Borr Drilling Limited Announces Preliminary Results for the Second Quarter of 2020

28.08.2020 | PR Newswire

HAMILTON, Aug. 28, 2020 - Borr Drilling Ltd. ("Borr", "Borr Drilling" or the "Company") (NYSE: "BORR", OSE: "BDRILL announces unaudited results for the three and six months ended June 30, 2020.

Highlights in the Second Quarter of 2020

- Total operating revenues of $84.0 million, net loss of $109.6 million and Adjusted EBITDA* of $(1.9) million for the quarter of 2020. The adjusted EBITDA includes approximately $12 million of non-recurring costs related to the ag reached with the Company's creditors in June 2020
- The combined Adjusted EBITDA of the four separate Mexican JVs that the Company has 49% ownership in was in the second quarter 2020, compared to negative EBITDA in the first quarter of 2020 of ($2.3) million, an increas million quarter on quarter
- On April 30, 2020, the Company sold two standard jack-up drilling rigs, the "Dhabi II" and the "Paragon B152", fo proceeds of $15.8 million, leading to a gain on disposal of $12.8 million
- In May 2020, the Company exited its position in forward contracts for Valaris shares
- In June 2020, the Company completed an equity offering raising gross proceeds of $30 million
- In June 2020, the Company made several amendments to loan facilities with its creditors and to the delivery sche with its shipyards, resulting in liquidity improvement mainly through deferral of payments of more than $315 millio beginning of 2022

Subsequent events

- On August 10, 2020, the Company announced the appointment of Patrick Schorn as new Chief Executive Officer
- In August, Pemex communicated a regular monthly payment plan to OPEX, the JV providing Integrated Well Serv should substantially improve the JV's liquidity position, which in turn will benefit Borr

The Chairman of the Board, Paal Kibsgaard, commented:

"In the second quarter, we saw the full impact of the anticipated activity reductions linked to COVID-19, resulting in a se decrease in operating revenues of 19% to $84.0 million, and Adjusted EBITDA of $(1.9) million. The adjusted EBITDA i million of non-recurring costs related to the agreements reached with the Company's creditors in June 2020.

In the current challenging operating environment, Borr Drilling has been focused on improving its liquidity runway and c cash. Through negotiations with creditors and shipyards in June, we improved the Company's liquidity by $315 million t start of 2022, mainly through deferral of payments.

Operationally, the Mexican business has improved significantly quarter on quarter. The four JVs that the Company has in delivered USD30m in Adjusted EBITDA in the quarter. Additionally, we estimate that COVID-19 impacted our Mexica directly by $5.5 million in lost revenue and additional expenses combined. The wells delivered by Borr's integrated serv based on Pemex's Q2 2020 report, increased Pemex production by 72k barrels/day. With the quick payback and low br the customer we expect the integrated well delivery business model to gain further traction going forward.

From a liquidity perspective, the operations of our Mexican JVs have suffered from irregular payments and difficulties w of receivables, which in turn has put further strain on the Company's liquidity position. However, in late August 2020, Pe confirmed their commitment to enter into a regular monthly payment plan to our JVs, which will reduce the working capi requirements and allow cash distributions from the JVs to Borr, and thereby improve Borr's liquidity position.

The improvement in oil prices during the spring of 2020 triggered demand for putting three of our warm stacked units ba This shows the resilience of the shallow water offshore drilling market and, as oil prices continue to improve, we expect further units back to work in the future.

The distress in the offshore drilling industry is likely to force both needed consolidation and fleet rationalisation going fo
Drilling has a brand-new jack-up drilling rig fleet and is well positioned to participate in such consolidation if it benefits o
shareholders."

The full report and financial statements is available in the enclosed file to this release.

August 28, 2020

The Board of Directors

Borr Drilling Ltd.

Hamilton, Bermuda

Questions should be directed to:

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https://mb.cision.com/Public/16983/3183114/91f835491351e7e2.pdf 2nd Quarter 2020 Results

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