Industrials and Energy
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VALARIS

Valaris Limited
NYSE: VAL

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Investment Narrative

CULVERHOUSE
INVESTMENT MANAGEMENT GROUP

Industrials and Energy Committee – Valaris Ltd. Pitch

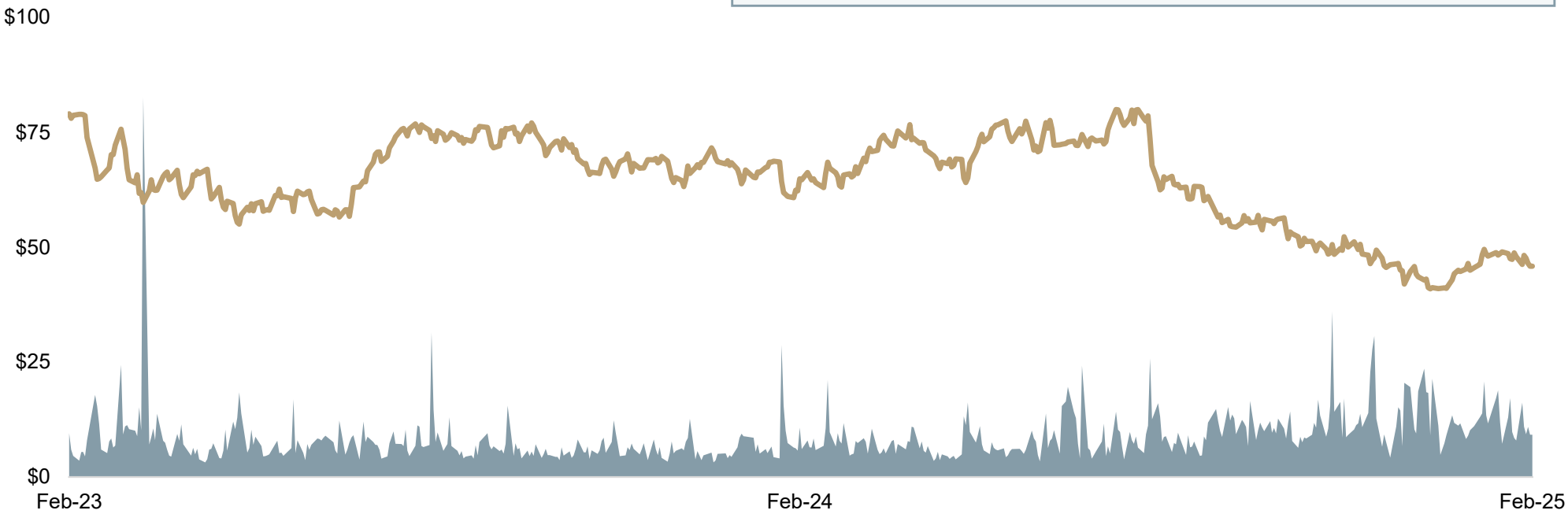
Valaris Limited: Drilling Down to Upside

Market Cap	$3.26B
2/7 Close	$45.86
Average Volume	1.57M
52 Week Range	$39.90 – $84.20
NTM EV/EBITDA	6.76x
Short Interest	16.66%

- Recommendation: **LONG** with a **PT of $69.23**, representing a upside of 51% from 2/7/25 close

Investment Thesis Introduction

1. The cycle is beginning to inflect, increasing demand while supply has been halved from a decade-long bear market
2. No new meaningful supply can be created over the next 2-3 years unless day rates hit record highs, far above last cycle's 2014 peak
3. VAL currently trades at a meaningful discount to replacement value, despite representing ~20% of the world's remaining high-quality drillship supply



Source: Bloomberg, Market data as of February 7, 2025.

Industry Overview

CULVERHOUSE
INVESTMENT MANAGEMENT GROUP

Industrials and Energy Committee – Valaris Ltd. Pitch

Why Don't Oil Tycoons Trust Banks? All the Real Money is Offshore!

Shale Drilling vs. Offshore Drilling

Offshore

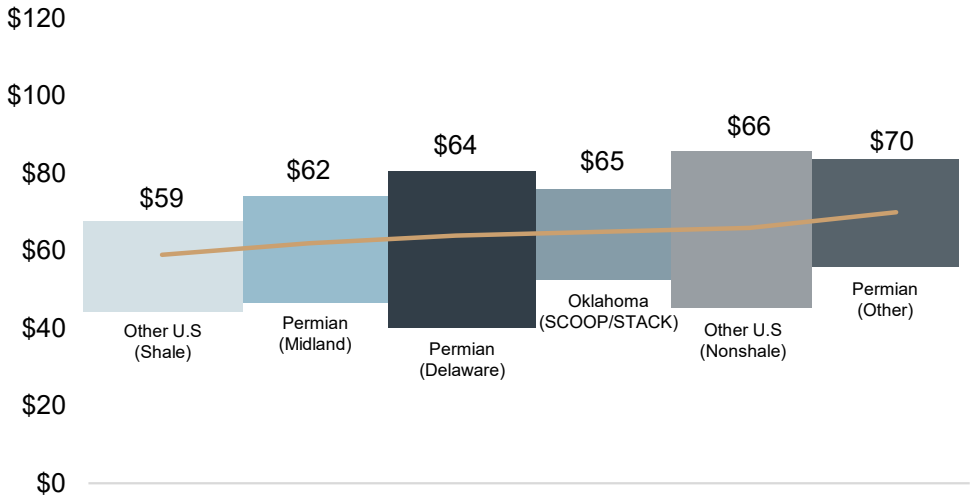
- Higher upfront cost
- Greater long-term production and stability
- Supports large-scale energy needs
- Sustained, high-volume output

Shale

- Lower initial cost
- Rapid decline rates require constant drilling
- More land disruption, water usage, regulatory hurdles

Shale Executives Overpromised In Economies of Scale

Shale Project Breakeven Prices by Region[1]



Worsening Economics Forcing Consolidation

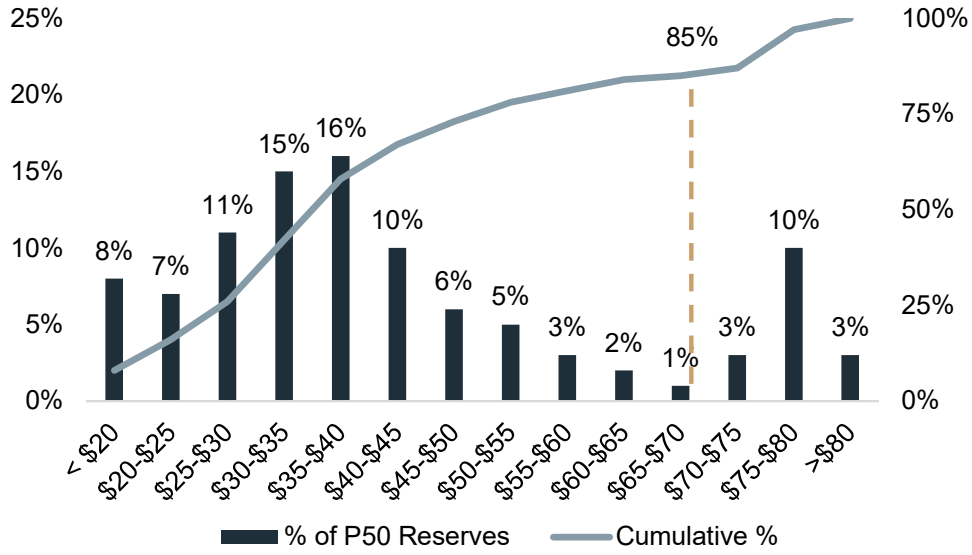
Recent Shale M&A Activity[2]

ConocoPhillips	Marathon Petroleum Corporation	$22.5B
$64.5B	ExxonMobil	Pioneer Natural Resources
Diamondback Energy	Endeavor Energy Resources	$26.1B
$53.2B	Chevron	Hess
OXY	CrownRock	$12.0B

Over $250B LTM Shale Deal Volume

Offshore Production Expected to Play a Larger Role

Offshore Project Breakeven Prices[3]

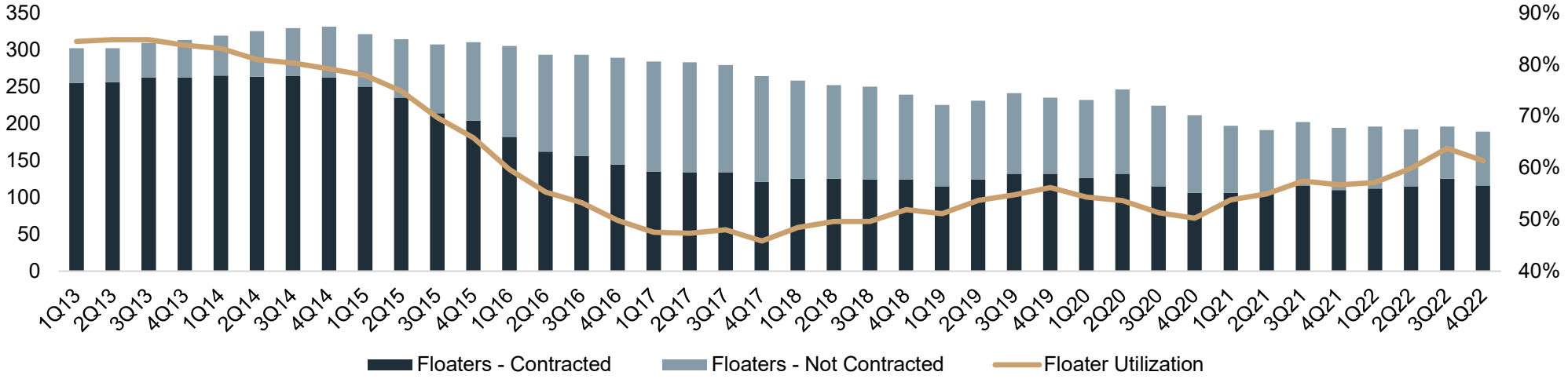


Source: Company Filings. (1) Federal Reserve Bank of Dallas (2) Bloomberg (3) Rystad UCube

Offshore Production Will Play a Larger Role in Global Demand

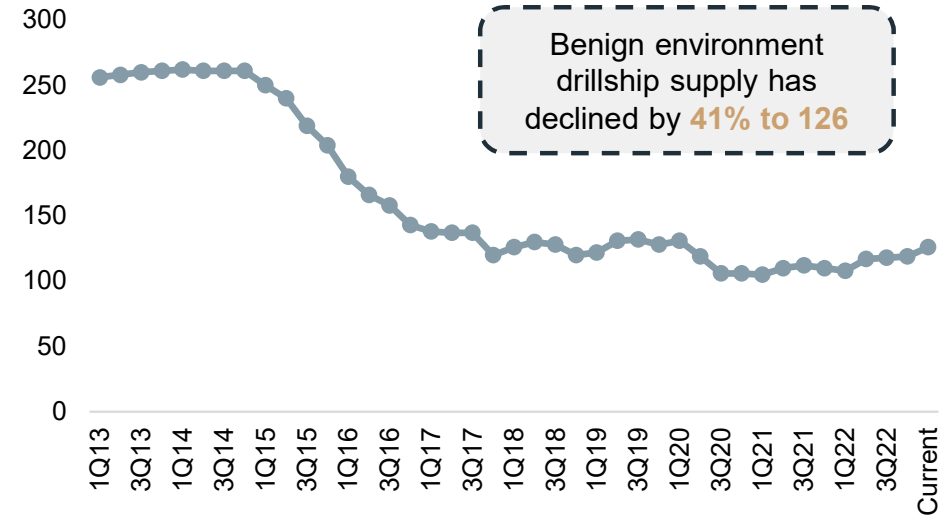
The Last 10 Years have been a Bear Market for Offshore Drilling

