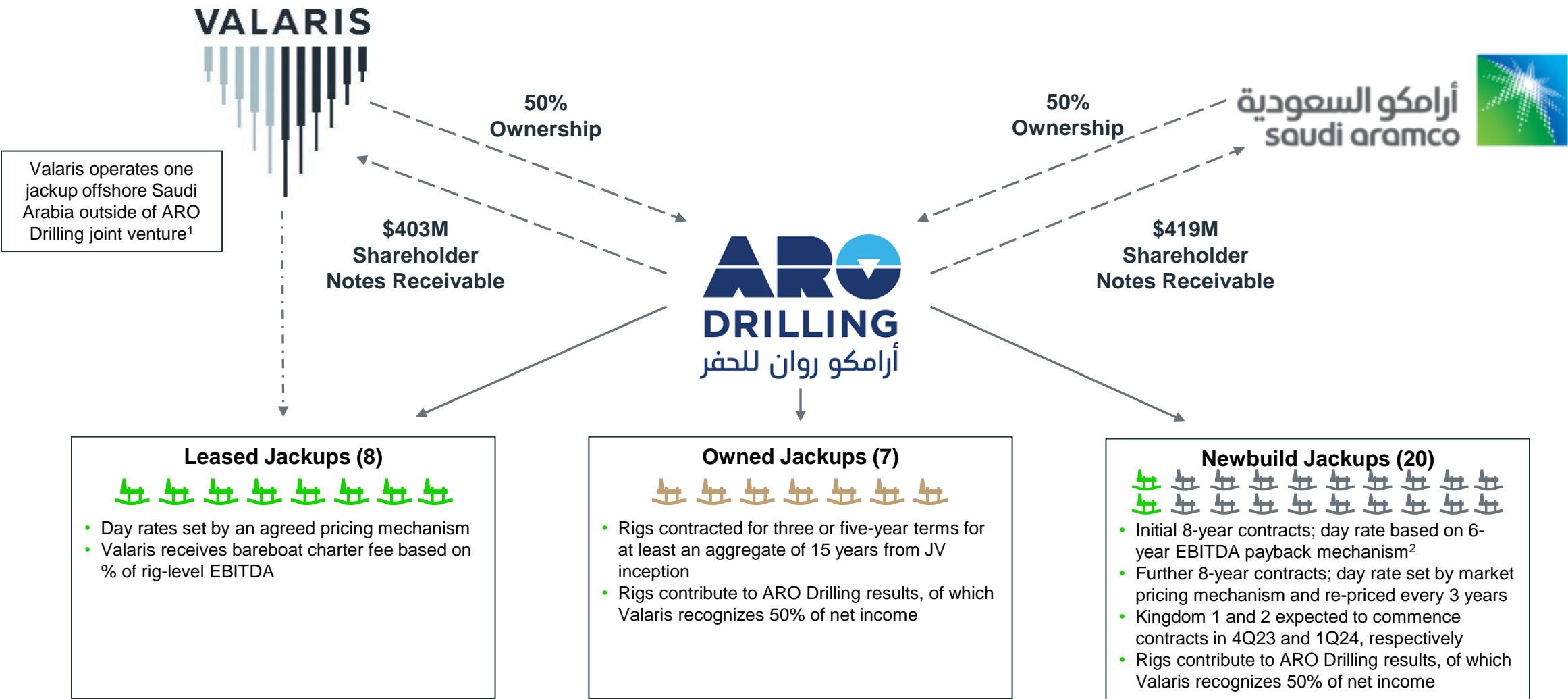
	2023	2024	2025+
Drillships	434	2,760	1,848
Semis	171	798	116
<b>Floaters</b>	<b>605</b>	<b>3,558</b>	<b>1,964</b>
HD - Ultra-Harsh & Harsh	396	1,920	445
HD & SD - Modern	406	2,057	1,285
SD - Legacy	120	732	1,359
<b>Jackups</b>	<b>922</b>	<b>4,709</b>	<b>3,089</b>
<b>Other <sup>(3)</sup></b>	<b>600</b>	<b>3,580</b>	<b>3,361</b>
<b>Total</b>	<b>2,127</b>	<b>11,847</b>	<b>8,414</b>

Average Dayrates	2023	2024	2025+
Drillships	\$ 261,000	\$ 324,000	\$ 389,000
Semis	228,000	244,000	225,000
<b>Floaters</b>	<b>\$ 251,000</b>	<b>\$ 306,000</b>	<b>\$ 379,000</b>
HD - Ultra-Harsh & Harsh	\$ 111,000	\$ 116,000	\$ 137,000
HD & SD - Modern	91,000	104,000	122,000
SD - Legacy	74,000	80,000	88,000
<b>Jackups</b>	<b>\$ 97,000</b>	<b>\$ 105,000</b>	<b>\$ 109,000</b>

## Contract Backlog by Customer Type



# Valaris owns 50% of joint venture with Saudi Aramco, the world's largest jackup customer



<sup>1</sup> VALARIS 76 is expected to commence a bareboat charter contract with ARO in 2024 after completion of its existing contract with Saudi Aramco.  
<sup>2</sup> Down payment on each newbuild rig is no more than 25% before delivery

# Non-GAAP Reconciliations

(In millions)

<b>ARO</b>	<b>Year-Ended December 31, 2022</b>
Net income	\$ 20.7
Add (subtract):	
Income tax expense	3.8
Other expense, net	11.1
Operating income	\$ 35.6
Add (subtract):	
Depreciation expense	63.4
EBITDA	\$ 99.0

The Company is not able to provide a reconciliation of forward-looking annualized rig-level EBITDA for VALARIS DS-7, as presented on page 23, to the most directly comparable GAAP measure without unreasonable effort because of the inherent difficulty in forecasting and quantifying certain amounts necessary for such a reconciliation, including forward-looking tax expense and other income (expense).





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