



Transocean Ltd. Reports Second Quarter 2025 Results

August 4, 2025 at 4:25 PM EDT

	Three months ended			Three months ended	
	June 30, 2025	March 31, 2025	sequential change	June 30, 2024	year-over-year change
(In millions, except per share amounts, percentages and backlog)					
Contract drilling revenues	\$ 988	\$ 906	\$ 82	\$ 861	\$ 127
Revenue efficiency ⁽¹⁾	96.6 %	95.5 %		96.9 %	
Operating and maintenance expense	\$ 599	\$ 618	\$ 19	\$ 534	\$ (65)
Net loss attributable to controlling interest	\$ (938)	\$ (79)	\$ (859)	\$ (123)	\$ (815)
Basic loss per share	\$ (1.06)	\$ (0.09)	\$ (0.97)	\$ (0.15)	\$ (0.91)
Diluted loss per share	\$ (1.06)	\$ (0.11)	\$ (0.95)	\$ (0.15)	\$ (0.91)
Adjusted EBITDA	\$ 344	\$ 244	\$ 100	\$ 284	\$ 60
Adjusted EBITDA margin	34.9 %	26.9 %		33.0 %	
Adjusted net income (loss)	\$ 19	\$ (65)	\$ 84	\$ (123)	\$ 142
Adjusted diluted loss per share	\$ —	\$ (0.10)	\$ 0.10	\$ (0.15)	\$ 0.15
Backlog as of the July 2025 Fleet Status Report	\$ 7.2 billion				

STEINHAUSEN, Switzerland, Aug. 04, 2025 (GLOBE NEWSWIRE) -- Transocean Ltd. (NYSE: RIG) today reported a net loss attributable to controlling interest of \$938 million, \$1.06 per diluted share, for the three months ended June 30, 2025.

Second quarter results included net unfavorable items of \$957 million, \$1.08 per diluted share as follows:

- \$1.128 billion, \$1.27 per diluted share, loss on impairment of assets, net of tax; and
- \$24 million, \$0.03 per diluted share, loss on conversion of debt to equity.

Partially offset by:

- \$195 million, \$0.22 per diluted share, discrete tax items, net.

After consideration of these net unfavorable items, second quarter 2025 adjusted net income was \$19 million.

Contract drilling revenues for the three months ended June 30, 2025, increased sequentially by \$82 million to \$988 million, primarily due to higher revenues associated with improved rig utilization, improved revenue efficiency, higher reimbursement revenues and an additional day in the quarter, partially offset by lower revenues generated by one rig that was idle between contracts.

Operating and maintenance expense was \$599 million, compared to \$618 million in the prior quarter. The sequential decrease was primarily due to the non-cash cost resulting from the resolution of certain litigation, which did not reoccur in the second quarter, partially offset by increased costs related to increased fleet activity and higher reimbursable costs.

Interest expense was \$141 million, compared with \$152 million in the prior quarter, excluding the favorable adjustment of \$29 million and \$36 million in the second and first quarter, respectively, for the fair value of the bifurcated exchange feature related to the 4.625% exchangeable bonds due 2029. Interest income was \$10 million, compared to \$8 million in the prior quarter.

The Effective Tax Rate⁽²⁾ was 14.2%, up from (95.8)% in the prior quarter. The increase was primarily due to losses on rig impairments and the release of unrecognized tax benefits related to uncertain tax positions. Excluding discrete items, the Effective Tax Rate was 70.0% compared to (62.3)% in the previous quarter. In the second quarter, cash paid for taxes was \$31 million.

Cash provided by operating activities was \$128 million during the second quarter, representing an increase of \$102 million compared to the prior quarter. The sequential increase was primarily due to increased cash received from customers and decreased payroll-related payments that regularly occur in the first quarter of each year.

Second quarter 2025 capital expenditures were \$24 million, compared to \$60 million in the prior quarter.

"We reported a quarter of safe, reliable, and efficient operations, resulting in an adjusted EBITDA margin of 35% and free cash generation of \$104

million,” said President and Chief Executive Officer, Keelan Adamson. “This result reflects favorable revenue efficiency driven by high operational reliability.”

Adamson added, “We also continue to improve our balance sheet and are on track to reduce our debt by over \$700 million this year, creating long-term value for our shareholders.”

