

# Excellence Logging Finance 2 Plc Q3 2024

Earnings Release

2 December 2024

**EXLOG**  
EXCELLENCE LOGGING



# Summary and Outlook

- Exlog showing continuous growth quarter on quarter and year on year driven by the performance of its well intervention segment.
- Our expectations are for activity to continue to grow during the rest of 2024 despite decreased activity in some Middle East markets.
- Temporary under-performance in SDL in Q3 mitigated by over-performance in WIN with expectations of improved SDL performance in Q4 and into FY2025
- Performance and expectations for FY2024 close to previous guidance of ~\$200m revenue and ~\$40m EBITDA.
- Revenue of \$52.1m in the quarter, up 16% year on year.
- EBITDA of \$9.1m, up 12.3% year on year.
- EBITDA margin of 17% - down from 22% in Q2 and 19% in Q3 2023. The lower performance came with some changes in revenue profile and investment to support future growth. Q4 performance expected to be back close to H1 trading level maintaining FY2024 expectations.
- Our acquisition pipeline is strong, and we are continuously looking after accretive targets.

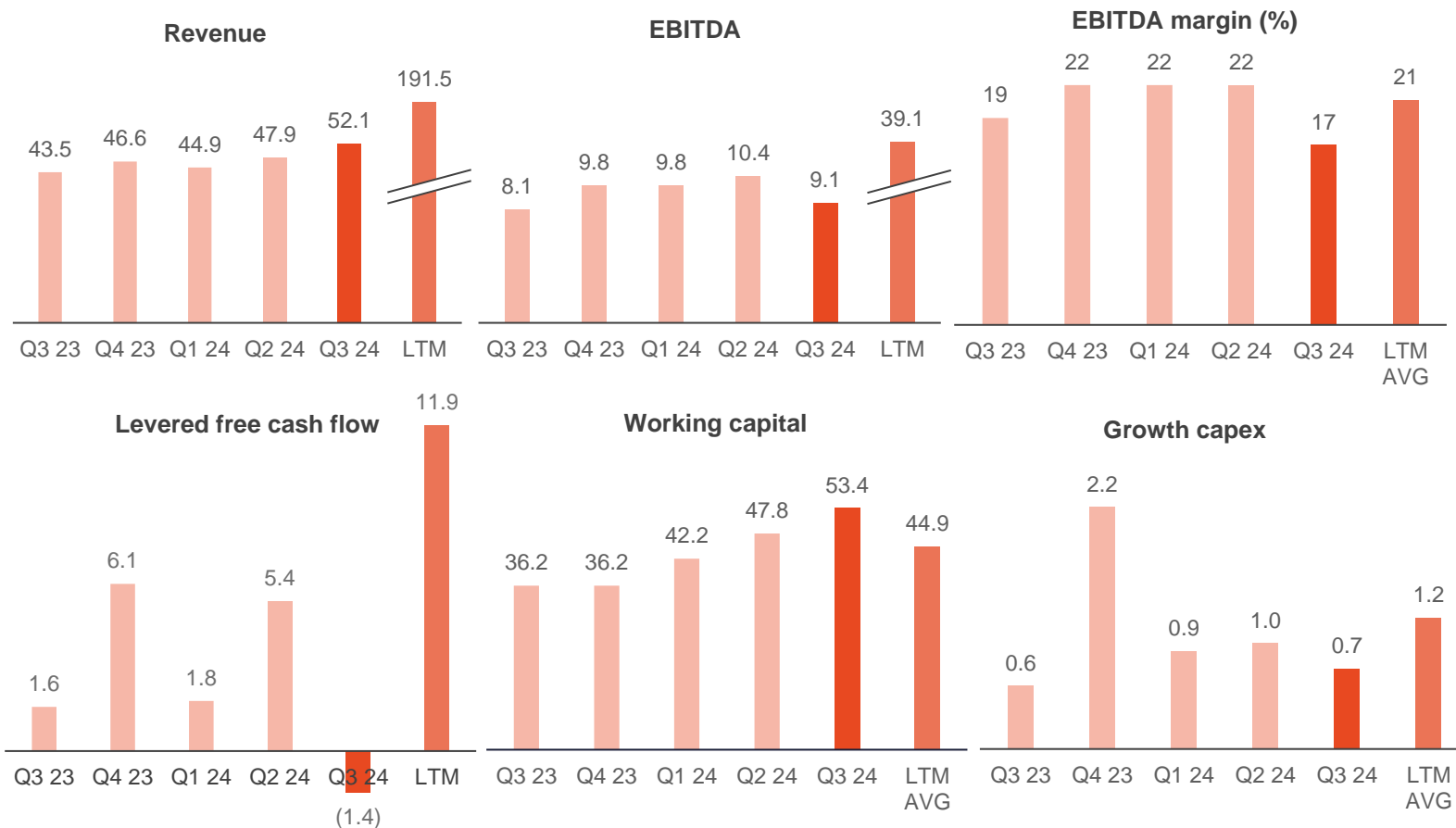


# Highlights Q3 2024

## Commentary

- Quarterly revenues up 16% year on year and 8.8% quarter on quarter driven by significant increase of well intervention activity (+25% QoQ), while surface data activity has been slowing down (-10% QoQ) mainly due to reduced activity in some Middle East markets.
- Quarterly EBITDA up 12.3% year on year and down 12.5% quarter on quarter reflecting change in profitability mix. Actions have been taken to align cost base to revenue generation and to restore margin in Q4 at equivalent level of H1.
- Free Cash Flow was significantly impacted during the quarter due to process changes from some of our larger Middle East customers. These impacts were resolved in early Q4, and receivables have returned to their normal state resulting in very strong cash flow expectations during Q4 2024.

