

Transocean Ltd. and subsidiaries
Non-GAAP Financial Measures and Reconciliations
Adjusted Contract Drilling Revenues

Earnings Before Interest, Taxes, Depreciation and Amortization and Related Margins

(In millions, except percentages)

	YTD 12/31/21	QTD 12/31/21	YTD 09/30/21	QTD 09/30/21	YTD 06/30/21	QTD 06/30/21	YTD 03/31/21
Contract drilling revenues	\$ 2,556	\$ 621	\$ 1,935	\$ 626	\$ 1,309	\$ 656	\$ 653
Contract intangible asset amortization	220	50	170	57	113	57	56
Adjusted Contract Drilling Revenues	<u>\$ 2,776</u>	<u>\$ 671</u>	<u>\$ 2,105</u>	<u>\$ 683</u>	<u>\$ 1,422</u>	<u>\$ 713</u>	<u>\$ 709</u>
Net loss	\$ (591)	\$ (260)	\$ (331)	\$ (130)	\$ (201)	\$ (103)	\$ (98)
Interest expense, net of interest income	432	103	329	106	223	111	112
Income tax expense (benefit)	121	111	10	27	(17)	4	(21)
Depreciation and amortization	742	184	558	185	373	186	187
Contract intangible asset amortization	220	50	170	57	113	57	56
EBITDA	<u>924</u>	<u>188</u>	<u>736</u>	<u>245</u>	<u>491</u>	<u>255</u>	<u>236</u>
Allowance for excess materials and supplies, certain items	28	28	-	-	-	-	-
(Gain) loss on disposal of assets, net	57	(3)	60	-	60	-	60
Loss on impairment of investment in unconsolidated affiliate	37	37	-	-	-	-	-
Gain on retirement of debt	(51)	-	(51)	-	(51)	-	(51)
Adjusted EBITDA	<u>\$ 995</u>	<u>\$ 250</u>	<u>\$ 745</u>	<u>\$ 245</u>	<u>\$ 500</u>	<u>\$ 255</u>	<u>\$ 245</u>
EBITDA margin	33.3 %	28.0 %	35.0 %	35.9 %	34.5 %	35.8 %	33.3 %
Adjusted EBITDA margin	35.8 %	37.3 %	35.4 %	35.9 %	35.2 %	35.8 %	34.6 %

	YTD 12/31/20	QTD 12/31/20	YTD 09/30/20	QTD 09/30/20	YTD 06/30/20	QTD 06/30/20	YTD 03/31/20
Contract drilling revenues	\$ 3,152	\$ 690	\$ 2,462	\$ 773	\$ 1,689	\$ 930	\$ 759
Contract intangible asset amortization	215	57	158	57	101	53	48
Adjusted Contract Drilling Revenues	<u>\$ 3,367</u>	<u>\$ 747</u>	<u>\$ 2,620</u>	<u>\$ 830</u>	<u>\$ 1,790</u>	<u>\$ 983</u>	<u>\$ 807</u>
Net income (loss)	\$ (568)	\$ (39)	\$ (529)	\$ 359	\$ (888)	\$ (497)	\$ (391)
Interest expense, net of interest income	554	115	439	139	300	149	151
Income tax expense (benefit)	27	23	4	(24)	28	32	(4)
Depreciation and amortization	781	189	592	190	402	196	206
Contract intangible asset amortization	215	57	158	57	101	53	48
EBITDA	<u>1,009</u>	<u>345</u>	<u>664</u>	<u>721</u>	<u>(57)</u>	<u>(67)</u>	<u>10</u>
Restructuring costs	5	(1)	6	5	1	1	-
Loss on impairment of assets	597	-	597	-	597	429	168
Loss on disposal of assets, net	61	-	61	61	-	-	-
Loss on impairment of investment in unconsolidated affiliates	62	3	59	-	59	59	-
(Gain) loss on restructuring and retirement of debt	(533)	(137)	(396)	(449)	53	(4)	57
Adjusted EBITDA	<u>\$ 1,201</u>	<u>\$ 210</u>	<u>\$ 991</u>	<u>\$ 338</u>	<u>\$ 653</u>	<u>\$ 418</u>	<u>\$ 235</u>
EBITDA margin	30.0 %	46.2 %	25.3 %	86.9 %	(3.2) %	(6.8) %	1.2 %
Adjusted EBITDA margin	35.7 %	28.1 %	37.8 %	40.7 %	36.5 %	42.5 %	29.1 %

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	YTD 12/31/19	QTD 12/31/19	YTD 09/30/19	QTD 09/30/19	YTD 06/30/19	QTD 06/30/19	YTD 03/31/19
Contract drilling revenues	\$ 3,088	\$ 792	\$ 2,296	\$ 784	\$ 1,512	\$ 758	\$ 754
Contract intangible asset amortization	187	47	140	48	92	47	45
Adjusted Contract Drilling Revenues	<u>\$ 3,275</u>	<u>\$ 839</u>	<u>\$ 2,436</u>	<u>\$ 832</u>	<u>\$ 1,604</u>	<u>\$ 805</u>	<u>\$ 799</u>
Net loss	\$ (1,257)	\$ (55)	\$ (1,202)	\$ (825)	\$ (377)	\$ (206)	\$ (171)
Interest expense, net of interest income	617	150	467	155	312	156	156
Income tax expense (benefit)	59	(24)	83	54	29	37	(8)
Depreciation and amortization	855	207	648	212	436	219	217
Contract intangible asset amortization	187	47	140	48	92	47	45
EBITDA	<u>461</u>	<u>325</u>	<u>136</u>	<u>(356)</u>	<u>492</u>	<u>253</u>	<u>239</u>
Restructuring costs	6	5	1	-	1	1	-
Loss on impairment of assets	609	25	584	583	1	1	-
(Gain) loss on disposal of assets, net	5	(2)	7	6	1	2	(1)
Gain on bargain purchase	(11)	-	(11)	-	(11)	(9)	(2)
Loss on retirement of debt	41	2	39	12	27	9	18
Gain on termination of construction contracts	(132)	(132)	-	-	-	-	-
Adjusted EBITDA	<u>\$ 979</u>	<u>\$ 223</u>	<u>\$ 756</u>	<u>\$ 245</u>	<u>\$ 511</u>	<u>\$ 257</u>	<u>\$ 254</u>
EBITDA margin	14.1 %	38.7 %	5.6 %	(42.8) %	30.7 %	31.4 %	29.9 %
Adjusted EBITDA margin	29.9 %	26.6 %	31.0 %	29.4 %	31.9 %	31.9 %	31.8 %