# 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 Exchange Act of 1934**

**Date of Report (Date of earliest event reported): September 6, 2023**

# KLX ENERGY SERVICES HOLDINGS, INC.
**(Exact name of registrant as specified in its charter)**

| Delaware | 001-38609 | 36-4904146 |
|---|---|---|
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

**3040 Post Oak Boulevard, 15th Floor**
**Houston, Texas 77056**
**(Address of Principal Executive Offices)**

**(832) 844-1015**
(Registrant's Telephone Number, Including Area Code)

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 | Trading symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **Common Stock, $0.01 Par Value** | **KLXE** | **The Nasdaq Global Select Market** |

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 ☐

**Item 7.01 Regulation FD Disclosure.**

Furnished as Exhibit 99.1 and incorporated by reference into this Item 7.01 in its entirety is a copy of a presentation to be presented by KLX Energy Services Holdings, Inc. (the “Company”) to investors at investor conferences in September 2023. The Company also posted the presentation to its website at https://investor.klxenergy.com/events-and-presentations.

The information contained in, or incorporated into, this Item 7.01 is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any registration statement or other filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference to such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| Exhibit No. | Description |
| --- | --- |
| 99.1 | Presentation by the Company to investors.* |
| 104 | Cover Page Interactive Data File (embedded within Inline XBRL document). |

*Furnished herewith.

**SIGNATURES**

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

KLX Energy Services Holdings, Inc.

| | |
|---|---|
| By: | /s/ Keefer M. Lehner |
| Name: | Keefer M. Lehner |
| Title: | Chief Financial Officer, Executive Vice President |
| Date: | September 6, 2023 |

KLX Energy Services

# Disclaimer & Forward-looking Statements

**Cautionary Statement on Forward-looking Statements**

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. This presentation includes forward-looking statements that reflect our current expectations, projections and goals relating to our future results, performance and prospects. Forward-looking statements include all statements that are not historical in nature and are not current facts, including our preliminary estimated financial information for Q4 2022. When used in this news release (and any oral statements made regarding the subjects of this release, including on the conference call announced herein), the words “believe,” “expect,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “continue,” “may,” “might,” “should,” “could,” “will” or the negative of these terms or similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Such forward-looking statements involve risks and uncertainties. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events with respect to, among other things: our operating cash flows; the availability of capital and our liquidity; our ability to renew and refinance our debt; our future revenue, income and operating performance; our ability to sustain and improve our utilization, revenue and margins; our ability to maintain acceptable pricing for our services; future capital expenditures; our ability to finance equipment, working capital and capital expenditures; our ability to execute our long-term growth strategy and to integrate our acquisitions; our ability to successfully develop our research and technology capabilities and implement technological developments and enhancements; and the timing and success of strategic initiatives and special projects. The Company’s actual experience and results may differ materially from the experience and results anticipated in such statements. Factors that might cause such a difference include those discussed in the Company’s filings with the U.S. Securities and Exchange Commission (the “SEC”), which include its Annual or Transition Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. For more information, see the section entitled “Forward-Looking Statements” contained in the Company’s Transition Report on Form 10-K and in other filings. Any forward-looking statements included in this presentation are made only as of the date of this presentation and, except as required by federal securities laws and rules and regulations of the SEC, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**Non-GAAP Financial Measures**

This presentation includes Adjusted EBITDA which is a "non-GAAP financial measure" as defined in Regulation G of the Securities Exchange Act of 1934. Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. Adjusted EBITDA is not a measure of net earnings or cash flows as determined by GAAP. We define Adjusted EBITDA as net earnings (loss) before interest, taxes, depreciation and amortization, further adjusted for (i) goodwill and/or long-lived asset impairment charges, (ii) stock-based compensation expense, (iii) restructuring charges, (iv) transaction and integration costs related to acquisitions, (v) costs incurred related to the COVID-19 pandemic and (vi) other expenses or charges to exclude certain items that we believe are not reflective of ongoing performance of our business. Adjusted EBITDA is used to calculate the Company's leverage ratio, consistent with the terms of the Company's ABL facility. We believe Adjusted EBITDA is useful because it allows us to more effectively evaluate our operating performance and compare the results of our operations from period to period without regard to our financing methods or capital structure. We exclude the items listed above in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income as determined in accordance with GAAP, or as an indicator of our operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA. Our computations of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

The Company’s results for the periods Q1’19 through Q1’20 are presented on a pre-merger combined basis, which is the sum of KLX Energy Services Holdings, Inc. (“KLXE”) and Quintana Energy Services, Inc. (“QES”) results as disclosed for the given period, without any pro forma adjustments. Note that legacy QES fiscal year ended on December 31 and legacy KLXE fiscal year ended on January 31, which continued for KLXE until the Company changed its fiscal year-end from January 31 to December 31, effective beginning with the year ended December 31, 2021. As a result, our pre-merger combined quarterly data for Q1’19 includes legacy KLXE for three months ended April 30, 2019 and legacy QES for three months ended March 31, 2019; for Q2’19 includes legacy KLXE for three months ended July 31, 2019 and legacy QES for three months ended June 30, 2019; for Q3’19 includes legacy KLXE for three months ended October 31, 2019 and legacy QES for three months ended September 30, 2019; for Q4’19 includes legacy KLXE for three months ended January 31, 2020 and legacy QES for three months ended December 31, 2019; and for Q1’20 includes legacy KLXE for three months ended April 30, 2020 and legacy QES for three months ended March 31, 2020.

