

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities and Exchange Act of 1934

Date of Report (Date of earliest event reported): October 29, 2025

Valaris Limited

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction of
incorporation)

001-08097
(Commission
File Number)

98-1589854
(I.R.S. Employer
Identification No.)

Claredon House, 2 Church Street
Hamilton, Bermuda, HM 11

Registrant's telephone number, including area code: 44 (0) 20 7659 4660

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Ticker Symbol(s)	Name of each exchange on which registered
Common Shares, \$0.01 par value share	VAL	New York Stock Exchange
Warrants to purchase Common Shares	VAL WS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

TABLE OF CONTENTS

<u>INFORMATION TO BE INCLUDED IN THE REPORT</u>	<u>2</u>
<u>Item 2.02 Results of Operations and Financial Condition</u>	<u>2</u>
<u>Item 9.01 Financial Statements and Exhibits</u>	<u>3</u>
<u>SIGNATURE</u>	<u>4</u>

INFORMATION TO BE INCLUDED IN THE REPORT

Item 2.02 Results of Operations and Financial Condition

Attached hereto as Exhibit 99.1 and incorporated by reference in its entirety into this Item 2.02 is a copy of the press release dated October 29, 2025 of Valaris Limited announcing its Third Quarter 2025 results.

The information furnished in this Item 2.02 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	<u>Press release issued by Valaris Limited, dated October 29, 2025</u>
101	Interactive data files pursuant to Rule 405 of Regulation S-T formatted in inline Extensible Business Reporting Language
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Valaris Limited

October 29, 2025

/s/ CHRISTOPHER T. WEBER

Christopher T. Weber
Senior Vice President and Chief Financial
Officer

Valaris Reports Third Quarter 2025 Results

Hamilton, Bermuda, October 29, 2025... Valaris Limited (NYSE: VAL) ("Valaris" or the "Company") today reported third quarter 2025 results.

President and Chief Executive Officer Anton Dibowitz said, "The Valaris team continues to deliver safe and efficient operations, which led to another quarter of strong financial results. We also continue to execute our commercial strategy having recently secured an attractive contract for VALARIS DS-12 with bp offshore Egypt. With this award, all four of our active drillships with near-term availability are now contracted for work beginning next year."

Dibowitz added, "Despite near-term commodity price uncertainty, demand for offshore drilling services is developing as we expected, with customers increasingly looking to offshore projects to meet future energy needs. Against this backdrop, we continue to see a solid pipeline of deepwater opportunities for our high-specification fleet, and we are in advanced customer discussions for our drillships scheduled to complete contracts in the second half of 2026."

Dibowitz concluded, "We are focused on delivering outstanding operational performance, executing our commercial strategy, and prudently managing our fleet and costs, positioning Valaris to deliver long-term value for shareholders."

Financial and Operational Highlights

- Total operating revenues of \$596 million, with revenue efficiency of 95%
- Net income of \$187 million
- Adjusted EBITDA of \$163 million
- Cash from operating activities of \$198 million and Adjusted Free Cash Flow of \$237 million
- Repurchased \$75 million of shares
- Recognized by the Center for Offshore Safety with its 2025 Safety Leadership Award – the third consecutive year the Company has received this recognition
- Secured a contract for VALARIS DS-12 with an estimated duration of 350 days – all four active drillships with near-term availability now contracted
- Completed the sale of jackup VALARIS 247 for cash proceeds of \$108 million

Third Quarter Review

Net income of \$187 million compared to \$114 million in the second quarter 2025. Net income included a gain on sale of assets of \$90 million compared to \$1 million in the second quarter. Adjusted EBITDA of \$163 million compared to \$201 million in the second quarter.

Revenues exclusive of reimbursable items decreased to \$556 million from \$572 million in the second quarter 2025 primarily due to fewer operating days for the floater fleet, partially offset by more operating days for the jackup fleet and higher bareboat charter revenue from rigs leased to ARO Drilling.

Exclusive of reimbursable items, contract drilling expense increased to \$368 million from \$355 million in the second quarter 2025. The second quarter included a \$17 million accrual reversal due to the favorable arbitration outcome related to previously disclosed patent license litigation. Excluding this item, contract drilling expense decreased from the prior quarter.

General and administrative expense increased to \$27 million from \$19 million in the second quarter 2025 due to a \$7 million benefit in the second quarter from the above-mentioned favorable arbitration outcome that resulted in the recovery of legal costs incurred in prior quarters. Excluding this item, general and administrative expense increased slightly from the prior quarter.

Other income of \$85 million compared to other expense of \$18 million in the second quarter 2025 primarily due to a gain on the sale of jackup VALARIS 247, higher interest income and a decrease in net foreign currency exchange losses.

Tax expense decreased to \$29 million from \$32 million in the second quarter 2025.

Capital expenditures increased to \$70 million from \$67 million in the second quarter 2025.

Cash and cash equivalents and restricted cash increased to \$676 million as of September 30, 2025, from \$516 million as of June 30, 2025. The increase was due to cash flow from operations and proceeds from the sale of VALARIS 247, partially offset by share repurchases and capital expenditures.

Third Quarter Segment Review

Floaters

Revenues exclusive of reimbursable items decreased to \$293 million from \$320 million in the second quarter 2025 primarily due to VALARIS DS-15 and DS-18 completing contracts mid-third quarter without follow-on work. Both rigs are scheduled to start their next contracts in the second half of 2026.

Exclusive of reimbursable items, contract drilling expense increased to \$188 million from \$176 million in the second quarter 2025. The increase was primarily due to the favorable arbitration outcome, which led to a \$17 million accrual reversal in the second quarter. Excluding this item, contract drilling expense decreased from the prior quarter.

Jackups

Revenues exclusive of reimbursable items increased to \$217 million from \$212 million in the second quarter 2025 primarily due to more operating days for several rigs, partially offset by the contract completion and subsequent sale of VALARIS 247 during the third quarter.

Exclusive of reimbursable items, contract drilling expense increased slightly to \$125 million from \$124 million in the second quarter 2025.

ARO Drilling

Revenues increased to \$157 million from \$140 million in the second quarter 2025 primarily due to more operating days for the fleet and higher day rates for four rigs that began new contract extensions during the prior quarter. Contract drilling expense decreased to \$92 million from \$96 million in the second quarter primarily due to lower repair and maintenance costs.

