For immediate release	

KCA Deutag Announces Second Quarter 2024 Results

- Preparations underway to close the acquisition of KCA Deutag by Helmerich & Payne.
- Final phase of the Saipem Onshore Drilling acquisition completed at the end of June.
- Strong second quarter results with Group Revenues of $437m, EBITDA of $110m and Operating Profit of $60m.

KCA Deutag Alpha Limited ("KCA Deutag" or the "Group") announced today its results for the second quarter of 2024[1]

KCA Deutag Group $m	Q2 2024	Q1 2024	Q2 2023	2024 YTD	2023 YTD
Revenue	437	429	383	866	763
Operating Profit (pre exceptional)	60	54	40	115	83
EBITDA	110	106	89	216	174
EBITDA margin	*25%*	*25%*	*23%*	*25%*	*23%*
Profit / (loss) after tax	12	2	(13)	14	(22)
Net cash flows from operating activities	12	46	78	58	92
Capital expenditures	(23)	(21)	(17)	(44)	(28)

[1] Profit / (loss) after tax stated before exceptional items.

Business Overview

On the 25th of July, Helmerich & Payne, Inc. ("H&P") announced that they have agreed to acquire KCA Deutag for $1.9725b. The business combination will create an organisation with an unrivalled global network, service capability and technology offering.

This milestone in the Group's transformational journey was achieved due to the contributions, dedication and commitment of all colleagues, customers, board, shareholders and partners. Once completed, this transaction is expected to deliver multiple growth opportunities for employees and customers alike while facilitating value realisation for KCA Deutag investors.

While both companies must operate as two separate entities until close, the teams at H&P and KCA Deutag have started to prepare for closing and the integration that will follow. Recently the H&P executive leadership team was welcomed to the Aberdeen office in August, where they met with KCA Deutag staff and held individual and group discussions to review the merits and benefits of the expected acquisition upon closing. In that regard, the regulatory filings have been collated and submitted for approval to the authorities in the required jurisdictions. Together with the term loan raised last month, H&P has successfully completed a $1.25b Senior Notes offering this week to fund the acquisition.

In terms of financial results for the second quarter of 2024, the Group has delivered another strong set of results with $437m of revenue and $110m of EBITDA compared to $383m and $89m respectively during the same quarter of 2023. The final stage of the Saipem Onshore Drilling acquisition was also completed at the end of June with the transfer of the 6 remaining rigs in Argentina, Kazakhstan and Romania. Full year financial guidance has been withdrawn and will no longer be provided as a result of the upcoming Group acquisition by publicly listed H&P.

Backlog has remained strong at $5.2b following contract extensions on three rigs in Oman and the signing of new contracts in Europe and Pakistan. In Saudi, discussions around multiple contract extensions have continued. However, as part of a wider exercise that started earlier in the year with the suspension of offshore rigs, Aramco has issued additional rig suspension notifications to all its land and offshore drilling contractors. KCA Deutag was recently notified to suspend activity on eight rigs for a period of up to 12 months. Although some of these rigs are expected to go back to work quickly in 2025, operations have stopped on four rigs in August whilst two more will stop in September and the final two are expected to stop in October.

KCA Deutag teams look forward to combining with H&P, a company with a similar ethos. Both groups encourage customer-centric cultures and are focused on safety and the delivery of incident-free, quality services and innovative technologies. The strengths of both teams along with their attractive geographical footprint will be able to leverage the H&P processes and practices to accelerate efficiencies and optimise operational excellence for all customers.

Liquidity and Net Financial Debt Position

The Group had a net cash outflow of $65m in the quarter bringing the net cash position to $168m at the end of Q2. The cash outflow included $49m of interest on the Group's debt. As a result, the Group finished the quarter with net debt of $746m.

Business Review

Land Drilling

$m	Q2 2024	Q1 2024	Q2 2023	2024 YTD	2023 YTD
Revenue	265	259	225	524	443
EBITDA	89	86	70	175	140
EBITDA Margin	*34%*	*33%*	*31%*	*33%*	*32%*

Land Drilling EBITDA in the second quarter of 2024 was $3m higher than the previous quarter and $19m higher than the equivalent quarter in 2023. The improvement compared to Q1 is driven by improved performance in Oman as a result of rig moves and increased utilisation, alongside lower overheads. This was partially offset by start-up costs in Latin America as 3 rigs commenced new contracts. The result is $19m higher than the equivalent quarter in 2023 due to improved utilisation, better returns on rig moves and the inclusion of a full quarter of the Latin America business in Q2 2024.