# Company Overview

# KLX Energy Services (KLX) Overview

## Company Overview

- Leading U.S. onshore provider of technologically-differentiated, mission critical services for the full life-cycle of technically demanding wells across major US oil and gas basins
- ~2,200 total team members, including a deeply experienced ops leadership team with an average of 30+ years of industry experience and 10+ years with KLX
- 35 patents supporting proprietary products and services
- Vertical integration with in-house machining and R&D
- Long-standing relationships with blue-chip customer base
- Platform created through combination of organic and inorganic growth and well positioned to continue to grow via both

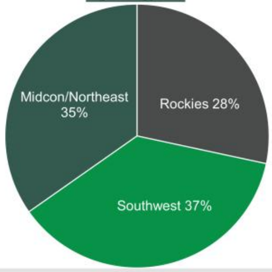
## Areas of Operation


## Diversified Product Offering

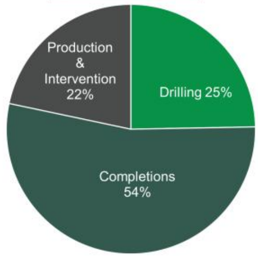
| | |
|---|---|
| **Drilling** | • 110 measurement-while-drilling kits<br>• Over 850 mud motors (~60% are latest gen) |
| **Completion** | • 23 modern, large-diameter Coiled Tubing Units<br>• 75+ Wireline Units (split with Production)<br>• 120+ Frac Trees and 50 Guardian Isolation Tools<br>• 490+ accommodation trailers (split with Drilling)<br>• 4 frac spreads (2 staffed and operating)<br>• Suite of proprietary tools & consumables |
| **Production & Intervention** | • Leading fleet of fishing and rentals tools<br>• 16 small diameter (2'' or less) Coiled Tubing Units<br>• 34 rig-assisted Snubbing Units<br>• Downhole production services |

## Diversified Business Model

**Q2 '23 Revenue by Region**




**Q2 '23 Revenue by Product Line**




As of Q2 2023. Company disclosure.
Facility listing and product offering detail include facilities and tools acquired via the March 8, 2023 Greene's acquisition.

# Diversified and Complementary Product Service Offering

- Diversified product service offering positions KLX to capture a larger percentage of customer spending across the lifecycle
- Refocused product service offering across core geographies to improve scale, utilization and returns

| Primary Product Line | PSL[1] | Q2 2023 Revenue | Market Leader | Rockies | Southwest | Northeast/ Mid Con | Select Products & Services |
|---|---|---|---|---|---|---|---|
| Drilling | Directional Drilling | 19% | ✓ | ✓ | ✓ | ✓ | MWD, proprietary K-Series mud motor, directional electronics and other modules |
| | Accommodations | 5% | | | ✓ | ✓ | Living accommodations, water & sewage services, light plants, generators and other |
| Completion | Coiled Tubing | 14% | ✓ | ✓ | ✓ | ✓ | 1-1/4" to 2-5/8" coiled tubing units |
| | Pressure Pumping | 13% | | ✓ | | ✓ | Acidizing, cement, frac |
| | Other Completion Products and Services | 17% | | ✓ | ✓ | ✓ | Flowback, frac valve rental, proprietary composite & dissolvable plugs and other proprietary products |
| | Wireline | 6% | | ✓ | ✓ | | Pump down, pipe recovery, logging |
| Production & Intervention | Tech Services | 13% | ✓ | ✓ | ✓ | ✓ | Fishing tools & services, thru tubing, reverse units and snubbing |
| | Rentals | 13% | ✓ | ✓ | ✓ | ✓ | Pressure control equipment, tubulars, torque & testing, and pipe handling |

As of Q2 2023. Company disclosure.
[1] Product Service Line
Numbers may not sum to 100% due to rounding
Market leader indicates material nation-wide level market share. All other PSLs have at a minimum material in-basin scale.

# Technologically Differentiated

- R&D facility with 8 dedicated engineers in Houston supporting continuous technology development including:
  - In-house machine shop
  - In-house dissolution testing and water analysis
- Proprietary product sales accounted for approximately 4% of 2022 Completions revenue

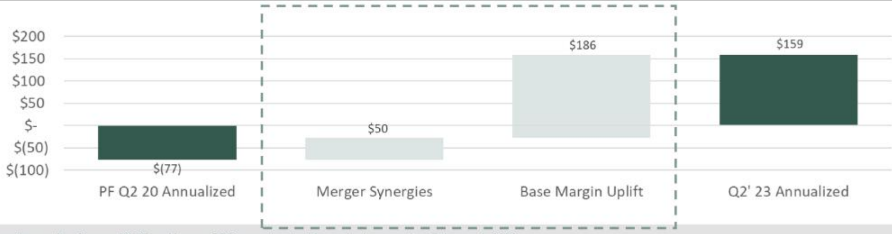
| | |
|---|---|
| **Directional Drilling** | ▪ Proprietary MWD tool design and packaging<br>▪ Proprietary surface system<br>▪ SHRIMP™ – Slim High-Res Inertial Measurement Probe<br>▪ Mud Motor – proprietary lower end and in-house manufacturing<br>▪ Fleet of open-hole fishing tools |
| **Well Construction** | ▪ Wide range of well construction equipment spanning a range of sizes and configurations<br>  ▪ HPHT float equipment<br>  ▪ Latch-in plugs and wiper plugs<br>  ▪ Centralizers<br>  ▪ 2-stage cement tools and annular casing packers<br>  ▪ Liner hanger systems |
| **Completions** | ▪ Composite and dissolvable frac plugs<br>▪ Retrievable packers and bridge plugs<br>▪ Proprietary Extended Reach Tool ("ERT") (Two patents pending)<br>▪ Proprietary and patented PDC bearing mud-motor |
| **Production** | ▪ Production Packers<br>▪ Packer tubing accessories<br>▪ Complete suite of cast iron products, including CICR and CIBP<br>▪ Service tools for remedial and workover, including squeeze, cement, swab testing, etc.<br>▪ Comprehensive suite of proprietary fishing tools |

