

ADNOC Drilling



# ENERSOL

## ACQUISITION OF EV



AUGUST 5, 2024



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# ACQUISITION OF EV

## ENERSOL SIGNS AGREEMENT TO ACQUIRE A 100% STAKE IN EV



### Company Overview



THE DOWNHOLE VISUAL  
ANALYTICS COMPANY

- **Leading global provider** of vision-based diagnostics and analytical services for the oil and gas sector.
- **Headquartered in the US**, EV has a global presence in 36 countries, including UAE and Saudi Arabia.
- **EV's Technology Centre** in Norwich, UK is home to 116 patents<sup>1</sup> and has an excellent track record of bringing new and innovative products and solutions to market.
- **Provides well diagnostics services** by leveraging a range of solutions that resolve highly complex wellbore issues across the well lifecycle.

### Financial Highlights



- Agreement signed to acquire **100% equity stake in EV for c. \$45 million<sup>2</sup>**.
- **~5x EV/FY24<sup>3</sup> EBITDA**.
- **Robust revenue in FY24<sup>3</sup> over \$30 million**, with significant contribution from the MENA region.
- **Accretive EBITDA margins** vs ADNOC Drilling's OFS segment<sup>4</sup>, **free cash flow yield >10%** expected going forward.
- **Solid financial profile** backed by top-tier client base spanning the O&G sector and subsectors, and energy transition sectors including geothermal.

### Enersol Value Creation



- Acquisition aligned with Enersol's strategic vision to **become a diversified tech-centric OFS investment platform**.
- Provides **global intervention solutions including extreme video, visual & data analytics, and pipeline diagnostics**.
- **Third acquisition for Enersol**, cumulative total investment of over \$0.5 billion, or around **a third** of the committed amount.
- **ADNOC Drilling benefits** from Enersol's OFS tech-enabled acquisitions to further develop its integrated offering and tech ecosystem.

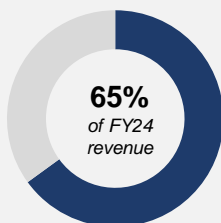
(1) Including awarded and pending. (2) Equity value before transaction fees & expenses and other completion adjustments. The transaction's completion is obtaining the necessary regulatory approvals and closing adjustments, after which the EV stake will be formally transferred to Enersol. (3) Full-year ending March 31, 2024. (4) ADNOC Drilling OFS segment EBITDA margin was 21% in FY 2023.



# COMPLEMENTARY PRODUCT OFFERING

EV PROVIDES A COMPREHENSIVE OFFERING COMPRISED OF THREE KEY VERTICALS

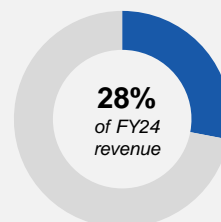
## Extreme Video



- Provides vivid, high frame rate video to enable the rapid and effective evaluation of complex well issues from a straightforward well intervention solution.
- EV cameras have the capability to be deployed across multiple intervention conveyance types and boast various cameras for different challenges.
- The company launched the Optis Infinity, which is the only 360-degree side view camera in the industry with bespoke 100% circumferential coverage and real-time 25 frames per second capabilities.



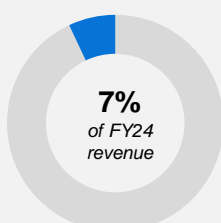
## Visual Analytics



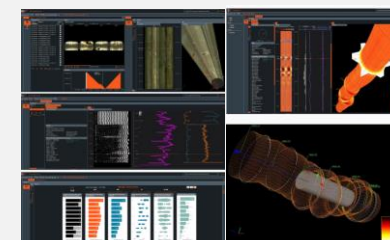
- Brings together EV's camera technology, visual diagnostic information, and advanced computation analysis techniques to capture and measure detailed data of complex well issues revealing a 360-degree view of the problem, its root cause, and severity.
- One of the few players offering analytics on top of the Downhole Video extracts to support in proactive and reactive support with the launch of AI integration capabilities.
- 360-degree corrosion evaluation is expected to launch in 2024.
- ClearVision™ delivers unrivalled data resolution in completion inspection performance helping customers increase production efficiency and accurately confirm wellbore integrity.



## Data Analytics



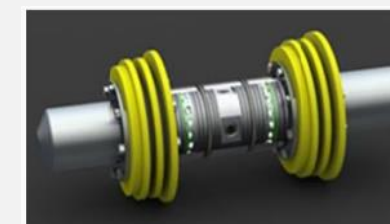
- Launched the data analytics product AIVA in 2023, operators and service companies can store and visualize all their well data on EV's multi-source data platform in one secure multi-user cloud location, which will launch soon as a SaaS product.
- Pipe Deformation Analysis (PDA), one of EV's proprietary, in-house developed analysis of caliper data to better define the 3D geometry of tubulars for "Go / No-go" predictive analysis.