Offshore Services

$m	Q2 2024	Q1 2024	Q2 2023	2024 YTD	2023 YTD
Revenue	144	141	140	285	287
EBITDA	25	24	24	49	44
EBITDA Margin	*17%*	*17%*	*17%*	*17%*	*15%*

Offshore Services returned slightly higher EBITDA in Q2 compared to the previous quarter as the business unit benefitted from increased activity and higher reimbursables. The result is $1m higher than the equivalent quarter in 2023 due to improved activity and performance as well as rate escalations. Our asset-light Offshore business continues to perform well and deliver healthy positive cashflow to the Group and will benefit further from the recently won tenders starting up in Q4 2024.

Kenera

$m	Q2 2024	Q1 2024	Q2 2023	2024 YTD	2023 YTD
Revenue (before intercompany eliminations)	29	33	20	62	38
EBITDA (before intercompany eliminations)	2	2	1	3	1
EBITDA Margin	*6%*	*5%*	*5%*	*6%*	*2%*

Kenera EBITDA was flat compared to Q1 and $1m higher than the same quarter last year which included a one-off insurance rebate. The improvement from 2023 is driven by additional services activity and higher deliveries of rig components during 2024.

Saipem Acquisition

The remaining 6 rigs in Argentina, Kazakhstan and Romania transferred together in the final closing process on the 30th of June. This final step of the acquisition had a final cash consideration of $14m. This took into account working capital adjustments and a deduction for the net economic benefit generated by the Argentina business since the original Latam closing.

German Tax Audit

At the end of June, as part of an ongoing tax audit in Germany, the company received a letter from the German tax authorities. This set out their position that the gain arising in a German subsidiary from the 2020 Group financial restructuring did not qualify for a restructuring exemption. With the support of corporate and German tax and legal advisors, a response letter was prepared and submitted to the authorities during August explaining the transaction in more detail and setting out the reasons why the restructuring gain should be treated as tax exempt. The Group is currently awaiting further feedback from the German tax authorities.

Disclaimer

Please refer to the annual audited financial statements posted on our website for further detail and information on the Group's accounting policies and risk factors.

This announcement may include forward-looking statements, which reflect the current views of the company about future events and financial performance. The use of any of the words "expects", "anticipates", "will", "should", "believes", "plans", "intends" and similar expressions are intended to identify forward-looking statements. Although the company believes that the expectations and assumptions on which such forward-looking statements are based to be reasonable, undue reliance should not be placed thereon because such statements may prove to be incorrect. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The forward-looking statements and information contained in this announcement are made as of the date hereof and the company does not undertake any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by law.

Interim Financial Statements

KCA Deutag Alpha Limited

For the 6 months ended 30 June 2024

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Consolidated income statement

	Note	Q2 2024 YTD $m	Restated Q2 2023 YTD $m	Q2 2024 $m	Restated Q2 2023 $m
Sales	2	865.7	763.2	436.6	382.9
Operating costs		(649.7)	(589.6)	(326.2)	(294.1)
EBITDA	2	**216.0**	**173.6**	**110.4**	**88.8**
Depreciation/Amortisation		(101.5)	(90.9)	(50.0)	(48.9)
Operating profit (pre-exceptional)		**114.5**	**82.7**	**60.4**	**39.9**
Exceptional items, net operating credits (costs)	4*	(5.8)	(10.1)	(3.0)	(6.2)
Operating profit (post-exceptional)		**108.7**	**72.6**	**57.4**	**33.7**
Net finance costs	3	(80.2)	(85.5)	(40.8)	(46.9)
Profit (loss) before tax		**28.5**	**(12.9)**	**16.6**	**(13.2)**
Taxation		(20.5)	(18.7)	(8.1)	(5.6)
Profit (loss) from continuing operations		**8.0**	**(31.6)**	**8.5**	**(18.8)**
Profit from discontinued operations		**-**	**8.9**	**-**	**8.9**
Profit for the quarter		**8.0**	**(22.7)**	**8.5**	**(9.9)**
Attributable to the owners of the KCAD Group		**(0.6)**	**(30.0)**	**4.2**	**(13.6)**
Attributable to non-controlling interests		**8.6**	**7.3**	**4.3**	**3.7**
		8.0	**(22.7)**	**8.5**	**(9.9)**

* See note 4 for details of the restatement to Q2 2023 exceptional items and goodwill.

