



# Excellence Logging Finance 2 Ltd Q2 2024

Earnings Release

[ ] August 2024

**EXLOG**  
EXCELLENCE LOGGING

# Summary and Outlook

- Exlog on forecast with both activity and revenue still increasing over the last six months
- Our expectations are for activity to continue to grow during the rest of 2024 as we start up new well intervention and surface data logging contracts in Asia, Europe, North Africa and Latin America
- Performance and expectations for FY2024 in line with previous guidance
- Revenue of \$47.9m in the quarter, up 9% year on year (proforma)
- EBITDA of \$10.4m, up 35% year on year
- EBITDA margin of 22% - in line with Q1 and up from 18% in Q2 2023
- Our acquisition pipeline is strong and we are actively looking for targets

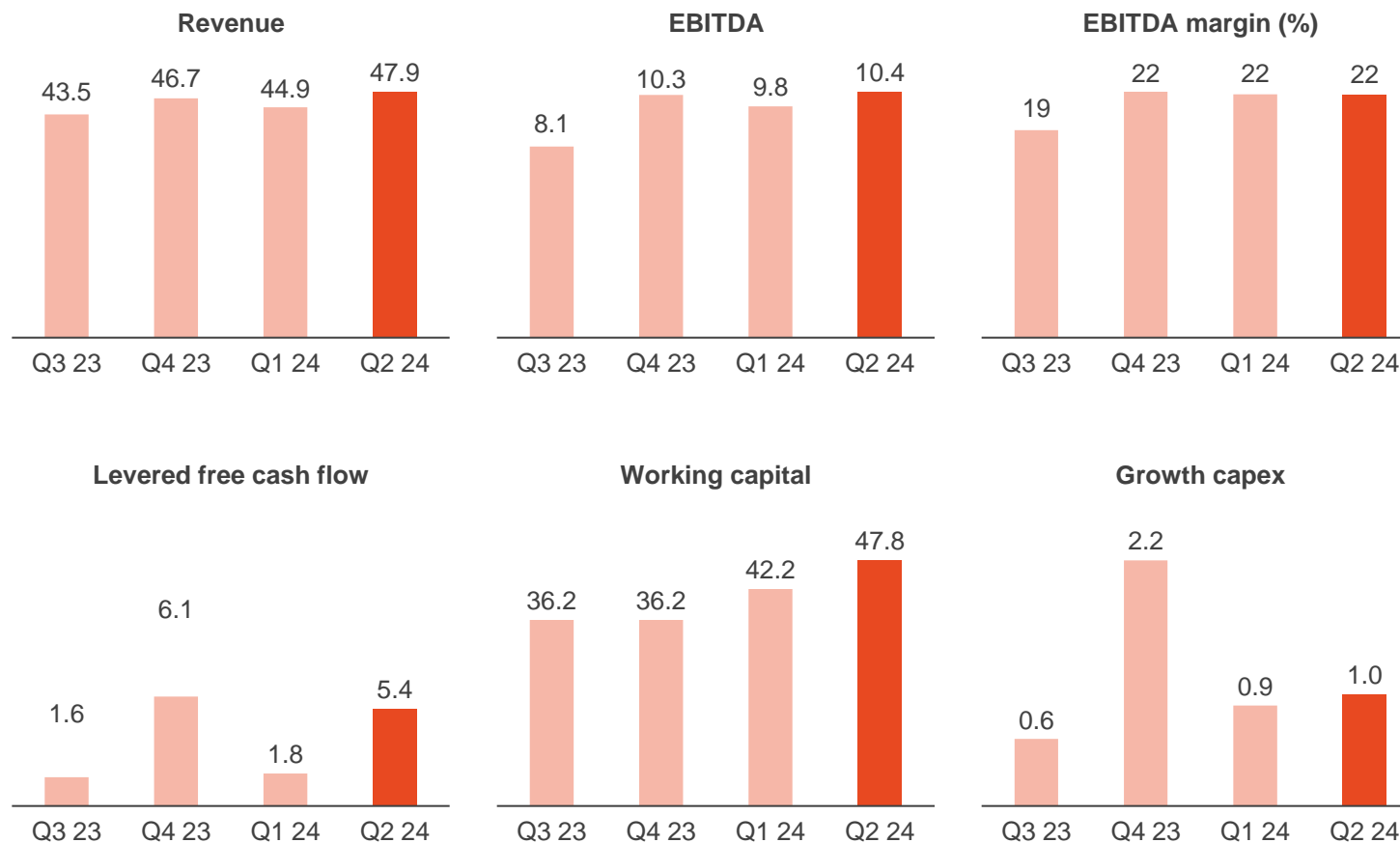


# Highlights Q2 2024

## Commentary

- Quarterly Revenues up 9% year on year and 7% quarter on quarter driven by increased activity in key markets and increased take up of our advanced services offering
- Quarterly EBITDA up 35% year on year and 6% quarter on quarter reflecting improved margins from scale, continued focus on fixed costs and an improving product mix from the advanced services offering
- Strong Free Cash Flow improvement driven by increased profitability and reduced CAPEX requirements
- All 2023 Revenue and EBITDA comparisons are pro-forma and reflect the FY2023 results of the Well Services Group performance prior to acquisition in August 2023