Floater Rig Count and Utilization[1]



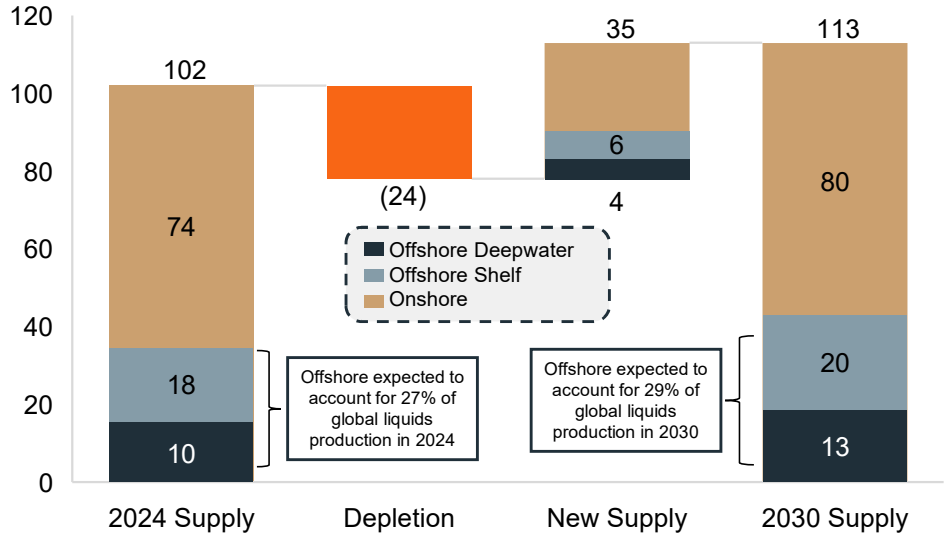
Floater Capacity Experiencing Meaningfully Declined

Offshore Drillship Count Since 2013[2]



Offshore Production Expected to Play a Larger Role

Global Liquid Fuel Supply by Source (Million Barrels per Day)[3]

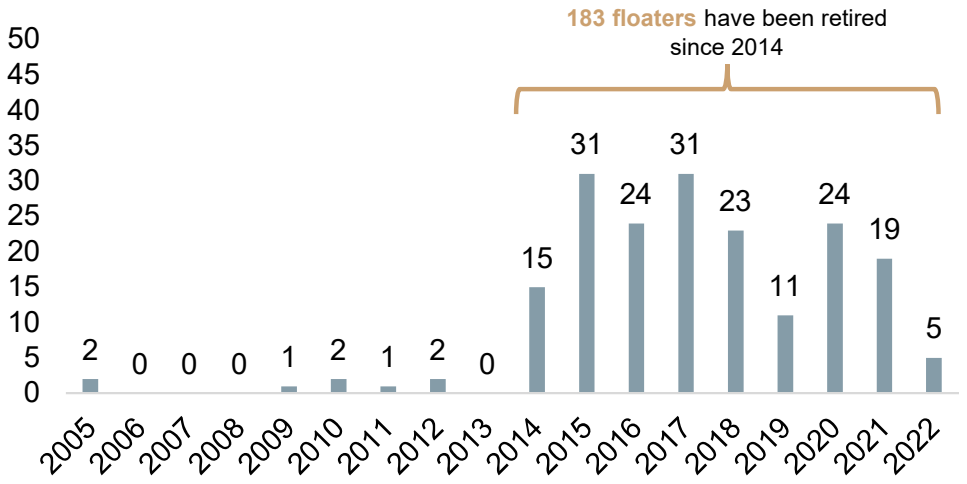


Source: Company Filings. (1) IHS Petrodata (2) Barclays Research (3) Rystad Cube Dashboards using base case liquids supply as of December 2024

Offshore Industry History and Consolidation

Floater Drillship Capacity Permanently Impaired

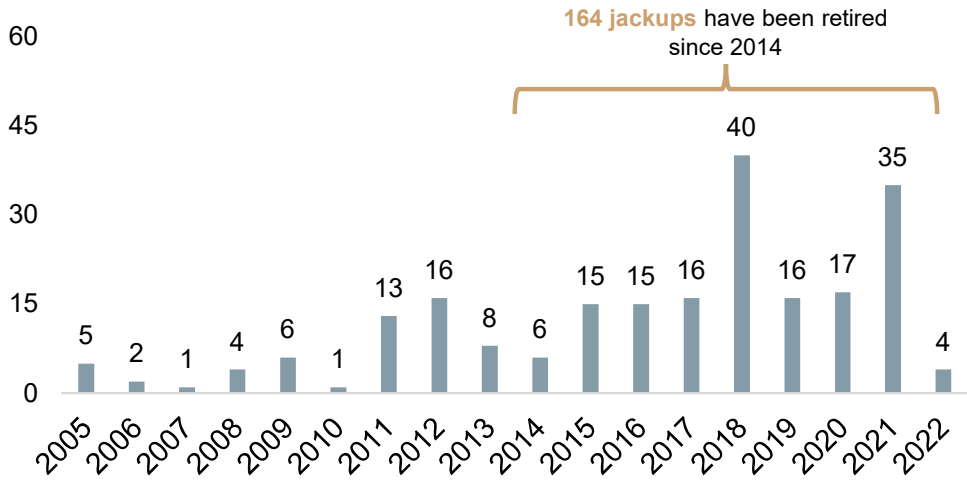
Floaters Retired By Year



5.7% (2013) → 9.3% (2024)

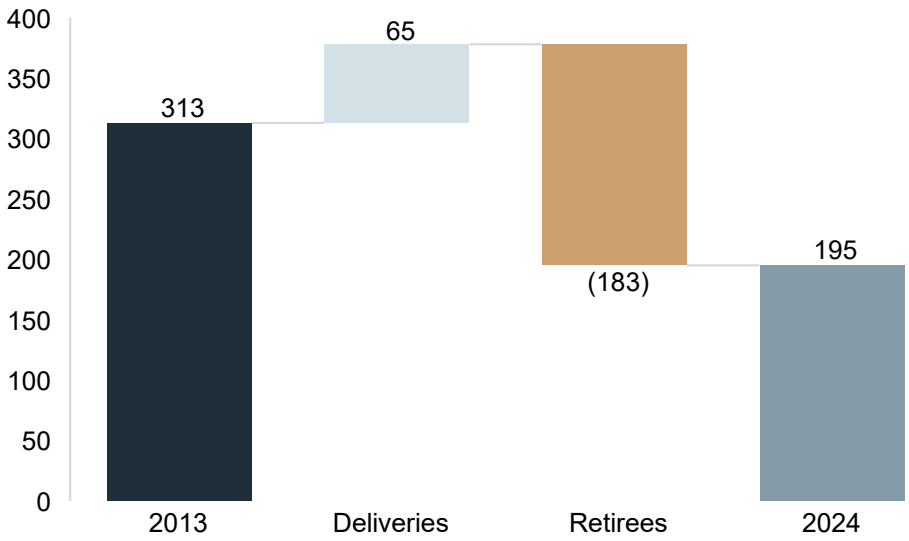
Lower Replacement $ Keep Jackup Capacity Stable

Jackups Retired By Year

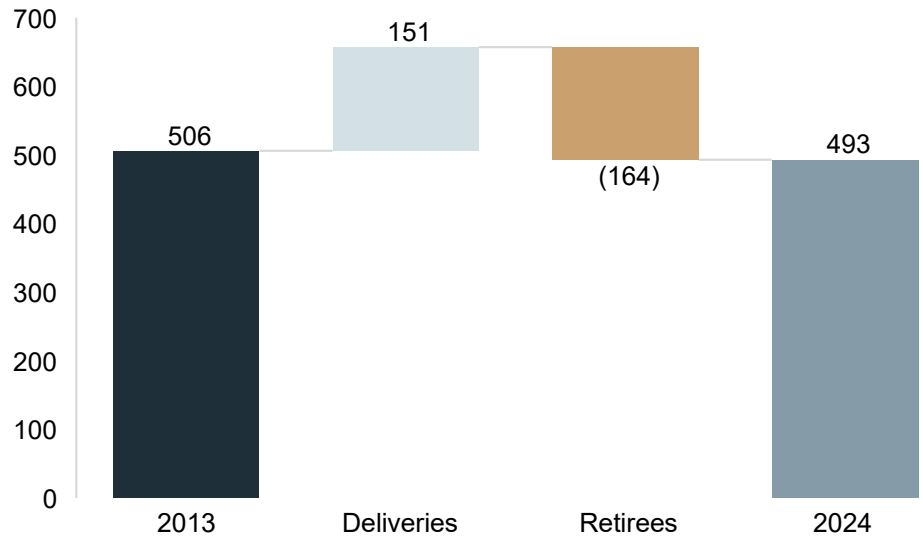


6.9% (2013) → 7.1% (2024)

Total Global Floater Supply



Total Global Jackup Supply



Source: Company Filings, S&P Global Petrodata.

Company Overview

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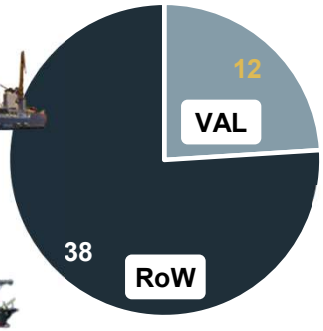
If You Build It, They (Big Oil) Will Come

Soo…What Do You Get?

12 7th Gen Drillships



35 Jackup Rigs

1 6th Gen Drillship

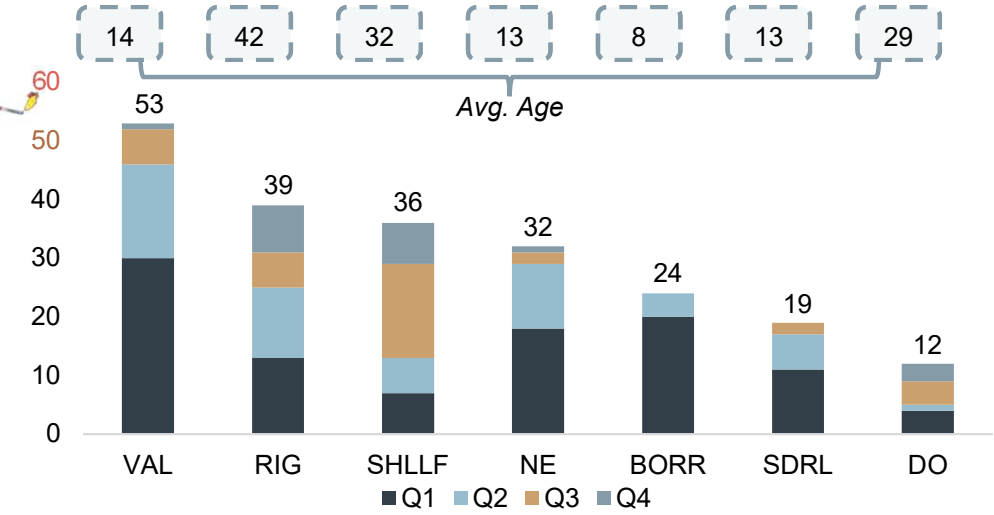
5 Semi-Subs

50% Stake in ARO Drilling

ARO DRILLING أرامكو روان للحفر

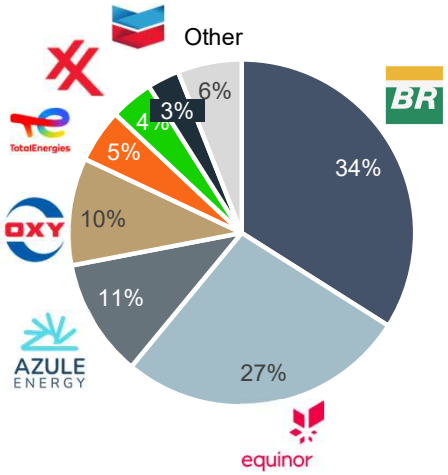
Bigger, Better, Younger

Fleet Quantity, Age, and Quality of Major Intl. Offshore Drillers

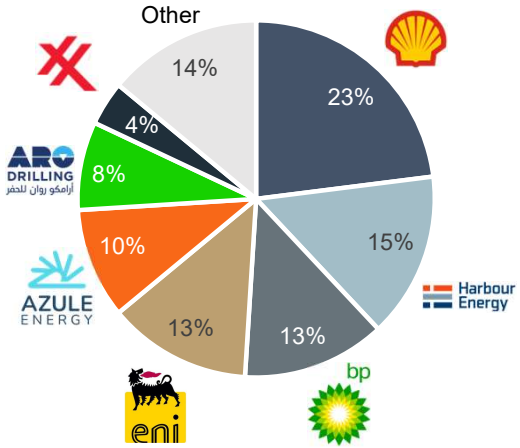


Who Buys This Stuff?