Non-GAAP Financial Measures

We present our operating results in accordance with accounting principles generally accepted in the U.S. (“U.S. GAAP”). We believe certain financial measures, such as EBITDA, Adjusted EBITDA, Adjusted Net Income and Free Cash Flow, which are non-GAAP measures, provide users of our financial statements with supplemental information that may be useful in evaluating our operating performance. We believe that such non-GAAP measures, when read in conjunction with our operating results presented under U.S. GAAP, can be used to better assess our performance from period to period and relative to performance of other companies in our industry, without regard to financing methods, historical cost basis or capital structure. Such non-GAAP measures should be considered as a supplement to, and not as a substitute for, financial measures prepared in accordance with U.S. GAAP.

All non-GAAP measure reconciliations to the most comparative U.S. GAAP measures are displayed in quantitative schedules on the company’s website at: www.deepwater.com.

About Transocean

Transocean is a leading international provider of offshore contract drilling services for oil and gas wells. The company specializes in technically demanding sectors of the global offshore drilling business with a particular focus on ultra-deepwater and harsh environment drilling services, and operates the highest specification floating offshore drilling fleet in the world.

Transocean owns or has partial ownership interests in and operates a fleet of 32 mobile offshore drilling units, consisting of 24 ultra-deepwater floaters and eight harsh environment floaters.

For more information about Transocean, please visit: www.deepwater.com.

Conference Call Information

Transocean will conduct a teleconference starting at 9 a.m. EDT, 3 p.m. CEST, on Tuesday, August 5, 2025, to discuss the results. To participate, dial +1 785-424-1116 and refer to conference code 125397 approximately 15 minutes prior to the scheduled start time.

The teleconference will be simulcast in a listen-only mode at: www.deepwater.com, by selecting Investors, News, and Webcasts. Supplemental materials that may be referenced during the teleconference will be available at: www.deepwater.com, by selecting Investors, Financial Reports.

A replay of the conference call will be available after 12 p.m. EDT, 6 p.m. CEST, on Tuesday, August 5, 2025. The replay, which will be archived for approximately 30 days, can be accessed at +1 402-220-2972, passcode 125397. The replay will also be available on the company’s website.

Forward-Looking Statements

The statements described herein that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements could contain words such as “possible,” “intend,” “will,” “if,” “expect,” or other similar expressions. Forward-looking statements are based on management’s current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, estimated duration of customer contracts, contract dayrate amounts, future contract commencement dates and locations, planned shipyard projects and other out-of-service time, sales of drilling units, timing of the company’s newbuild deliveries, operating hazards and delays, risks associated with international operations, actions by customers and other third parties, the fluctuation of current and future prices of oil and gas, the global and regional supply and demand for oil and gas, the intention to scrap certain drilling rigs, the success of our business following prior acquisitions, the effects of the spread of and mitigation efforts by governments, businesses and individuals related to contagious illnesses, and other factors, including those and other risks discussed in the company’s most recent Annual Report on Form 10-K for the year ended December 31, 2024, and in the company’s other filings with the SEC, which are available free of charge on the SEC’s website at: www.sec.gov. Should one or more of these risks or uncertainties materialize (or the other consequences of such a development worsen), or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or expressed or implied by such forward-looking statements. All subsequent written and oral forward-looking statements attributable to the company or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that occur, or which we become aware of, after the date hereof, except as otherwise may be required by law.

This press release, or referenced documents, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities, and do not constitute an offering prospectus within the meaning of the Swiss Financial Services Act (“FinSA”) or advertising within the meaning of the FinSA. Investors must rely on their own evaluation of Transocean and its securities, including the merits and risks involved. Nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of Transocean.

Notes

- (1) Revenue efficiency is defined as actual operating revenues, excluding revenues for contract terminations and reimbursements, for the measurement period divided by the maximum revenue calculated for the measurement period, expressed as a percentage. Maximum revenue is defined as the greatest amount of contract drilling revenues the drilling unit could earn for the measurement period, excluding revenues for incentive provisions, reimbursements and contract terminations. See the accompanying schedule entitled “Revenue Efficiency.”

(2) Effective Tax Rate is defined as income tax expense or benefit divided by income or loss before income taxes. See the accompanying schedule entitled "Supplemental Effective Tax Rate Analysis."

