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, 2022

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 the Barclays 2022 CEO Energy-Power Conference in New York City on September 6-8, 2022 and the H.C. Wainwright 24th Annual Global Investment Conference in New York City on September 13-14, 2022. 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/ Christopher J. Baker
Name:	Christopher J. Baker
Title:	President and Chief Executive Officer
Date:	September 6, 2022

KLX Energy Services

Barclays CEO Energy-Power Conference

September 2022

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. 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 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.

Additional information is available from KLXE at its website, www.klxenergy.com

Company Overview

Cycle-tested Executive Team with Deep Industry Experience

Management team successfully led merger integration

Chris Baker President & Chief Executive Officer	▪ Founded QES in 2014 as COO; CEO starting Q3 2019 ▪ 27 years of industry experience ▪ Previously Managing Director – Oilfield Services for Quintana Capital Group ▪ Prior to joining Quintana in 2008, worked at Citigroup Global Markets Inc. and Theta II Enterprises, Inc. ▪ BS in Mechanical Engineering from Louisiana State University and MBA from Rice University
Keefer Lehner EVP, Chief Financial Officer	▪ Founded QES in 2014 serving as VP of Finance & Corp Dev and later CFO starting in 2016 ▪ 16 years of industry experience ▪ Previously Vice President of Quintana Capital Group, focused on energy private equity investing ▪ Prior to joining Quintana, worked for Simmons & Company in the investment banking group ▪ BSBA from Villanova University
Max Bouthillette EVP, General Counsel and CCO	▪ Previously QES's Executive VP, General Counsel and CCO ▪ 25+ years of legal experience in the oilfield services sector ▪ At Archer, served as Executive VP, GC and CCO and pre-QES IPO Director ▪ BJ Services (pre Baker Hughes), served as Deputy GC and CCO ▪ Schlumberger, served as Litigation Counsel, OFS Counsel Asia, and GC Products ▪ BBA in Accounting from Texas A&M and a JD from the University of Houston

Key operations leadership with deep industry experience
from prior leadership roles at HAL, BHI, WFT, H&P and others

A Transformed KLXE

Post-merger, KLXE transformed into industry leader

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

KLX Energy Services (KLXE) Overview

Company Overview

- Leading U.S. onshore provider of value-added, mission critical services focused on the entire well life-cycle for the most technically demanding wells across the major US oil and gas basins
- Vertical integration with in-house machining and R&D
- ~1,639 total team members as of Q2 (up only ~2% from Q1), including a deeply experienced ops leadership team with an average of 30 years of industry experience and 10 years with KLXE
- 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

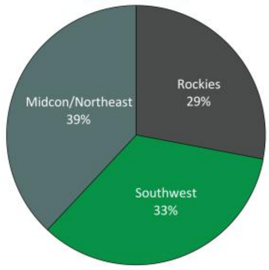
Areas of Operation

Diversified Product Offering[1]

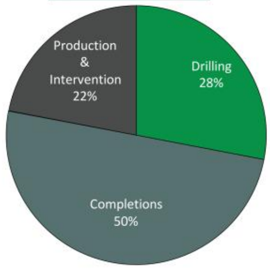
Drilling	• 117 measurement-while-drilling kits • Over 950 mud motors (~60% are latest gen)
Completion	• 24 Modern, large-diameter Coiled Tubing Units • 90+ Wireline Units (split with Production) • 120+ Frac Trees • 490+ accommodation trailers (split with Drilling) • 4 frac spreads (2 staffed and operating) • Suite of proprietary tools & consumables
Production & Intervention	• Leading fleet of fishing and rentals tools • 14 small diameter (2'' or less) Units • 36 rig-assisted Snubbing Units • Downhole production services

Diversified Business Model

Q2 '22 Revenue by Region



Q2 '22 Revenue by Product Line



Source: Company filings and disclosure
[1] As of Q2 2022
Percentages may not sum to 100% due to rounding

KLXE / QES Merger Integration Success

(dollar amounts in millions)