Floater Customers



Jackup Customers



Advantageous Contract Structures

Contracted Backlog ($ Millions)

	2025	2025
Drillships	190.0	1,014.7
Semisubmersibles	27.7	78.3
Floaters	**217.7**	**1,093.0**
HD Harsh Environment	68.2	341.1
HD & SD Modern	37.3	270.3
SD Legacy	10.1	65.7
Jackups	**115.6**	**677.1**
Other	**25.4**	**118.8**
Total	**358.7**	**1,888.9**

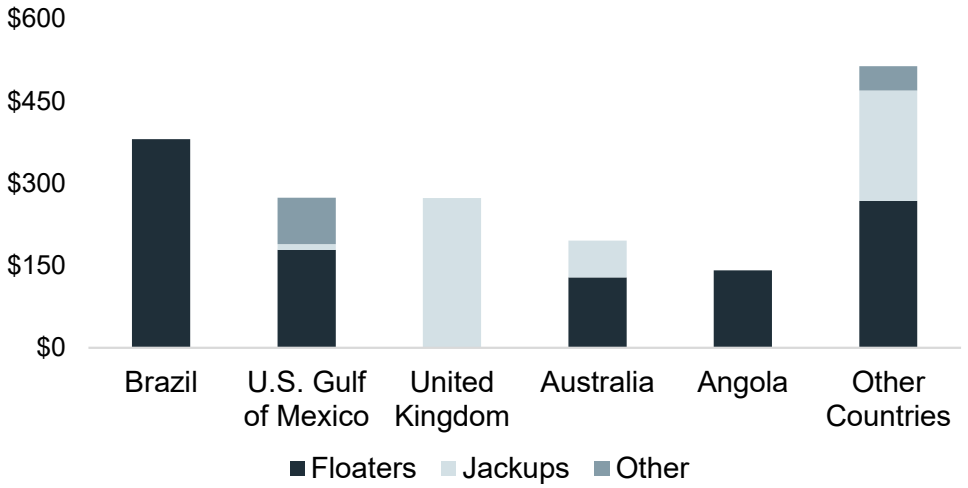
Counterparty responsible for: Maintenance, Rig Upgrades, Mobilization, Demobilization, 95% Early Termination Fee

Source: Company Filings.

Only The Toughest Survive Change

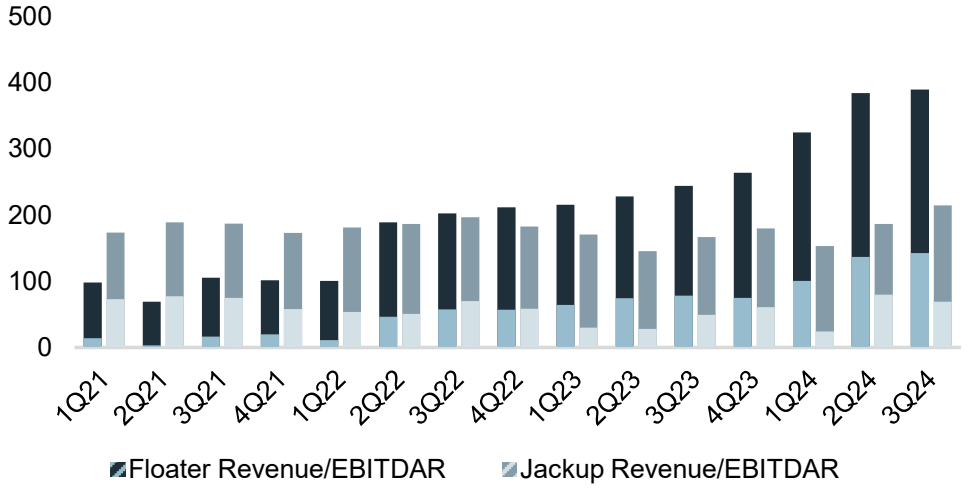
Healthy Exposure to the Golden Triangle

Geographic Revenue Splits ($ Millions)



Mid-High 30% Margin on Both Rig Types

Revenue and EBITDAR by Rig Type



EnscoRowan Then…

ENSCOROWAN

- **Looming Debt Balance:** $7.4 Billion of debt created through the merger between Ensco (Now VAL) and Rowan Companies
- **Low Crude Prices:** Crude prices fell up to 65% during the pandemic, forcing companies to delay or cancel projects
- **Shale Share Capture:** Shale executives promised better economics, shifting demand away from offshore to onshore
- **Chapter 11:** In August 2020, EnscoRowan filed for Chapter 11 Bankruptcy protection in the Southern District of Texas

…Valaris Now

VALARIS

- **Eliminated $7B of Debt**
- **Scrapped poor assets**
- **Secured re-worked contracts**
- **Utilized tax liabilities**

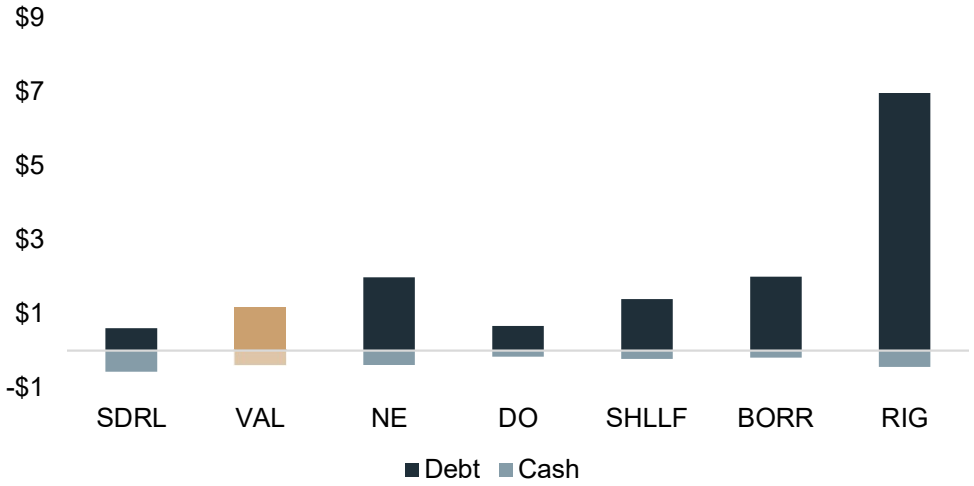
Reorganized Valaris

Source: Company Filings.

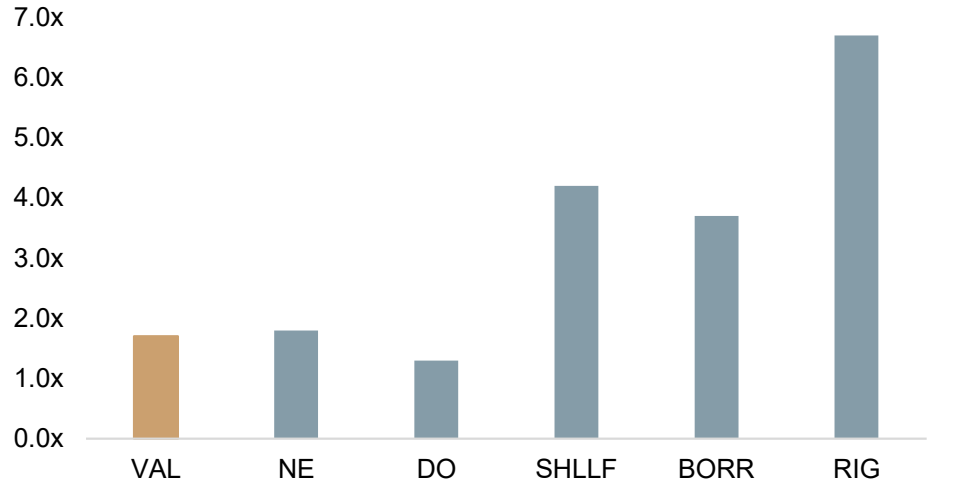
We Love a Good Balance Sheet

Advantageously Positioned Capital Structure vs. Competitive Set

Net Debt vs. Comps ($ Billions)

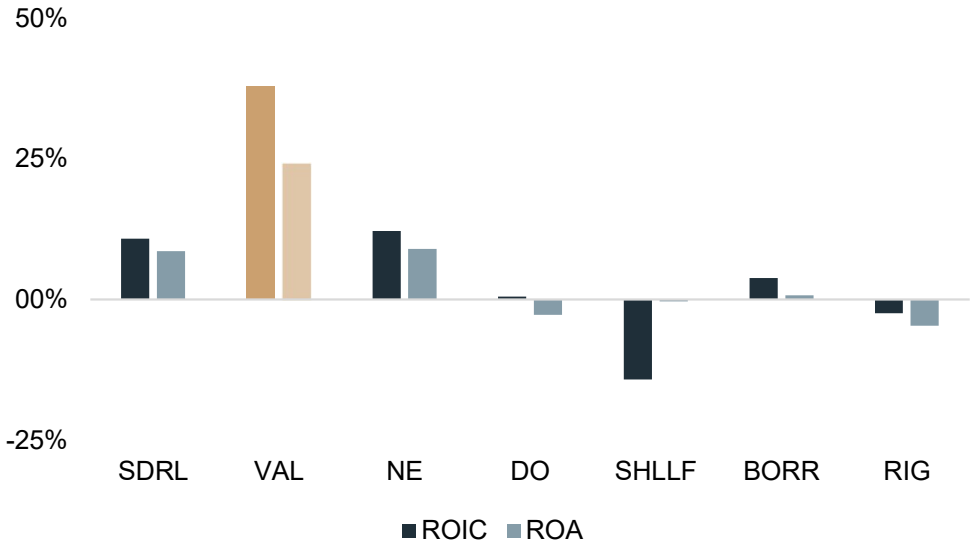


Net Debt/EBITDA vs. Comps



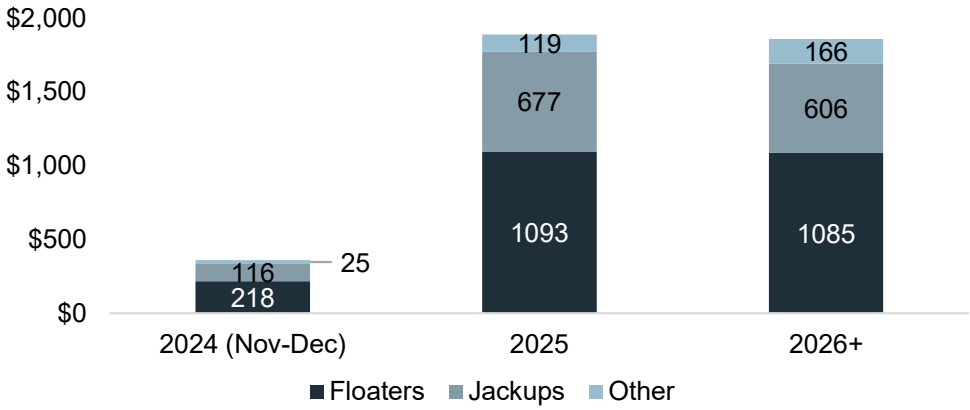
The MOST Efficient Business in the Industry

ROC, ROA vs. Comps



Who Says There Won't Be Future Earnings?