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TRANSOCEAN LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Contract drilling revenues	\$ 988	\$ 861	\$ 1,894	\$ 1,624
Costs and expenses				
Operating and maintenance	599	534	1,217	1,057
Depreciation and amortization	175	184	351	369
General and administrative	49	59	99	111
	823	777	1,667	1,537
Loss on impairment of assets	(1,136)	(143)	(1,136)	(143)
Gain (loss) on disposal of assets, net	7	—	9	(6)
Operating loss	(964)	(59)	(900)	(62)
Other income (expense), net				
Interest income	10	14	18	29
Interest expense, net of amounts capitalized	(112)	(74)	(228)	(191)
Gain on retirement of debt	—	140	—	140
Other, net	(27)	12	(23)	24
	(129)	92	(233)	2
Income (loss) before income tax expense (benefit)	(1,093)	33	(1,133)	(60)
Income tax expense (benefit)	(155)	156	(116)	(35)
Net loss	(938)	(123)	(1,017)	(25)
Net income attributable to noncontrolling interest	—	—	—	—
Net loss attributable to controlling interest	\$ (938)	\$ (123)	\$ (1,017)	\$ (25)
Loss per share, basic and diluted	\$ (1.06)	\$ (0.15)	\$ (1.15)	\$ (0.03)
Weighted-average shares outstanding, basic and diluted	888	824	885	821

TRANSOCEAN LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except share data)
(Unaudited)

	June 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 377	\$ 560

Accounts receivable, net of allowance of \$2 at June 30, 2025 and December 31, 2024	577	564
Materials and supplies, net of allowance of \$167 and \$178 at June 30, 2025 and December 31, 2024, respectively	427	439
Assets held for sale	43	343
Restricted cash and cash equivalents	395	381
Other current assets	181	165
Total current assets	2,000	2,452
Property and equipment	20,957	22,417
Less accumulated depreciation	(6,205)	(6,586)
Property and equipment, net	14,752	15,831
Deferred tax assets, net	48	45
Other assets	1,011	1,043
Total assets	\$ 17,811	\$ 19,371
Liabilities and equity		
Accounts payable	\$ 253	\$ 255
Accrued income taxes	8	31
Debt due within one year	666	686
Other current liabilities	655	691
Total current liabilities	1,582	1,663
Long-term debt	5,885	6,195
Deferred tax liabilities, net	345	499
Other long-term liabilities	645	729
Total long-term liabilities	6,875	7,423
Commitments and contingencies		
Shares, \$0.10 par value, 1,204,009,681 authorized, 141,262,093 conditionally authorized, 1,204,009,681 issued and 902,249,348 outstanding at June 30, 2025, and 1,057,879,029 authorized, 141,262,093 conditionally authorized, 940,828,901 issued and 875,830,772 outstanding at December 31, 2024		
	90	87
Additional paid-in capital	14,966	14,880
Accumulated deficit	(5,562)	(4,545)
Accumulated other comprehensive loss	(141)	(138)
Total controlling interest shareholders' equity	9,353	10,284
Noncontrolling interest	1	1
Total equity	9,354	10,285
Total liabilities and equity	\$ 17,811	\$ 19,371

TRANSOCEAN LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Six months ended	
	June 30,	
	2025	2024
Cash flows from operating activities		
Net loss	\$ (1,017)	\$ (25)
Adjustments to reconcile to net cash provided by operating activities:		
Amortization of contract intangible asset	—	4
Depreciation and amortization	351	369
Share-based compensation expense	16	26
Loss on impairment of assets	1,136	143
(Gain) loss on disposal of assets, net	(9)	6

Amortization of debt-related balances, net	25	26
Gain on adjustment to bifurcated compound exchange feature	(65)	(79)
Gain on retirement of debt	—	(140)
Loss on impairment of investment in unconsolidated affiliate	—	5
Deferred income tax benefit	(157)	(56)
Other, net	31	(11)
Changes in deferred revenues, net	(84)	97
Changes in deferred costs, net	16	(49)
Changes in other operating assets and liabilities, net	(89)	(269)
Net cash provided by operating activities	154	47
Cash flows from investing activities		
Capital expenditures	(84)	(167)
Investment in loan to unconsolidated affiliate	—	(3)
Proceeds from disposal of assets, net of costs to sell	10	51
Proceeds from disposal of equity investment in unconsolidated affiliate	4	—
Cash acquired in acquisition of unconsolidated affiliate	—	5
Net cash used in investing activities	(70)	(114)
Cash flows from financing activities		
Repayments of debt	(240)	(1,815)
Proceeds from issuance of debt, net of issue costs	—	1,767
Other, net	(13)	(5)
Net cash used in financing activities	(253)	(53)
Net decrease in unrestricted and restricted cash and cash equivalents	(169)	(120)
Unrestricted and restricted cash and cash equivalents, beginning of period	941	995
Unrestricted and restricted cash and cash equivalents, end of period	\$ 772	\$ 875