Strategic Fit	✓ Premier provider of drilling, completion, production and intervention solutions with a returns driven strategy ✓ Minimal customer overlap with significant cross-sell potential ✓ Positioned to participate in further industry consolidation
People	✓ Strong management team with proven operational track-record and deep M&A experience ✓ Retention of key employees ✓ Strong Board and corporate governance
Efficiencies and Synergies	✓ Consolidated 24 facilities with overlapping geographic coverage and service offerings ✓ Eliminated duplicate management positions to reduce SG&A ✓ "Shared Services" consolidation and optimization ✓ Over $50MM of total cost synergies (reduced SG&A as a % of revenue from 21% in Q4 2019 (standalone KLXE) to less than 10% in Q2 2022) ✓ Approximately $14MM in sale of obsolete assets since closing (thru Q2 2022) ✓ Aligned across common systems, processes and procedures
Valuation and Structure	✓ 100% equity financed, merger of equals ✓ 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 ✓ Deleveraging and credit-enhancing to KLXE

Diversified and Complementary Product Service Offering

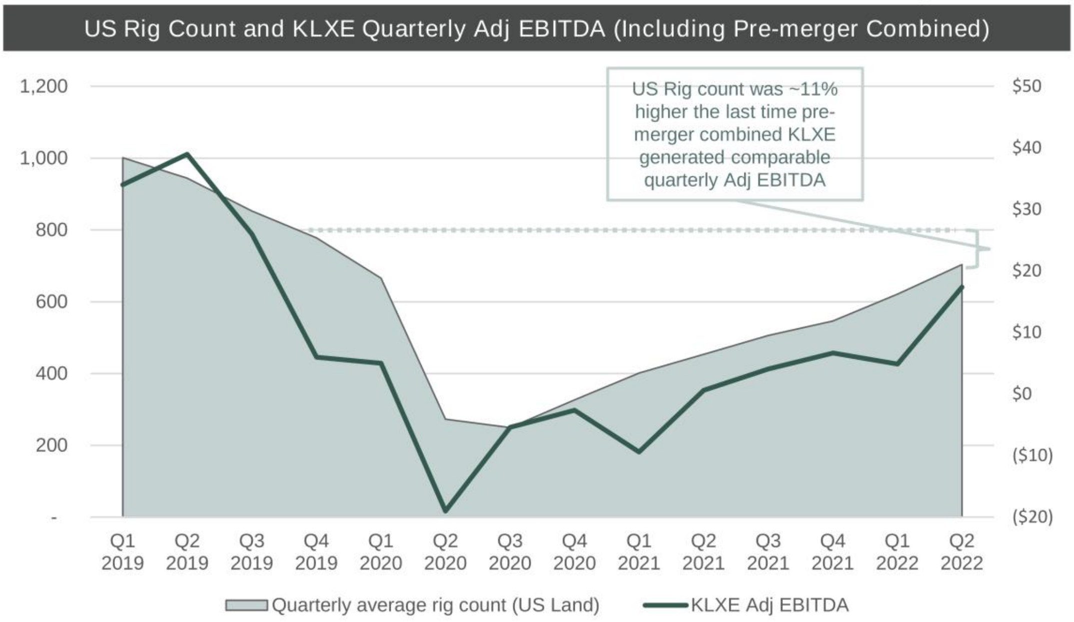
- Post merger, refocused diverse product service offering across core geographies to drive improved scale, utilization and returns
- Diversified product service offering positions KLXE to capture a larger percentage of customer spending across the lifecycle

Primary Product Line	PSL[1]	Q2 2022 Rev. Contribution	Rockies	Southwest	Northeast/ Mid Con	Select Products & Services
Drilling	Directional Drilling	22%	✓	✓	✓	MWD, proprietary K-Series mud motor, directional electronics and other modules
Completion	Accommodations	6%		✓	✓	Living accommodations, water & sewage services, light plants, generators and other
	Coiled Tubing	16%	✓	✓	✓	1-1/4" to 2-5/8" coiled tubing units
	Pressure Pumping	16%	✓		✓	Acidizing, cement, frac
	Other Completion Products and Services	8%	✓	✓	✓	Flowback, frac valve rental, proprietary composite & dissolvable plugs and other proprietary products
Production & Intervention	Wireline	7%	✓	✓		Pump down, pipe recovery, logging
	Tech Services	14%	✓	✓	✓	Fishing tools & services, thru tubing, reverse units, snubbing and air packages
	Rentals	12%	✓	✓	✓	Pressure control equipment, tubulars, torque & testing, and pipe handling