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Consolidated statement of changes in shareholder's equity

	Share capital $m	Share premium $m	Retained earnings $m	Other reserves $m	Non-controlling Interest $m	Total $m
At 1 January 2024	-	-	255.4	95.0	18.1	368.5
Comprehensive income (expense)						
Profit (loss) for the period	-	-	(0.6)	-	8.6	8.0
Other comprehensive income (expense)						
Fair value movement on cash flow hedges	-	-	-	(1.3)	-	(1.3)
Exchange differences on foreign operations	-	-	-	(4.2)	-	(4.2)
Remeasurements on defined benefit pension schemes	-	-	-	-	-	-
Remeasurements on value of investment	-	-	(0.4)	-	-	(0.4)
Total other comprehensive income (expense)	**-**	**-**	**(0.4)**	**(5.5)**	**-**	**(5.9)**
Total comprehensive income (expense)	**-**	**-**	**(1.0)**	**(5.5)**	**8.6**	**2.1**
Transactions with owners						
Dividend to minority shareholders	-	-	(0.5)	-	(4.0)	(4.5)
At 30 June 2024	**-**	**-**	**253.9**	**89.5**	**22.7**	**366.1**
At 31 December 2023	-	-	255.4	95.0	18.1	368.5

Other reserves in the Balance Sheet consist of the hedging reserve, merger reserve, currency translation reserve and non-controlling interests.

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Consolidated balance sheet

	Note	Q2 2024 $m	Restated Q2 2023 $m	Audited Q4 2023 $m
ASSETS				
Non-current assets				
Property, plant and equipment	6	949.8	921.8	948.3
Right of use leased asset		130.1	108.7	147.6
Goodwill		364.6	374.1	374.1
Intangible assets	7	32.7	25.5	33.9
Investments		2.3	5.3	2.7
Deferred tax assets		63.7	71.5	60.4
		1,543.2	**1,506.9**	**1,567.0**
Current assets				
Inventories and work-in-progress		223.4	196.7	193.4
Trade and other receivables	8	425.2	367.7	385.6
Amounts owed by parent company		5.9	9.8	1.8
Financial assets - derivative financial instruments		-	0.3	0.6
Cash at bank		167.9	202.1	230.1
		822.4	**776.6**	**811.5**
Total assets		**2,365.6**	**2,283.5**	**2,378.5**
Liabilities				
Current liabilities				
Trade and other payables	9	(393.0)	(377.9)	(413.1)
Tax liabilities		(19.3)	(27.4)	(33.0)
Financial liabilities - derivative financial instruments		(1.7)	(2.7)	(1.6)
Financial liabilities - borrowings		(4.2)	(0.6)	(3.1)
Lease liabilities - current		(58.8)	(56.4)	(60.4)
Provisions and other payables		(0.9)	(0.6)	(1.3)
		(477.9)	**(465.6)**	**(512.5)**
Non-current liabilities				
Deferred income		(6.6)	(7.9)	(6.3)
Financial liabilities - borrowings		(898.8)	(850.7)	(876.3)
Payables to parent company		(367.7)	(340.6)	(348.5)
Deferred tax liabilities		(61.6)	(60.9)	(61.8)
Retirement benefit obligations		(101.5)	(103.0)	(106.6)
Lease liabilities - non current		(82.9)	(60.6)	(96.0)
Provisions and other non-current liabilities		(2.5)	(1.9)	(2.0)
		(1,521.6)	**(1,425.6)**	**(1,497.5)**
Total liabilities		**(1,999.5)**	**(1,891.2)**	**(2,010.0)**
Net assets (liabilities)		**366.1**	**392.3**	**368.5**
Capital and reserves				
Share capital		-	-	-
Other reserves		89.5	94.9	95.0
Retained earnings surplus (deficit)		253.9	277.6	255.4
Total shareholders' surplus (deficit)		**343.4**	**372.5**	**350.4**
Equity non-controlling interest		**22.7**	**19.8**	**18.1**
Total Equity		**366.1**	**392.3**	**368.5**