Contract Backlog by Year ($ Millions)



Average Day Rate of Backlog

Floaters	337,000	362,000	474,000
Jackups	112,000	129,000	142,000

Source: Company Filings, Bloomberg.

Who's Running This Show?

Over 100 Combined Years in the Offshore Business

Anton Dibowitz
Chief Executive Officer

Chris Weber
Chief Financial Officer

Gilles Luca
Chief Operating Officer

Duke Bajenting
VP, Strategy and Sustainability

Matt Lyne
Chief Commercial Officer

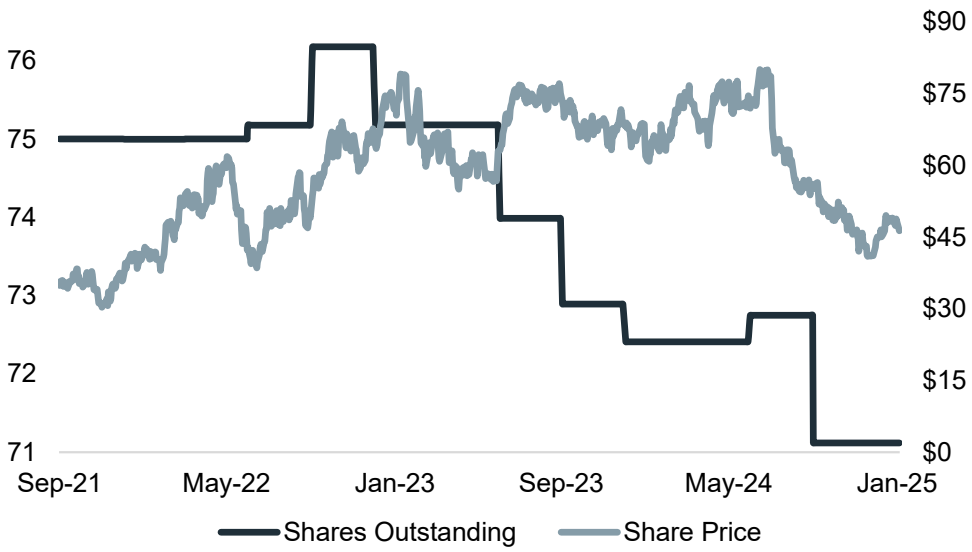
Davor Vukadin
SVP, General Counsel

Companies Represented:

HALLIBURTON | PARKER DRILLING | LUFKIN | Transocean | Seadrill

Committed to Repurchasing Shares When Appropriate

Share Count (Millions) vs. Share Price



Source: Company Filings.

Incentives Are Aligned

CEO and Non-CEO Variable Compensation

EBITDA

Operating FCF

Team Goals

Safety

Spill Prevention

Down Time

Street View

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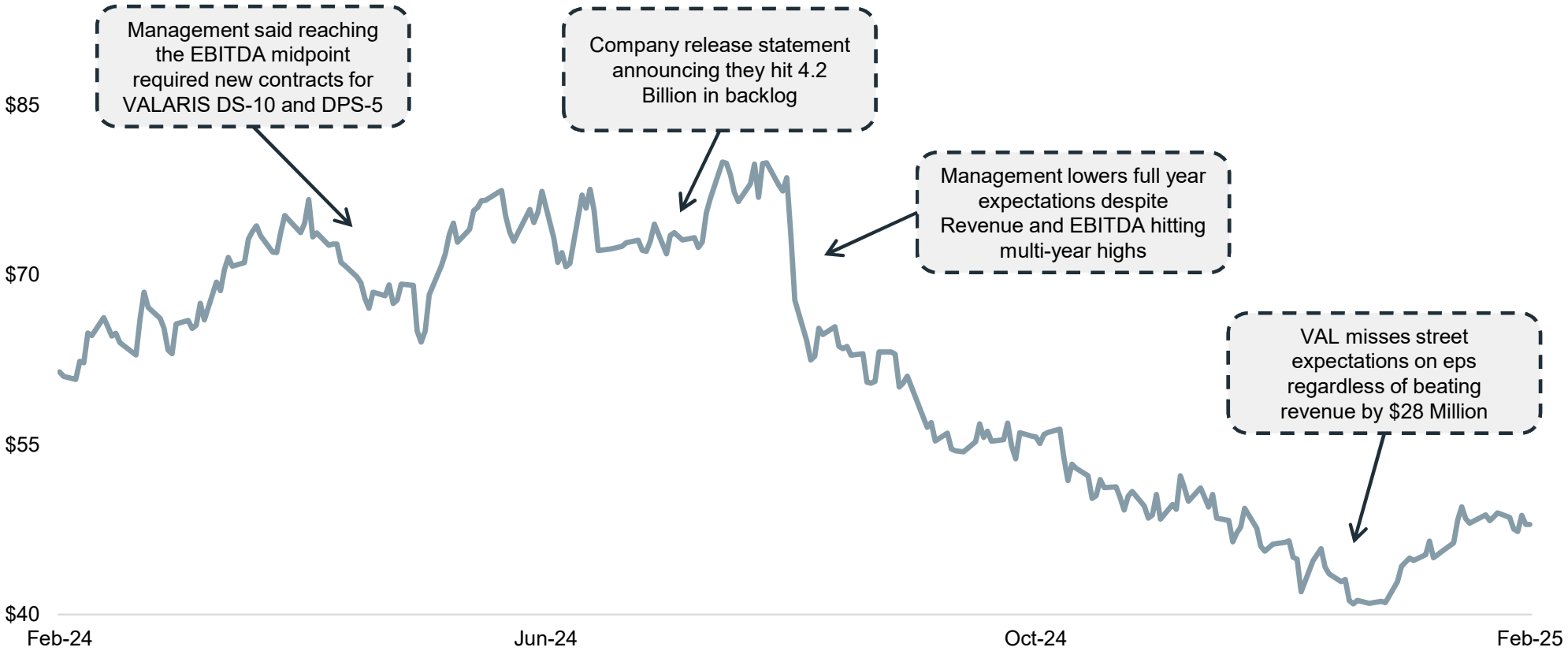
Why is the Stock Down?

VAL Experienced (45%) Decline since July 2024 Due to Negative *Short-Term* Sentiment

VAL LTM Share Price & Catalysts



Sentiment around offshore drilling has soured owing to **calendar white space and earnings risks**, which we expect to **continue into 2025**.
– Arun Jayaram, Feb. 2025[1]

J.P.Morgan

The 2025 outlook is **far worse** for the deepwater drilling market than it was three months ago. Thus, we have subdued expectations for several of VAL's rigs causing us to lower our utilization assumptions for these rigs **next year**.
– Eddie Kim, Feb. 2025[2]

BARCLAYS

The worry is that the whitespace on the drillers' schedules extends with little direction from operators, feeding into a lack of direction for day rates. Considering a **slower start for 2025** spending and a number of risks to the outlook, we are **downgrading VAL to sector perform**
– Stephen Richardson, Jan. 2025[3]

EVERCORE ISI

Source: Company Filings. (1) J.P. Morgan Research (2) Barclays Research (3) Evercore Research

Consensus Forward Projections

Analysts Incorrectly Value VAL on Short-Term Factors

Variance Between Street Consensus and Actual EPS

	Consensus	Actual	Variance
3Q22	$ 0.42	$ 0.98	133.33%
4Q22	$ 0.44	$ 0.38	-13.64%
1Q23	$ (0.38)	$ 0.61	-260.53%
2Q23	$ (0.23)	$ (0.39)	69.57%
3Q23	$ 0.02	$ 0.17	750.00%
4Q23	$ 0.10	$ 11.30	11200.00%
1Q24	$ 0.04	$ 0.35	775.00%
2Q24	$ 0.70	$ 2.03	190.00%
3Q24	$ 0.88	$ 0.88	-35.29%

Implied LTGR is…Negative!

BBG Consensus Implied LTGR

Assumptions to Solve for LTGR	
WACC	9.4%
Long Term Growth Rate	-0.83%
Diluted Shares Outstanding	73.2
Current Share Price	$ 47.94
Cash	379.30
Debt	1081.80
Preferred Stock / Other	8.90
Tax Rate	21%

BBG Consensus Reverse DCF	
Terminal Value	
PV of FCF	796.90
PV of TV	3,422.85
Implied Enterprise Value	4,219.75
Less: Debt	1081.8
Less: Preferred/ Other	8.9
Plus: Cash	379.3
Implied Equity Value	3,508.35
Diluted Shares Outstanding	73.2
Implied Share Price	47.93
Upside / (Downside)	0%

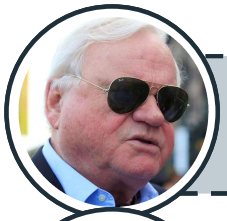
VAL is Gradually Becoming a Downgrade Target…

VAL Analyst Recommendation Trends

Street's Outlook	Bank	FY23 Rating	Rating	PT
	Citi	Buy	Hold	$ 48
	Evercore ISI	Buy	Hold	$ 59
	JP Morgan	Buy	Hold	$ 40
	Barclays	Hold	Sell	$ 49
	Bank of America	Buy	Hold	$ 42

Low	Avg	High
$40	$54	$70

People are starting to catch on…(1)



John Fredrickson, Shipping Investor

Famed shipping investor John Fredrickson recently raised his stake in VAL from 5.0% to 9.4% of the company

Quintin Kneen, CEO - Tidewater Inc

In 3Q24, Quintin Kneen sold shares of his own company, Tidewater Inc. to purchase $2M worth of VAL shares

Maersk Family, Shipping Magnates

The family recently purchased 3M additional shares of Noble Corporation, bringing total ownership to ~19%

Source: Company Filings, Bloomberg. (1) S&P Capital IQ

Investment Thesis

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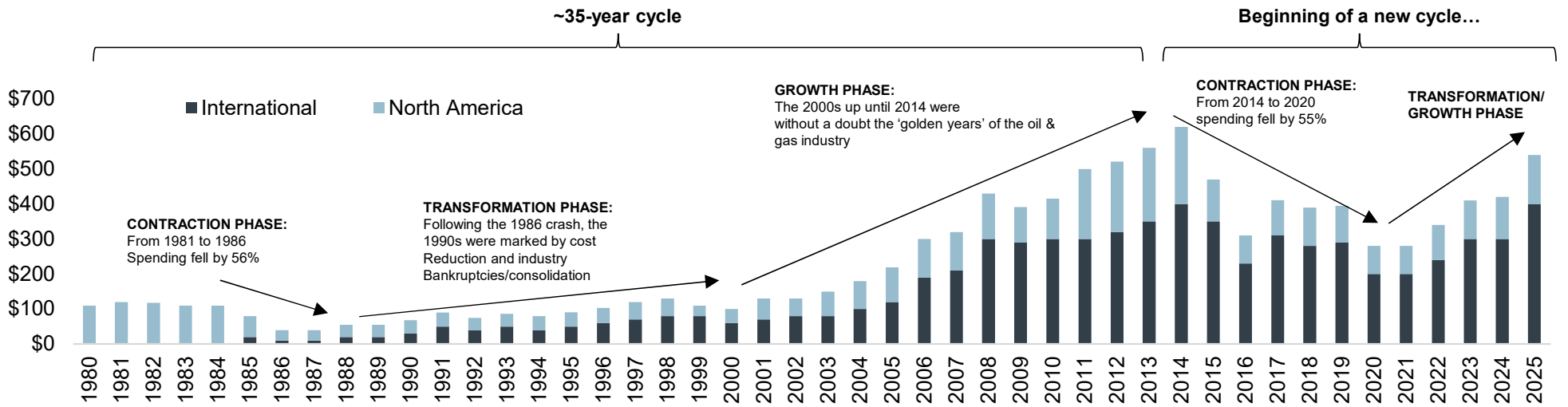
“Always in Motion is the Future” - Yoda