# KLX / QES Merger Integration Success

(dollar amounts in millions)

| | |
|---|---|
| **Strategic Fit** | ✓ Premier provider of drilling, completion, production and intervention solutions with a returns driven strategy<br>✓ Minimal customer overlap with significant cross-sell potential<br>✓ Positioned to participate in further industry consolidation |
| **People** | ✓ Strong management team with proven operational track-record and deep M&A experience<br>✓ Retention of key employees<br>✓ Strong Board and corporate governance |
| **Efficiencies and Synergies** | ✓ Consolidated 24 facilities with overlapping geographic coverage and service offerings<br>✓ Eliminated duplicate management positions to reduce SG&A<br>✓ "Shared Services" consolidation and optimization<br>✓ Over $50MM of total cost synergies (reduced SG&A as a % of revenue from 21% in Q4 2019 (standalone KLX) to 9% in Q2 2023)<br>✓ Approximately $22MM in sale of obsolete assets since closing (thru Q2 2023)<br>✓ Aligned across common systems, processes and procedures |
| **Valuation and Structure** | ✓ 100% equity financed, merger of equals<br>✓ Created platform that generated over $1.0B of revenue and $156MM of Adj EBITDA on a pro forma 2019 basis, including $50MM of cost synergies<br>✓ Deleveraging and credit-enhancing to KLX |

**Adjusted EBITDA Bridge**




Note that we have presented Q2'20 on a pro forma basis as the results of legacy KLXE and legacy QES assuming the Merger had occurred on February 1, 2020.

# A Transformed KLX

| | |
|---|---|
| **People** | ✓ Veteran operators throughout the organization<br>✓ Deep technical expertise<br>✓ Transparent alignment of incentives |
| **Performance** | ✓ Performance culture<br>✓ Detailed KPI tracking and data-driven decision making |
| **Asset Integrity** | ✓ Rigorous maintenance program to minimize downtime and ensure equipment integrity and consistency in service quality<br>✓ Comprehension suite of equipment and tool sizes across all PSLs |
| **Safety** | ✓ Employees value safe, professional field operations<br>✓ Strong interdependent safety culture and track record of strong safety metrics affords KLX the opportunity to work for the largest operators |
| **Customer Focus** | ✓ Long-term relationships with blue-chip customers<br>✓ Strong visibility into drilling and completion programs |
| **Profitability** | ✓ Significant operating leverage<br>✓ Return on capital focus |

# Significant Operating Leverage Tied To Market Recovery

(dollar amounts in millions)

**US Land Rig Count and KLX Quarterly Adj EBITDA (Including Pre-merger Combined)**


Source: Company & Baker Hughes Rig Count.
The Company's results for the periods Q1'19 through Q1'20 are presented on a pre-merger combined basis, which is the sum of legacy KLX Energy Services Holdings, Inc. ("KLXE") and Quintana Energy Services, Inc. ("QES") results as disclosed for the given periods, without any pro forma adjustments. Note that legacy QES fiscal year ended on December 31 and legacy KLXE fiscal year ended on January 31, which continued for KLXE until the Company changed its fiscal year-end from January 31 to December 31, effective beginning with the year ended December 31, 2021. As a result, our pre-merger combined quarterly data for Q1'19 includes legacy KLXE for three months ended April 30, 2019 and legacy QES for three months ended March 31, 2019, for Q2'19 includes legacy KLXE for three months ended July 31, 2019 and legacy QES for three months ended June 30, 2019, for Q3'19 includes legacy KLXE for three months ended October 31, 2019 and legacy QES for three months ended September 30, 2019, for Q4'19 includes legacy KLXE for three months ended January 31, 2020 and legacy QES for three months ended December 31, 2019, and for Q1'20 includes legacy KLXE for three months ended April 30, 2020 and legacy QES for three months ended March 31, 2020. Furthermore, note that we have presented Q2'20 on a pro forma basis as the results of legacy KLXE and legacy QES assuming the Merger had occurred on February 1, 2020. We have presented Q3'21 on a pro forma basis as three months ended September 30, 2021, and we have presented Q4'21 on a pro forma basis as three months ended December 31, 2021. Pre-merger periods exclude the value of deal synergies.

# Greene’s Acquisition Case Study

- On March 8, 2023 KLX announced the all-stock acquisition of Greene’s Energy Services (“Greene’s”)
- Implied enterprise value of approximately $30.3 million based on a 30-day volume weighted average price as of March 7, 2023 and less acquired cash
- Greene’s generated 2022 Revenue and Adj EBITDA of $69.0MM and $14.7MM, respectively and expected full year 2023P Revenue and Adj EBITDA ranges of $70MM to $75MM and $18MM to $20MM, respectively

| | |
|---|---|
| **Strategic Fit** | ▪ Augments KLX’s frac rentals and flowback/well testing offerings in the Permian and Eagle Ford with the addition of Greene’s proprietary isolation tool and their Eagle Ford flowback and well testing business |
| **Cost Synergies** | ▪ Identified $2.0MM to $3.0MM recurring cost synergies<br>▪ Expect to realize savings within 12 months of transaction closing |
| **Deleveraging** | ▪ Greene’s had zero leverage and $1.7MM of cash at closing<br>▪ KLX 2022 Net Leverage Ratio improves to approximately 2.0x and 1.4x based on annualized 2H 2022 results |
| **Accretive** | ▪ Expect the transaction to be accretive across all key metrics |

# Top Operators Choose KLX

- Served over 760 unique customers in 2022 with no one customer accounting for more than 5% of 2022 revenue
- Diverse customer base – Top 10 2022 customers accounted for 30% of 2022 Revenue
- Significant leverage to the most active operators in the United States

**Select Customer Relationships**

eog resources · Chevron · CIVITAS · Matador Resources Company · ConocoPhillips · Apache · HESS · swn Southwestern Energy · BTA · devon · Diamondback Energy · Continental Resources · XTO Energy · PDC Energy · Chesapeake Energy

As of Q2 2023. Company disclosure.

