



# Seadrill Partners LLC

Third Quarter Results

November 21, 2019

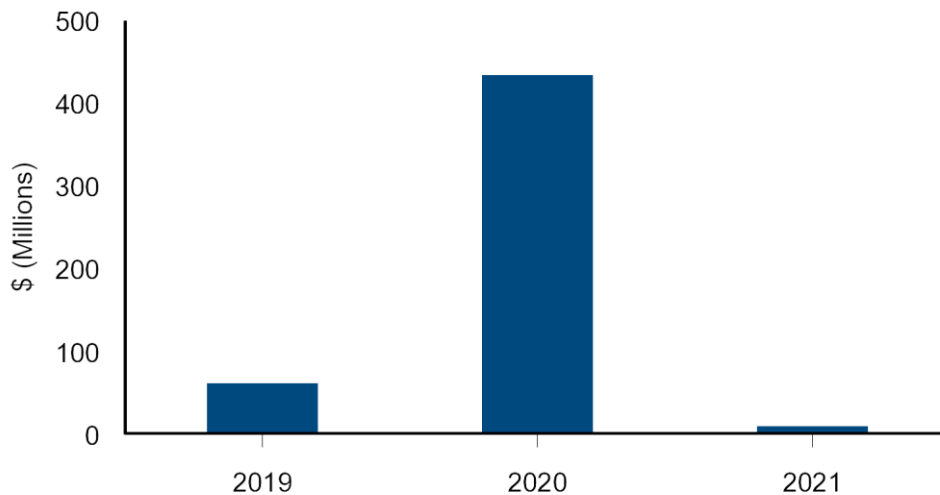


# Forward Looking Statements

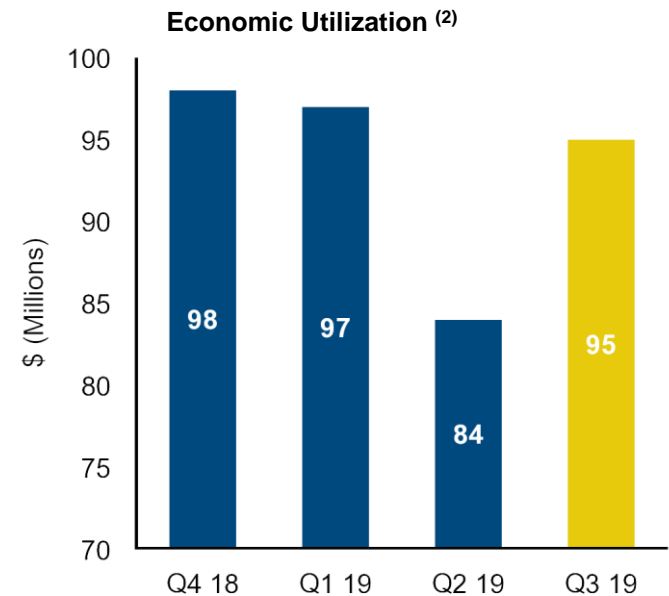
This presentation includes forward looking statements. Such statements are generally not historical in nature, and specifically include statements about the Company's plans, strategies, business prospects, changes and trends in its business and the markets in which it operates. In particular, statements regarding offshore drilling markets, the Company's ability to make cash distributions, the expected performance of the drilling units in the Company's fleet, estimated duration of customer contracts, contract dayrate amounts, contract backlog, forecasts of operating income and Adjusted EBITDA and the ability of the Company and Seadrill Limited to negotiate with lenders are considered forward-looking statements. These statements are made based upon management's current plans, expectations, assumptions and beliefs concerning future events impacting the Company and therefore involve a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, which speak only as of the date of this news release. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to offshore drilling market conditions including supply and demand, dayrates, customer drilling programs and effects new rigs on the market, contract awards and rig mobilizations, contract backlog, the performance of the drilling units in the Company's fleet, delay in payment or disputes with customers, the outcome of any pending litigation, our ability to successfully employ our drilling units, procure or have access to financing, ability to comply with loan covenants, liquidity and adequacy of cash flow from operations, fluctuations in the international price of oil, changes in governmental regulations that affect the Company or the operations of the Company's fleet, increased competition in the offshore drilling industry, and general economic, political and business conditions globally. Consequently, no forward-looking statement can be guaranteed. When considering these forward-looking statements, you should keep in mind the risks described from time to time in the Company's filings with the SEC. The Company undertakes no obligation to update any forward looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, the Company cannot assess the impact of each such factor on its business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward looking statement.