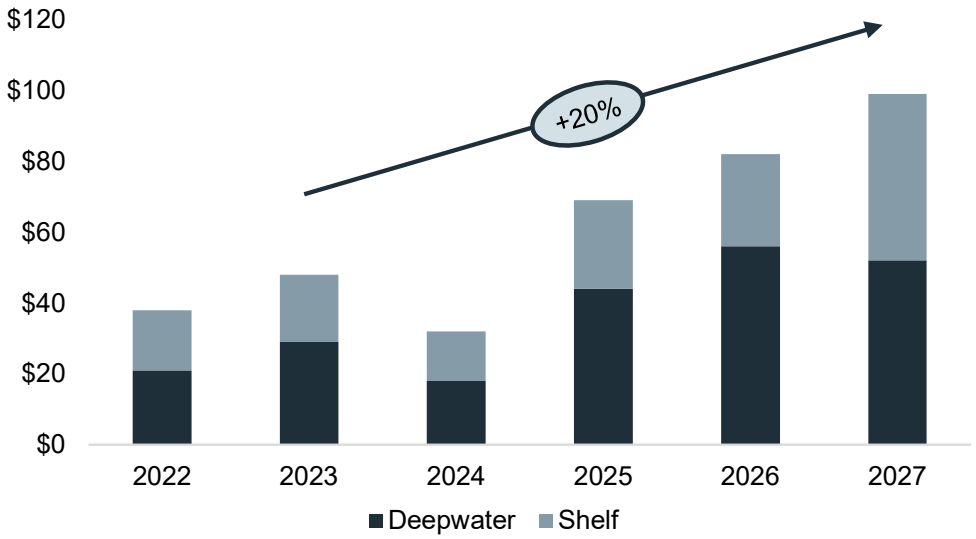
InE Sees Evidence of Cycle Inflection

Global Offshore Rig Total Spending ($ Billions)[1]



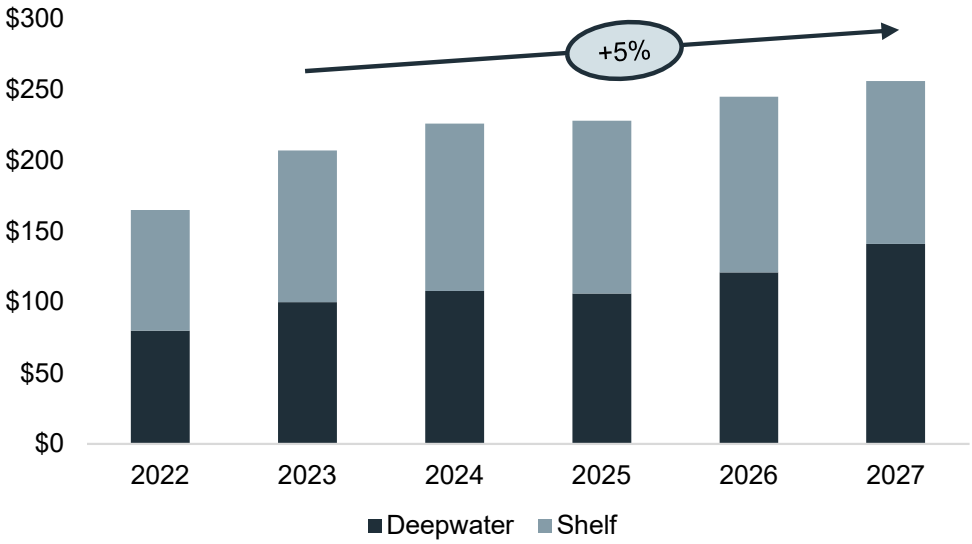
Exploration and Well Capex Raising Rapidly

Exploration and Well Capex by Sanctioning Year ($ Billions)[2]



Upstream Offshore Spending Increasing Gradually

Offshore Upstream Capex ($ Billions)[2]



Source: Company Filings. (1) Barclays Research (2) Rystad UCube

Why Can't They Just Build More Ships?

There's No Such Thing as a Free Lunch…

Drillship Costs(1)

Drillship Construction Cost Breakdown

Shipyard Cost	Outfitting Cost	Other Expenses	Operator Upgrades	Mob/Demob Fees	Total All-In Cost	Required Dayrate
$850M	$50M	$30M	$40M	$40M	$1.01B	$650-700K

- New drillship would cost **>$1B**, with a build time of around three years
- Assuming **90-95% utilization**, a day rate of **$650-700,000** would be needed for a standard **12% IRR** over the vessel's **anticipated lifespan of ~25 years**

Jackup Costs(1)

Jackup Construction Cost Breakdown

Shipyard Cost	Outfitting Cost	Other Expenses	Operator Upgrades	Mob/Demob Fees	Total All-In Cost	Required Dayrate
$236M	$14M	$8M	$11M	$11M	$280M	$200-230K

- New jackup would cost **$250-300M**, with a build time of around two and a half years
- Assuming **90-95% utilization**, a day rate of **$200-230,000** would be needed for a standard **12% IRR** over the vessel's **anticipated lifespan of ~25 years**

What Would the Necessary Replacement Day Rate Look Like?

Total Rigs	Rigs Under Contract or with Future Contarct
13	9
5	2
12	10
21	13
51	34

Illustartive Annual Earnings and Cash Flow from Valaris Fleet

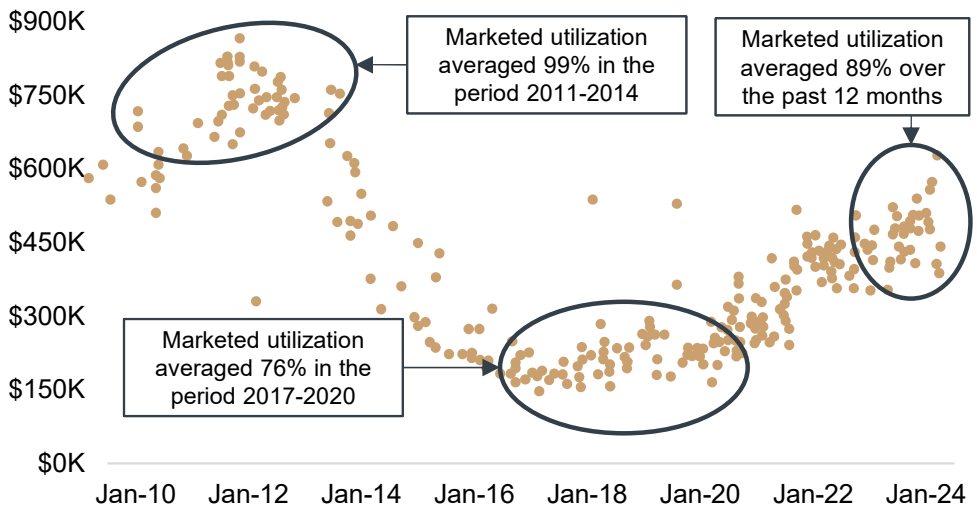
Illustrative Scenario	A	B	C	D
Day Rates	$400K	$450K	$500K	$700K
Benign Submersible Day Rates	$300K	$350K	$400K	$475K
HD Harsh Enviornment Day Rates	$125K	$150K	$175K	$275K
HD & SD Modern Jackup Day Rates	$100K	$125K	$150K	$250K
Fleet Utilization	70%	75%	80%	85%
Operating Margin	**~$1,210M**	**~$1,830M**	**~$2,520M**	**~$3,495M**
Offshore Cost (G&A + Support)	~$240M	~$240M	~$240M	~$240M
EBITDAR	**~$970M**	**~$1,590M**	**~$2,280M**	**~$3,225M**
Other Cash Uses	~$410M	~$520M	~$630M	~$740M
Free Cash Flow	**~$560M**	**~$1,070M**	**~$1,650M**	**~$2,485M**

Source: Company Filings. (1) Westwood Energy Group

Why Day-Rates Can Increase

Drillship Day Rates Well Below Prior Cycle Peak

6th and 7th Generation Drillship Day Rates (Inflation Adjusted)(1)

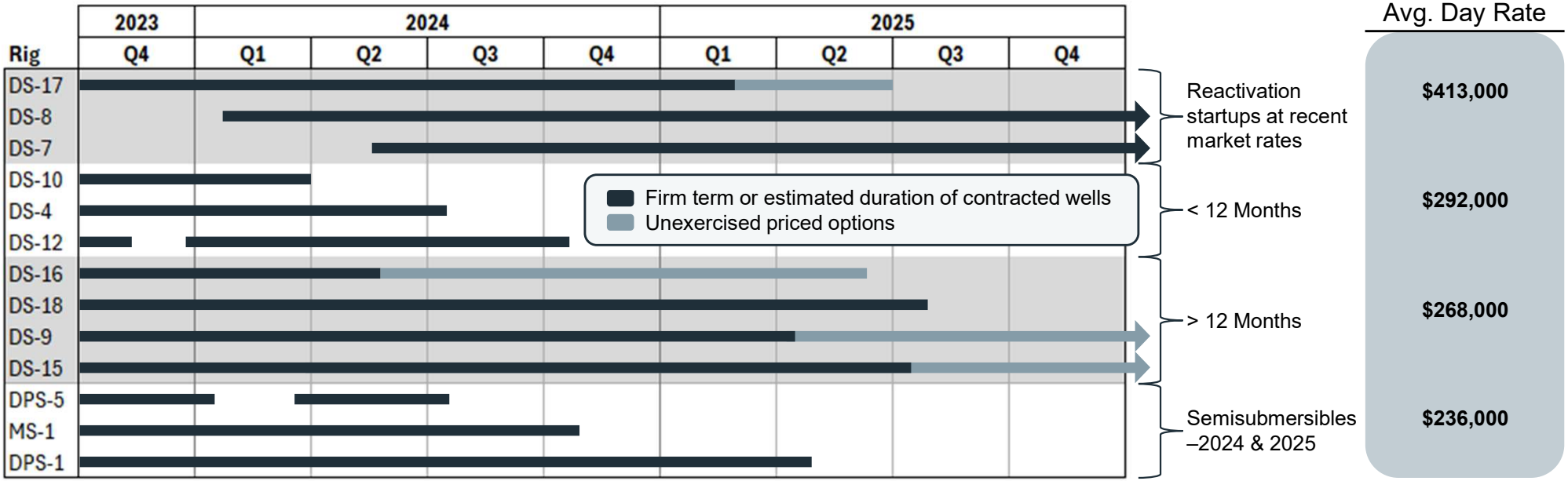


New Contracts are Finally Starting to Raise Rates

- Leading edge day rates are >$500K
- There are ~30 long-term floater opportunities with expected startup primarily in 2026
- Adjusted for inflation, prior cycle peak day rates were >$800K and expect peak in this new cycle to be higher considering supply constraints