## Financial development (USDm)

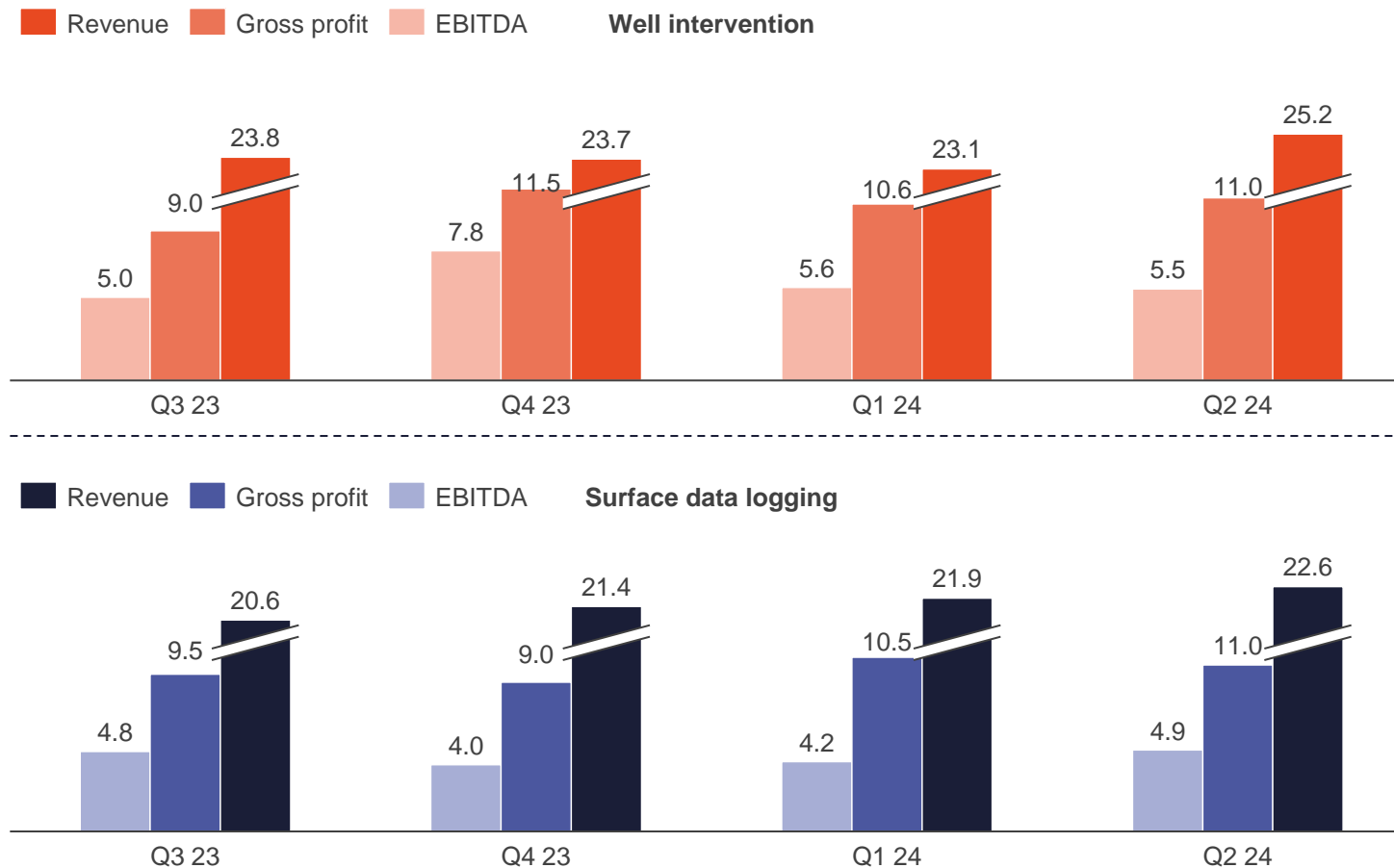


# Segments Highlights Q2 2024

## Commentary

- WIN revenue down 1% year on year and up 9% quarter on quarter driven by slippage of Q1 2024 activity to Q2
- WIN gross margin (ex D&A) up 8% year and 4% quarter on quarter
- WIN EBITDA up 55% year on year and down 2% quarter on quarter driven by investments in Well Services Group back office and start-up costs on key projects in Q2
- SDL revenue up 12% year on year and 4% quarter on quarter driven by increased activity across all major markets
- SDL gross margin (ex D&A) up 26% year on year and 5% quarter on quarter
- SDL EBITDA up 17% year on year and up 17% quarter on quarter due to improved product mix and increased scale
- FY2023 comparatives in WIN are pro-forma

## Solid financial development (USDm)



# Covenant performance

## Comfortable headroom to covenants

- Excellence Logging Finance 2 Ltd, has comfortably met both the minimum liquidity and leverage covenant tests for Q2 2024

## Covenant calculations

### 1) Minimum Liquidity

	2024 Q2 Actual