TRANSOCEAN LTD. AND SUBSIDIARIES
FLEET OPERATING STATISTICS

	Three months ended		
	June 30,	March 31,	June 30,
	2025	2025	2024
Contract Drilling Revenues (in millions)			
Ultra-deepwater floaters	\$ 699	\$ 658	\$ 606
Harsh environment floaters	289	248	255
Total contract drilling revenues	\$ 988	\$ 906	\$ 861

	Three months ended		
	June 30,	March 31,	June 30,
	2025	2025	2024
Average Daily Revenue ⁽¹⁾			
Ultra-deepwater floaters	\$ 457,200	\$ 443,600	\$ 433,900
Harsh environment floaters	462,400	443,600	449,600
Total fleet average daily revenue	\$ 458,600	\$ 443,600	\$ 438,300

	Three months ended		
	June 30,	March 31,	June 30,
	2025	2025	2024
Revenue Efficiency ⁽²⁾			
Ultra-deepwater floaters	96.7 %	94.3 %	96.5 %
Harsh environment floaters	96.3 %	99.3 %	98.1 %
Total fleet average revenue efficiency	96.6 %	95.5 %	96.9 %

Utilization ⁽³⁾	Three months ended		
	June 30,	March 31,	June 30,
	2025	2025	2024
Ultra-deepwater floaters	64.7 %	61.5 %	53.5 %
Harsh environment floaters	75.3 %	69.5 %	73.0 %
Total fleet average rig utilization	67.3 %	63.4 %	57.8 %

(1) Average daily revenue is defined as operating revenues, excluding revenues for contract terminations, reimbursements and contract intangible amortization, earned per operating day. An operating day is defined as a day for which a rig is contracted to earn a dayrate during the firm contract period after operations commence.

(2) Revenue efficiency is defined as actual operating revenues, excluding revenues for contract terminations and reimbursements, for the measurement period divided by the maximum revenue calculated for the measurement period, expressed as a percentage. Maximum revenue is defined as the greatest amount of contract drilling revenues the drilling unit could earn for the measurement period, excluding revenues for incentive provisions, reimbursements and contract terminations.

(3) Rig utilization is defined as the total number of operating days divided by the total number of rig calendar days in the measurement period, expressed as a percentage.

TRANSOCEAN LTD. AND SUBSIDIARIES
NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS
ADJUSTED NET INCOME (LOSS) AND ADJUSTED DILUTED EARNINGS (LOSS) PER SHARE
(in millions, except per share data)

	YTD	QTD	YTD
	06/30/25	06/30/25	03/31/25
Adjusted Net Loss			
Net loss attributable to controlling interest, as reported	\$ (1,017)	\$ (938)	\$ (79)
Loss on impairment of assets, net of tax	1,128	1,128	—
Loss on conversion of debt to equity	24	24	—
Discrete tax items	(181)	(195)	14
Net income (loss), as adjusted	\$ (46)	\$ 19	\$ (65)
Adjusted Diluted Loss Per Share:			
Diluted loss per share, as reported	\$ (1.15)	\$ (1.06)	\$ (0.11)
Loss on impairment of assets, net of tax	1.27	1.27	—
Loss on conversion of debt to equity	0.03	0.03	—
Discrete tax items	(0.20)	(0.22)	0.01
Dilutive effect, 4.625% exchangeable bonds due December 2029	(0.05)	(0.02)	—
Diluted loss per share, as adjusted	\$ (0.10)	\$ —	\$ (0.10)

	YTD	QTD	YTD	QTD	YTD	QTD	YTD
	12/31/24	12/31/24	09/30/24	09/30/24	06/30/24	06/30/24	03/31/24
Adjusted Net Income (Loss)							
Net income (loss) attributable to controlling interest, as reported	\$ (512)	\$ 7	\$ (519)	\$ (494)	\$ (25)	\$ (123)	\$ 98
Loss on impairment of assets, net of tax	755	—	755	617	138	138	—
Loss on impairment of investment in unconsolidated affiliates	5	—	5	—	5	4	1
Gain on retirement of debt	(161)	—	(161)	(21)	(140)	(140)	—
Discrete tax items	(141)	20	(161)	(38)	(123)	(2)	(121)
Net income (loss), as adjusted	\$ (54)	\$ 27	\$ (81)	\$ 64	\$ (145)	\$ (123)	\$ (22)

