



4Q 2023 Earnings Presentation

NABORS INDUSTRIES LTD.

February 7, 2024



NABORS INDUSTRIES

Forward Looking Statements

We often discuss expectations regarding our future markets, demand for our products and services, and our performance in our annual, quarterly, and current reports, press releases, and other written and oral statements. Such statements, including statements in this document that relate to matters that are not historical facts, are “forward-looking statements” within the meaning of the safe harbor provisions of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. These “forward-looking statements” are based on our analysis of currently available competitive, financial and economic data and our operating plans. They are inherently uncertain, and investors should recognize that events and actual results could turn out to be significantly different from our expectations.

Factors to consider when evaluating these forward-looking statements include, but are not limited to:

- geopolitical events, pandemics (including COVID-19) and other macro-events and their respective and collective impact on our operations as well as oil and gas markets and prices;
- fluctuations and volatility in worldwide prices of and demand for oil and natural gas;
- fluctuations in levels of oil and natural gas exploration and development activities;
- fluctuations in the demand for our services;
- competitive and technological changes and other developments in the oil and gas and oilfield services industries;
- our ability to renew customer contracts in order to maintain competitiveness;
- the existence of operating risks inherent in the oil and gas and oilfield services industries;
- the possibility of the loss of one or a number of our large customers;
- the amount and nature of our future capital expenditures and how we expect to fund our capital expenditures;
- The occurrence of cybersecurity incidents, attacks and other breaches to our information technology systems;
- the impact of long-term indebtedness and other financial commitments on our financial and operating flexibility;
- our access to and the cost of capital, including the impact of a further downgrade in our credit rating, covenant restrictions, availability under our revolving credit facility, and future issuances of debt or equity securities and the global interest rate environment;
- our dependence on our operating subsidiaries and investments to meet our financial obligations;

- our ability to retain skilled employees;
- our ability to complete, and realize the expected benefits of, strategic transactions;
- changes in tax laws and the possibility of changes in other laws and regulation;
- the possibility of changes to U.S. trade policies and regulations including the imposition of trade embargoes or sanctions; and
- global views on and the regulatory environment related to energy transition and our ability to implement our energy transition initiatives;
- potential long-lived asset impairments
- the possibility of changes to U.S. trade policies and regulations including the imposition of trade embargoes, sanctions or tariffs; and
- general economic conditions, including the capital and credit markets.

Our businesses depend, to a large degree, on the level of spending by oil and gas companies for exploration, development and production activities. Therefore, sustained lower oil or natural gas prices that have a material impact on exploration, development or production activities could also materially affect our financial position, results of operations and cash flows.

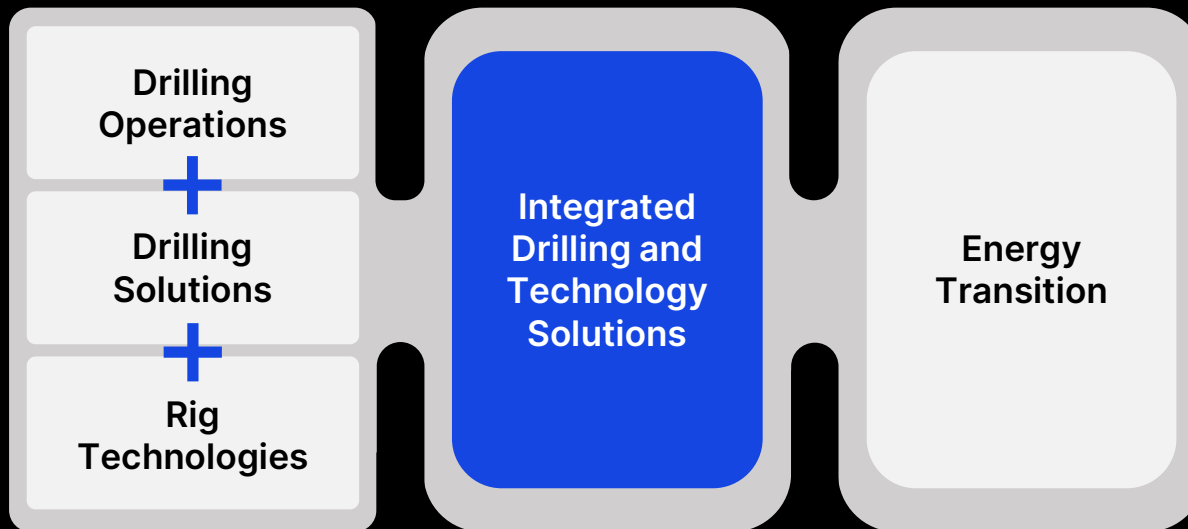
The above description of risks and uncertainties is by no means all-inclusive but is designed to highlight what we believe are important factors to consider. For a discussion of these factors and other risks and uncertainties, please refer to our filings with the Securities and Exchange Commission (“SEC”), including those contained in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, which are available at the SEC’s website at www.sec.gov. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Non-GAAP Financial Measures