Cash & Cash Equivalents	17.3
Undrawn RCF	6.0
Liquidity	<b>23.3</b>
Covenant Minimum	<b>10.0</b>

### 2) Leverage Ratio covenant

	2024 (LTM) Q2 Actual
Net Debt	89.2
LTMEBITDA (on PF 12 mths)	38.6
<b>Forecasted leverage ratio - x</b>	<b>2.31x</b>
<b>Covenant Maximum Leverage - x</b>	<b>3.00x</b>

# 30<sup>th</sup> June 2024 Financial Statements

3 months to 30 June 2024

Profit & Loss

	Excellence Logging Finance 2 Q2 2024
	Actual
Sales	47.8
People related costs	(15.8)
Other	(14.2)
Cost of Sales	(30.0)
Gross Margin	<b>17.8</b>
% Margin	37.2%
Field Support Costs	(4.1)
<b>Field Margin</b>	<b>13.7</b>
% Margin	28.6%
G+A (Country & Regions)	(5.7)
Corp G+A / Other Expenses	(1.6)
NPD (not capitalized)	(0.4)
Contingency	--
<b>Operating Profit (Loss)</b>	<b>6.0</b>
Due Diligence fees	--
Exceptional items	(2.6)
Other gains/(losses)	(1.1)
Finance expenses	(2.5)
Finance income	0.0
Profit (Loss) before tax	<b>(0.1)</b>
Tax expense	0.1
Net profit (loss) for the year	<b>0.0</b>
Depreciation and amortization	4.2
<b>EBITDA</b>	<b>10.3</b>
% EBITDA Margin	21.6%

