

# Vantage Drilling International Ltd. Reports Third Quarter 2024 Results

DUBAI, November 7, 2024 (GLOBE NEWSWIRE) -- Vantage Drilling International Ltd. ("Vantage" or the "Company") reported a net loss attributable to shareholders of approximately \$10.6 million or \$0.80 per diluted share for the three months ended September 30, 2024, based on weighted average shares outstanding, as compared to a near breakeven net income attributable to shareholders for the three months ended September 30, 2023.

As of September 30, 2024, Vantage had approximately \$57.6 million in cash. This total includes \$6.4 million of restricted cash and \$12.4 million pre-funded by our Managed Services customers for near-term obligations. In comparison, on December 31, 2023, Vantage had \$84.0 million in cash, including \$10.8 million of restricted cash and \$11.6 million pre-funded by our Managed Services customers.

Ihab Toma, CEO, commented: "The third quarter marked important progress for the company. We successfully placed the *Topaz Driller* on contract, delivering it on time and within budget. We also continued the upgrades to the *Platinum Explorer* to improve its marketability. Additionally, we announced the sale of both the *Topaz Driller* and *Soehanah* for \$190 million, along with three 3-year management and support agreements, further reinforcing our commitment to the managed services segment and strengthening the company's balance sheet."

Mr. Toma continued, "The \$6.4 million in EBITDA generated this quarter, along with our key milestones achieved, reflects the efficiency of our operations and our organization's ability to navigate through this transitional period"

Vantage, a Bermuda exempted company, is an offshore drilling contractor, with a fleet of two ultra-deepwater drillships, and two premium jackup drilling rigs. Vantage's primary business is to contract drilling units, related equipment and work crews primarily on a dayrate basis to drill oil and natural gas wells globally for major, national and independent oil and gas companies. Vantage also markets, operates and provides management services in respect of, third party-owned drilling units. [www.vantagedrilling.com](http://www.vantagedrilling.com).

The information above includes forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements are subject to certain risks, uncertainties and assumptions identified above or as disclosed from time to time in the Company's reports or filings posted to its website or otherwise made available to its investors or creditors. As a result of these factors, actual results may differ materially from those indicated or implied by such forward-looking statements. Vantage disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

## Non-GAAP Measures

We report our financial results in accordance with generally accepted accounting principles (GAAP) in the United States. However, in our earnings release and during our earnings calls we may reference company information that does not conform to GAAP. 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. However, these measures should not be viewed as an alternative to or substitute for GAAP measures of performance, and these non-GAAP measures may not be consistent with previously published Company reports on Forms 10-K, 10-Q and 8-K. Non-GAAP measures we may reference have been reconciled to the nearest GAAP measure in the tables

entitled Reconciliation of GAAP to Non-GAAP Financial Measures below.

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**Vantage Drilling International Ltd.**  
**Condensed Consolidated Statements of Operations**  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Revenue</b>				
Contract drilling services	\$ 35,264	\$ 76,190	\$ 129,593	\$ 191,780
Management fees	2,973	6,086	14,196	13,775
Reimbursables and other	10,717	21,426	31,125	83,059
<b>Total revenue</b>	<b>48,954</b>	<b>103,702</b>	<b>174,914</b>	<b>288,614</b>
<b>Operating costs and expenses</b>				
Operating costs	38,012	73,988	130,296	214,926
General and administrative	5,716	5,561	18,195	15,553
Depreciation	11,247	11,065	33,739	33,159
(Gain) loss on EDC Sale	—	—	—	3
<b>Total operating costs and expenses</b>	<b>54,975</b>	<b>90,614</b>	<b>182,230</b>	<b>263,641</b>
<b>Income (loss) from operations</b>	<b>(6,021)</b>	<b>13,088</b>	<b>(7,316)</b>	<b>24,973</b>
<b>Other (expense) income</b>				
Interest income	212	251	706	441
Interest expense and other financing charges	(6,358)	(5,343)	(17,358)	(16,247)
Other, net	1,222	115	244	(20)
<b>Total other expense</b>	<b>(4,924)</b>	<b>(4,977)</b>	<b>(16,408)</b>	<b>(15,826)</b>
<b>Income (loss) before income taxes</b>	<b>(10,945)</b>	<b>8,111</b>	<b>(23,724)</b>	<b>9,147</b>
<b>Income tax provision (benefit)</b>	<b>(342)</b>	<b>8,097</b>	<b>4,280</b>	<b>10,703</b>
<b>Net income (loss)</b>	<b>(10,603)</b>	<b>14</b>	<b>(28,004)</b>	<b>(1,556)</b>
<b>Net income (loss) attributable to non-controlling interests</b>	<b>(5)</b>	<b>10</b>	<b>(314)</b>	<b>(736)</b>
<b>Net income (loss) attributable to shareholders</b>	<b>\$ (10,598)</b>	<b>\$ 4</b>	<b>\$ (27,690)</b>	<b>\$ (820)</b>
<b>EBITDA <sup>(1)</sup></b>	<b>\$ 6,448</b>	<b>\$ 24,268</b>	<b>\$ 26,667</b>	<b>\$ 58,112</b>
<b>Earnings (loss) per share</b>				
Basic and Diluted	\$ (0.80)	\$ 0.00	\$ (2.09)	\$ (0.06)
<b>Weighted average ordinary shares outstanding,</b>				
Basic	13,295	13,229	13,276	13,213
Diluted	13,295	13,323	13,276	13,213

(1) EBITDA represents net income (loss) before (i) interest income (expense), (ii) provision for income taxes and (iii) depreciation and amortization expense. EBITDA is not a financial measure under GAAP as defined under the rules of the SEC, and is intended as a supplemental measure of our performance. We believe this measure is commonly used by analysts and investors to analyze and compare companies on the basis of operating performance.