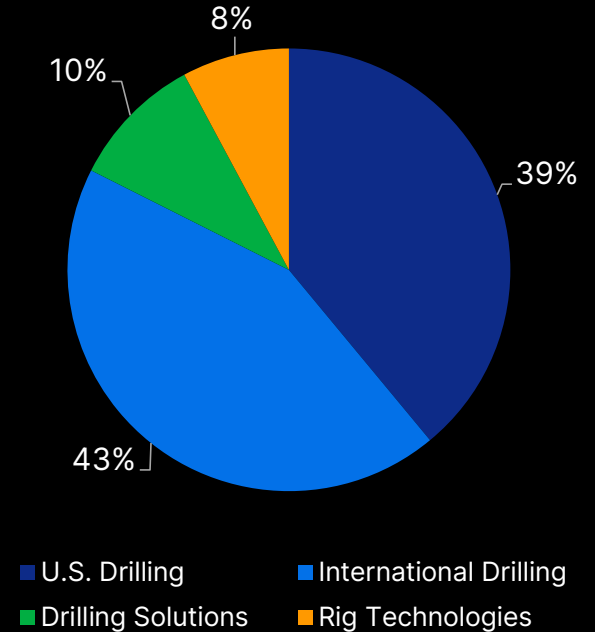
This presentation refers to certain “non-GAAP” financial measures, such as adjusted EBITDA, net debt, adjusted gross margin and adjusted free cash flow. The components of these non-GAAP measures are computed by using amounts that are determined in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Reconciliations of non-GAAP measures to the most comparable GAAP measures are provided in the Appendix at the end of this presentation.

The Industry's Most Innovative Technology

Working in tandem to generate superior drilling performance



Full Year 2023 Revenue by Segment



Recent Highlights



Five Key Value Drivers

1



Performance excellence in the Lower 48

2



Expanding & enhancing our International segment

3



Advancing technology & innovation with demonstrated results

4



Progress on our commitment to de-lever

5



Leading in Sustainability and the Energy Transition

1 Performance Excellence In The Lower-48

Daily Revenue and Margin Holding above Prior Cycle Highs

 Powerful daily revenue and margins



(1) Daily rig revenue and adjusted daily gross margin for drilling rigs only, does not include Nabors Drilling Solutions

2 Resilience Leading to Growth in Our International Segment

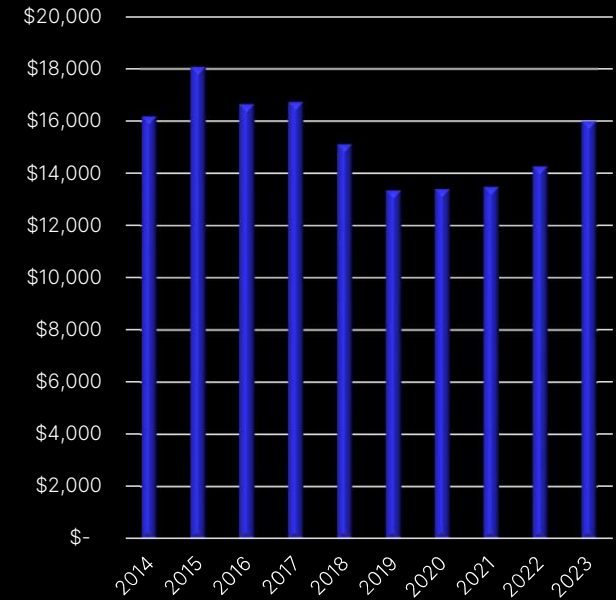
International Focus on Growing Daily Revenue and Margin

Working to enhance both the top and bottom line

Daily Rig Revenue



Daily Gross Margin



(1) Daily rig revenue and adjusted daily gross margin for drilling rigs only, does not include Nabors Drilling Solutions