Adjusted Diluted Earnings (Loss) Per Share:

Diluted earnings (loss) per share, as reported	\$ (0.76)	\$ (0.11)	\$ (0.65)	\$ (0.58)	\$ (0.03)	\$ (0.15)	\$ 0.11
Loss on impairment of assets, net of tax	0.82	—	0.82	0.64	0.17	0.17	—
Loss on impairment of investment in unconsolidated affiliates	0.01	—	0.01	—	—	—	—
Gain on retirement of debt	(0.18)	—	(0.18)	(0.02)	(0.17)	(0.17)	—
Discrete tax items	(0.15)	0.02	(0.18)	(0.04)	(0.15)	—	(0.14)
Diluted loss per share, as adjusted	\$ (0.26)	\$ (0.09)	\$ (0.18)	\$ —	\$ (0.18)	\$ (0.15)	\$ (0.03)

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)

	<u>YTD</u> <u>06/30/25</u>	<u>QTD</u> <u>06/30/25</u>	<u>YTD</u> <u>03/31/25</u>
Contract drilling revenues	\$ 1,894	\$ 988	\$ 906
Net loss	\$ (1,017)	\$ (938)	\$ (79)
Interest expense, net of interest income	210	102	108
Income tax expense (benefit)	(116)	(155)	39
Depreciation and amortization	351	175	176
EBITDA	<u>(572)</u>	<u>(816)</u>	<u>244</u>
Loss on impairment of assets	1,136	1,136	—
Loss on conversion of debt to equity	24	24	—
Adjusted EBITDA	<u>\$ 588</u>	<u>\$ 344</u>	<u>\$ 244</u>
Loss margin	(53.7) %	(94.9) %	(8.7) %
EBITDA margin	(30.2) %	(82.5) %	26.9 %
Adjusted EBITDA margin	31.1 %	34.9 %	26.9 %

	<u>YTD</u> <u>12/31/24</u>	<u>QTD</u> <u>12/31/24</u>	<u>YTD</u> <u>09/30/24</u>	<u>QTD</u> <u>09/30/24</u>	<u>YTD</u> <u>06/30/24</u>	<u>QTD</u> <u>06/30/24</u>	<u>YTD</u> <u>03/31/24</u>
Contract drilling revenues	\$ 3,524	\$ 952	\$ 2,572	\$ 948	\$ 1,624	\$ 861	\$ 763
Contract intangible asset amortization	4	—	4	—	4	—	4
Adjusted Contract Drilling Revenues	<u>\$ 3,528</u>	<u>\$ 952</u>	<u>\$ 2,576</u>	<u>\$ 948</u>	<u>\$ 1,628</u>	<u>\$ 861</u>	<u>\$ 767</u>
Net income (loss)	\$ (512)	\$ 7	\$ (519)	\$ (494)	\$ (25)	\$ (123)	\$ 98
Interest expense, net of interest income	312	81	231	69	162	60	102
Income tax expense (benefit)	(11)	55	(66)	(31)	(35)	156	(191)
Depreciation and amortization	739	180	559	190	369	184	185
Contract intangible asset amortization	4	—	4	—	4	—	4
EBITDA	<u>532</u>	<u>323</u>	<u>209</u>	<u>(266)</u>	<u>475</u>	<u>277</u>	<u>198</u>
Loss on impairment of assets	772	—	772	629	143	143	—
Loss on impairment of investment in unconsolidated affiliates	5	—	5	—	5	4	1
Gain on retirement of debt	(161)	—	(161)	(21)	(140)	(140)	—
Adjusted EBITDA	<u>\$ 1,148</u>	<u>\$ 323</u>	<u>\$ 825</u>	<u>\$ 342</u>	<u>\$ 483</u>	<u>\$ 284</u>	<u>\$ 199</u>

Profit (loss) margin	(14.5) %	0.7 %	(20.2) %	(52.0) %	(1.5) %	(14.3) %	12.9 %
EBITDA margin	15.1 %	33.9 %	8.1 %	(28.1) %	29.2 %	32.2 %	25.8 %