Other

Revenues exclusive of reimbursable items increased to \$46 million from \$41 million in the second quarter 2025 primarily due to higher bareboat charter revenue from rigs leased to ARO, resulting from the above-mentioned contract extensions. Exclusive of reimbursable items, contract drilling expense decreased to \$16 million from \$17 million in the second quarter.

Three Months Ended (Unaudited)																	
(in millions of \$, except %)	Floaters			Jackups			ARO ⁽¹⁾			Other			Reconciling Items ⁽¹⁾⁽²⁾		Consolidated Total		
	Q3 2025	Q2 2025	Chg	Q3 2025	Q2 2025	Chg	Q3 2025	Q2 2025	Chg	Q3 2025	Q2 2025	Chg	Q3 2025	Q2 2025	Q3 2025	Q2 2025	Chg
Operating revenues:																	
Revenues (exclusive of reimbursable revenues)	\$ 293.0	\$ 319.7	(8)%	\$ 216.7	\$ 212.0	2 %	\$ 156.8	\$ 139.9	12 %	\$ 45.9	\$ 40.6	13 %	\$ (156.8)	\$ (139.9)	\$ 555.6	\$ 572.3	(3)%
Reimbursable revenues	9.9	7.2	38 %	20.4	26.0	(22)%	—	—	— %	9.8	9.7	1 %	—	—	40.1	42.9	(7)%
Total operating revenues	302.9	326.9	(7)%	237.1	238.0	— %	156.8	139.9	12 %	55.7	50.3	11 %	(156.8)	(139.9)	595.7	615.2	(3)%
Operating expenses																	
Contract drilling expenses (exclusive of depreciation and reimbursable expense)	187.7	176.3	(6)%	124.8	124.3	— %	91.6	96.4	5 %	16.3	17.4	6 %	(52.8)	(59.2)	367.6	355.2	(3)%
Reimbursable expenses	9.4	6.7	(40)%	18.9	24.3	22 %	—	—	— %	9.7	9.5	(2)%	—	—	38.0	40.5	6 %
Total contract drilling expenses (exclusive of depreciation)	197.1	183.0	(8)%	143.7	148.6	3 %	91.6	96.4	5 %	26.0	26.9	3 %	(52.8)	(59.2)	405.6	395.7	(3)%
Depreciation	15.5	14.6	(6)%	15.3	14.6	(5)%	28.4	28.7	1 %	3.0	2.8	(7)%	(25.1)	(25.2)	37.1	35.5	(5)%
General and admin.	—	—	— %	—	—	— %	5.5	6.6	17 %	—	—	— %	21.4	12.2	26.9	18.8	(43)%
Equity in earnings (losses) of ARO	—	—	— %	—	—	— %	—	—	— %	—	—	— %	4.4	(1.1)	4.4	(1.1)	nm
Operating income	\$ 90.3	\$ 129.3	(30)%	\$ 78.1	\$ 74.8	4 %	\$ 31.3	\$ 8.2	282 %	\$ 26.7	\$ 20.6	30 %	\$ (95.9)	\$ (68.8)	\$ 130.5	\$ 164.1	(20)%
Net income (loss)	\$ 90.0	\$ 128.8	(30)%	\$ 166.9	\$ 75.1	122 %	\$ 2.4	\$ (8.6)	nm	\$ 26.8	\$ 20.6	30 %	\$ (98.8)	\$ (101.7)	\$ 187.3	\$ 114.2	64 %
Adjusted EBITDA	\$ 105.8	\$ 143.9	(26)%	\$ 93.4	\$ 89.4	4 %	\$ 59.7	\$ 36.9	62 %	\$ 29.7	\$ 23.4	27 %	\$ (125.4)	\$ (92.9)	\$ 163.2	\$ 200.7	(19)%

nm - Not meaningful

⁽¹⁾ The full operating results included above for ARO are not included within our consolidated results and thus deducted under "Reconciling Items" and replaced with our equity in earnings of ARO.

⁽²⁾ Our onshore support costs included within contract drilling expenses are not allocated to our operating segments for purposes of measuring segment operating income (loss) and as such, these costs are included in "Reconciling Items." Further, general and administrative expense and depreciation expense incurred by our corporate office are not allocated to our operating segments for purposes of measuring segment operating income (loss) and are included in "Reconciling Items."

As previously announced, Valaris will hold its third quarter 2025 earnings conference call at 9:00 a.m. CT (10:00 a.m. ET) on Thursday, October 30, 2025.

About Valaris Limited

Valaris Limited (NYSE: VAL) is the industry leader in offshore drilling services across all water depths and geographies. Operating a high-quality rig fleet of ultra-deepwater drillships, versatile semisubmersibles, and modern shallow-water jackups, Valaris has experience operating in nearly every major offshore basin. Valaris maintains an unwavering commitment to safety, operational excellence, and customer satisfaction, with a focus on technology and innovation. Valaris Limited is a Bermuda exempted company. To learn more, visit the Valaris website at www.valaris.com.