# Strong Profitability and Free Cash Flow

(dollar amounts in millions)

- Rapidly improving financial results as KLX has grown back into the capital structure
- Q2 2023 Revenue and Adj EBITDA of $234MM and $40MM, respectively
- Q2 2023 Net Income and Free Cash Flow of $11.4MM and $47.3MM, respectively

**Summary**

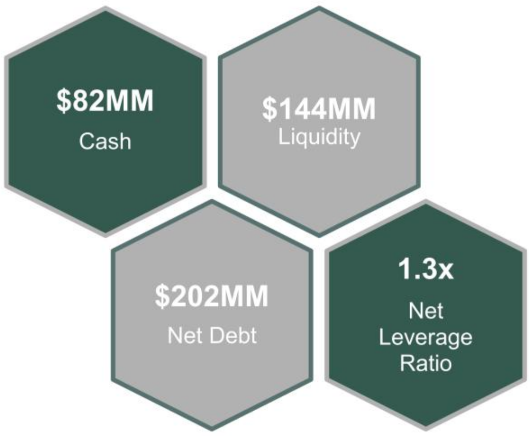
| | FY 2022 | Q3 '22 | Q4 '22 | Q1 '23 | Q2 '23 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Rockies | $229.0 | $66.5 | $66.1 | $67.9 | $66.4 |
| Southwest | 255.2 | 68.5 | 74.8 | 73.4 | 86.3 |
| Mid-Con / Northeast | 297.4 | 86.6 | 82.4 | 98.3 | 81.3 |
| **Revenue** | **$781.6** | **$221.6** | **$223.3** | **$239.6** | **$234.0** |
| ***Revenue Growth*** | *79%* | *20%* | *1%* | *7%* | *-2%* |
| **Adjusted EBITDA** | | | | | |
| Rockies | $49.2 | $17.3 | $17.9 | $15.5 | $17.0 |
| Southwest | 33.2 | 10.2 | 12.4 | 10.2 | 14.8 |
| Mid-Con / Northeast | 54.8 | 21.3 | 19.7 | 23.7 | 18.0 |
| Corporate & Other | (40.5) | (11.7) | (12.7) | (11.2) | (10.1) |
| **Adjusted EBITDA** | **$96.7** | **$37.1** | **$37.3** | **$38.2** | **$39.7** |
| **Adjusted EBITDA Margin** | | | | | |
| Rockies | 21.5% | 26.0% | 27.1% | 22.8% | 25.6% |
| Southwest | 13.0% | 14.9% | 16.6% | 13.9% | 17.1% |
| Mid-Con / Northeast | 18.4% | 24.6% | 23.9% | 24.1% | 22.1% |
| **Adjusted EBITDA Margin** | **12.4%** | **16.7%** | **16.7%** | **15.9%** | **17.0%** |
| Net Income | ($3.1) | $11.1 | $13.2 | $9.4 | $11.4 |
| Free Cash Flow | (3.0) | 11.3 | 7.4 | (13.9) | 47.3 |

As of Q2 2023. Company disclosure.
Q1 2023 includes only a partial month contribution from Greene's.
See Free Cash Flow reconciliation in the Appendix

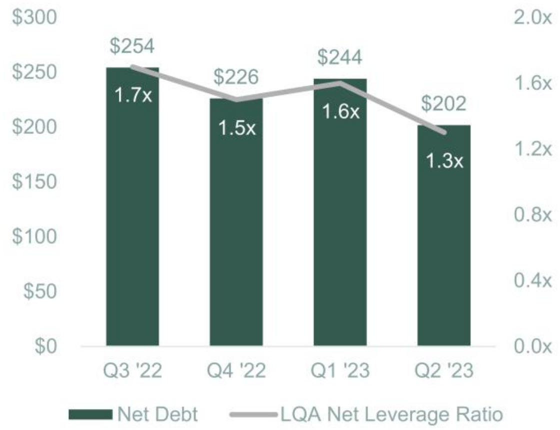
# Enhanced Capitalization & Leverage Profile

(dollar amounts in millions)

**Current Capitalization Highlights**




**Net Debt & LQA Net Leverage Ratio**



# Go-Forward Strategy

| Strategic Focus | |
|---|---|
| **Operational Excellence** | ▪ Provide market leading onsite job execution and safety<br>▪ Drive margin enhancing utilization<br>▪ Focus on pricing and cost structure to drive margins<br>▪ Expand share of wallet with top customers |
| **Augment Balance Sheet Strength** | ▪ Continue to de-lever through a combination of EBITDA growth, free cash flow generation, debt reduction and consolidation |
| **Technology & Organic Growth** | ▪ Expand integrated suite of proprietary technology and products<br>▪ Expand certain PSLs geographically<br>▪ Continue to redeploy and expand our asset base in certain PSLs as returns warrant |
| **Consolidation** | ▪ Believe KLX is the partner of choice for consolidation<br>▪ Greene's acquisition is a blue-print by which KLX can structure win-win transactions and provide a conduit to liquidity for exceptional private oil service businesses<br>▪ Continue to maximize long-term shareholder value via synergistic consolidation |