## Financial development (USDm)

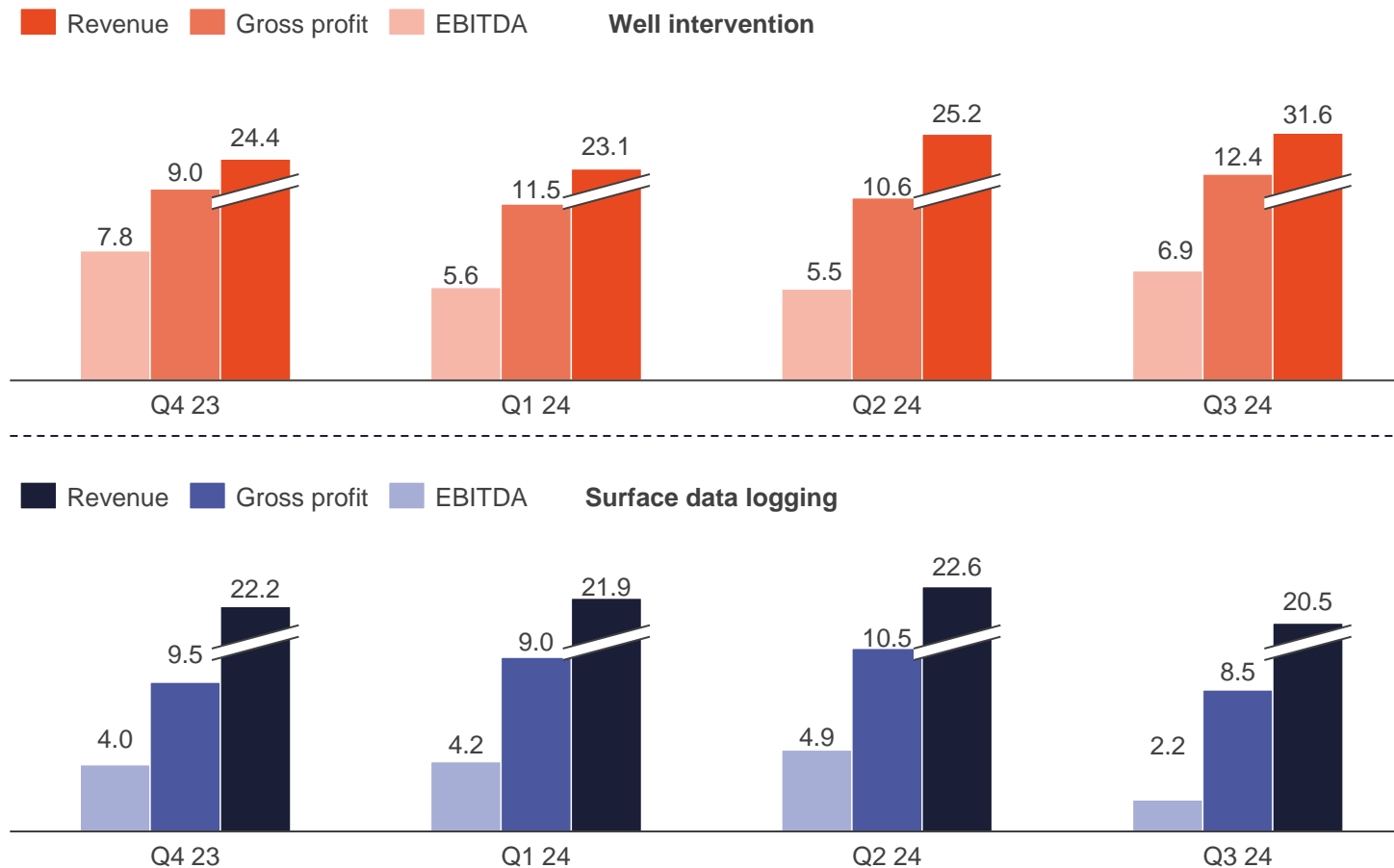


# Segments Highlights Q3 2024

## Commentary

- Well intervention revenue up 33% year on year and up 25% quarter on quarter driven by seasonality effects and increasing P&A activity across all of Europe.
- Well intervention gross margin (ex D&A) up 72% year and 17% quarter on quarter driven by activity increase.
- Well intervention EBITDA up 38% year on year and 23% quarter on quarter driven due to size effect.
- Surface data logging revenue down 3% year on year and down 10% quarter on quarter driven by lower activity in Saudi.
- Surface data logging gross margin (ex D&A) up 13% year on year and down 19% quarter on quarter with time lag to adjust costs base to temporary reduced activity.
- Surface data logging EBITDA down 54% year on year and 55% quarter on quarter due lower gross margin performance and lower critical mass.

## Solid financial development (USDm)



# Covenant performance

## Comfortable headroom to covenants

- Excellence Logging Finance 2 Plc, has comfortably met both the minimum liquidity and leverage covenant tests for Q3 2024.
- Expectation that the Q4 2024 Leverage Ratio will reduce to ~2.15x

## Covenant calculations

### 1) Minimum Liquidity

	2024 Q3 Actual