Forward-Looking Statements

Statements contained in this press release 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. Forward-looking statements include words or phrases such as "anticipate," "believe," "estimate," "expect," "intend," "likely," "outlook," "plan," "project," "could," "may," "might," "should," "will" and similar words and specifically include statements regarding expected financial performance; expected utilization, day rates, revenues, operating expenses, cash flows, contract status, terms and duration, contract backlog, capital expenditures, insurance, financing and funding; the offshore drilling market, including supply and demand, customer drilling programs and the attainment of requisite permits for such programs, stacking of rigs, effects of new rigs on the market and effect of the volatility of commodity prices; expected work commitments, awards, contracts and letters of intent; scheduled delivery dates for rigs; performance and expected benefits of our joint ventures, including our joint venture with Saudi Aramco; timing of the delivery of the Saudi Aramco Rowan Offshore Drilling Company ("ARO") newbuild rigs and the timing of additional ARO newbuild orders; the availability, delivery, mobilization, contract commencement, availability, relocation or other movement of rigs and the timing thereof; rig reactivations; suitability of rigs for future contracts; divestitures of assets; general economic, market, business and industry conditions, trends and outlook; general political conditions, including political tensions, conflicts and war; cybersecurity attacks and threats; uncertainty around the use and impacts of artificial intelligence applications; impacts and effects of public health crises, pandemics and epidemics; future operations; ability to renew expiring contracts or obtain new contracts; increasing regulatory complexity; targets, progress, plans and goals related to sustainability matters; the outcome of tax disputes; assessments and settlements; and expense management. The forward-looking statements contained in this press release are subject to numerous risks, uncertainties and assumptions that may cause actual results to vary materially from those indicated, including cancellation, suspension, renegotiation or termination of drilling contracts and programs; our ability to obtain financing, service our debt, fund capital expenditures and pursue other business opportunities; adequacy of sources of liquidity for us and our customers; future share repurchases; actions by regulatory authorities, or other third parties; actions by our security holders; internal control risk; commodity price fluctuations and volatility, customer demand, loss of a significant customer or customer contract, downtime and other risks associated with offshore rig operations; adverse weather, including hurricanes; changes in worldwide rig supply; and demand, competition and technology; supply chain and logistics challenges; consumer preferences for alternative fuels and forecasts or expectations regarding the global energy transition; increased scrutiny of our sustainability targets, initiatives and reporting and our ability to achieve such targets or initiatives; changes in customer strategy; future levels of offshore drilling activity; governmental action, civil unrest and political and economic uncertainties, including recessions, inflation, volatility affecting financial markets and the banking system, changing tariff policies, trade disputes, and adverse changes in the level of international trade activity; terrorism, piracy and military action; risks inherent to shipyard upgrade, repair, maintenance, enhancement or rig reactivation; our ability to enter into, and the terms of, future drilling contracts; suitability of rigs for future contracts; the cancellation of letters of intent or letters of award or any failure to execute definitive contracts following announcements of letters of intent, letters of award or other expected work commitments; the outcome of litigation, legal proceedings, investigations or other claims or contract disputes; governmental regulatory, legislative and permitting requirements affecting drilling operations; our ability to attract and retain skilled personnel on commercially reasonable terms; the use of artificial intelligence by us, third-party service providers or our competitors; environmental or other liabilities, risks or losses; compliance with our debt agreements and debt restrictions that may limit our liquidity and flexibility, including in any return of capital plans; cybersecurity risks and threats; and changes in foreign currency exchange rates. In addition to the numerous factors described above, you should also carefully read and consider "Item 1A. Risk Factors" in Part I and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of our most recent annual report on Form 10-K, which is available on the Securities and Exchange Commission's website at www.sec.gov or on the Investor Relations section of our website at www.valaris.com. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to update or revise any forward-looking statements, except as required by law.

Investor & Media Contacts:

Nick Georgas
Vice President - Treasurer and Investor Relations
+1-713-979-4632

Tim Richardson
Director - Investor Relations
+1-713-979-4619

VALARIS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
OPERATING REVENUES					
Revenues (exclusive of reimbursable revenues)	\$ 555.6	\$ 572.3	\$ 577.8	\$ 548.0	\$ 599.9
Reimbursable revenues	40.1	42.9	42.9	36.4	43.2
Total operating revenues	595.7	615.2	620.7	584.4	643.1
OPERATING EXPENSES					
Contract drilling expenses (exclusive of depreciation and reimbursable expenses)	367.6	355.2	374.0	380.5	422.6
Reimbursable expenses	38.0	40.5	41.0	34.8	39.5
Total contract drilling expenses (exclusive of depreciation)	405.6	395.7	415.0	415.3	462.1
Loss on impairment	—	—	7.8	—	—
Depreciation	37.1	35.5	33.1	33.9	31.7
General and administrative	26.9	18.8	24.4	26.7	30.6
Total operating expenses	469.6	450.0	480.3	475.9	524.4
EQUITY IN EARNINGS (LOSSES) OF ARO	4.4	(1.1)	2.6	10.7	(23.8)
OPERATING INCOME	130.5	164.1	143.0	119.2	94.9
OTHER INCOME (EXPENSE)					
Interest income	22.6	15.1	14.4	16.6	17.5
Interest expense, net	(24.9)	(24.8)	(24.3)	(22.1)	(22.4)
Other, net	87.7	(8.7)	21.2	10.1	(2.8)
Total other income (expense)	85.4	(18.4)	11.3	4.6	(7.7)
INCOME BEFORE INCOME TAXES	215.9	145.7	154.3	123.8	87.2
PROVISION (BENEFIT) FOR INCOME TAXES	28.6	31.5	193.5	(6.8)	24.3
NET INCOME (LOSS)	187.3	114.2	(39.2)	130.6	62.9
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	0.8	0.9	1.3	3.1	1.7
NET INCOME (LOSS) ATTRIBUTABLE TO VALARIS	\$ 188.1	\$ 115.1	\$ (37.9)	\$ 133.7	\$ 64.6
EARNINGS (LOSS) PER SHARE					
Basic	\$ 2.66	\$ 1.62	\$ (0.53)	\$ 1.88	\$ 0.89
Diluted	\$ 2.65	\$ 1.61	\$ (0.53)	\$ 1.88	\$ 0.88
WEIGHTED-AVERAGE SHARES OUTSTANDING					
Basic	70.7	71.1	71.0	71.1	72.4
Diluted	71.0	71.3	71.0	71.2	73.2

VALARIS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

	As of				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 662.7	\$ 503.4	\$ 441.4	\$ 368.2	\$ 379.3
Restricted cash	12.8	12.8	12.3	12.3	12.9
Accounts receivable, net	513.7	554.2	557.7	571.2	555.8
Assets held for sale	—	—	7.0	—	—
Other current assets	154.4	157.0	139.4	127.0	163.5
Total current assets	\$ 1,343.6	\$ 1,227.4	\$ 1,157.8	\$ 1,078.7	\$ 1,111.5
PROPERTY AND EQUIPMENT, NET	2,034.4	2,021.6	1,977.1	1,932.9	1,842.7
LONG-TERM NOTES RECEIVABLE FROM ARO	314.7	308.5	302.3	296.2	265.4
INVESTMENT IN ARO	119.3	114.9	116.0	113.4	102.7
DEFERRED TAX ASSETS	673.9	675.5	679.0	849.5	837.0
OTHER ASSETS	152.1	155.4	154.6	149.1	174.1
Total assets	\$ 4,638.0	\$ 4,503.3	\$ 4,386.8	\$ 4,419.8	\$ 4,333.4
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Accounts payable - trade	\$ 327.1	\$ 332.3	\$ 329.3	\$ 328.5	\$ 303.7
Accrued liabilities and other	390.9	346.4	365.3	351.0	388.6
Total current liabilities	\$ 718.0	\$ 678.7	\$ 694.6	\$ 679.5	\$ 692.3
LONG-TERM DEBT	1,085.2	1,084.3	1,083.5	1,082.7	1,081.8
DEFERRED TAX LIABILITIES	27.0	29.4	29.4	30.1	31.1
OTHER LIABILITIES	357.2	377.6	367.8	383.2	404.4
TOTAL LIABILITIES	2,187.4	2,170.0	2,175.3	2,175.5	2,209.6
TOTAL EQUITY	2,450.6	2,333.3	2,211.5	2,244.3	2,123.8
Total liabilities and shareholders' equity	\$ 4,638.0	\$ 4,503.3	\$ 4,386.8	\$ 4,419.8	\$ 4,333.4