# Appendix

# Reconciliation of Consolidated Net Loss to Adjusted EBITDA (Loss)

(dollar amounts in millions)

**Adj EBITDA Reconciliation**

| | Q1'19 (2) | Q2'19 (2) | Q3'19 (2) | Q4'19 (2) | Q1'20 (2) | Q2'20 | Q3'20 | Q4'20 |
|---|---|---|---|---|---|---|---|---|
| Consolidated net loss (1) | $ (13.9) | $ (7.8) | $ (117.2) | $ (33.0) | $ (263.8) | $ (54.8) | $ (38.3) | $ (30.5) |
| Income tax expense (benefit) | 0.5 | 0.3 | (0.3) | (8.4) | 0.1 | — | 0.2 | 0.1 |
| Interest expense, net | 7.8 | 8.3 | 8.1 | 8.3 | 8.1 | 7.6 | 7.7 | 8.0 |
| Operating income (loss) | (5.6) | 0.8 | (109.4) | (33.1) | (255.6) | (47.2) | (30.4) | (22.4) |
| Bargain purchase gain | — | — | — | — | — | — | 2.4 | (1.6) |
| Impairment and other charges | — | — | 87.3 | 1.2 | 218.0 | — | 4.4 | 0.8 |
| One-time costs (benefits), excluding impairment and other charges | 5.4 | 1.2 | 12.3 | 5.0 | 14.7 | 1.6 | 3.0 | 2.4 |
| Adjusted operating income (loss) | (0.2) | 2.0 | (9.8) | (26.9) | (22.9) | (45.6) | (20.6) | (20.8) |
| Depreciation and amortization | 27.2 | 29.6 | 29.9 | 26.8 | 26.1 | 21.5 | 14.7 | 17.9 |
| Non-cash compensation | 7.3 | 7.3 | 6.0 | 6.6 | 1.8 | 4.8 | 0.5 | 0.3 |
| **Adjusted EBITDA (loss)** | **$ 34.3** | **$ 38.9** | **$ 26.1** | **$ 6.5** | **$ 5.0** | **$ (19.3)** | **$ (5.4)** | **$ (2.6)** |

*Previously announced quarterly numbers may not sum to the year-end total due to rounding.

(1) Quarterly cost of sales includes $2.1 million of lease expense associated with five coiled tubing unit leases.

(2) The Company's results for the periods Q1'19 through Q1'20 are presented on a pre-merger combined basis, which is the sum of KLX Energy Services Holdings, Inc. ("KLXE") and Quintana Energy Services, Inc. ("QES") results as disclosed for the given period, without any pro forma adjustments. Note that legacy QES fiscal year ended on December 31 and legacy KLXE fiscal year ended on January 31, which continued for KLXE until the Company changed its fiscal year-end from January 31 to December 31, effective beginning with the year ended December 31, 2021. As a result, our pre-merger combined quarterly data for Q1'19 includes legacy KLXE for three months ended April 30, 2019 and legacy QES for three months ended March 31, 2019, for Q2'19 includes legacy KLXE for three months ended July 31, 2019 and legacy QES for three months ended June 30, 2019, for Q3'19 includes legacy KLXE for three months ended October 31, 2019 and legacy QES for three months ended September 30, 2019, for Q4'19 includes legacy KLXE for three months ended January 31, 2020 and legacy QES for three months ended December 31, 2019, and for Q1'20 includes legacy KLXE for three months ended April 30, 2020 and legacy QES for three months ended March 31, 2020. Furthermore, note that we have presented Q2'20 on a pro forma basis as the results of legacy KLXE and legacy QES assuming the Merger had occurred on February 1, 2020. Pre-merger periods exclude the value of deal synergies.

Source: Company Disclosure

# Reconciliation of Consolidated Net Income (Loss) to Adjusted EBITDA (Loss)

(dollar amounts in millions)

**Adj EBITDA Reconciliation (Continued)**

| | Q1'21 | Q2'21 | Q3'21 | Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|---|---|---|
| Consolidated net income (loss) [2]......... | $ (36.8) | $ (25.0) | $ (20.3) | $ (18.6) | $ (19.9) | $ (7.5) | $ 11.1 | $ 13.2 | $ 9.4 | $ 11.4 |
| Income tax expense (benefit)..................... | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.3 | — | 0.2 | (0.3) |
| Interest expense, net . | 7.8 | 8.0 | 8.2 | 8.2 | 8.3 | 8.7 | 9.0 | 9.0 | 9.3 | 8.5 |
| Operating income (loss) ......................... | (28.9) | (16.9) | (12.0) | (10.3) | (11.5) | 1.4 | 20.4 | 22.2 | 18.9 | 19.6 |
| Bargain purchase gain | — | 0.5 | 0.5 | — | — | — | — | — | (3.2) | 1.2 |
| Impairment and other charges [1] .................. | — | 0.2 | 0.2 | — | — | — | — | — | — | — |
| One-time costs (benefits), excluding impairment and other charges [1] .................. | 3.3 | 1.3 | 0.7 | 1.4 | 2.0 | 1.2 | 1.7 | (0.5) | 5.3 | 0.5 |
| Adjusted operating income (loss)............ | (25.6) | (14.9) | (10.6) | (8.9) | (9.5) | 2.6 | 22.1 | 21.7 | 21.0 | 21.3 |
| Depreciation and amortization ............. | 15.4 | 14.5 | 13.8 | 14.8 | 13.7 | 14.0 | 14.2 | 14.9 | 16.5 | 17.6 |
| Non-cash compensation ........... | 0.8 | 1.0 | 0.9 | 0.8 | 0.7 | 0.8 | 0.8 | 0.7 | 0.7 | 0.8 |
| **Adjusted EBITDA (loss) .........................** | **$ (9.4)** | **$ 0.6** | **$ 4.1** | **$ 6.7** | **$ 4.9** | **$ 17.4** | **$ 37.1** | **$ 37.3** | **$ 38.2** | **$ 39.7** |

*Previously announced quarterly numbers may not sum to the year-end total due to rounding.