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Consolidated cash flow statement

		Q2 2024 YTD $m	Restated Q2 2023 YTD $m	Q2 2024 $m	Restated Q2 2023 $m
Cash flows from operating activities					
Cash generated from operations	10	95.8	107.1	38.6	87.8
Tax paid		(37.4)	(14.8)	(26.4)	(10.0)
Net cash in flow from operating activities		**58.4**	**92.3**	**12.2**	**77.8**
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired		-	(63.5)	-	(37.8)
Capital expenditure		(44.4)	(28.0)	(23.0)	(16.6)
Proceeds from sale of property, plant and equipment		-	0.5	-	0.2
Purchase of intangible assets		(3.0)	(1.3)	(2.4)	(0.9)
Investment in non consolidated associate		(0.1)	(0.1)	(0.1)	(0.1)
Interest received		4.0	3.0	2.0	1.5
Net cash outflow from investing activities		**(43.5)**	**(89.4)**	**(23.5)**	**(53.7)**
Cash flows from financing activities					
New loans from Parent in respect of PIK Notes		-	50.0	-	50.0
Drawdown of RCF/Oman debt		22.3	15.2	18.9	15.2
Interest paid, including capitalised interest		(56.6)	(55.5)	(50.6)	(51.0)
Lease payments		(36.1)	(32.4)	(17.2)	(15.9)
Dividend paid to minority shareholders		(4.5)	(4.5)	(4.5)	(0.4)
Net cash outflow from financing activities		**(74.9)**	**(27.2)**	**(53.4)**	**(2.1)**
Effect of foreign exchange rate changes on cash and bank overdrafts		**(2.2)**	**(4.3)**	**-**	**(2.3)**
Net cash (out) in flow		**(62.2)**	**(28.6)**	**(64.7)**	**19.7**
Cash and cash equivalents at start of period		**230.1**	**230.7**	**232.6**	**182.4**
Cash and cash equivalents at end of period		**167.9**	**202.1**	**167.9**	**202.1**

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Notes to the Interim Financial Statements

1. Significant Accounting Policies

1.1 NEW STANDARDS, INTERPETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the interim consolidated financial statements of the Group

1.2 COMPLIANCE WITH IAS 34

The interim consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group has prepared the financial statements on a going concern basis of accounting, consistent with the assumptions outlined in the annual financial statements, and as below. At Closing of the announced acquisition of KCA Deutag International Limited by Helmerich & Payne, Inc ("H&P"), as detailed in note 12, H&P is obligated under the SPA to provide funding for redemption of certain group borrowings; such funding or replacement funding as required is assumed to remain in place after Closing. Management understand that H&P have the ability to provide the funding for the acquisition. Management consider that there are no material uncertainties that may cast significant doubt over these going concern assumptions. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future until at least 30 September 2025.

The interim consolidated interim financial statements are unaudited and do not constitute statutory accounts of the Group within the meaning of Section 435 of the Companies Act 2006 and do not include all the information and disclosures required in the annual financial statements. These financial statements should be read in conjunction with the Group's Annual Report for the year ended 31 December 2023, which were prepared UK-adopted International Accounting Standards ('UK-adopted IAS'). The auditor's report on those financial statements was unqualified with no reference to matters to which the auditor drew attention by way of emphasis and no statement under s498(2) or s498(3) of the Companies Act 2006.

1.3 BASIS OF PREPARATION

1.3.1 General principle

The preparation of these interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement, complexity or areas where assumptions and estimates are significant to the condensed consolidated financial statements are disclosed in Note 1.3.2.

1.3.2 Accounting estimates and judgements

Accounting estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances. They serve as the basis for any judgement required for determining the carrying amounts of assets and liabilities when such amounts cannot be obtained directly from other sources.