## New Product Lines

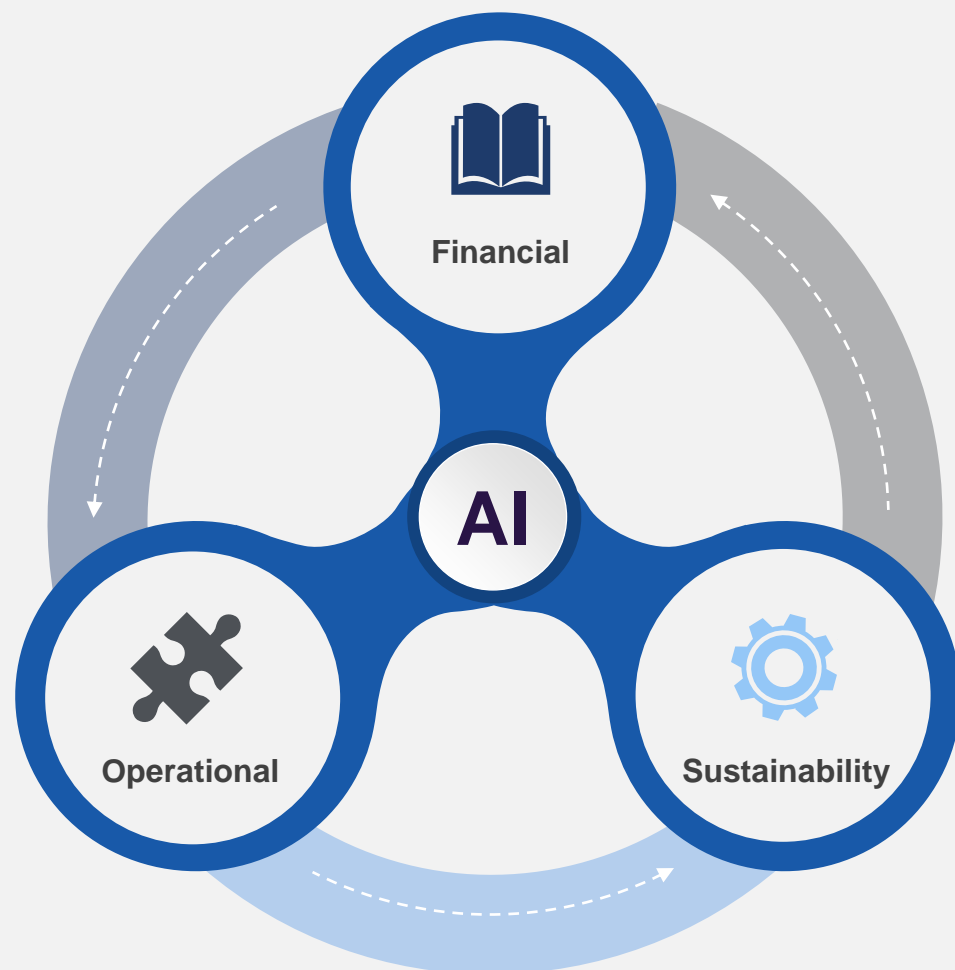
*Expected to launch in 2024*

- EV's array pipeline camera PigCAM has already been successfully tested at the EVTC centre and its commercial launch will provide access to a new end-market for the business.
- EV is also developing a pipe integrity analysis platform to support the pipeline camera product line which is expected to be launched in 2024/early-2025.



# ENHANCED VALUE PROPOSITION

EV OFFERS AN EXPANDING SUITE OF AI-BACKED SOLUTIONS ADDRESSING A BROADER AGENDA



## 1 Financial – Grow Market Share Across Operations

*EV's unique positioning as a technology solutions provider through software combining visual & data analytics for downhole technologies, further propelled by a growing demand for camera technologies and AI-backed data generation software, can:*

- Be deployed by end clients, operators, and large multi-service companies
- Capture additional market share across established and growing markets.

## 2 Operational – Leverage R&D Capacity to Bolster Asset Efficiency

*EV's technological capabilities further supported by a steady stream of R&D, can:*

- Increase the operating efficiency and extend the working life of client assets, thus reducing risks and costs.
- Optimize deep wells by creating an intervention package to support inactive wells & other intervention work.