VALARIS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine Months Ended September 30,	
	2025	2024
OPERATING ACTIVITIES		
Net income	\$ 262.3	\$ 239.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income tax expense	172.5	19.3
Net (gain) loss on sale of property	(117.4)	0.3
Depreciation expense	105.7	88.2
Accretion of discount on notes receivable from ARO	(18.5)	(33.8)
Share-based compensation expense	18.4	22.4
Loss on impairment	7.8	—
Equity in losses (earnings) of ARO	(5.9)	21.7
Changes in contract liabilities	(39.3)	(13.5)
Changes in deferred costs	9.1	32.6
Other	6.1	5.0
Changes in operating assets and liabilities	86.3	(131.0)
Contributions to pension plans and other post-retirement benefits	(13.1)	(19.6)
Net cash provided by operating activities	\$ 474.0	\$ 230.8
INVESTING ACTIVITIES		
Additions to property and equipment	\$ (237.2)	\$ (343.4)
Proceeds from disposition of assets	136.3	0.2
Net cash used in investing activities	\$ (100.9)	\$ (343.2)
FINANCING ACTIVITIES		
Payments for share repurchases	\$ (75.0)	\$ (101.4)
Payments related to tax withholdings for share-based awards	(3.1)	(29.7)
Net cash used in financing activities	\$ (78.1)	\$ (131.1)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	\$ 295.0	\$ (243.5)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	380.5	635.7
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$ 675.5	\$ 392.2

VALARIS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
OPERATING ACTIVITIES					
Net income (loss)	\$ 187.3	\$ 114.2	\$ (39.2)	\$ 130.6	\$ 62.9
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Net (gain) loss on sale of property	(89.5)	(0.8)	(27.1)	(0.1)	0.2
Depreciation expense	37.1	35.5	33.1	33.9	31.7
Share-based compensation expense	6.8	6.0	5.6	5.3	7.0
Accretion of discount on notes receivable from ARO	(6.2)	(6.2)	(6.1)	(6.2)	(6.2)
Equity in losses (earnings) of ARO	(4.4)	1.1	(2.6)	(10.7)	23.8
Deferred income tax expense (benefit)	(0.8)	3.5	169.8	(13.5)	3.8
Loss on impairment	—	—	7.8	—	—
Changes in contract liabilities	(5.9)	(15.6)	(17.8)	(18.2)	11.3
Changes in deferred costs	4.8	4.5	(0.2)	6.7	33.4
Other	1.7	2.1	2.3	1.9	0.8
Changes in operating assets and liabilities	72.0	(21.0)	35.3	(3.2)	37.8
Contributions to pension plans and other post-retirement benefits	(4.8)	(3.3)	(5.0)	(1.9)	(13.5)
Net cash provided by operating activities	\$ 198.1	\$ 120.0	\$ 155.9	\$ 124.6	\$ 193.0
INVESTING ACTIVITIES					
Proceeds from disposition of assets	\$ 108.7	\$ 9.8	\$ 17.8	\$ 2.6	\$ 0.1
Additions to property and equipment	(69.8)	(67.2)	(100.2)	(111.7)	(81.9)
Net cash provided by (used in) investing activities	\$ 38.9	\$ (57.4)	\$ (82.4)	\$ (109.1)	\$ (81.8)
FINANCING ACTIVITIES					
Payments for share repurchases	\$ (75.0)	\$ —	\$ —	\$ (25.0)	\$ (100.0)
Payments for tax withholdings for share-based awards	(2.7)	(0.1)	(0.3)	(0.2)	(29.3)
Other	—	—	—	(2.0)	—
Net cash used in financing activities	\$ (77.7)	\$ (0.1)	\$ (0.3)	\$ (27.2)	\$ (129.3)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	\$ 159.3	\$ 62.5	\$ 73.2	\$ (11.7)	\$ (18.1)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	516.2	453.7	380.5	392.2	410.3
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$ 675.5	\$ 516.2	\$ 453.7	\$ 380.5	\$ 392.2

VALARIS LIMITED AND SUBSIDIARIES
OPERATING STATISTICS
(In millions)
(Unaudited)

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
REVENUES					
<u>Floaters</u>					
Drillships	\$ 253.8	\$ 282.7	\$ 317.3	\$ 285.5	\$ 323.9
Semisubmersibles	39.2	37.0	38.7	42.2	51.0
	\$ 293.0	\$ 319.7	\$ 356.0	\$ 327.7	\$ 374.9
Reimbursable Revenues ⁽¹⁾	9.9	7.2	8.9	15.7	14.1
Total Floaters	\$ 302.9	\$ 326.9	\$ 364.9	\$ 343.4	\$ 389.0
<u>Jackups</u>					
Harsh Environment	\$ 110.5	\$ 115.0	\$ 106.3	\$ 113.5	\$ 118.7
Benign Environment	91.2	81.4	64.8	59.5	58.4
Legacy	15.0	15.6	14.8	14.8	15.5
	\$ 216.7	\$ 212.0	\$ 185.9	\$ 187.8	\$ 192.6
Reimbursable Revenues ⁽¹⁾	20.4	26.0	27.7	15.3	21.1
Total Jackups	\$ 237.1	\$ 238.0	\$ 213.6	\$ 203.1	\$ 213.7
<u>Other</u>					
Leased and Managed Rigs	\$ 45.9	\$ 40.6	\$ 35.9	\$ 32.5	\$ 32.4
Reimbursable Revenues ⁽¹⁾	9.8	9.7	6.3	5.4	8.0
Total Other	\$ 55.7	\$ 50.3	\$ 42.2	\$ 37.9	\$ 40.4
Total Operating Revenues	\$ 595.7	\$ 615.2	\$ 620.7	\$ 584.4	\$ 643.1
Total Reimbursable Revenues ⁽¹⁾	\$ 40.1	\$ 42.9	\$ 42.9	\$ 36.4	\$ 43.2
Revenues Exclusive of Reimbursable Revenues	\$ 555.6	\$ 572.3	\$ 577.8	\$ 548.0	\$ 599.9

⁽¹⁾ Reimbursable revenues represent reimbursements from our customers for purchases of supplies, equipment and incremental services provided at their request.