**Vantage Drilling International Ltd.**  
**Supplemental Operating Data**  
(in thousands, except percentages)  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Operating costs and expenses</b>				
<i>Jackups</i>	\$ 4,958	\$ 7,366	\$ 21,128	\$ 15,088
<i>Deepwater</i>	20,119	26,056	66,383	69,174
<i>Managed Rigs</i>	47	17,825	4,569	52,084
<i>Operations support</i>	2,917	2,764	9,083	8,340
<i>Reimbursables</i>	9,971	19,977	29,133	70,240
<b>Total operating costs and expenses</b>	<b>\$ 38,012</b>	<b>\$ 73,988</b>	<b>\$ 130,296</b>	<b>\$ 214,926</b>
<b>Utilization</b>				
<i>Jackups</i>	50.3%	67.2%	63.3%	83.4%
<i>Deepwater</i>	49.9%	84.9%	53.7%	81.0%

**Vantage Drilling International Ltd.**  
**Condensed Consolidated Balance Sheets**  
(In thousands, except share and par value information)  
(Unaudited)

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 51,169	\$ 73,206
Restricted cash	1,071	1,828
Trade receivables, net of allowance for credit losses of \$5,799 and \$5,434, respectively	69,831	74,113
Materials and supplies	56,151	46,704
Prepaid expenses and other current assets	31,423	37,423
Total current assets	<u>209,645</u>	<u>233,274</u>
Property and equipment		
Property and equipment	684,190	660,449
Accumulated depreciation	<u>(380,230)</u>	<u>(352,357)</u>
Property and equipment, net	303,960	308,092
Operating lease ROU assets	518	1,084
Other assets	44,838	19,283
Total assets	<u>\$ 558,961</u>	<u>\$ 561,733</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 50,910	\$ 62,245
Debt due within 1 year	25,000	-
Other current liabilities	39,466	51,946
Total current liabilities	<u>115,376</u>	<u>114,191</u>
Long-term debt, net of discount and financing costs of \$8,112 and \$9,893 respectively	191,888	190,107
Other long-term liabilities	32,010	10,741
Shareholders' equity		
Ordinary shares, \$0.001 par value, 50 million shares authorized; 13,295,262 and 13,229,280 shares issued and outstanding, each period	13	13
Additional paid-in capital	634,960	633,963
Accumulated deficit	<u>(416,213)</u>	<u>(388,523)</u>
Controlling interest shareholders' equity	218,760	245,453
Noncontrolling interests	927	1,241
Total equity	<u>219,687</u>	<u>246,694</u>
Total liabilities and shareholders' equity	<u>\$ 558,961</u>	<u>\$ 561,733</u>

**Vantage Drilling International Ltd.**  
**Condensed Consolidated Statements of Cash Flows**  
(In thousands)  
(Unaudited)

	<u>Nine Months Ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (28,004)	\$ (1,556)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation expense	33,739	33,159
Amortization of debt financing costs	2,518	1,455
Share-based compensation expense	1,537	45
Loss on debt extinguishment	—	703
Deferred income tax expense	193	994
Loss on disposal of assets	79	—
Loss on EDC Sale	—	3
Allowance for credit losses	365	—
Changes in operating assets and liabilities:		
Trade receivables, net	3,917	(24,537)
Materials and supplies	(9,447)	(6,723)
Prepaid expenses and other current assets	6,000	(9,377)
Other assets	(27,676)	4,810
Accounts payable	(11,335)	5,416
Other current liabilities and other long-term liabilities	11,964	(15,822)
Net cash used in operating activities	<u>(16,150)</u>	<u>(11,430)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	(29,766)	(6,833)
Proceeds from disposal of assets	80	—
Net cash used in investing activities	<u>(29,686)</u>	<u>(6,833)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from 9.50% First Lien Notes	—	194,000
Proceeds from Revolving Credit Facility	25,000	—
Repayment of long-term debt	—	(180,000)
Shares repurchased for tax withholdings on settlement of RSUs	(441)	(246)
Payments of dividend equivalents	(3,272)	(5,278)
Debt issuance costs	(1,833)	(5,850)
Net cash provided by financing activities	<u>19,454</u>	<u>2,626</u>
Net decrease in unrestricted and restricted cash and cash equivalents	<u>(26,382)</u>	<u>(15,637)</u>
Unrestricted and restricted cash and cash equivalents—beginning of period	83,975	93,257
Unrestricted and restricted cash and cash equivalents—end of period	<u>\$ 57,593</u>	<u>\$ 77,620</u>

**Vantage Drilling International Ltd.**  
**Non-GAAP Measures**  
(In thousands)  
(Unaudited)

<b>Reconciliation of EBITDA</b>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net income (loss)	\$ (10,603)	\$ 14	\$ (28,004)	\$ (1,556)
Depreciation	11,247	11,065	33,739	33,159
Interest income	(212)	(251)	(706)	(441)
Interest expense and other financing costs	6,358	5,343	17,358	16,247
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<b>EBITDA</b>	<b>\$ 6,448</b>	<b>\$ 24,268</b>	<b>\$ 26,667</b>	<b>\$ 58,112</b>