Transocean's ATLAS rig contracted a day rate of **$505K in May 2024**

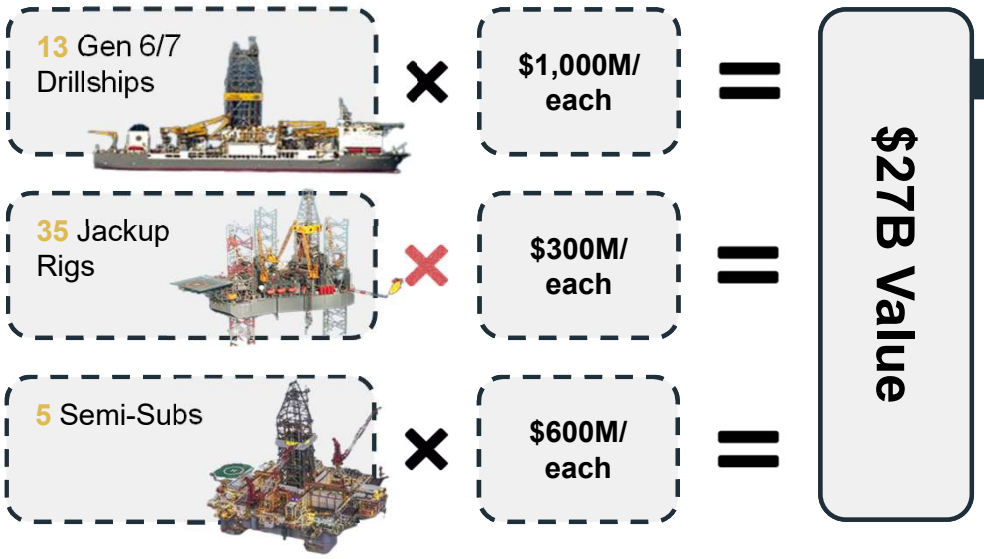
Significant Repricing Opportunities in FY25+



Source: Company Filings. (1) S&P Global Petrodata as of January 2025

Extreme Implied Discount to Replacement Value

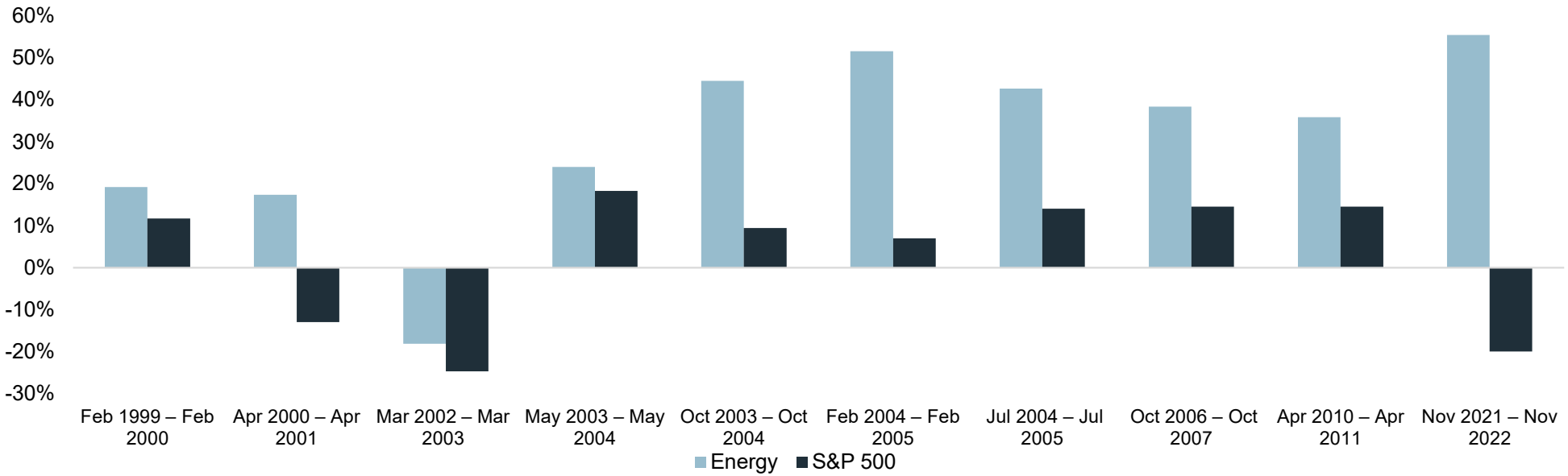
Fleet Value Dwarfs Current Market Cap



Share Price Sensitized by Fleet Value and Market Cap (%)[1]

Fleet Value	Market Cap as a % of Fleet Value							
	12%	25%	40%	50%	70%	85%	100%	115%
$27 Billion	$ 46.73	$ 94.24	$ 151.28	$ 190.14	$ 265.37	$ 322.41	$ 379.45	$ 436.49
Upside (Downside)	0%	102%	224%	307%	468%	590%	712%	834%

Worried About Inflation…Energy is Historically a Hedge Against It[2](*)



Source: Company Filings, Market Data as of February 7, 2025. (1) InE Estimates (2) Tortoise (*) Defined as 1-year periods when monthly CPI increases by 3% or more.

Valuation

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Cover

InE Blended Valuation

Blended Valuation	
DCF Valuation	$ 86.20
% Weight	20%
NAV Valuation	$ 65
% Weight	80%
InE Valuation	$ 69.23
Upside / (Downside)	51.0%
P/V	0.66

NAV Variation and Implied Multiples

Net Asset Valuation	Street	InE
Assets (Less PP&E)	$ 2,148,000,000	$ 2,148,000,000
Fleet Value	$ 3,421,927,536	$ 4,818,632,653
Cap Rate	14%	10%
Liabilities	$ (2,209,600,000)	$ (2,209,600,000)
NAV	$ 3,360,327,536	$ 4,757,032,653
Shares	73,200,000	73,200,000
NAV per Share	$ 46	$ 65
Upside (Downside)	0%	42%
Implied EBITDA Multiple	7.2x	10.2x

Multiple Justification

	EBITDA/FCF Conversion	Street Implied LTGR	InE LTGR
Case A EBITDA/FCF	58%	5.71x	7.89x
Case B EBITDA/FCF	68%	6.65x	9.19x
Case C EBITDA/FCF	73%	7.15x	9.88x
Case D EBITDA/FCF	78%	7.62x	10.52x

Illustartive Annual Earnings and Cash Flow from Valaris Fleet

Illustrative Scenario	A	B	C	D
Operating Margin	~$1,210M	~$1,830M	~$2,520M	~$3,495M
Offshore Cost (G&A + Support)	~$240M	~$240M	~$240M	~$240M
EBITDAR	~$970M	~$1,590M	~$2,280M	~$3,225M
Other Cash Uses	~$410M	~$520M	~$630M	~$740M
Free Cash Flow	~$560M	~$1,070M	~$1,650M	~$2,485M

Assumptions and LTGR Tie

Assumptions		
WACC		9.4%
Long Term Growth Rate		1.75%
Diluted Shares Outstanding		73.2
Current Share Price	$	45.86
Cash		379.30
Debt		1081.80
Preferred Stock / Other		8.90
Tax Rate		21%

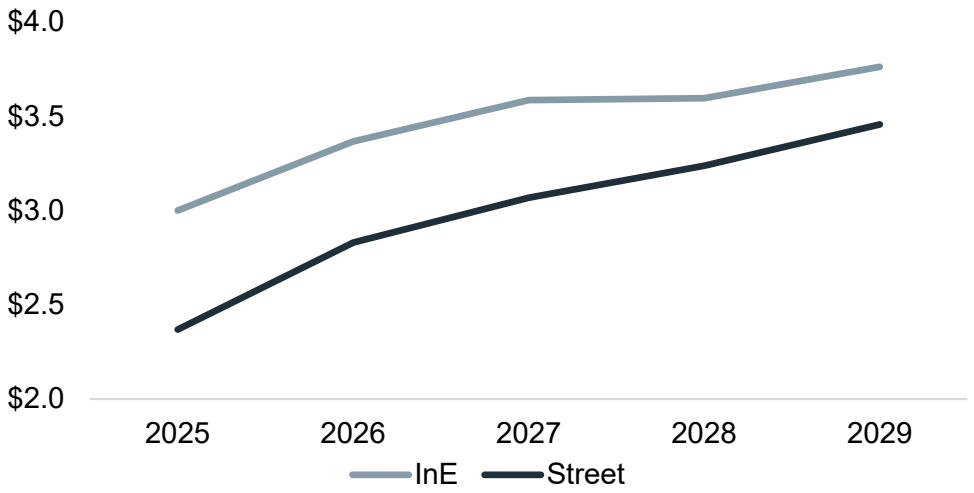
LTGR Method	
Terminal Value	
PV of FCF	796.90
PV of TV	4,694.76
Implied Enterprise Value	5,491.66
Less: Debt	1081.8
Less: Preferred/ Other	8.9
Plus: Cash	379.3
Implied Equity Value	4,780.26
Diluted Shares Outstanding	73.2
Implied Share Price	65.30
Upside / (Downside)	42%

Source: Company Filings, InE Estimates, Market Data as of February 7, 2025.

Thesis in the Model

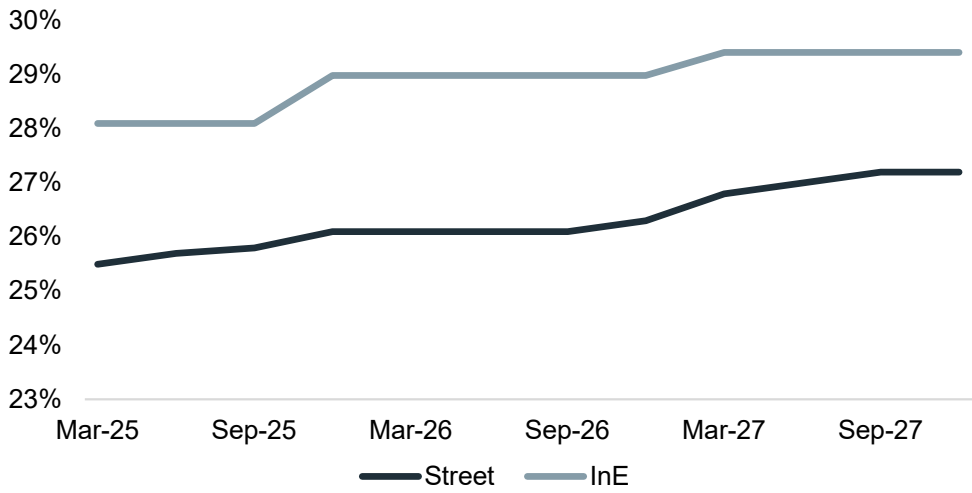
Higher on Revenue from Cycle Inversion

Total Revenue vs. Street ($ Billions)



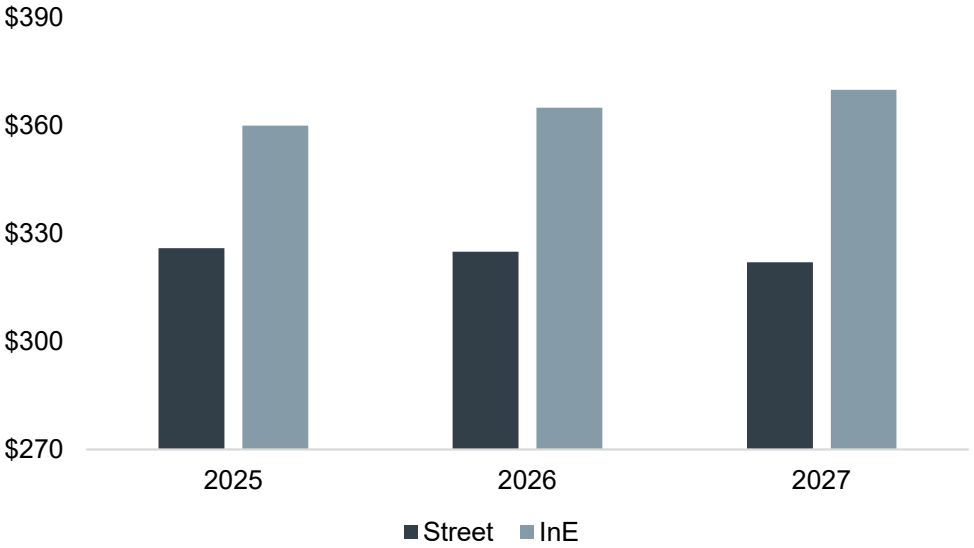
Increased Day Rates Make VAL More Profitable