Cash & Cash Equivalents	11.4
Undrawn RCF	6.0
Liquidity	<b>17.4</b>
Covenant Minimum	<b>10.0</b>

### 2) Leverage Ratio covenant

	2024 (LTM) Q3 Actual
Bond	100.0
Other Gross Debt	7.8
Gross Debt	107.8
Cash & Cash Equivalents	11.4
Net Debt	96.4
LTMEBITDA (on PF 12 mths)	39.1
<b>Leverage ratio - x</b>	<b>2.47x</b>
<b>Covenant Maximum Leverage - x</b>	<b>3.00x</b>

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

3 months to 30 September 2024  
Profit & Loss

As at 30 September 2024  
Balance Sheet

3 months to 30 September 2024  
Cashflow Statement

	Excellence Logging Finance 2 Q3 2024
	Actual
Sales	52.1
People Related Costs	(15.3)
Other	(15.4)
Cost of Sales	(30.7)
<b>Gross Margin</b>	<b>21.4</b>
<i>% Margin</i>	<i>41.1%</i>
Field Support Costs	(3.4)
<b>Field Margin</b>	<b>18.1</b>
<i>% Margin</i>	<i>34.7%</i>
G+A (Country & Regions)	(10.5)
Corp G+A / Other Expenses	(0.6)
NPD (not capitalized)	(0.6)
Contingency	--
<b>Operating Profit</b>	<b>6.5</b>
Acquisition + integration fees	(0.0)
Other exceptional items	(1.2)
Other gains/(losses)	1.4
Finance expenses	(3.2)
Finance income	0.5
<b>Profit before tax</b>	<b>3.9</b>
Tax expense	(3.7)
<b>Net profit for the year</b>	<b>0.2</b>
Depreciation and amortization	2.6
<b>EBITDA</b>	<b>9.1</b>
<i>% EBITDA Margin</i>	<i>17.4%</i>