VALARIS LIMITED AND SUBSIDIARIES
OPERATING STATISTICS
(In millions)
(Unaudited)

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
ADJUSTED EBITDA ⁽¹⁾					
<u>Floaters</u>					
Drillships	\$ 94.7	\$ 137.3	\$ 145.9	\$ 108.4	\$ 130.9
Semisubmersibles	11.1	6.6	6.7	8.3	10.4
	\$ 105.8	\$ 143.9	\$ 152.6	\$ 116.7	\$ 141.3
<u>Jackups</u>					
Harsh Environment	\$ 48.8	\$ 49.4	\$ 38.6	\$ 50.0	\$ 31.4
Benign Environment	43.0	36.3	26.6	19.5	20.0
Legacy	1.6	3.7	5.3	6.0	5.6
	\$ 93.4	\$ 89.4	\$ 70.5	\$ 75.5	\$ 57.0
Total	\$ 199.2	\$ 233.3	\$ 223.1	\$ 192.2	\$ 198.3
<u>Other</u>					
Leased and Managed Rigs	\$ 29.7	\$ 23.4	\$ 19.9	\$ 15.0	\$ 18.3
Total	\$ 228.9	\$ 256.7	\$ 243.0	\$ 207.2	\$ 216.6
<u>Support costs</u>					
General and administrative expense	\$ 26.9	\$ 18.8	\$ 24.4	\$ 26.7	\$ 30.6
Onshore support costs	38.8	37.2	37.3	38.1	35.6
	\$ 65.7	\$ 56.0	\$ 61.7	\$ 64.8	\$ 66.2
Valaris Total	\$ 163.2	\$ 200.7	\$ 181.3	\$ 142.4	\$ 150.4

⁽¹⁾ Adjusted EBITDA is earnings before interest, tax, depreciation, amortization and loss on impairment. Adjusted EBITDA for asset categories also exclude onshore support costs and general and administrative expense.

VALARIS LIMITED AND SUBSIDIARIES

OPERATING STATISTICS

(In millions)

(Unaudited)

	As of				
	Oct 23, 2025	Jul 24, 2025	Apr 30, 2025	Feb 18, 2025	Oct 30, 2024
CONTRACT BACKLOG ⁽¹⁾					
<u>Floaters</u>					
Drillships	\$ 2,617.8	\$ 2,708.8	\$ 2,114.7	\$ 1,944.6	\$ 2,289.7
Semisubmersibles	7.3	35.4	56.2	79.4	106.0
	\$ 2,625.1	\$ 2,744.2	\$ 2,170.9	\$ 2,024.0	\$ 2,395.7
<u>Jackups</u>					
Harsh Environment	\$ 525.3	\$ 532.1	\$ 640.5	\$ 614.6	\$ 635.1
Benign Environment	601.0	673.2	609.0	527.4	585.2
Legacy	136.6	148.5	160.4	171.0	178.4
	\$ 1,262.9	\$ 1,353.8	\$ 1,409.9	\$ 1,313.0	\$ 1,398.7
Total	\$ 3,888.0	\$ 4,098.0	\$ 3,580.8	\$ 3,337.0	\$ 3,794.4
<u>Other</u>					
Leased and Managed Rigs	\$ 562.3	\$ 616.4	\$ 656.8	\$ 271.5	\$ 310.4
Valaris Total	\$ 4,450.3	\$ 4,714.4	\$ 4,237.6	\$ 3,608.5	\$ 4,104.8

⁽¹⁾ Our contract drilling backlog reflects commitments, represented by signed drilling contracts, and is calculated by multiplying the contracted day rate by the contract period. Contract drilling backlog may include drilling contracts subject to final investment decision ("FID") and drilling contracts which grant the customer termination rights if FID is not received with respect to projects for which the drilling rig is contracted. The contracted day rate excludes certain types of lump sum fees for rig mobilization, demobilization, contract preparation, as well as customer reimbursables and bonus opportunities.

VALARIS LIMITED AND SUBSIDIARIES
OPERATING STATISTICS
(Unaudited)

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
AVERAGE DAILY REVENUE ⁽¹⁾					
<u>Floaters</u>					
Drillships	\$ 425,000	\$ 410,000	\$ 418,000	\$ 405,000	\$ 386,000
Semisubmersibles	229,000	231,000	232,000	231,000	247,000
	\$ 380,000	\$ 377,000	\$ 384,000	\$ 369,000	\$ 359,000
<u>Jackups</u>					
Harsh Environment	\$ 148,000	\$ 153,000	\$ 142,000	\$ 139,000	\$ 163,000
Benign Environment	143,000	144,000	125,000	109,000	111,000
Legacy	100,000	88,000	82,000	81,000	84,000
	\$ 141,000	\$ 142,000	\$ 128,000	\$ 121,000	\$ 133,000
 Total	 \$ 220,000	 \$ 227,000	 \$ 230,000	 \$ 212,000	 \$ 228,000
 <u>Other</u>					
Leased and Managed Rigs	\$ 55,000	\$ 50,000	\$ 44,000	\$ 39,000	\$ 32,000
 Valaris Total	 \$ 176,000	 \$ 181,000	 \$ 182,000	 \$ 167,000	 \$ 171,000

⁽¹⁾ Average daily revenue is derived by dividing Revenues (exclusive of reimbursable revenues), excluding contract termination fees, by the aggregate number of operating days.