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1. **Significant Accounting Policies (continued)**

1.3.2 Accounting estimates and judgements (continued)

Actual amounts may differ from these estimates, particularly in respect of goodwill recognised as the reviews are finalised of fair values of assets and liabilities acquired as part of the Saipem transaction

The main sources of uncertainty relating to estimates used to prepare the interim consolidated financial statements were the same as those described in the full year 2023 consolidated financial statements.

EBITDA, a non-GAAP profit measure, is used as a simple proxy for pre-tax cash flows from operating activities. It is calculated as operating profit before exceptional items, share of associates' post-tax results, interest, tax, depreciation, impairment and amortisation.

The fair value of financial instruments approximates to the carrying amount.

2. Segment reporting

	Q2 2024 YTD $m	Q2 2023 YTD $m	Q2 2024 $m	Q2 2023 $m
Revenues				
Land Drilling	523.8	442.9	265.3	225.3
Offshore Services	284.9	286.5	143.9	140.0
Kenera	61.7	37.5	28.9	20.0
Corporate costs/other	0.3	0.3	0.2	0.1
Elimination on consolidation[1]	(5.0)	(4.0)	(1.7)	(2.5)
Group total	**865.7**	**763.2**	**436.6**	**382.9**
EBITDA (pre-exceptional)				
Land Drilling	175.0	139.9	88.9	69.5
Offshore Services	48.8	43.7	25.0	23.8
Kenera	3.4	0.8	1.8	1.0
Corporate costs/other	(11.2)	(10.8)	(5.3)	(5.5)
Group total	**216.0**	**173.6**	**110.4**	**88.8**

[1]Eliminations on consolidation principally relate to sales from Kenera to Land Drilling and to support the Group's capital expenditure programme.

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3. Net finance costs

	Q2 2024 YTD $m	Q2 2023 YTD $m	Q2 2024 $m	Q2 2023 $m
Interest payable to immediate parent company	(19.3)	(13.9)	(9.9)	(7.9)
Interest payable on bank borrowings	(50.0)	(47.1)	(25.0)	(22.7)
Less: amounts included in the cost of drilling rigs	1.0	-	-	-
Finance costs on leases	(6.6)	(5.8)	(3.1)	(3.1)
Amortisation of arrangement fees	(2.1)	(2.0)	(1.0)	(1.0)
Other finance costs	(8.1)	(10.2)	(4.1)	(6.8)
Finance costs	**(85.1)**	**(79.0)**	**(43.1)**	**(41.5)**
Finance income	3.7	2.9	1.6	1.4
Exchange gains (losses)	1.2	(9.4)	0.7	(6.8)
Finance costs – net	**(80.2)**	**(85.5)**	**(40.8)**	**(46.9)**

4. Exceptional items

Exceptional items included in operating profit

	Q2 2024 YTD $m	Restated Q2 2023 YTD $m	Q2 2024 $m	Restated Q2 2023 $m
Reorganisation costs [1]	(0.7)	(1.2)	(0.3)	(0.5)
Saipem integration and transaction costs [2]	(5.1)	(9.8)	(2.7)	(5.6)
Saipem goodwill release [3]	-	-	-	-
Other [4]	-	0.9	-	(0.1)
Exceptional operating items from continuing operations	**(5.8)**	**(10.1)**	**(3.0)**	**(6.2)**
Exceptional operating items from discontinued operations [5]	**-**	**8.9**	**-**	**8.9**
Exceptional operating items for the quarter	**(5.8)**	**(1.2)**	**(3.0)**	**2.7**
Tax effect on exceptional operating items	**-**	**-**	**-**	**-**
Exceptional operating items, net of tax	**(5.8)**	**(1.2)**	**(3.0)**	**2.7**

[1] Reorganisation costs primarily relate to the Group's cost reduction, restructuring, redundancy expenditure and professional fees associated with the Group's assessment of strategic merger and acquisition opportunities.

[2] Integration and transaction costs of $5.1 million are associated with the purchase of the Saipem Onshore Drilling business.

