



# 3Q 2024 Earnings Release

October 30, 2024

# 3Q'24 Summary and outlook

- HMH acquired Drillform, a Calgary-based leader in automated drilling tools
- Revenue of USD 213 million in the quarter, up 5% year-on-year
- EBITDA of USD 46 million in the quarter, up 32% year-on-year
- EBITDA margin of 22% driven by product mix compared to prior quarter
- Order intake of USD 194 million, down versus prior year due to flat rig activity resulting in a more cautious approach to discretionary short-cycle spending
- Mr. Daniel “Dan” W. Rabun appointed Chairman of the Board of Directors effective October 21, 2024



## Transaction

100% of the equity interests in Drillform Technical Services Ltd. acquired in July for a total consideration of approx. USD 21 million in cash<sup>1</sup>

## Drillform Technical Services Ltd.

Based in Calgary, with facilities in Tulsa, USA, and Abu Dhabi, UAE, Drillform holds a robust portfolio of patents and intellectual property for drill pipe handling equipment, with a strong installed base of automated floor wrenches and catwalks worldwide.

Amongst other blue-chip clients, Drillform holds an exclusive long-term agreement with Helmerich & Payne Inc. (NYSE: HP) to manufacture and supply automated floor wrenches for H&P's global drilling operations.

## Advanced Drilling Technology

**Roughnecks:** Elevate rig floor automation while removing personnel from the rotating zone. Seamlessly integrates into existing systems, offering remote diagnostics, data tracking for every connection, and enabling predictive maintenance.

**Drilling Catwalks:** The industry's only catwalk handling triples of premium drill pipe and doubles of range 3 casing, cutting casing run-time by 50%.



**Eirik Bergsvik**  
Chief Executive Officer of HMH

*"I am excited to announce HMH's acquisition of Drillform, a leader in automated drilling tools.*

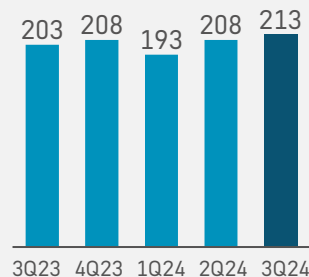
*Drillform's technologies represent an important step in HMH's growth strategy, expanding our onshore capabilities and improving drilling safety and performance. We are excited about Drillform's future with HMH and welcome the employees into the HMH family."*

# HMM highlights | 3Q'24

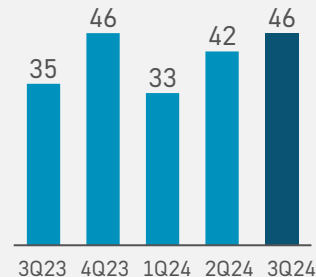
- Revenues** up 5% year-on-year and up 3% quarter-on-quarter driven by increased product shipments
- EBITDA** up 32% year-on-year and up 11% quarter-on-quarter driven by increased product volume and improved revenue mix within projects, products, and other.
- Order intake** down 6% year-on-year driven by decrease in services from prior year and up 8% quarter-on-quarter driven by increase projects, products, and other offset by lower service intake.
- Free Cash Flow** flat in the quarter, driven by timing of key milestone collections and working capital build for key rig upgrades and land equipment projects. FCF expected to turn positive in 4Q 2024. USD 33 million cash & cash equivalent at end of 3Q 2024.

Proforma financials, IFRS

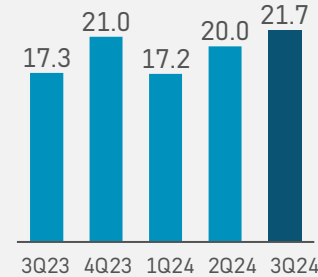
**REVENUE**  
USD millions



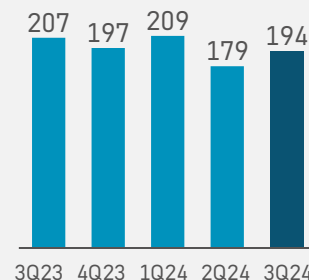
**EBITDA<sup>1)</sup>**  
USD millions



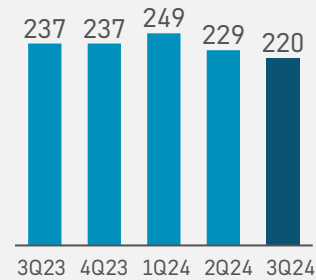
**EBITDA MARGIN (Adj.)**  
%



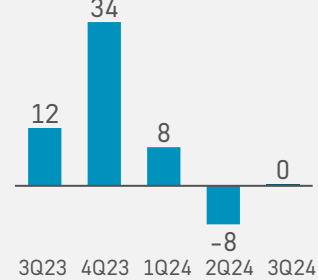
**ORDER INTAKE**  
USD millions



**EQUIPMENT BACKLOG<sup>2)</sup>**  
USD millions



**FREE CASH FLOW<sup>3)</sup>**  
USD millions



1) EBITDA adjusted for non-recurring expenses or costs defined as outside of normal company operations (USD 1 million adjustment in 3Q 24).

2) Equipment backlog defined as order backlog within Projects, Products and Other

3) Free Cash Flow defined as cash generated from operating activities, less capex and development cost. Historic FCF figures have been adjusted to align with updated reporting practices.