## 3 Sustainability – Utilize AI to Deliver on Carbon Footprint Reduction

*EV's rapid real-time diagnosis augmented with the integration of AI, can:*

- Leverage visual analytics solutions to minimize carbon footprint and environmental impact by reducing volumes of materials utilized in wells.
- Deploy gas-optimized video technologies and unique VA services to enable the cleanest forms of hydrocarbon-derived energy - key enabler for carbon capture, geothermal, transportation and storage technologies.

# GLOBAL FOOTPRINT



## Europe and Rest of Africa

Select Customers



7

Regions

+35

Countries

+120

Headcount

## Asia and Australia

Select Customers



## Middle East & North Africa

Select Customers



## The Americas

Select Customers



# EV MAPPING JV'S INVESTMENT CRITERIA

## BECOMING A TECHNOLOGY-CENTRIC OFS INVESTMENT PLATFORM IN AN ACCRETIVE WAY



Joint Venture

### Business Criteria

- Strategic / synergistic** sub-sector focus
- Proven** business model
- Own IP** with tangible differentiation
- Global** acquisition mandate
- Proven MENA use cases** with high probability of revenues in MENA
- High ADNOC Drilling potential** to aid value creation



**Leading global provider of intervention technology solutions for energy sector**

**Proven business model** across target markets (i.e., GCC) & **strong and longstanding relationship** with tier 1 players across different O&G subsectors

**Expansive geographic reach** with operational set-up in Saudi Arabia and UAE.

**Valuable IP ownership**, 116 patents<sup>1</sup> backed by R&D

### Financial Criteria

- Positive Earning Profile** (EBITDA & FCF)
- Attractive Entry Valuation** vs. peers
- Standalone Deal Underwriting** with tangible upsides
- High Dividend Potential** with low leverage
- Multiple expansion potential** combining entry dynamics and value upsides



**Over \$30 million revenue in FY24<sup>2</sup>, accretive margins** vs OFS segment<sup>3</sup>

**Attractive Entry Valuation** at ~5x EV/FY2024<sup>2</sup> EBITDA

**Expected Free cash flow yield > 10%** going forward

**Synergistic upsides** pursuant to the EnerSol and ADNOC Drilling ecosystem opportunities

### Governance Criteria

- Majority** or pathway to majority deals
- Vested Management** team with continuity certainty and alignment
- Board Participation** and rights in line with stake acquired
- No turnaround** strategies



**JV to own 100% majority stake**

**Experienced & vested team** with dedicated MENA head

**Value accretive M&A experience** acquisitions across the value chain

EV

(1) Including approved & pending.

(2) Full-year ending March 31, 2024.

(3) Based on an ADNOC Drilling OFS segment margin at 21% in FY 2023.

# ADNOC DRILLING OILFIELD SERVICES VALUE CHAIN

## TRULY INTEGRATED OFFERING



### ADNOC Drilling OFS Offering

Rigs & equipment

Drilling & completion fluids

Surface logging services

Directional drilling

Wireline services

Cased hole logging

Pressure pumping

### Enersol Advanced Pipeline Scope

Directional drilling



Drilling tools



Intervention tools



Completion tools

**Expected contribution** from Gordon Technologies, NTS Amega Global, EV and an additional transaction in advanced stages of **annual pro-forma net income up to \$50 million<sup>1</sup> (ADNOC Drilling's share)** upon completion, with signing expected in 2024.

(1) Subject to signing and closing of transactions. Pro-forma net income pre-purchase price allocation adjustments and growth in ADNOC Drilling's reference market.



# FUTUREPROOFING ADNOC DRILLING

## ENERSOL TO CREATE VALUE BY EXECUTING ON OUR STRATEGY




### Establishment of Enersol

JV established with strong governance and key partners who have complementary skills, strong pipeline identified



### Swift Acquisition of Three Assets

Majority stakes in three leading service providers<sup>1</sup>, Gordon Technologies, NTS Amega Global, and EV



### Attractive Valuation and Accretion Potential

Favorable deal dynamics coupled with Middle East business potential



### Strong and Aligned Pipeline

Strong and growing pipeline of **7+ potential deals**<sup>2</sup> aligned with Enersol's mandate as well as ADNOC Drilling and UAE's ambition to evolve as a tech-enabled OFS hub

- ▶ **Enhancing owned-IP portfolio by acquiring energy technology and energy services companies**
- ▶ **Fully-invested Enersol is expected to contribute to ADNOC Drilling annual pro-forma net income up to \$100 million<sup>3</sup>**

(1) Subject to closing of transactions.

(2) Only includes transactions post preliminary evaluation stage; potential transactions execution subject to, among others, relevant regulatory approvals.

(3) Subject to signing and closing of transactions. Pro-forma net income pre-purchase price allocation adjustments and growth in ADNOC Drilling's reference market.



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THANK YOU

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