(1) The one-time costs during the second quarter of 2023 relate to $0.3 in professional costs related to the Greene's acquisition and $0.2 in severance.

(2) Quarterly cost of sales includes $2.1 million of lease expense associated with five coiled tubing unit leases.

(3) We have presented Q3'21 on a pro forma basis as three months ended September 30, 2021, and we have presented Q4'21 on a pro forma basis as three months ended December 31, 2021.

Source: Company Disclosure

# Consolidated Net Income (Loss) Margin Reconciliation

(dollar amounts in millions)

| Consolidated Net Income (Loss) Margin Reconciliation | Q1'21 | Q2'21 | Q3'21 | Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|---|---|---|
| Net income (loss)... | $ (36.8) | $ (25.0) | $ (20.3) | $ (18.6) | $ (19.9) | $ (7.5) | $11.1 | $13.2 | $ 9.4 | $11.4 |
| Revenue ............... | 90.8 | 111.9 | 128.3 | 145.0 | 152.3 | 184.4 | 221.6 | 223.3 | 239.6 | 234.0 |
| **Consolidated net income (loss) margin percentage............** | **(40.5)%** | **(22.3)%** | **(15.8)%** | **(12.8)%** | **(13.1)%** | **(4.1)%** | **5.0 %** | **5.9 %** | **3.9 %** | **4.9 %** |

Source: Company Disclosure

# Consolidated Adjusted EBITDA (Loss) Margin Reconciliation

(dollar amounts in millions)

**Consolidated Adjusted EBITDA (Loss) Margin Reconciliation**

| | Q1'21 | Q2'21 | Q3'21 | Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|---|---|---|
| Adjusted EBITDA (loss) | $ (9.4) | $ 0.6 | $ 4.1 | $ 6.7 | $ 4.9 | $17.4 | $37.1 | $37.3 | $38.2 | $39.7 |
| Revenue | 90.8 | 111.9 | 128.3 | 145.0 | 152.3 | 184.4 | 221.6 | 223.3 | 239.6 | 234.0 |
| **Consolidated Adjusted EBITDA (loss) margin** | **(10.3)%** | **0.5 %** | **3.2 %** | **4.6 %** | **3.2 %** | **9.4 %** | **16.7 %** | **16.7 %** | **15.9 %** | **17.0 %** |

Source: Company Disclosure

# Reconciliation of Segment Operating Income (Loss) to Adjusted EBITDA (Loss)

(dollar amounts in millions)

**Rocky Mountains Segment Adj EBITDA (Loss) Reconciliation**

| | Q1'21 | Q2'21 | Q3'21 | Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|---|---|---|
| Rocky Mountains operating income (loss) | $ (7.1) | $ (2.2) | $ (0.4) | $ (3.8) | $ (0.8) | $ 4.0 | $ 11.7 | $ 12.4 | $ 9.8 | $ 11.9 |
| One-time costs (1) | 0.3 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.3 | — | — | — |
| Adjusted operating income (loss) | (6.8) | (2.0) | (0.2) | (3.6) | (0.7) | 4.1 | 12.0 | 12.4 | 9.8 | 11.9 |
| Depreciation and amortization expense | 5.1 | 5.0 | 5.0 | 5.9 | 5.4 | 5.2 | 5.3 | 5.5 | 5.7 | 5.1 |
| Non-cash compensation | 0.1 | 0.1 | — | — | — | — | — | — | — | — |
| **Rocky Mountains Adjusted EBITDA (loss)** | **$ (1.6)** | **$ 3.1** | **$ 4.8** | **$ 2.3** | **$ 4.7** | **$ 9.3** | **$ 17.3** | **$ 17.9** | **$ 15.5** | **$ 17.0** |

(1) One-time costs are defined in the Reconciliation of Consolidated Net Loss to Adjusted EBITDA (loss) table above. For purposes of segment reconciliation, one-time costs also includes impairment and other charges.

Source: Company Disclosure

# Reconciliation of Segment Operating Income (Loss) to Adjusted EBITDA (Loss)

(dollar amounts in millions)

**Southwest Segment Adj EBITDA (Loss) Reconciliation**

| | Q1'21 | Q2'21 | Q3'21 | Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|---|---|---|
| Southwest operating income (loss) | $ (7.5) | $ (3.7) | $ (4.2) | $ (1.0) | $ (0.4) | $ 2.0 | $ 5.2 | $ 7.7 | $ 4.8 | $ 8.1 |
| One-time costs [1] | 0.9 | 0.1 | 0.1 | 0.3 | 0.1 | (0.2) | 0.4 | 0.1 | — | — |
| Adjusted operating income (loss) | (6.6) | (3.6) | (4.1) | (0.7) | (0.3) | 1.8 | 5.6 | 7.8 | 4.8 | 8.1 |
| Depreciation and amortization expense | 5.8 | 5.4 | 4.7 | 4.9 | 4.5 | 4.6 | 4.6 | 4.6 | 5.4 | 6.7 |
| Non-cash compensation | 0.1 | — | — | — | — | — | — | — | — | — |
| **Southwest Adjusted EBITDA (loss)** | **$ (0.7)** | **$ 1.8** | **$ 0.6** | **$ 4.2** | **$ 4.2** | **$ 6.4** | **$ 10.2** | **$ 12.4** | **$ 10.2** | **$ 14.8** |

(1) One-time costs are defined in the Reconciliation of Consolidated Net Loss to Adjusted EBITDA (loss) table above. For purposes of segment reconciliation, one-time costs also includes impairment and other charges.