[3] Q2 2023 exceptional items have been restated to remove the impact of a $26.0 million goodwill release which arose in relation to the LATAM phase of the Saipem acquisition. This release was subsequently reversed during Q4 2023 so this restatement reflects the final accounting for this entry in Q2 rather than Q4.

[4] Included within other costs at the end of Q2 2023 is a gain of $1.0 million recognised in relation to the cash generated from the sales of Senior Secured Notes which had gone unclaimed since the Group debt restructuring completed in 2020.

[5] During Q2 2023 an Intercompany provision of $3.3 million was released and there was also a $5.6 million release of the exchange reserves, both in respect of the abandoned Russia business.

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5. Reconciliation of net debt

	Q2 2024 YTD $m	Q2 2023 YTD $m	Q2 2024 $m	Q2 2023 $m	Audited Q4 2023 $m
Opening net debt per balance sheet	(661.4)	(619.3)	(651.3)	(653.2)	(619.3)
Net cash in (out) flow	(62.2)	(28.6)	(64.7)	19.7	(0.6)
Repayment (drawdown) of debt	(22.3)	(15.2)	(18.9)	(15.2)	(41.5)
Other non-cash movements	10.8	13.9	(0.2)	(0.5)	12.1
Closing net debt per balance sheet	**(735.1)**	**(649.2)**	**(735.1)**	**(649.2)**	**(649.3)**
Capitalised arrangement fees	(10.8)	(13.9)	(10.8)	(13.9)	(12.1)
Closing net debt	**(745.9)**	**(663.1)**	**(745.9)**	**(663.1)**	**(661.4)**

KCA Deutag Alpha Limited, their affiliates or other related parties may or may not opportunistically purchase debt in one or more series of open-market transactions from time to time.

6. Tangible fixed assets

	Land and buildings freehold $m	Drilling rigs and equipment $m	Plant, machinery and vehicles $m	Total Tangible fixed assets $m
Cost				
At 1 January 2024	41.5	1,968.0	88.7	**2,098.2**
Additions arising on acquisition	-	23.8	-	**23.8**
Additions at cost	-	41.6	3.9	**45.5**
Exchange adjustments	(0.2)	(5.5)	(0.2)	**(5.9)**
At 30 June 2024	**41.3**	**2,027.9**	**92.4**	**2,161.6**
Accumulated depreciation				
At 1 January 2024	11.3	1,131.2	7.4	**1,149.9**
Charge for the period	0.3	64.3	1.8	**66.4**
Exchange adjustments	-	(4.5)	-	**(4.5)**
At 30 June 2024	**11.6**	**1,191.0**	**9.2**	**1,211.8**
Net carrying amount				
At 30 June 2024	**29.7**	**836.9**	**83.2**	**949.8**
Net carrying amount				
At 31 December 2023	30.2	836.8	81.3	**948.3**

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7. Intangible assets

	Customer relationships and contracts $m	Trade name $m	Technology $m	Total $m
Cost				
At 1 January 2024	277.5	176.3	54.8	508.6
Additions	-	-	3.0	3.0
Exchange	-	-	(0.8)	(0.8)
At 30 June 2024	**277.5**	**176.3**	**57.0**	**510.8**
Accumulated amortisation				
At 1 January 2024	259.1	170.1	45.5	474.7
Charge for the period	-	0.1	3.9	4.0
Exchange	-	-	(0.6)	(0.6)
At 30 June 2024	**259.1**	**170.2**	**48.8**	**478.1**
Net carrying amount				
At 30 June 2024	**18.4**	**6.1**	**8.2**	**32.7**
Net carrying amount				
At 31 December 2023	18.4	6.2	9.3	33.9

8. Trade and other receivables

	Q2 2024 $m	Q2 2023 $m	Audited Q4 2023 $m
Trade receivables	356.7	288.3	310.8
Other receivables	27.5	22.2	39.0
Prepayments and accrued income	33.8	42.4	20.0
Contract assets	7.2	14.8	15.8
Total	**425.2**	**367.7**	**385.6**

9. Trade and other payables

	Q2 2024 $m	Restated Q2 2023 $m	Audited Q4 2023 $m
Trade payables	106.3	137.0	98.9
Other tax and social security	25.5	23.2	26.4
Other payables	21.3	20.3	38.5
Accruals	222.3	164.6	227.1
Payments received on account	1.8	4.8	3.5
Deferred income	15.8	28.0	18.7
Total	**393.0**	**377.9**	**413.1**