2 Resilience Leading to Growth in Our International Segment

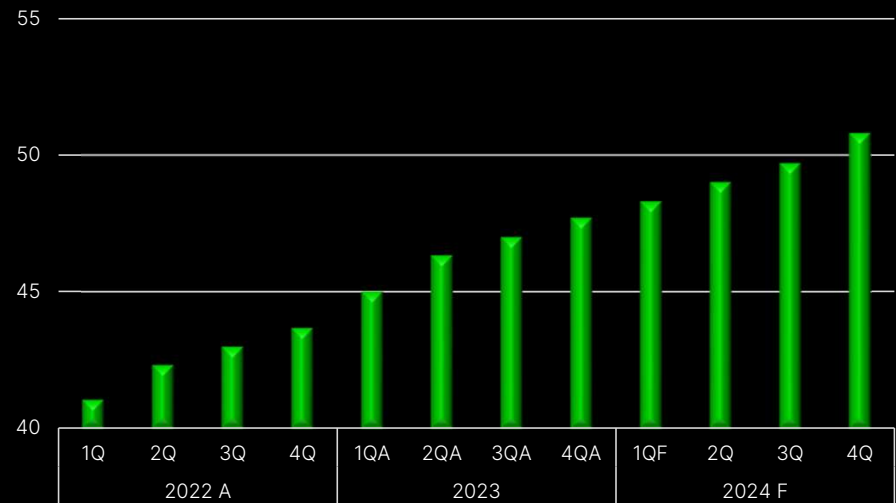
Significant Growth Trajectory in Saudi Arabia



Newbuild Program Generating Revenue

- Awarded 15 total rigs to-date
- 50 rigs to be deployed over 10 years
- Five operating and three more expected in 2024
- Capital expense funded organically by SANAD
- 6-year initial contracts, payout within 5 years, plus 4-year renewal at market rate

SANAD Estimated Average Rig Count Potential*

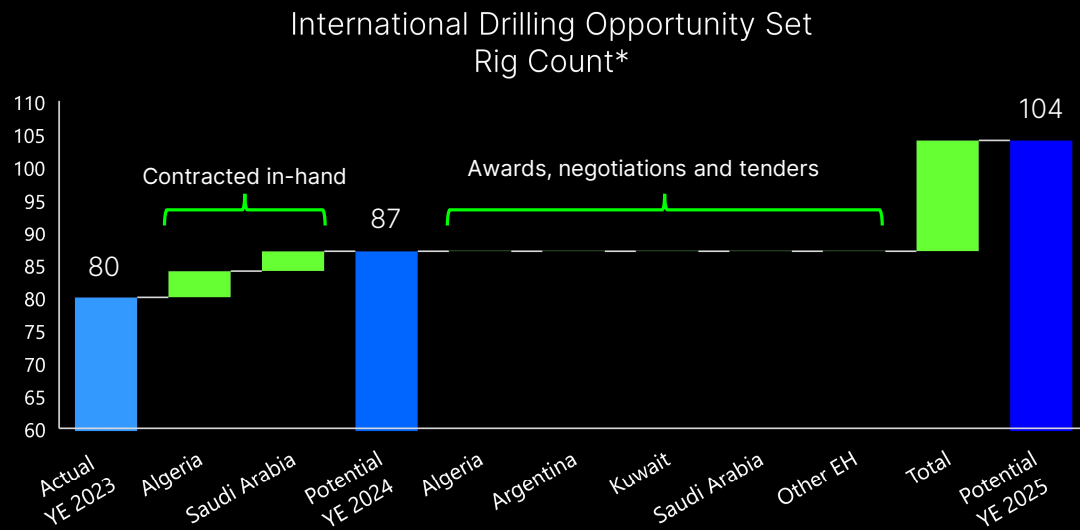


- *These estimates are based on current market conditions and expectations are based on information received from third parties, which are subject to change. The estimates do not represent guidance or projections.*

2 Resilience Leading to Growth in Our International Segment

Significant Opportunity for Additional International Rigs by YE 2025

Actively negotiating tenders for 12 rigs in addition to contracts in-hand



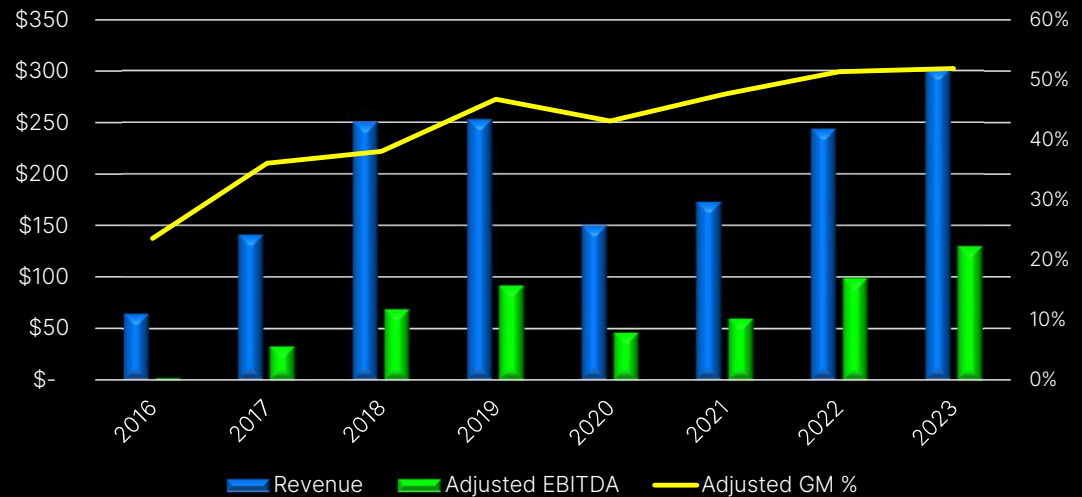
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3 Improving Outlook For Our Technology & Innovation