VALARIS LIMITED AND SUBSIDIARIES
OPERATING STATISTICS
(Unaudited)

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
UTILIZATION - TOTAL FLEET ⁽¹⁾					
<u>Floaters</u>					
Drillships	48 %	58 %	65 %	59 %	70 %
Semisubmersibles	93 %	70 %	37 %	40 %	45 %
	54 %	60 %	57 %	54 %	63 %
<u>Jackups</u>					
Harsh Environment	77 %	76 %	71 %	81 %	72 %
Benign Environment	50 %	44 %	40 %	40 %	44 %
Legacy	82 %	98 %	100 %	100 %	100 %
	63 %	61 %	57 %	60 %	60 %
Total	60 %	61 %	57 %	58 %	61 %
<u>Other</u>					
Leased and Managed Rigs	100 %	100 %	100 %	100 %	100 %
Valaris Total	67 %	68 %	64 %	65 %	69 %
Pro Forma Jackups ⁽²⁾	71 %	69 %	66 %	68 %	71 %

⁽¹⁾ Rig utilization is derived by dividing the number of operating days by the number of available days in the period for the total fleet. Available days is defined as the maximum number of days available in the period for the total fleet, calculated by multiplying the number of rigs in each asset category by the number of days in the period, irrespective of asset status.

⁽²⁾ Includes all Valaris jackups including those leased to ARO Drilling.

VALARIS LIMITED AND SUBSIDIARIES
OPERATING STATISTICS
(Unaudited)

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
UTILIZATION - ACTIVE FLEET ^{(1) (2)}					
<u>Floaters</u>					
Drillships	63 %	76 %	84 %	77 %	91 %
Semisubmersibles	93 %	88 %	70 %	66 %	75 %
	68 %	78 %	81 %	74 %	87 %
<u>Jackups</u>					
Harsh Environment	96 %	93 %	87 %	99 %	88 %
Benign Environment	99 %	89 %	83 %	85 %	82 %
Legacy	82 %	98 %	100 %	100 %	100 %
	96 %	92 %	87 %	93 %	87 %
Total	84 %	86 %	85 %	85 %	87 %
<u>Other</u>					
Leased and Managed Rigs	100 %	100 %	100 %	100 %	100 %
Valaris Total	88 %	89 %	88 %	89 %	90 %
Pro Forma Jackups ⁽³⁾	97 %	94 %	90 %	95 %	91 %

(1) Rig utilization is derived by dividing the number of operating days by the number of available days in the period for the active fleet. Available days is defined as the maximum number of days available in the period for the active fleet, calculated by multiplying the number of rigs in each asset category by the number of days in the period, for active rigs only. Active rigs are defined as rigs that are not preservation stacked or held for sale and include rigs that are in the process of being reactivated.

(2) Active fleet represents rigs that are not preservation stacked or held for sale and includes rigs that are in the process of being reactivated.

(3) Includes all Valaris jackups including those leased to ARO Drilling.

VALARIS LIMITED AND SUBSIDIARIES
OPERATING STATISTICS
(Unaudited)

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
OPERATING DAYS ⁽¹⁾					
<u>Floaters</u>					
Drillships	579	689	759	704	834
Semisubmersibles	171	160	167	183	206
	750	849	926	887	1,040
<u>Jackups</u>					
Harsh Environment	748	753	697	816	731
Benign Environment	638	566	519	548	528
Legacy	150	178	180	184	184
	1,536	1,497	1,396	1,548	1,443
Total	2,286	2,346	2,322	2,435	2,483
<u>Other</u>					
Leased and Managed Rigs	828	819	810	840	1,012
Total	3,114	3,165	3,132	3,275	3,495

⁽¹⁾ Represents the total number of days under contract in the period. Days under contract equals the total number of days that rigs have earned and recognized day rate revenue, including days associated with compensated downtime and mobilizations. When revenue is deferred and amortized over a future period, for example when we receive fees while mobilizing to commence a new contract or while being upgraded in a shipyard, the related days are excluded from days under contract.

VALARIS LIMITED AND SUBSIDIARIES
OPERATING STATISTICS
(Unaudited)

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
REVENUE EFFICIENCY ⁽¹⁾					
<u>Drillers</u>					
Drillships	91 %	95 %	96 %	94 %	98 %
Semisubmersibles	97 %	89 %	95 %	100 %	100 %
	92 %	95 %	96 %	95 %	98 %
<u>Jackups</u>					
Harsh Environment	98 %	97 %	94 %	99 %	93 %
Benign Environment	100 %	99 %	100 %	99 %	100 %
Legacy	100 %	98 %	100 %	100 %	100 %
	99 %	98 %	96 %	99 %	96 %
Total	95 %	96 %	96 %	96 %	98 %

⁽¹⁾ Revenue efficiency is day rate revenue earned as a percentage of maximum potential day rate revenue.

VALARIS LIMITED AND SUBSIDIARIES

OPERATING STATISTICS

(Unaudited)

	As of				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
NUMBER OF RIGS					
Active Fleet ⁽¹⁾					
<u>Floaters</u>					
Drillships	10	10	10	10	10
Semisubmersibles	2	2	2	3	3
	12	12	12	13	13
<u>Jackups</u>					
Harsh Environment	8	9	9	9	9
Benign Environment	7	7	7	7	7
Legacy	2	2	2	2	2
	17	18	18	18	18
Total Active Fleet	29	30	30	31	31
Stacked Fleet					
<u>Floaters</u>					
Drillships	3	3	3	3	3
Semisubmersibles	—	—	—	2	2
	3	3	3	5	5
<u>Jackups</u>					
Harsh Environment	2	2	2	2	2
Benign Environment	7	7	7	8	6
	9	9	9	10	8
Total Stacked Fleet	12	12	12	15	13
Held For Sale ⁽²⁾					
Semisubmersibles	—	—	3	—	—
Leased Rigs ⁽³⁾					
<u>Jackups</u>					
Harsh Environment	1	1	1	1	1
Benign Environment	6	6	6	6	8
Total Leased Rigs	7	7	7	7	9
Total	48	49	52	53	53
Managed Rigs ⁽³⁾	2	2	2	2	2

⁽¹⁾ Active fleet represents rigs that are not preservation stacked or held for sale and includes rigs that are in the process of being reactivated.

⁽²⁾ Represents VALARIS DPS-3, VALARIS DPS-5 and VALARIS DPS-6, which were classified as held for sale as of March 31, 2025 and were subsequently sold in April 2025.

⁽³⁾ Leased rigs and managed rigs included in Other reporting segment.