Source: Company Disclosure

# Reconciliation of Segment Operating Income (Loss) to Adjusted EBITDA (Loss)

(dollar amounts in millions)

## Northeast/Mid-Con Segment Adj EBITDA (Loss) Reconciliation

| | Q1'21 | Q2'21 | Q3'21 | Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|---|---|---|
| Northeast/Mid-Con operating income (loss)......... | $ (6.8) | $ (3.8) | $ (0.6) | $ 2.1 | $ (0.8) | $ 7.3 | $ 17.2 | $ 15.4 | $ 18.7 | $ 12.6 |
| One-time costs (1)... | 0.7 | 0.6 | 0.5 | 0.6 | 0.1 | 0.1 | — | 0.1 | — | — |
| Adjusted operating income (loss)...................... | (6.1) | (3.2) | (0.1) | 2.7 | (0.7) | 7.4 | 17.2 | 15.5 | 18.7 | 12.6 |
| Depreciation and amortization expense................. | 3.8 | 3.6 | 3.6 | 3.4 | 3.4 | 3.6 | 4.0 | 4.2 | 5.0 | 5.4 |
| Non-cash compensation ........ | 0.2 | 0.1 | 0.1 | 0.1 | — | 0.1 | 0.1 | — | — | — |
| **Northeast/Mid-Con Adjusted EBITDA (loss)......** | **$ (2.1)** | **$ 0.5** | **$ 3.6** | **$ 6.2** | **$ 2.7** | **$ 11.1** | **$ 21.3** | **$ 19.7** | **$ 23.7** | **$ 18.0** |

(1) One-time costs are defined in the Reconciliation of Consolidated Net Loss to Adjusted EBITDA (loss) table above. For purposes of segment reconciliation, one-time costs also includes impairment and other charges.

Source: Company Disclosure

# Segment Operating Income (Loss) Margin Reconciliation

(dollar amounts in millions)

## Segment Operating Income (Loss) Margin Reconciliation

| | Q1'21 | Q2'21 | Q3'21 | Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Rocky Mountains** | | | | | | | | | | |
| Operating income (loss) | $(7.1) | $(2.2) | $(0.4) | $(3.8) | $(0.8) | $ 4.0 | $11.7 | $12.4 | $ 9.8 | $11.9 |
| Revenue | 24.3 | 33.6 | 37.4 | 35.3 | 43.3 | 53.1 | 66.5 | 66.1 | 67.9 | 66.4 |
| **Segment operating income (loss) margin percentage** | **(29.2)%** | **(6.5)%** | **(1.1)%** | **(10.8)%** | **(1.8)%** | **7.5 %** | **17.6 %** | **18.8 %** | **14.4 %** | **17.9 %** |
| **Southwest** | | | | | | | | | | |
| Operating income (loss) | (7.5) | (3.7) | (4.2) | (1.0) | (0.4) | 2.0 | 5.2 | 7.7 | 4.8 | 8.1 |
| Revenue | 38.0 | 43.0 | 43.7 | 50.2 | 51.9 | 60.0 | 68.5 | 74.8 | 73.4 | 86.3 |
| **Segment operating income (loss) margin percentage** | **(19.7)%** | **(8.6)%** | **(9.6)%** | **(2.0)%** | **(0.8)%** | **3.3 %** | **7.6 %** | **10.3 %** | **6.5 %** | **9.4 %** |
| **Northeast/Mid-Con** | | | | | | | | | | |
| Operating income (loss) | (6.8) | (3.8) | (0.6) | 2.1 | (0.8) | 7.3 | 17.2 | 15.4 | 18.7 | 12.6 |
| Revenue | 28.5 | 35.3 | 47.2 | 59.5 | 57.1 | 71.3 | 86.6 | 82.4 | 98.3 | 81.3 |
| **Segment operating income (loss) margin percentage** | **(23.9)%** | **(10.8)%** | **(1.3)%** | **3.5 %** | **(1.4)%** | **10.2 %** | **19.9 %** | **18.7 %** | **19.0 %** | **15.5 %** |

Source: Company Disclosure

# Segment Adjusted EBITDA (Loss) Margin Reconciliation

(dollar amounts in millions)