NDS Capitalizing on Higher Penetration

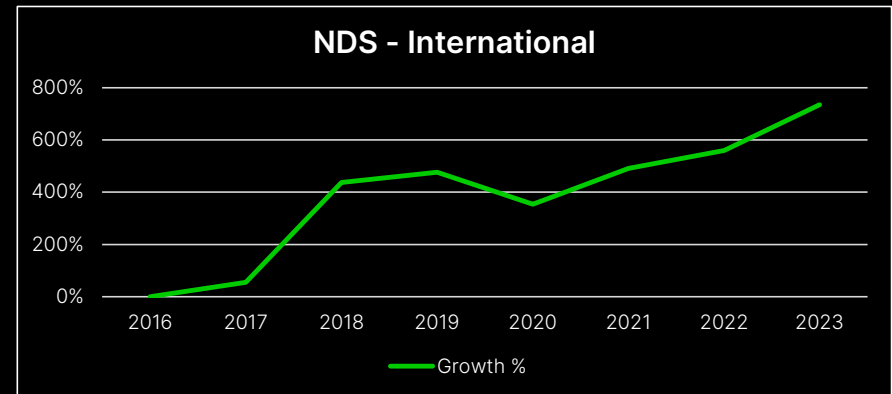
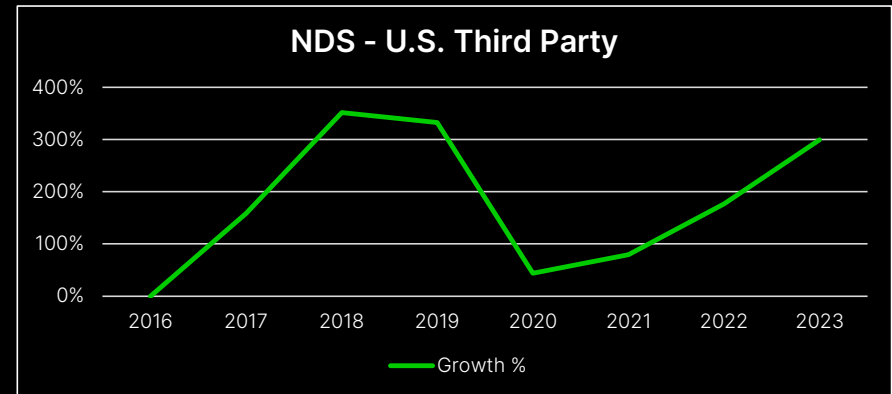
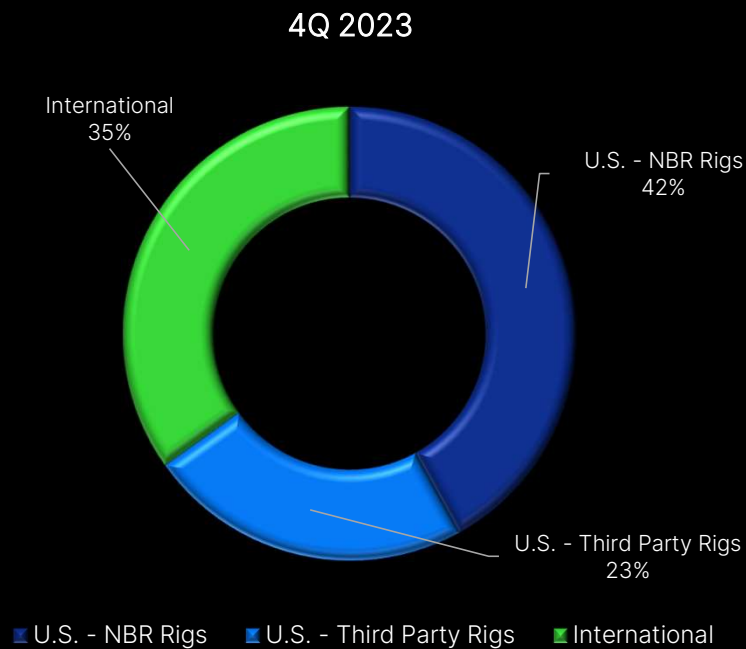
Adjusted gross margin of
52%
in 4Q 2023