# Segments highlights

## Aftermarket Services

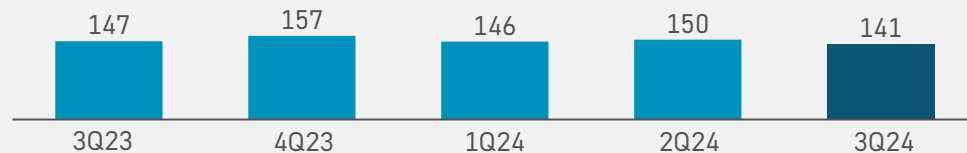
- Service revenue down 4% year-on-year and down 6% quarter-on-quarter driven by lower service order intake in the quarter
- Order intake down 10% year-on-year and down 8% quarter-on-quarter driven by flat rig activity and restrained spending by customers.

## Projects, Products & Other

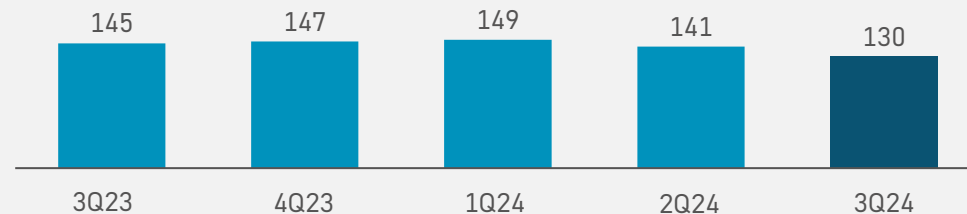
- Revenue up 30% year-on-year and up 25% quarter-on-quarter driven by increased product shipments.

### AFTERMARKET SERVICES

Revenue, USD millions

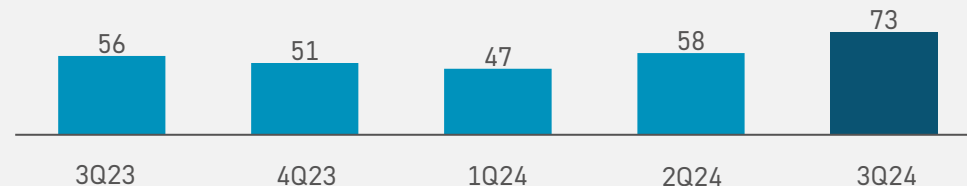


Order intake<sup>1)</sup>, USD millions



### PROJECTS, PRODUCTS & OTHER

Revenue, USD millions

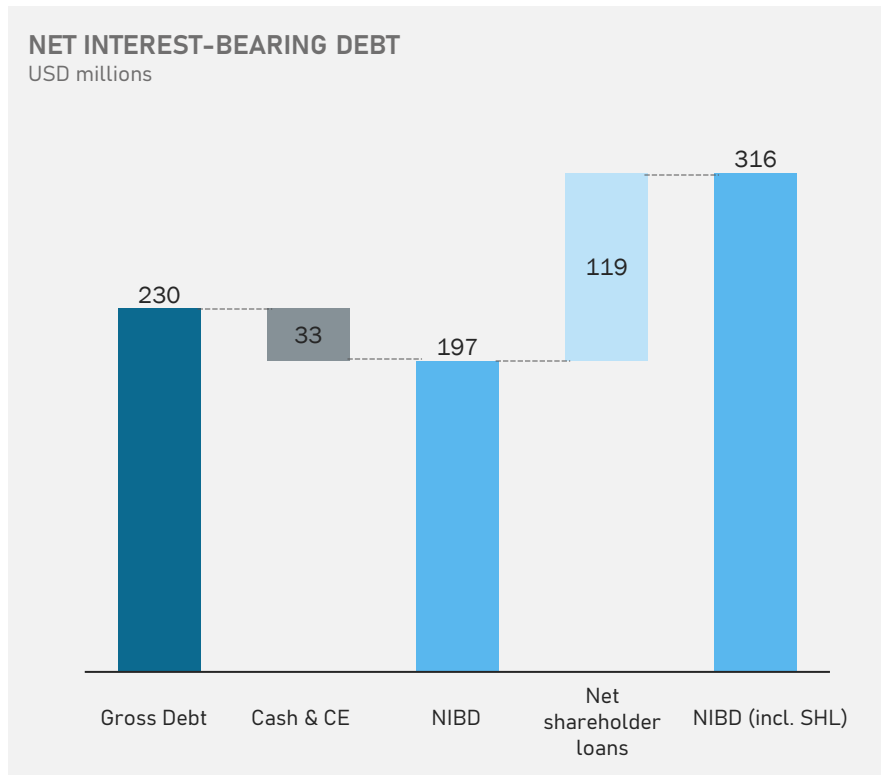


1) Intake inclusive of all Services product lines (e.g. spare parts, overhaul and repair, field service, etc.)

# Net interest-bearing debt

- Net debt of USD 197 million as per end of period (excl. shareholder loans)
- Leverage, NIBD/LTM EBITDA (adj.), at 1.2x per 3Q 2024
- USD 30 million drawn on the RCF as of Q3 2024

IBD as per end of period	Amount	Key terms
Senior Secured Bond	200	Nordic Bond raised in 4Q 2023. Maturity November 2026. Fixed rate 9.875%.
Super Senior Secured RCF	30	USD 50m facility, maturity May 2026. Margin 350 – 425 bps.
<b>Gross Interest-Bearing Debt</b>	<b>230</b>	
Net shareholder loans <sup>1)</sup>	119	Subordinated, 8% PIK interest



1) Gross shareholder loan of USD 127.5 million net of a USD 8.5 million interest bearing receivable towards shareholders



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