As at 30 June 2024

Balance Sheet

	Excellence Logging Finance 2 30 June 2024 US\$ m	Excellence Logging Holding 30 June 2024 US\$ m	Excellence Logging Holding 31 Dec 2023 US\$ m
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	31.5	31.5	36.4
Goodwill	34.5	34.5	34.8
Other intangible assets	5.5	5.5	6.2
Deferred tax asset	0.1	0.1	0.1
Other non-current assets	1.2	1.2	1.2
	<b>72.8</b>	<b>72.8</b>	<b>78.7</b>
<b>Current assets</b>			
Trade and other receivables	47.8	46.5	38.6
Other current assets	16.5	16.8	14.5
Inventory	8.9	8.9	7.9
Current tax assets	4.4	4.4	2.4
Deferred tax asset	-	-	-
Cash and cash equivalents	17.3	17.3	9.8
	<b>94.8</b>	<b>93.8</b>	<b>73.2</b>
<b>Total assets</b>	<b>167.6</b>	<b>166.6</b>	<b>151.9</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non current portion of borrowings	(102.7)	(102.7)	(56.8)
End of service benefit obligations	(3.5)	(0.6)	(0.3)
Deferred tax liabilities	(0.3)	(3.3)	(3.3)
Other non current liabilities	(0.4)	(0.4)	(0.6)
	<b>(106.9)</b>	<b>(107.1)</b>	<b>(61.1)</b>
<b>Current liabilities</b>			
Trade and other payables	(35.8)	(26.2)	(23.5)
Current portion of borrowings	(3.8)	(3.8)	(10.6)
Current income tax liabilities	(4.7)	(4.7)	(3.0)
Provisions for other liabilities	(0.1)	(18.1)	(20.0)
Other current liabilities	(18.1)	(0.1)	(0.1)
	<b>(62.5)</b>	<b>(53.0)</b>	<b>(57.2)</b>
<b>Total Liabilities</b>	<b>(169.5)</b>	<b>(160.1)</b>	<b>(118.3)</b>
<b>Net Assets/(Liabilities)</b>	<b>(1.9)</b>	<b>6.5</b>	<b>33.5</b>
<b>EQUITY</b>			
Share capital	0.1	50.0	167.5
Translation reserves	(10.5)	(10.5)	(9.5)
Capital reserve	-	0.0	0.0
Convertible loan reserve	9.0	9.0	9.0
Accumulated deficit	(4.3)	(45.6)	(135.5)
<b>Equity attributable to owners of the Company</b>	<b>(5.6)</b>	<b>3.0</b>	<b>31.6</b>
Non-controlling interests	3.7	3.7	2.0
<b>Total Equity</b>	<b>(1.9)</b>	<b>6.7</b>	<b>33.5</b>

3 months to 30 June 2024

Cashflow Statement

	Excellence Logging Finance 2 Q2 2024
	Actual
<b>Profit / (Loss) for the period</b>	0.0
Adjustment for	-
Finance costs	1.9
Income tax charge / (credit)	(0.1)
Impairment	-
Depreciation & amortization	4.2
Restructuring costs	-
Foreign exchange (gains)/losses	0.3
(Gain)/Loss on disposal of PP&E	-
<b>Operating Cash Flow before Working Capital movemen</b>	<b>6.2</b>
Change in Working Capital	(3.6)
<b>Cash generated/(used) by operations</b>	<b>2.6</b>
Income taxes paid	(1.8)
Interest paid	(1.6)
<b>Net cash generated/(used) in operating activities</b>	<b>(3.3)</b>
<b>Investing activities</b>	
Payments to acquire tangible fixed assets	(1.5)
Receipts from sales of tangible fixed assets	-
Acquisition	-
Expenditure on new product development	(0.4)
<b>Net cash used in investing activities</b>	<b>(1.9)</b>
<b>Financing activities</b>	
Bond facility drawdown	98.3
Repayment of existing bank loan/leases	(62.7)
Intercompany dividend	(27.6)
<b>Net Cash Flows from financing activities</b>	<b>8.0</b>
<b>Net increase/ (decrease) in cash</b>	<b>5.4</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>11.8</b>
Net increase/ (decrease) in cash	5.4
Effect of exchange rates on cash and cash equivalents	0.1
<b>Cash and cash equivalents at end of period</b>	<b>17.3</b>

Excellence Logging Finance 2 Ltd does not have a FY2023 Audited Consolidated Balance Sheet. FY2024 Audited Financial Statements will be completed in 2025

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