NDS Revenue, Adjusted EBITDA & Adjusted Gross Margin %



3 Improving Outlook For Our Technology & Innovation

NDS Growing Third Party and International Revenue



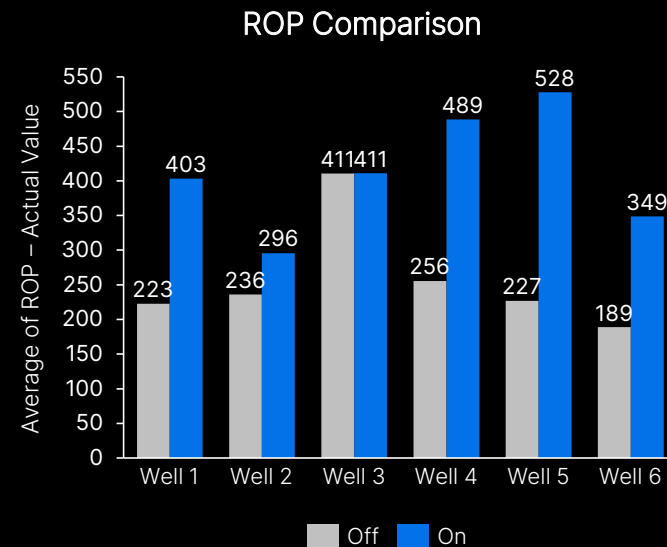
3 Improving Outlook For Our Technology & Innovation

Predictive Drilling Increases Rate of Penetration (ROP)

Successful First Use in Williston

Leveraging predictive drilling with SmartROS®, the Williston operator safely accelerated ROP while extending bit life for six wells.

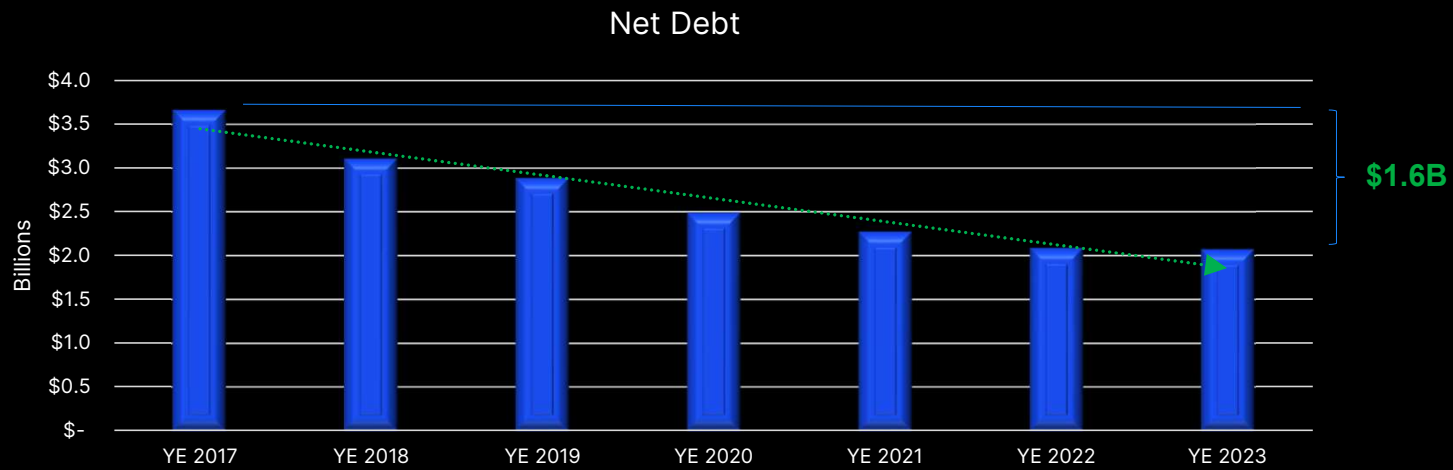
- **61% Improvement** in average ROP
- **78% Average** utilization demonstrating ease of use
- **5 of 6 Laterals** drilled with a single bit



4 Progress on Our Commitment to De-lever

Significant Headway Reducing Debt

~ \$1.6B Net Debt⁽¹⁾ reduction since YE 2017



(1) Net Debt is a non-GAAP metric; see reconciliations in the Appendix

5 Leading in Sustainability and the Energy Transition

A Shared Path Forward



**Energy Innovation vs.
Energy Exclusion**

*Remove tradeoffs between
energy sources*

The image shows a circular frame containing a photograph of an oil drilling rig in a desert landscape under a clear sky. The text is overlaid on the image.