ARO DRILLING
CONDENSED INCOME STATEMENT INFORMATION
(In millions)
(Unaudited)

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
Revenues	\$ 156.8	\$ 139.9	\$ 134.7	\$ 136.3	\$ 113.7
Operating expenses					
Contract drilling expenses (exclusive of depreciation)	91.6	96.4	85.6	81.5	93.8
Loss on impairment	—	—	—	—	28.4
Depreciation	28.4	28.7	29.5	29.4	21.1
General and administrative	5.5	6.6	6.3	7.5	4.9
Operating income (loss)	31.3	8.2	13.3	17.9	(34.5)
Other expense, net	14.3	15.5	15.2	13.7	15.3
Provision (benefit) for income taxes	14.6	1.3	(0.9)	(10.9)	4.2
Net income (loss)	\$ 2.4	\$ (8.6)	\$ (1.0)	\$ 15.1	\$ (54.0)
Adjusted EBITDA	\$ 59.7	\$ 36.9	\$ 42.8	\$ 47.3	\$ 15.0

ARO Drilling condensed income statement information presented above represents 100% of ARO. Valaris has a 50% ownership interest in ARO.

ARO DRILLING OPERATING STATISTICS (Unaudited)

(In millions)	As of				
	Oct 23, 2025	Jul 24, 2025	Apr 30, 2025	Feb 18, 2025	Oct 30, 2024
CONTRACT BACKLOG ⁽¹⁾					
Owned Rigs	\$ 879.9	\$ 970.1	\$ 1,054.4	\$ 1,124.9	\$ 1,236.9
Leased Rigs	1,284.7	1,379.2	1,440.9	298.0	344.4
Total	\$ 2,164.6	\$ 2,349.3	\$ 2,495.3	\$ 1,422.9	\$ 1,581.3

⁽¹⁾ Contract drilling backlog reflects commitments, represented by signed drilling contracts, and is calculated by multiplying the contracted day rate by the contract period. The contracted day rate excludes certain types of lump sum fees for rig mobilization, demobilization, contract preparation, as well as customer reimbursables and bonus opportunities.

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
AVERAGE DAILY REVENUE ⁽¹⁾					
Owned Rigs	\$ 112,000	\$ 107,000	\$ 111,000	\$ 112,000	\$ 109,000
Leased Rigs ⁽²⁾	126,000	122,000	102,000	100,000	98,000
Total	\$ 118,000	\$ 113,000	\$ 108,000	\$ 109,000	\$ 103,000

UTILIZATION ⁽³⁾					
Owned Rigs	96 %	93 %	92 %	89 %	62 %
Leased Rigs ⁽²⁾	83 %	76 %	80 %	77 %	71 %
Total	90 %	85 %	87 %	84 %	66 %

REVENUE EFFICIENCY ⁽⁴⁾					
Owned Rigs	100 %	95 %	97 %	94 %	70 %
Leased Rigs ⁽²⁾	92 %	83 %	80 %	77 %	70 %
Total	96 %	90 %	90 %	87 %	70 %

NUMBER OF RIGS (AT QUARTER END)					
Owned Rigs	9	9	9	9	9
Leased Rigs ⁽²⁾	7	7	7	7	9
Total	16	16	16	16	18

OPERATING DAYS ⁽⁵⁾					
Owned Rigs	792	761	748	739	510
Leased Rigs ⁽²⁾	532	481	503	509	590
Total	1,324	1,242	1,251	1,248	1,100

⁽¹⁾ Average daily revenue is derived by dividing Revenues (exclusive of reimbursable revenues), excluding contract termination fees, by the aggregate number of operating days.

⁽²⁾ All ARO leased rigs are leased from Valaris.

⁽³⁾ Rig utilization is derived by dividing the number of operating days by the number of available days in the period for the rig fleet.

⁽⁴⁾ Revenue efficiency is day rate revenue earned as a percentage of maximum potential day rate revenue.

⁽⁵⁾ Represents the total number of days under contract in the period. Days under contract equals the total number of days that rigs have earned and recognized day rate revenue, including days associated with compensated downtime and mobilizations. When revenue is deferred and amortized over a future period, for example when we receive fees while mobilizing to commence a new contract or while being upgraded in a shipyard, the related days are excluded from days under contract.

Non-GAAP Financial Measures (Unaudited)

To supplement Valaris' condensed consolidated financial statements presented on a GAAP basis, this press release provides investors with Adjusted EBITDA and Adjusted Free Cash Flow, which are non-GAAP measures.

Valaris defines "Adjusted EBITDA" as net income (loss) before income tax expense, interest expense, other (income) expense, depreciation expense and equity in (earnings) losses of ARO. Adjusted EBITDA is a non-GAAP measure that our management uses to facilitate period-to-period comparisons of our core operating performance and to evaluate our long-term financial performance against that of our peers. We believe that this measure is useful to investors and analysts in allowing for greater transparency of our core operating performance and makes it easier to compare our results with those of other companies within our industry. Adjusted EBITDA should not be considered (a) in isolation of, or as a substitute for, net income (loss), (b) as an indication of cash flows from operating activities, or (c) as a measure of liquidity. Adjusted EBITDA may not be comparable to other similarly titled measures reported by other companies.

Valaris defines "ARO Adjusted EBITDA" as ARO's net income (loss) before income tax expense, other expense, net, and depreciation expense. ARO Adjusted EBITDA is a non-GAAP measure that our management uses to facilitate period-to-period comparisons of ARO's core operating performance and to evaluate ARO's long-term financial performance against that of ARO's peers. We believe that this measure is useful to investors and analysts in allowing for greater transparency of ARO's core operating performance and makes it easier to compare ARO's results with those of other companies within ARO's industry. ARO Adjusted EBITDA should not be considered (a) in isolation of, or as a substitute for, net income (loss), (b) as an indication of cash flows from operating activities, or (c) as a measure of liquidity. ARO Adjusted EBITDA may not be comparable to other similarly titled measures reported by other companies.

The Company is not able to provide a reconciliation of the Company's forward-looking Adjusted EBITDA, as discussed on its third quarter 2025 earnings conference call, to the most directly comparable GAAP measure without unreasonable effort because of the inherent difficulty in forecasting and quantifying certain amounts necessary for such a reconciliation, including forward-looking tax expense and other income (expense).

Valaris defines "Adjusted Free Cash Flow" as net cash provided by operating activities less capital expenditures plus proceeds from the disposition of assets. Adjusted Free Cash Flow is a non-GAAP measure that our management uses to assess the cash generation of our fleet, including proceeds from the sale of assets, and deducting operating expenses and capital expenditures to maintain and upgrade our assets. We believe that this measure is useful to investors and analysts in allowing for greater transparency of the cash generation of our business.