EBITDA Margins Vs Street



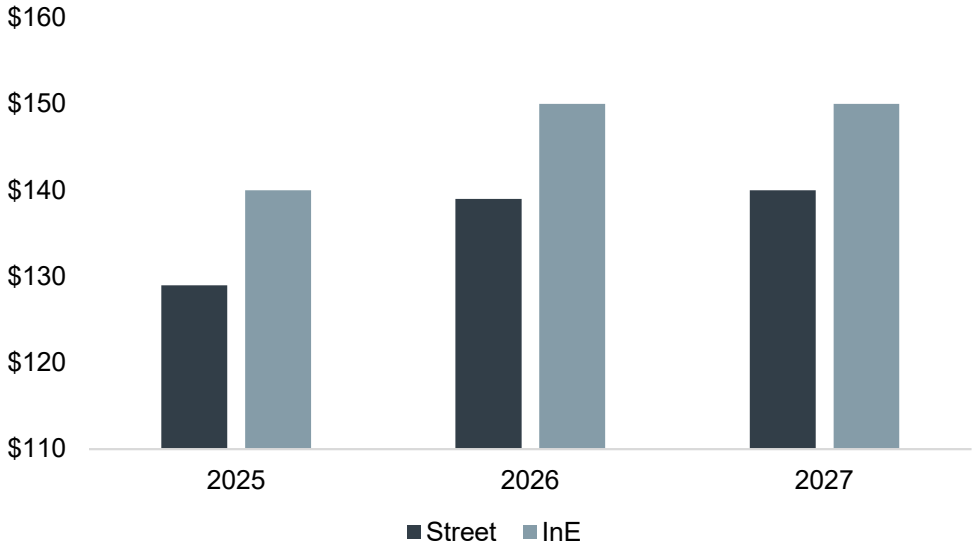
More Bullish on Floater Day Rates

Average Floater Day Rates ($ Thousands)



More Bullish on Jackup Day Rates

Average Jackup Day Rates ($ Thousands)



Source: Bloomberg Consensus, InE Estimates.

Risks and Realistic Mitigants

Cold Stacked Rigs

Time Stacked- Available and Cold Stacked Rigs(1)

	6/7G Drillships	6/7G Benign Semis	Harsh Jackups	Benign Jackups
Contracted	73	24	28	386
Available	12	9	3	26
Marketed Fleet	85	33	31	412
Cold Stacked	9	7	0	59
Total Fleet	94	40	31	471
Market Utilization	**86%**	**73%**	**90%**	**94%**
Total Utilization	78%	60%	90%	82%
Newbuilds	6	3	5	8

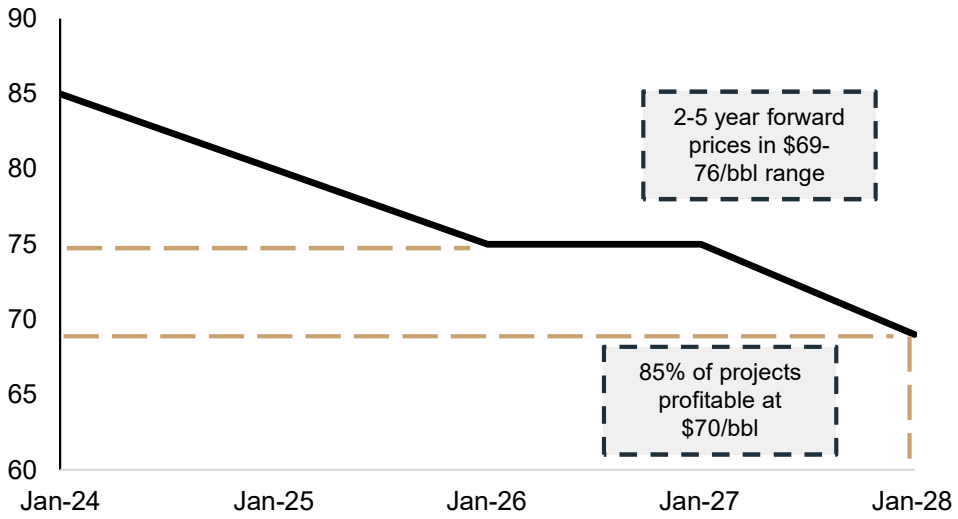
High Reactivation Costs

Reactivation Example

VALARIS DS-7	
Reactivation Costs	~$90M
Customer-Specific and Other Capex	~$10M
Total Cost	~$100M
Effective Day Rate	~$428,000
Expected Annualized Rig-Level EBITDA	**$95-100M**
Payback Period	**< 1 Year**

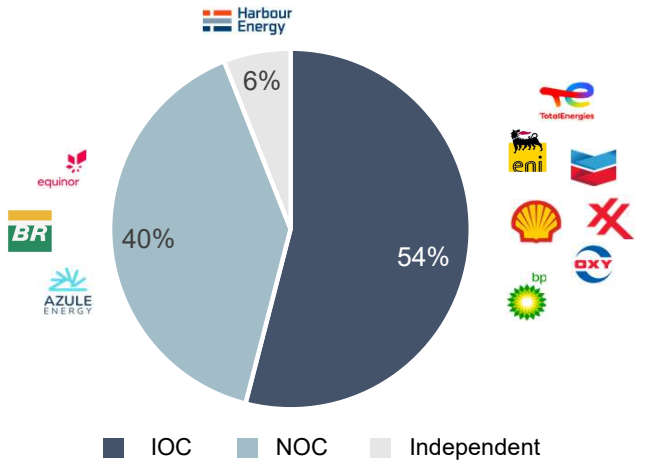
Falling Oil Prices

Brent Crude Oil Forward Curve ($ Per Barrel)(2)



Unrealized Backlog

Contract Backlog by Customer Type



Greater exposure to IOCs and NOCs reduces the risk of contract cancellations, while limited reliance on independents enhances backlog stability.

Source: Company Filings, (1) S&P Global Petrodata, (2) EIA

Appendix

CULVERHOUSE
INVESTMENT MANAGEMENT GROUP

Industrials and Energy Committee – Valaris Ltd. Pitch

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Appendix

I. 7th Generation Tech
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III. Jackup Geography
IV. Customer Relationships
V. Golden Triangle
VI. Share Repurchase Hedge
VII. Additional ARO Info

Model Appendix

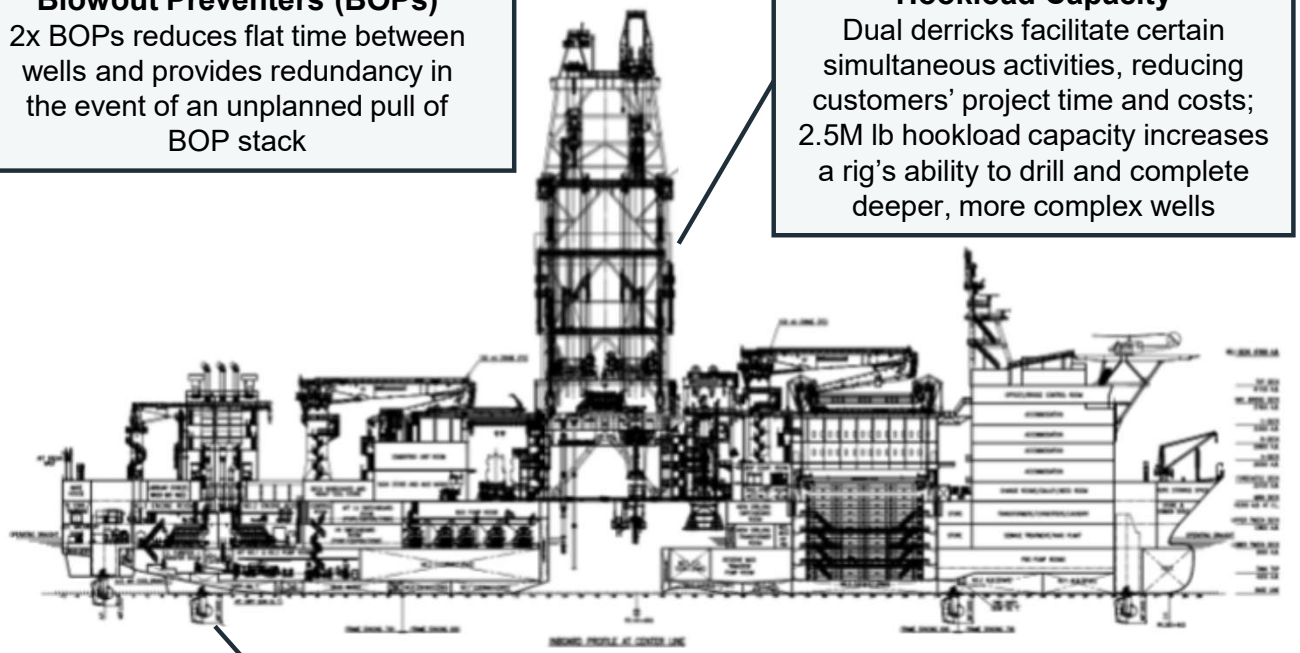
I. FCF Walk
II. Covers

Technical Specs of 7th Gen Drillships

Fleet Value Dwarfs Current Market Cap

Blowout Preventers (BOPs)
2x BOPs reduces flat time between wells and provides redundancy in the event of an unplanned pull of BOP stack

Dual Derricks w/ High Hookload Capacity
Dual derricks facilitate certain simultaneous activities, reducing customers' project time and costs; 2.5M lb hookload capacity increases a rig's ability to drill and complete deeper, more complex wells



Thruster Capacity
6x 5+ Mw high capacity thrusters enable rig to maintain better station keeping in challenging ocean conditions

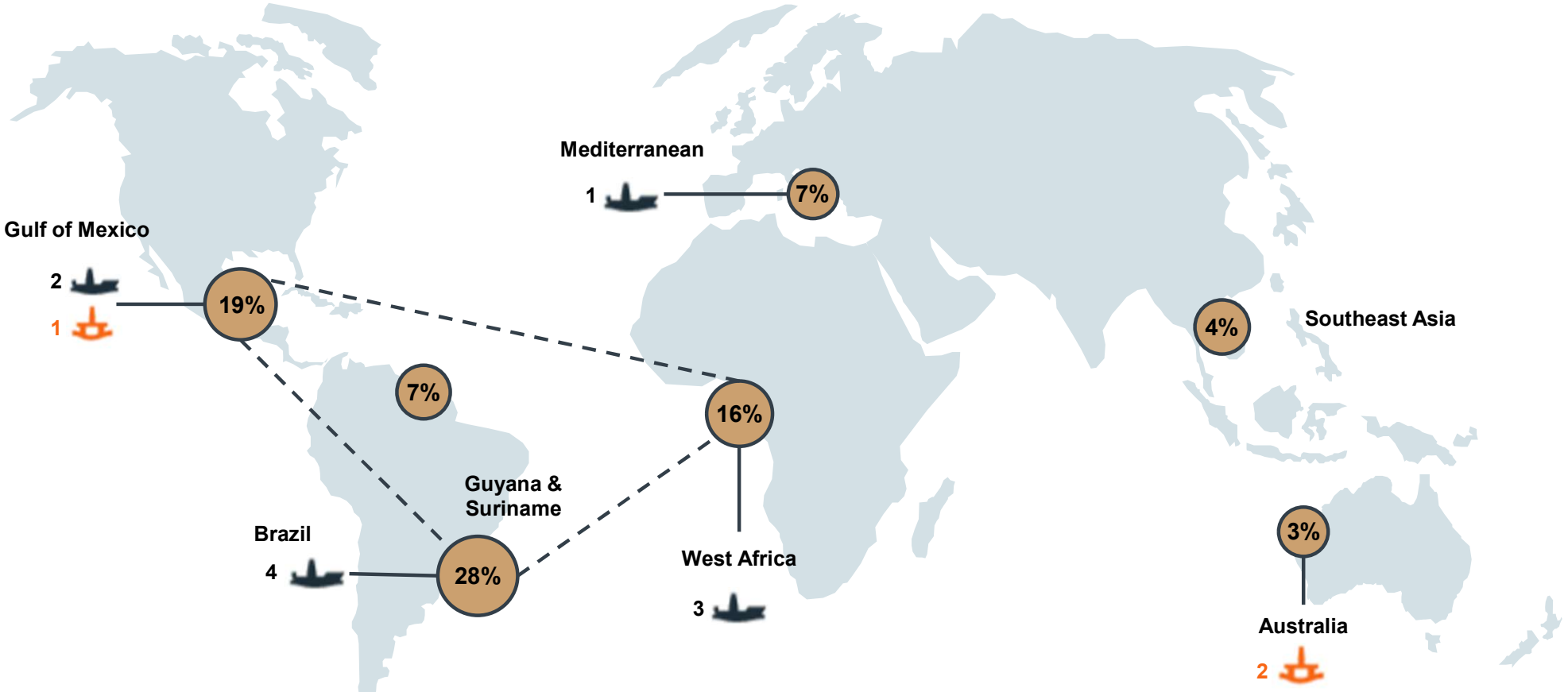
Water Depth Rating
Capable of drilling ≥ 10,000 water depth providing for operations in the most challenging ultra-deepwater environments