**Capitalize on
Strengths and
Adjacencies**

Add value to adjacent industries

The image shows a circular frame containing a photograph of a person sitting at a desk in a modern office, looking at a computer monitor. The text is overlaid on the image.



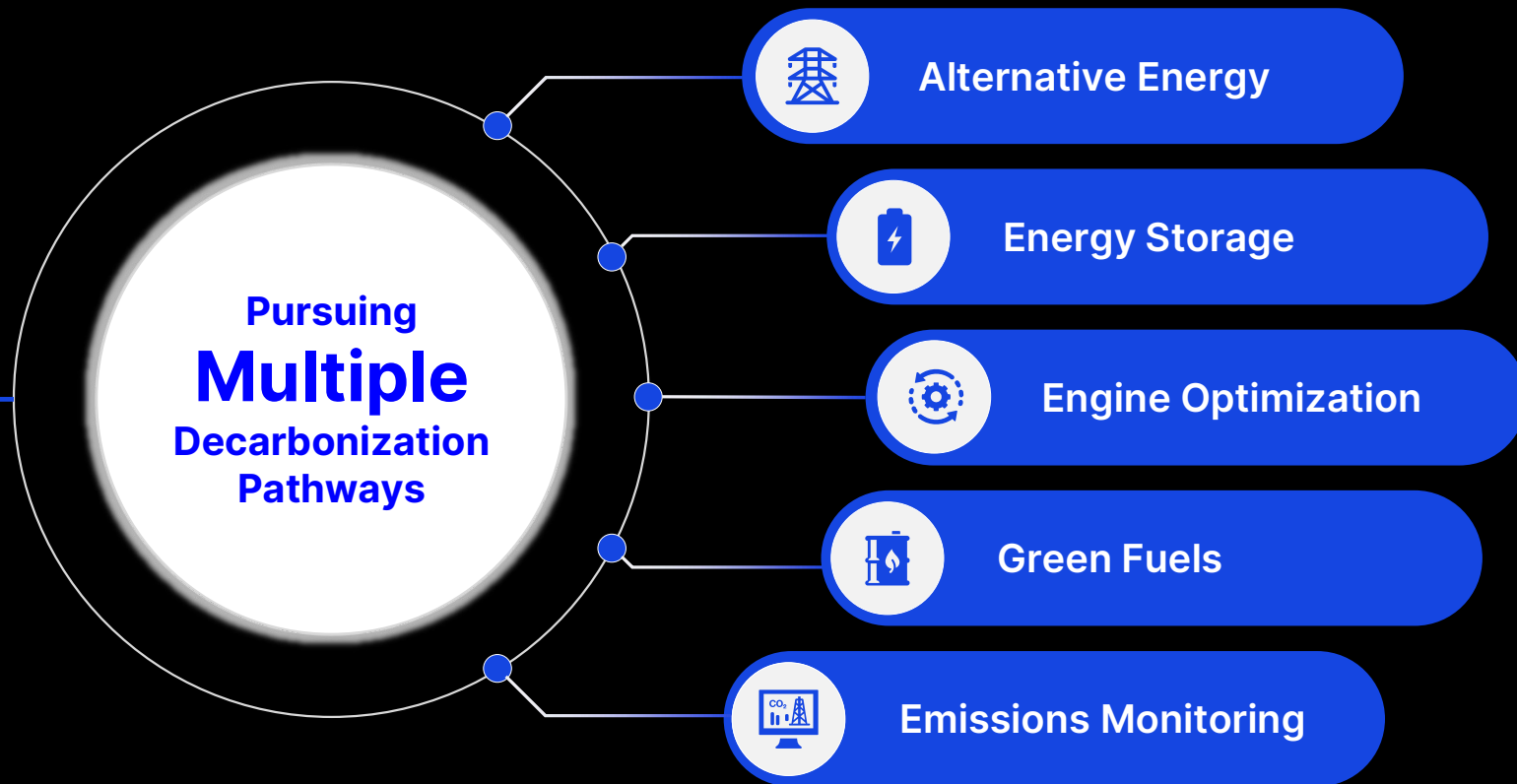
**Collaboration is Key
to Success**

*Leverage collective strengths to
accelerate progress*

The image shows a circular frame containing a photograph of two people sitting at a table in a modern office, engaged in a conversation. The text is overlaid on the image.