	Excellence Logging Finance 2 30 Sep 2024 US\$ m	Excellence Logging Holding 31 Dec 2023 US\$ m
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	34.5	36.4
Goodwill	99.3	34.8
Other intangible assets	5.6	6.2
Deferred tax asset	0.1	0.1
Other non-current assets	0.9	1.2
	<b>140.5</b>	<b>78.7</b>
<b>Current assets</b>		
Trade and other receivables	56.1	38.6
Other current assets	20.3	14.2
Inventory	10.3	7.9
Current tax assets	0.8	2.4
Cash and cash equivalents	11.4	9.7
	<b>98.9</b>	<b>72.8</b>
<b>Total assets</b>	<b>239.5</b>	<b>151.5</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Non current portion of borrowings	(104.0)	(20.8)
End of service benefit obligations	(3.4)	(3.3)
Deferred tax liabilities	(0.7)	(0.3)
Other non current liabilities	-	(0.6)
	<b>(108.1)</b>	<b>(25.1)</b>
<b>Current liabilities</b>		
Trade and other payables	(31.8)	(23.5)
Current portion of borrowings	(7.8)	(9.6)
Current income tax liabilities	(3.9)	(3.0)
Provisions for other liabilities	(2.7)	(0.1)
Other current liabilities	(19.4)	(44.3)
	<b>(65.7)</b>	<b>(80.5)</b>
<b>Total Liabilities</b>	<b>(173.8)</b>	<b>(105.6)</b>
<b>Net Assets/(Liabilities)</b>	<b>65.7</b>	<b>45.9</b>
<b>EQUITY</b>		
Share capital	10.1	168.4
Translation reserves	(10.5)	(9.5)
Capital reserve	-	-
Convertible loan reserve	-	9.0
Accumulated deficit	62.2	(124.1)
<b>Equity attributable to owners of the Company</b>	<b>61.9</b>	<b>43.9</b>
Non-controlling interests	3.7	2.0
<b>Total Equity</b>	<b>65.6</b>	<b>45.9</b>

	Excellence Logging Finance 2 Q3 2024
	Actual
<b>Profit / (Loss) for the period</b>	<b>0.2</b>
Adjustment for	
Finance costs	3.2
Income tax charge / (credit)	3.9
Impairment	
Depreciation & amortization	2.1
Restructuring costs	
Foreign exchange (gains)/losses	(0.2)
(Gain)/Loss on disposal of PP&E	
<b>Operating Cash Flow before Working Capital movemen</b>	<b>9.2</b>
Change in Working Capital	(7.4)
<b>Cash generated/(used) by operations</b>	<b>1.7</b>
Income taxes paid	(0.3)
Interest paid	(1.5)
<b>Net cash generated/(used) in operating activities</b>	<b>(0.0)</b>
<b>Investing activities</b>	
Payments to acquire tangible fixed assets	(1.6)
Receipts from sales of tangible fixed assets	
Acquisition	(3.2)
Expenditure on new product development	(0.3)
<b>Net cash used in investing activities</b>	<b>(5.0)</b>
<b>Financing activities</b>	
Bond facility drawdown	-
Repayment of existing bank loan/leases	(0.7)
Intercompany dividend	
<b>Net Cash Flows from financing activities</b>	<b>(0.7)</b>
<b>Net increase/ (decrease) in cash</b>	<b>(5.7)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>17.3</b>
Net increase/ (decrease) in cash	(5.7)
Effect of exchange rates on cash and cash equivalents	(0.1)
<b>Cash and cash equivalents at end of period</b>	<b>11.4</b>

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

# Disclaimer

## Copyright

Copyright of all published material including photographs, drawings and images in this document remains vested in Excellence Logging and third-party contributors as appropriate. Accordingly, neither the whole nor any part of this document shall be reproduced in any form nor used in any manner without express prior permission and applicable acknowledgements. No trademark, copyright or other notice shall be altered or removed from any reproduction.

## Disclaimer

This Presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Excellence Logging (including subsidiaries and affiliates) lines of business.

These expectations, estimates and projections are generally identifiable by statements containing words such as “expects”, “believes”, “estimates” or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for Excellence Logging’s businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the Presentation. Although Excellence Logging believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Presentation. Excellence Logging is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither Excellence Logging nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

The logo features the word "EXLOG" in a bold, sans-serif font. The "E" is orange, while "XLOG" is white. Below it, the tagline "EXCELLENCE LOGGING" is written in a smaller, white, all-caps sans-serif font.

**EXLOG**  
EXCELLENCE LOGGING

*FOCUSED  
COMPETENCE*