Details

- The combination of the technical specifications of 7th generation drillships offer efficiencies for customers that are **amplified over multi-well programs**
- As a result, **customers prefer these assets** for their longer-term developments and projects
- **12 of 13 of Valaris' drillships** are 7th generation assets with these capabilities

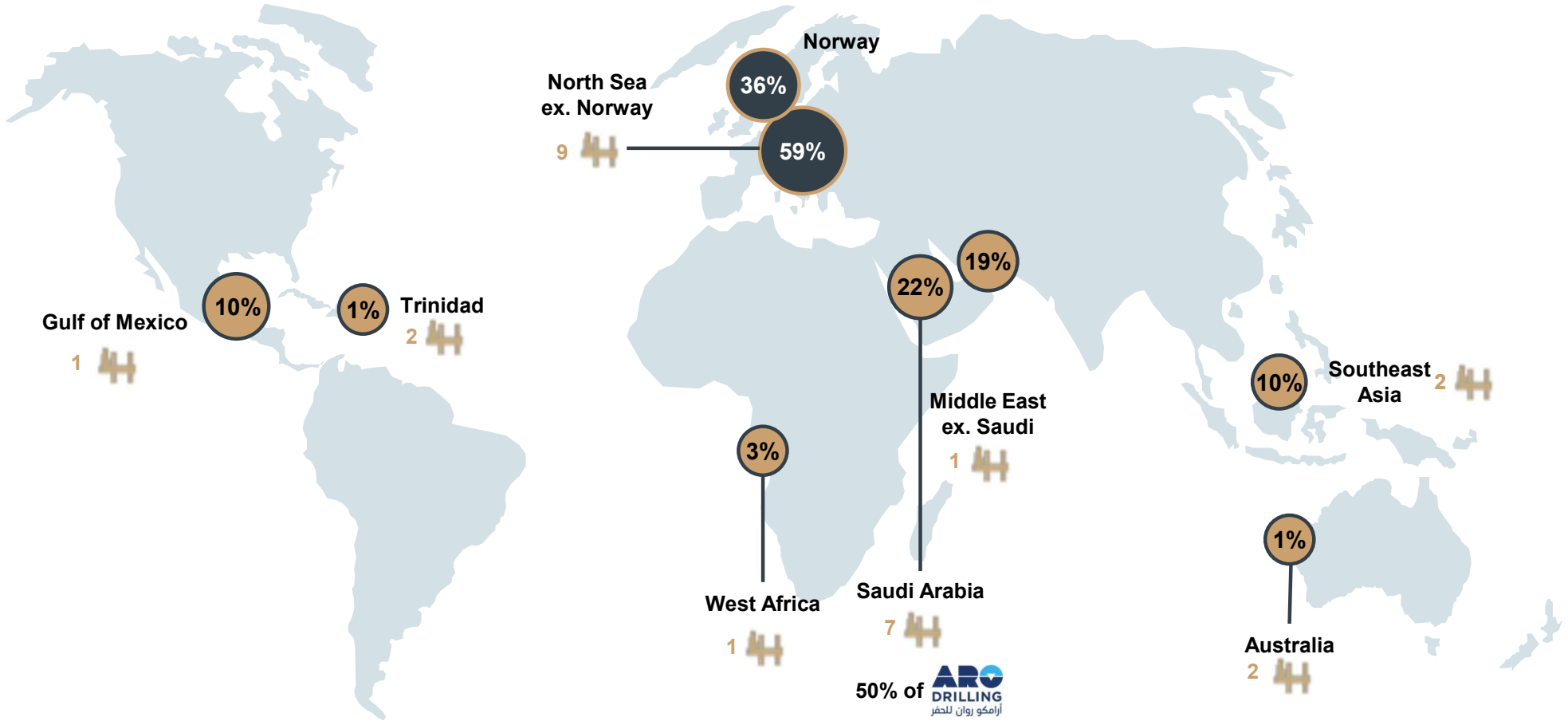
High-Specification Floater Fleet Focused on Key Strategic Basin

Geographical Operations Summary – Floater Fleet



Jackup Fleet Primarily Focused in The North Sea and Middle East

Geographical Operations Summary – Jackup Fleet



Customer Relationships

Majors

	Floaters	Jackups	Locations
bp	✓	✓	Brazil, Mediterranean, Southeast Asia, Trinidad
Chevron	✓		US GOM
eni	✓	✓	Australia, Mexico, North Sea, West Africa
Exxon	✓	✓	Australia, West Africa
Shell	✓	✓	North Sea, Southeast Asia, Trinidad, West Africa
TotalEnergies	✓	✓	Brazil, North Sea

National Oil Companies and Other Select Customers

	Floaters	Jackups	Locations
Saudi Aramco		✓	Middle East
equinor	✓		Brazil
Harbour Energy		✓	North Sea
OXY	✓		US GOM
BR	✓		Brazil
Woodside Energy	✓		Australia

Golden Triangle

Title is Pretty Self Explanatory Here…

Share Buy-Backs Offer Incentives to Hold and Wait

Illustrative Example

	5% Stock Depreciation	2.5% Stock Appreciation
Buy Buck $	$ 300,000,000	$ 300,000,000
Shares Repurchased	6,880,581	6,377,124
New Shares Outstanding	66,319,419	66,822,876
% Reduction in Shares	9.4%	8.7%
Price Impact from Share Reduction (%)	10.4%	9.5%
Upside (Downside)	**4.9%**	**12.3%**

ARO

ARO Drilling joint venture provides strong presence in the largest jackup market in the world

ARO is an unconsolidated 50/50 JV with Saudi Aramco that owns and operates jackups in Saudi Arabia, providing a strategic partnership with the largest customer for jackups in the world

50% Equity Ownership

- ARO currently has 18 rigs[1] contracted with Saudi Aramco, with contract backlog of ~$1.8 billion as of July 29, 2024
- 20-rig newbuild program backed by long-term contracts with Saudi Aramco
- Newbuilds expected to be financed by third-party financing and ARO operating cash flow (financing secured for first two rigs – Kingdom 1 & 2)

Shareholder Notes

- Valaris has shareholder notes receivable from ARO with a principal balance of $352M as of June 30, 2024

Leased Rigs

- 9 rigs[1] owned by Valaris leased to ARO under bareboat charter agreements
- Provide high levels of utilization and stable cash flows

Income Statement Highlights

2023

$497M
Revenue

$109M
EBITDA

Balance Sheet Highlights

Q2 2024

$132M
Cash

$771M
Shareholder Notes

$353M
Third-Party Debt

A Lot of Smart Investors Got This One Right

Model Appendix

CULVERHOUSE
INVESTMENT MANAGEMENT GROUP

Industrials and Energy Committee – Valaris Ltd. Pitch

DCF Walk

Calendar ended	21-Dec	22-Dec	23-Dec	24-Jun	24-Dec	25-Dec	26-Dec	27-Dec	28-Dec	29-Dec	30-Dec
	2021	2022	2023	2024	2024	2025	2026	2027	2028	2029	2030
Fiscal Year Ended	FY21	FY22	FY23	FY24	Q424	FY25E	FY26E	FY27E	FY28E	FY28E	FY30E
	A	A	A	A	E	E	E	E	E	E	E
Revenue	1,232.4	1,602.5	1,784.2	1,778.2	656.2	3,000.4	3,368.0	3,587.0	3,596.0	3,652.0	3,764.0
Opex	2,128.2	1,565.3	1,730.7	1,545.1	539.7	2,314.0	2,556.8	2,695.1	2,701.3	2,739.7	3,134.5
EBIT	(895.8)	37.2	53.5	233.1	116.5	686.4	811.2	891.9	894.7	912.3	629.5
Taxes	53.6	43.1	(782.6)	7.2	24.5	144.1	170.4	187.3	187.9	191.6	132.2
NOPAT	(949.4)	(5.9)	836.1	225.9	92.0	542.2	640.9	704.6	706.8	720.7	497.3
(+) D&A	225.7	91.2	101.1	88.2	34.5	157.5	165.0	163.2	163.6	166.2	489.3
(-) Capex	58.9	207.0	696.1	343.4	98.4	450.1	471.5	466.3	467.5	474.8	489.3
(-) Change in NWC	0.2	77.5	229.7	(148.5)	100.6	37.2	11.4	8.5	0.2	1.3	(84.8)
UFCF	(782.8)	(199.2)	11.4	119.2	(72.5)	212.5	323.0	393.0	402.7	410.8	582.1
Discounted UFCF					(71.8)	199.5	278.7	311.6	293.5	275.2	358.4
Discount Period					0.13	0.75	1.75	2.75	3.75	4.75	5.75
EBITDA											
EBITDA Margin	(670.1)	128.4	154.6	321.3	150.9	843.9	976.3	1,055.1	1,058.3	1,078.5	1,118.8
	-54.4%	*8.0%*	*8.7%*	*18.1%*	*23.0%*	*28.1%*	*29.0%*	*29.4%*	*29.4%*	*29.5%*	*29.7%*

Source: Company Filings, InE Estimates

Covers

Long Term Growth Rate Method - Base Case		
Terminal Value		
PV of Terminal Value		5,376.0
PV of Free Cash Flow		1,645.2
Implied Enterprise Value		**7,021.2**
Less: Debt		1,081.8
Less: Preferred/ Other		8.9
Plus: Cash		379.3
Implied Equity Value		6,309.8
Diluted Shares Outstanding		73.2
Implied Share Price	$	86.20
Upside / (Downside)		88.0%
P/V		0.53

Fleet Valuation Variables		
FY 2024 EBITDA (BBG Consensus)	$	472,226,000
Capitilization Rate		10%

Net Asset Valuation		
Assets (Less PP&E)	$	2,148,000,000
Fleet Value	$	4,818,632,653
Cap Rate		10%
Liabilities	$	(2,209,600,000)
NAV	$	4,757,032,653
Shares		73,200,000
NAV per Share	$	65
Upside (Downside)		42%
Implied EBITDA Multiple		10.2x

Assumptions		
Model Date		2/10/2025
Today's Date		2/10/2025
WACC		8.8%
Long Term Growth Rate		2.0%
Diluted Shares Outstanding		73.2
Current Share Price	$	45.86
Cash		379.3
Debt		1,081.8
Preferred Stock / Other		8.9
Tax Rate		21.0%

Blended Valuation		
DCF Valuation	$	86.20
% Weight		20%
NAV Valuation	$	65
% Weight		80%
InE Valuation	$	69.23
Upside / (Downside)		51.0%
P/V		0.66

Source: Company Filings, InE Estimates