5 Leading in Sustainability and the Energy Transition

Nabors Initiatives to Lower Emissions



5 Leading in Sustainability and the Energy Transition

Our Venture Portfolio

Future energy system needs **clean, dispatchable and scalable** energy solutions

Alternative Energy



Energy Storage

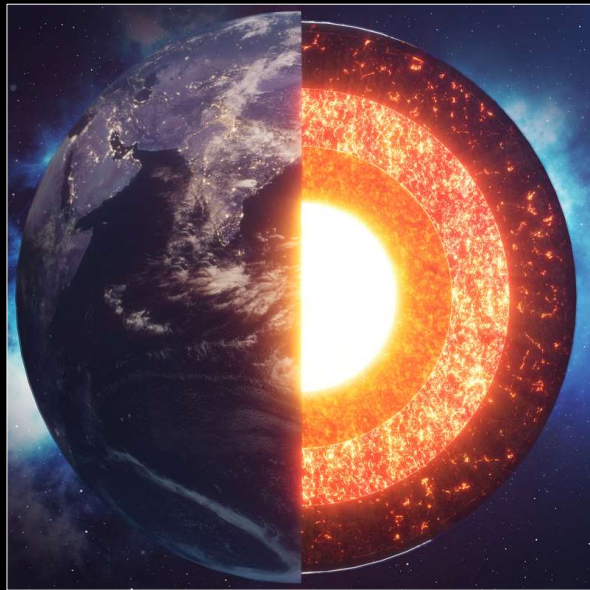


Emissions Monitoring



5 Leading in Sustainability and the Energy Transition

Geothermal Market Technology Advancements



Nabors and its predecessor entities have been continuously innovating in the energy sector for over 100 years

Innovative Drilling Technologies

Reducing cost per energy-unit produced by using and combining new technologies

Baseload

Reliable and available 24/7

Renewable

Subsurface heat replenished naturally

Ubiquitous

Ability to create heat reservoirs by drilling into deep rock formations

Technological advancements are enabling wide-scale commercial geothermal development









Appendix



Rig Utilization and Availability, December 31, 2023

	TOTAL	 U.S. LOWER-48 HIGH SPEC ⁽²⁾	 U.S. OFFSHORE	 ALASKA	 INTERNATIONAL
RIG FLEET ⁽¹⁾	319	111	12	15	132
RIGS ON REVENUE ⁽¹⁾	155	74	3	3	79
UTILIZATION AT 12/31/2023	49%	67%	25%	20%	60%

(1) As of December 31, 2023

Reconciliation of Non-GAAP Financial Measures to Net Income (Loss)

Adjusted EBITDA represents net income (loss) before income (loss) from discontinued operations, net of tax, income taxes, investment income (loss), interest expense, other, net and depreciation and amortization. Adjusted EBITDA is a non-GAAP financial measure and should not be used in isolation or as a substitute for the amounts reported in accordance with GAAP. In addition, adjusted EBITDA excludes certain cash expenses that the Company is obligated to make. However, management evaluates the performance of its operating segments and the consolidated Company based on several criteria, including adjusted EBITDA and adjusted operating income (loss), because it believes that these financial measures accurately reflect the Company's ongoing profitability and performance. Securities analysts and investors use this measure as one of the metrics on which they analyze the Company's performance. Other companies in this industry may compute these measures differently. A reconciliation of this non-GAAP measure to net income (loss), which is the most closely comparable GAAP measure, is provided in the table below.

(In Thousands)	Three Months Ended		
	December 31,	September 30,	December 31,
	2022	2023	2023
Net income (loss)	(\$58,155)	(\$31,244)	\$3,857
Income tax expense (benefit)	26,161	10,513	19,244
Income (loss) from continuing operations before income taxes	(\$31,994)	(\$20,731)	\$23,101
Investment (income) loss	(9,194)	(10,169)	(12,042)
Interest Expense	44,245	44,042	49,938
Other, net	58,124	35,546	7,878
Adjusted Operating Income (loss)	61,181	48,688	68,875
Depreciation and Amortization	168,841	161,337	161,228
Adjusted EBITDA	\$230,022	\$210,025	\$230,103

Reconciliation of U.S. Drilling Segment Adjusted Gross Margin to U.S. Drilling Segment Adjusted Operating Income

Adjusted gross margin by segment represents adjusted operating income (loss) plus general and administrative costs, research and engineering costs and depreciation and amortization.