Non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, financial measures prepared in accordance with GAAP.

Reconciliation of Net Income (Loss) to Adjusted EBITDA

A reconciliation of net income as reported to Adjusted EBITDA is included in the tables below (in millions):

	Three Months Ended	
	Sep 30, 2025	Jun 30, 2025
VALARIS		
Net income	\$ 187.3	\$ 114.2
Add (subtract):		
Income tax expense	28.6	31.5
Interest expense, net	24.9	24.8
Gain on sale of property	(89.5)	(0.8)
Other income	(20.8)	(5.6)
Operating income	\$ 130.5	\$ 164.1
Add (subtract):		
Depreciation	37.1	35.5
Equity in (earnings) losses of ARO	(4.4)	1.1
Adjusted EBITDA	\$ 163.2	\$ 200.7

A reconciliation of net income (loss) as reported to ARO Adjusted EBITDA is included in the tables below (in millions):

	Three Months Ended	
	Sep 30, 2025	Jun 30, 2025
ARO		
Net income (loss)	\$ 2.4	\$ (8.6)
Add:		
Income tax expense	14.6	1.3
Other expense, net	14.3	15.5
Operating income	\$ 31.3	\$ 8.2
Add:		
Depreciation expense	28.4	28.7
Adjusted EBITDA	\$ 59.7	\$ 36.9

Reconciliation of Net Income to Adjusted EBITDA

(In millions)

	Three Months Ended	
	Sep 30, 2025	Jun 30, 2025
FLOATERS		
Net income	\$ 90.0	\$ 128.8
Add:		
Other expense	0.3	0.5
Operating income	\$ 90.3	\$ 129.3
Add:		
Depreciation	15.5	14.6
Adjusted EBITDA	\$ 105.8	\$ 143.9
JACKUPS		
Net income	\$ 166.9	\$ 75.1
Subtract:		
Gain on sale of property	(88.4)	—
Other income	(0.4)	(0.3)
Operating income	\$ 78.1	\$ 74.8
Add:		
Depreciation	15.3	14.6
Adjusted EBITDA	\$ 93.4	\$ 89.4
OTHER		
Net income	\$ 26.8	\$ 20.6
Subtract:		
Other income	(0.1)	—
Operating income	\$ 26.7	\$ 20.6
Add:		
Depreciation	3.0	2.8
Adjusted EBITDA	\$ 29.7	\$ 23.4

Reconciliation of Net Income (Loss) to Adjusted EBITDA

(In millions)

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
DRILLSHIPS					
Net income	\$ 80.3	\$ 123.4	\$ 132.2	\$ 95.4	\$ 117.3
Add (subtract):					
Other (income) expense	0.3	0.5	0.7	(1.7)	(0.3)
Operating income	\$ 80.6	\$ 123.9	\$ 132.9	\$ 93.7	\$ 117.0
Add:					
Depreciation	14.1	13.4	13.0	14.7	13.9
Adjusted EBITDA ⁽¹⁾	\$ 94.7	\$ 137.3	\$ 145.9	\$ 108.4	\$ 130.9
SEMISUBMERSIBLES					
Net income (loss)	\$ 9.7	\$ 5.4	\$ (2.3)	\$ 7.0	\$ 9.5
Operating income (loss)	\$ 9.7	\$ 5.4	\$ (2.3)	\$ 7.0	\$ 9.5
Add:					
Depreciation	1.4	1.2	1.2	1.3	0.9
Loss on impairment	—	—	7.8	—	—
Adjusted EBITDA ⁽¹⁾	\$ 11.1	\$ 6.6	\$ 6.7	\$ 8.3	\$ 10.4

⁽¹⁾ Adjusted EBITDA for asset category excludes onshore support costs and general and administrative expense.

Reconciliation of Net Income (Loss) to Adjusted EBITDA

(In millions)

	Three Months Ended				
	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
HARSH ENVIRONMENT JACKUPS					
Net income	\$ 130.5	\$ 42.2	\$ 31.6	\$ 43.5	\$ 24.8
Add (subtract):					
Gain on sale of property	(88.4)	—	—	—	—
Other (income) expense	(0.4)	(0.1)	(0.1)	(0.3)	0.2
Operating income	\$ 41.7	\$ 42.1	\$ 31.5	\$ 43.2	\$ 25.0
Add:					
Depreciation	7.1	7.3	7.1	6.8	6.4
Adjusted EBITDA ⁽¹⁾	\$ 48.8	\$ 49.4	\$ 38.6	\$ 50.0	\$ 31.4
BENIGN ENVIRONMENT JACKUPS					
Net income	\$ 37.4	\$ 31.7	\$ 47.3	\$ 16.9	\$ 17.6
Add (subtract):					
Gain on sale of property	—	—	(23.0)	—	—
Other income	—	(0.2)	(0.8)	(0.5)	(0.2)
Operating income	\$ 37.4	\$ 31.5	\$ 23.5	\$ 16.4	\$ 17.4
Add:					
Depreciation	5.6	4.8	3.1	3.1	2.6
Adjusted EBITDA ⁽¹⁾	\$ 43.0	\$ 36.3	\$ 26.6	\$ 19.5	\$ 20.0
LEGACY JACKUPS					
Net income (loss)	\$ (1.0)	\$ 1.2	\$ 2.8	\$ 3.6	\$ 3.3
Subtract:					
Other income	—	—	—	—	(0.1)
Operating income (loss)	\$ (1.0)	\$ 1.2	\$ 2.8	\$ 3.6	\$ 3.2
Add:					
Depreciation	2.6	2.5	2.5	2.4	2.4
Adjusted EBITDA ⁽¹⁾	\$ 1.6	\$ 3.7	\$ 5.3	\$ 6.0	\$ 5.6

⁽¹⁾ Adjusted EBITDA for asset category excludes onshore support costs and general and administrative expense.

Reconciliation of Cash from Operating Activities to Adjusted Free Cash Flow

(In millions)	Three Months Ended	
	Sep 30, 2025	Jun 30, 2025
Net cash provided by operating activities	\$ 198.1	\$ 120.0
Additions to property and equipment	(69.8)	(67.2)
Proceeds from disposition of assets	108.7	9.8
Adjusted Free Cash Flow	\$ 237.0	\$ 62.6