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10. Cash generated from operating activities

	Q2 2024 YTD $m	Restated Q2 2023 YTD $m	Q2 2024 $m	Restated Q2 2023 $m
Profit (loss) for the period	8.0	(22.7)	8.5	(9.9)
Adjustments for:				
Tax charge	20.5	18.7	8.1	5.6
Depreciation[1]	97.5	87.4	47.9	47.0
Amortisation of intangible assets	4.0	3.5	2.1	1.9
Net impairment gains (losses) of other non-current assets	-	-	-	-
Loss (gain) on sale of property, plant and equipment	-	(0.2)	-	-
Net movement in provisions, other liabilities and retirement benefit obligations	(1.2)	2.7	-	1.1
Net finance cost	80.2	85.5	40.8	46.9
(Increase) decrease in inventories and work in progress	(29.4)	(28.3)	(24.6)	(9.2)
(Increase) decrease in trade and other receivables	(35.7)	(52.8)	(4.7)	15.6
Increase (decrease) in trade and other payables	(45.9)	22.4	(39.6)	(2.1)
Exchange differences from operating activities	(2.2)	(9.1)	0.1	(9.1)
Cash generated from operating activities	**95.8**	**107.1**	**38.6**	**87.8**

[1] YTD depreciation includes $31.1m (Q2 2023 YTD $30.3m) of depreciation for right of use assets.

11. Saipem acquisition

On 30 June 2024, the Group completed the final stage of the Saipem Onshore Drilling acquisition following the transfer of the remaining six rigs in Argentina, Kazakhstan and Romania (Phase 4) with the cash consideration being paid in early Q3. The identifable assets and liabilities of the acquired group are subject to a fair value adjustment as set out below.

Purchase consideration

	Audited Q4 2023 Fair Value $m	Phase 4 $m	Total Fair Value $m
Cash	540.6	-	540.6
Cash acquired	(15.0)	-	(15.0)
Shares issued, at fair value	92.5	-	92.5
Other	28.0	14.0	42.0
Total consideration	646.1	14.0	660.1

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11. Saipem acquisition (continued)

Provisional fair value of acquisition

	Audited Q4 2023 Fair Value $m	Phase 4 $m	Total Fair Value $m
Net assets			
Property, plant and equipment	595.0	23.8	618.8
Right of use assets	8.2	-	8.2
Intangible assets	22.8	-	22.8
Inventories and work in progress	39.2	0.7	39.9
Trade and other receivables	104.0	-	104.0
Deferred tax asset	13.2	-	13.2
Trade and other payables	(88.8)	(1.0)	(89.8)
Deferred income	(7.4)	-	(7.4)
Tax liabilities	(1.2)	-	(1.2)
Deferred tax laibility	(53.2)	-	(53.2)
Total identifiable net assets	631.8	23.5	655.3
Goodwill arising on acquisition	14.3	(9.5)	4.8
Purchase consideration transferred	646.1	14.0	660.1

Revenue and profit from the final phase of the Saipem acquisition are not considered to be material and have therefore not been disclosed.

All acquired receivables are stated gross and are deemed to be fully recoverable.

12. Subsequent events

On 25 July 2024, KCA Deutag International Limited ("KCA Deutag") and Helmerich & Payne, Inc. (NYSE: HP) ("H&P") announced a definitive agreement under which KCA Deutag will be acquired by H&P for $1.9725 billion in cash.

This transaction will see KCA Deutag and H&P combine the strengths of our people together with our geographical footprints to create an organisation with an unrivalled global network, service capability and technology offering.

KCA Deutag's global operations accelerates H&P's international growth strategy, significantly increasing Middle East presence providing H&P with immediate and significant exposure to KCA Deutag's land operations in key markets in the Middle East. The $1.9725bn cash consideration will be used to repay KCA Deutag's Group debt instruments and provide value realisation for its existing investors.

H&P has indicated that it expects that the acquisition will close prior to calendar 2024 year-end, subject to customary closing conditions and regulatory approvals.