(In Thousands)	Three Months Ended		
	December 31,	September 30,	December 31,
	2022	2023	2023
Lower 48 - U.S. - Drilling			
Adjusted operating income	\$ 58,299	\$ 40,366	\$ 40,108
Plus: General and administrative costs	4,977	5,239	4,087
Plus: Research and engineering	1,637	1,389	1,276
GAAP Gross Margin	64,913	46,994	45,471
Plus: Depreciation and amortization	62,768	60,447	59,545
Adjusted gross margin	\$ 127,681	\$ 107,441	\$ 105,016
Other - U.S. - Drilling			
Adjusted operating income	\$ 9,994	\$ 9,216	\$ 11,386
Plus: General and administrative costs	324	331	315
Plus: Research and engineering	166	90	89
GAAP Gross Margin	10,484	9,637	11,790
Plus: Depreciation and amortization	13,081	7,329	7,332
Adjusted gross margin	\$ 23,565	\$ 16,966	\$ 19,122
U.S. - Drilling			
Adjusted operating income	\$ 68,293	\$ 49,582	\$ 51,494
Plus: General and administrative costs	5,301	5,570	4,402
Plus: Research and engineering	1,803	1,479	1,365
GAAP Gross Margin	75,397	56,631	57,261
Plus: Depreciation and amortization	75,849	67,776	66,877
Adjusted gross margin	\$ 151,246	\$ 124,407	\$ 124,138

Reconciliation of Net Debt to Total Debt

Net debt is computed by subtracting the sum of cash, cash equivalents and short-term investments from total debt. This non-GAAP measure has limitations and therefore should not be used in isolation or as a substitute for the amounts reported in accordance with GAAP. However, management evaluates the performance of its operating segments and the consolidated Company based on several criteria, including net debt, because it believes that this financial measure accurately measures the Company's liquidity. In addition, securities analysts and investors use this measure as one of the metrics on which they analyze the company's performance. Other companies in this industry may compute this measure differently. A reconciliation of net debt to total debt, which is the nearest comparable GAAP financial measure, is provided in the table below.

(In Thousands)	December 31,	September 30,	December 31,
	2022	2023	2023
Long-Term Debt	\$2,537,540	\$2,501,339	\$2,511,519
Current Debt	-	-	629,621
Total Debt	\$2,537,540	\$2,501,339	\$3,141,140
Cash & Short-term Investments	\$452,315	\$406,643	\$1,070,178
Net Debt	\$2,085,225	\$2,094,696	\$2,070,962

Reconciliation of Adjusted EBITDA by Segment to Adjusted Operating Income (Loss) by Segment

(In Thousands)	Three Months Ended December 31, 2023					
	U.S. Drilling	International Drilling	Drilling Solutions	Rig Technologies	Other reconciling items	Total
Adjusted operating income (loss)	\$ 51,494	\$ 18,642	\$ 30,127	\$ 5,788	\$ (37,176)	\$ 68,875
Depreciation and amortization	66,877	86,898	4,375	3,023	55	161,228
Adjusted EBITDA	\$ 118,371	\$ 105,540	\$ 34,502	\$ 8,811	\$ (37,121)	\$ 230,103
(In Thousands)	Three Months Ended September 30, 2023					
	U.S. Drilling	International Drilling	Drilling Solutions	Rig Technologies	Other reconciling items	Total
Adjusted operating income (loss)	\$ 49,582	\$ 9,862	\$ 25,341	\$ 4,995	\$ (41,092)	\$ 48,688
Depreciation and amortization	67,775	86,313	5,078	2,226	(55)	161,337
Adjusted EBITDA	\$ 117,357	\$ 96,175	\$ 30,419	\$ 7,221	\$ (41,147)	\$ 210,025
(In Thousands)	Three Months Ended December 31, 2022					
	U.S. Drilling	International Drilling	Drilling Solutions	Rig Technologies	Other reconciling items	Total
Adjusted operating income (loss)	\$ 68,293	\$ 1,750	\$ 24,800	\$ 6,118	\$ (39,780)	\$ 61,181
Depreciation and amortization	75,849	87,088	5,536	1,443	(1,075)	168,841
Adjusted EBITDA	\$ 144,142	\$ 88,838	\$ 30,336	\$ 7,561	\$ (40,855)	\$ 230,022

Reconciliation of Adjusted Free Cash Flow to Net Cash Provided by Operating Activities

Adjusted free cash flow represents net cash provided by operating activities less cash used for capital expenditures, net of proceeds from sales of assets. Management believes that adjusted free cash flow is an important liquidity measure for the company and that it is useful to investors and management as a measure of the company's ability to generate cash flow, after reinvesting in the company for future growth, that could be available for paying down debt or to return to shareholders through dividend payments or share repurchases. Adjusted free cash flow does not represent the residual cash flow available for discretionary expenditures. Adjusted free cash flow is a non-GAAP financial measure that should be considered in addition to, not as a substitute for or superior to, cash flow from operations reported in accordance with GAAP.

	Three Months Ended
	December 31
(In Thousands)	2023
Net cash provided by operating activities	\$181,921
Add: Capital expenditures, net of proceeds from sales of assets	(129,700)
Adjusted free cash flow	\$52,221

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