Adjusted EBITDA margin 32.5 % 33.9 % 32.0 % 36.0 % 29.7 % 33.0 % 26.0 %

TRANSOCEAN LTD. AND SUBSIDIARIES
SUPPLEMENTAL EFFECTIVE TAX RATE ANALYSIS

(in millions, except tax rates)

	<u>Three months ended</u>			<u>Six months ended</u>	
	<u>June 30,</u> <u>2025</u>	<u>March 31,</u> <u>2025</u>	<u>June 30,</u> <u>2024</u>	<u>June 30,</u> <u>2025</u>	<u>June 30,</u> <u>2024</u>
Income (loss) before income taxes	\$ (1,093)	\$ (40)	\$ 33	\$ (1,133)	\$ (60)
Loss on impairment of assets	1,136	—	143	1,136	143
Loss on impairment of investment in unconsolidated affiliate	—	—	4	—	5
Loss on conversion of debt to equity	24	—	—	24	—
Gain on retirement of debt	—	—	(140)	—	(140)
Adjusted income (loss) before income taxes	<u>\$ 67</u>	<u>\$ (40)</u>	<u>\$ 40</u>	<u>\$ 27</u>	<u>\$ (52)</u>
Income tax expense (benefit)	\$ (155)	\$ 39	\$ 156	\$ (116)	\$ (35)
Loss on impairment of assets	8	—	5	8	5
Loss on impairment of investment in unconsolidated affiliate	—	—	—	—	—
Loss on conversion of debt to equity	—	—	—	—	—
Gain on retirement of debt	—	—	—	—	—
Changes in estimates (1)	195	(14)	2	181	123
Adjusted income tax expense	<u>\$ 48</u>	<u>\$ 25</u>	<u>\$ 163</u>	<u>\$ 73</u>	<u>\$ 93</u>
Effective Tax Rate (2)	14.2 %	(95.8) %	474.5 %	10.3 %	57.8 %
Effective Tax Rate, excluding discrete items (3)	70.0 %	(62.3) %	416.3 %	268.9 %	(179.3) %

(1) Our estimates change as we file tax returns, settle disputes with tax authorities, or become aware of changes in laws, operational changes and rig movements that have an effect on our (a) deferred taxes, (b) valuation allowances on deferred taxes and (c) other tax liabilities.

(2) Our effective tax rate is calculated as income tax expense or benefit divided by income or loss before income taxes.

(3) Our effective tax rate, excluding discrete items, is calculated as income tax expense or benefit, excluding various discrete items (such as changes in estimates and tax on items excluded from income before income taxes), divided by income or loss before income taxes, excluding gains and losses on sales and similar items pursuant to the accounting standards for income taxes related to estimating the annual effective tax rate.

TRANSOCEAN LTD. AND SUBSIDIARIES
NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS
FREE CASH FLOW AND LEVERED FREE CASH FLOW

(in millions)

	<u>YTD</u> <u>06/30/25</u>	<u>QTD</u> <u>06/30/25</u>	<u>YTD</u> <u>03/31/25</u>
Cash provided by operating activities	\$ 154	\$ 128	\$ 26
Capital expenditures	(84)	(24)	(60)
Free Cash Flow	<u>70</u>	<u>104</u>	<u>(34)</u>
Debt repayments	(240)	(30)	(210)
Debt repayments, paid from debt proceeds	—	—	—
Levered Free Cash Flow	<u>\$ (170)</u>	<u>\$ 74</u>	<u>\$ (244)</u>

	<u>YTD</u>	<u>QTD</u>	<u>YTD</u>	<u>QTD</u>	<u>YTD</u>	<u>QTD</u>	<u>YTD</u>
	<u>12/31/24</u>	<u>12/31/24</u>	<u>09/30/24</u>	<u>09/30/24</u>	<u>06/30/24</u>	<u>06/30/24</u>	<u>03/31/24</u>
Cash provided by (used in) operating activities	\$ 447	\$ 206	\$ 241	\$ 194	\$ 47	\$ 133	\$ (86)
Capital expenditures	(254)	(29)	(225)	(58)	(167)	(84)	(83)
Free Cash Flow	193	177	16	136	(120)	49	(169)
Debt repayments	(2,103)	(30)	(2,073)	(258)	(1,815)	(1,664)	(151)
Debt repayments, paid from debt proceeds	1,748	—	1,748	99	1,649	1,649	—
Levered Free Cash Flow	\$ (162)	\$ 147	\$ (309)	\$ (23)	\$ (286)	\$ 34	\$ (320)

Transocean Ltd.