# Third Quarter Highlights

- Economic utilization of 95%
- Revenues of \$184.8 million
- Adjusted EBITDA<sup>(1)</sup> of \$91.9 million
- Current backlog of \$512 million



■ Backlog as at November 2019



# Commercial Developments

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Rig	Location	Customer	Total Contract Value
West Polaris	Southern Asia	Not disclosed	72
West Polaris	Gabon	Petronas	24
Total			96

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# Financial Performance

# Sequential Variance Analysis

## Revenue



- **Volume:** Increase due to the West Aquarius and West Capricorn operating for a full quarter and the West Polaris commencing a new contract. These were partially offset by idle time for the West Capella and T-16.
- **Dayrate:** The West Capricorn commenced a contract at a lower dayrate.
- **Utilization:** The West Auriga returned to normal operations.

## Adjusted EBITDA (1)



- **Costs:** Lower costs on the West Capella while between contracts and lower stacking costs for the West Leo and T-16. These were partially offset by the West Aquarius working for a full quarter and the West Polaris commencement.
- **Other:** West Capricorn termination payment in the second quarter, partially offset by West Vencedor termination payment

# Summary Income Statement

<i>Unaudited accounts in USD millions</i>	<b>3Q19</b>	<b>2Q19</b>
Net operating income	<b>13.0</b>	<b>5.0</b>
<b>Financial items</b>		
Interest income	4.8	5.8
Interest expense	(64.8)	(66.9)
Gain/(Loss) on derivative financial instruments	0.9	(15.9)
Foreign currency exchange loss	(1.4)	(1.5)
Other financial items	(0.2)	(0.2)
<b>Total financial items</b>	<b>(60.7)</b>	<b>(78.7)</b>
<b>Loss before income taxes</b>	<b>(47.7)</b>	<b>(73.7)</b>
Income tax (expense)/benefit	(6.5)	34.9
<b>Net loss</b>	<b>(54.2)</b>	<b>(38.8)</b>
Net loss attributable to non-controlling interests	(30.5)	(23.8)
<b>Net loss attributable to Seadrill Partners LLC Members</b>	<b>(23.7)</b>	<b>(15.0)</b>

# Summary Balance Sheet

<i>Unaudited accounts in USD millions</i>	<b>3Q19</b>	<b>2Q19</b>
Total current assets	920.6	939.5
Total non-current assets	4,903.2	4,964.8
<b>Total assets</b>	<b>5,823.8</b>	<b>5,904.3</b>
Total current liabilities	481.8	387.0
Total non-current liabilities	2,775.2	2,896.2
<b>Total liabilities</b>	<b>3,257.0</b>	<b>3,283.2</b>
<b>Total equity</b>	<b>2,566.8</b>	<b>2,621.1</b>
<b>Total liabilities and equity</b>	<b>5,823.8</b>	<b>5,904.3</b>



# Outlook

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- Fourth quarter 2019 adjusted EBITDA<sup>(1)</sup> expected to be around \$80.0 million:
  - The end of the contracts for the West Capricorn and the T-15;
  - Receipt of the West Vencedor termination fees in Q3 not being repeated; partially offset by
  - A full quarter of operations for the West Capella and the West Polaris.

# Q&A



## Appendix- Non-GAAP Financial Measures

\* **Adjusted EBITDA** represents earnings before interest, other financial items, taxes, non-controlling interest, depreciation and amortization and including deferred consideration payable to Seadrill Limited. Additionally, in any given period Seadrill Partners may have significant, unusual or non-recurring items which it may exclude from Adjusted EBITDA for that period. When applicable, these items are fully disclosed and incorporated into the reconciliation provided below. The table below reconciles operating income to Adjusted EBITDA.

### Reconciliation of Operating income to Adjusted EBITDA

*Unaudited accounts in USD millions*

	<b>3Q19</b>
<b>Operating income</b>	<b>13.0</b>
Depreciation	69.3
Amortization of favorable contracts	11.3
Mobilization fees recognized in income	(2.9)
Mobilization fees billed during the quarter	4.8
Deferred consideration falling due in the quarter	(3.6)
<b>Adjusted EBITDA</b>	<b>91.9</b>