## Segment Adj EBITDA (Loss) Margin Reconciliation

| | Q1'21 | Q2'21 | Q3'21 | Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Rocky Mountains** | | | | | | | | | | |
| Adjusted EBITDA (loss) ..... | $(1.6) | $ 3.1 | $ 4.8 | $ 2.3 | $ 4.7 | $ 9.3 | $17.3 | $17.9 | $15.5 | $17.0 |
| Revenue ............... | 24.3 | 33.6 | 37.4 | 35.3 | 43.3 | 53.1 | 66.5 | 66.1 | 67.9 | 66.4 |
| **Adjusted EBITDA Margin Percentage ..........** | **(6.6)%** | **9.2 %** | **12.8 %** | **6.5 %** | **10.9 %** | **17.5 %** | **26.0 %** | **27.1 %** | **22.8 %** | **25.6 %** |
| **Southwest** | | | | | | | | | | |
| Adjusted EBITDA (loss) ..... | (0.7) | 1.8 | 0.6 | 4.2 | 4.2 | 6.4 | 10.2 | 12.4 | 10.2 | 14.8 |
| Revenue ............... | 38.0 | 43.0 | 43.7 | 50.2 | 51.9 | 60.0 | 68.5 | 74.8 | 73.4 | 86.3 |
| **Adjusted EBITDA Margin Percentage ..........** | **(1.8)%** | **4.2 %** | **1.4 %** | **8.4 %** | **8.1 %** | **10.7 %** | **14.9 %** | **16.6 %** | **13.9 %** | **17.1 %** |
| **Northeast/Mid-Con** | | | | | | | | | | |
| Adjusted EBITDA (loss) ..... | (2.1) | 0.5 | 3.6 | 6.2 | 2.7 | 11.1 | 21.3 | 19.7 | 23.7 | 18.0 |
| Revenue ............... | 28.5 | 35.3 | 47.2 | 59.5 | 57.1 | 71.3 | 86.6 | 82.4 | 98.3 | 81.3 |
| **Adjusted EBITDA Margin Percentage ..........** | **(7.4)%** | **1.4 %** | **7.6 %** | **10.4 %** | **4.7 %** | **15.6 %** | **24.6 %** | **23.9 %** | **24.1 %** | **22.1 %** |

Source: Company Disclosure

# SG&A Margin Reconciliation

(dollar amounts in millions)

## SG&A Margin Reconciliation

| | Q1'21 | Q2'21 | Q3'21 | Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|---|---|---|
| Selling, general and administrative expenses................ | $14.9 | $14.3 | $14.1 | $15.7 | $15.0 | $18.0 | $18.0 | $19.4 | $26.2 | $22.0 |
| Revenue ................. | 90.8 | 111.9 | 128.3 | 145.0 | 152.3 | 184.4 | 221.6 | 223.3 | 239.6 | 234.0 |
| **SG&A Margin Percentage ...........** | **16.4 %** | **12.8 %** | **11.0 %** | **10.8 %** | **9.8 %** | **9.8 %** | **8.1 %** | **8.7 %** | **10.9 %** | **9.4 %** |

Source: Company Disclosure

# Annualized Adjusted EBITDA (Loss) Reconciliation

(dollar amounts in millions)

**Annualized Quarterly Adj EBITDA (Loss) Reconciliation**

| | Q1'21 | Q2'21 | Q3'21 | Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|---|---|---|
| Adjusted EBITDA (loss) | $ (9.4) | $ 0.6 | $ 4.1 | $ 6.7 | $ 4.9 | $ 17.4 | $ 37.1 | $ 37.3 | $ 38.2 | $ 39.7 |
| Multiplied by four quarters | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| **Annualized Quarterly Adjusted EBITDA (loss)** | **$ (37.6)** | **$ 2.4** | **$ 16.4** | **$ 26.8** | **$ 19.6** | **$ 69.6** | **$ 148.4** | **$ 149.2** | **$ 152.8** | **$ 158.8** |

Source: Company Disclosure

# Free Cash Flow Reconciliation

(dollar amounts in millions)

| Free Cash Flow Reconciliation | PF Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|
| Net cash flow provided by (used in) operating activities................ | $ (12.1) | $ (6.2) | $ (8.4) | $ 18.5 | $ 11.8 | $ (8.6) | $ 60.0 |
| Capital expenditures.......... | (3.5) | (5.8) | (7.8) | (12.5) | (9.5) | (10.3) | (16.2) |
| Proceeds from sale of property and equipment ...... | 3.6 | 2.6 | 3.9 | 5.3 | 5.1 | 5.0 | 3.5 |
| Levered free cash flow....................... | (12.0) | (9.4) | (12.3) | 11.3 | 7.4 | (13.9) | 47.3 |
| Add: Interest expense ................ | 8.2 | 8.3 | 8.7 | 9.0 | 9.0 | 9.3 | 8.5 |
| **Unlevered free cash flow .............** | **$ (3.8)** | **$ (1.1)** | **$ (3.6)** | **$ 20.3** | **$ 16.4** | **$ (4.6)** | **$ 55.8** |

Source: Company Disclosure

# Net Debt Reconciliation

(dollar amounts in millions)

**Net Debt Reconciliation**

| | PF Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|
| Total Debt | $ 274.8 | $ 275.1 | $ 295.4 | $ 295.6 | $ 283.4 | $ 283.6 | $ 283.8 |
| Cash | 28.0 | 19.4 | 31.5 | 41.4 | 57.4 | 39.6 | 82.1 |
| **Net Debt** | **$ 246.8** | **$ 255.7** | **$ 263.9** | **$ 254.2** | **$ 226.0** | **$ 244.0** | **$ 201.7** |

Source: Company Disclosure

# LQA Net Leverage Ratio Reconciliation

(dollar amounts in millions)

**LQA Net Leverage Ratio Reconciliation**

| | PF Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 |
|---|---|---|---|---|---|---|---|
| Annualized Quarterly Adjusted EBITDA .............. | $ 26.8 | $ 19.6 | $ 69.6 | $ 148.4 | $ 149.2 | $ 152.8 | $ 158.8 |
| Net Debt............... | 246.8 | 255.7 | 263.9 | 254.2 | 226.0 | 244.0 | 201.7 |
| **Net Leverage Ratio...................** | **9.2** | **13.0** | **3.8** | **1.7** | **1.5** | **1.6** | **1.3** |

Source: Company Disclosure