Source: Company
[1] Product Service Line
Percentages may not sum to 100% due to rounding

Significant Operating Leverage Tied To Market Recovery

(dollar amounts in millions)



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

Many Top Operators Choose KLXE

- Served over 740 unique customers in 2021 with no customer accounting for more than 10% of 2021 revenue
- Diverse customer base – Top 10 customers accounted for only 29% of 2021 Revenue (down from 33% in 2020)
- Significant leverage to the most active operators in the United States – MSAs with 18 of top 20 operators by rig count [1]

Select Customer Relationships

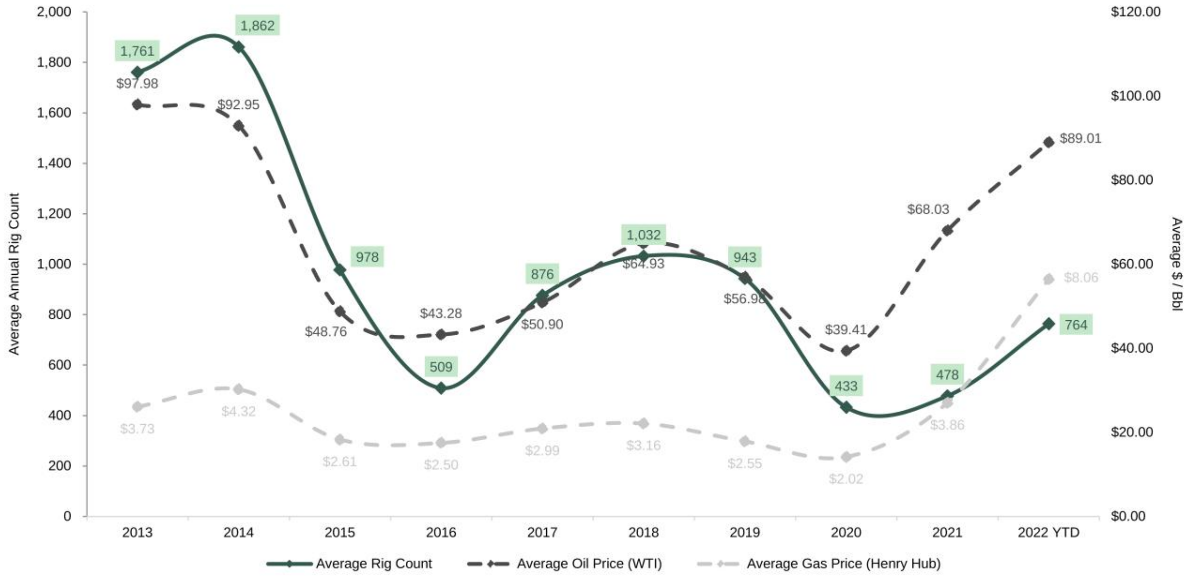
Source: Company disclosure
[1] As of Q2 2022

Go-Forward Strategy

Sales & Pricing	▪ Return pricing to levels that drive acceptable margins and support reinvestment in our asset base and generate free cash flow ▪ Drive margin enhancing utilization
Cost Controls	▪ Continue to manage through supply chain constraints and pass costs onto customers ▪ Retain personnel and maintain equipment quality while continuing to proactively manage the cost structure to drive incremental margins ▪ Continue to proactively manage working capital
Organic Growth	▪ Expand share of wallet with top customers ▪ Expand certain PSLs geographically ▪ Continue to redeploy and expand our asset base in certain PSLs as returns warrant ▪ Re-allocate assets across geographies as demand and pricing warrant
Strategic	▪ Continue to pursue value-creating consolidation opportunities ▪ Maximizing liquidity while pursuing an amend/extend of our 2023 ABL


Industry Outlook

Improving Macro Backdrop



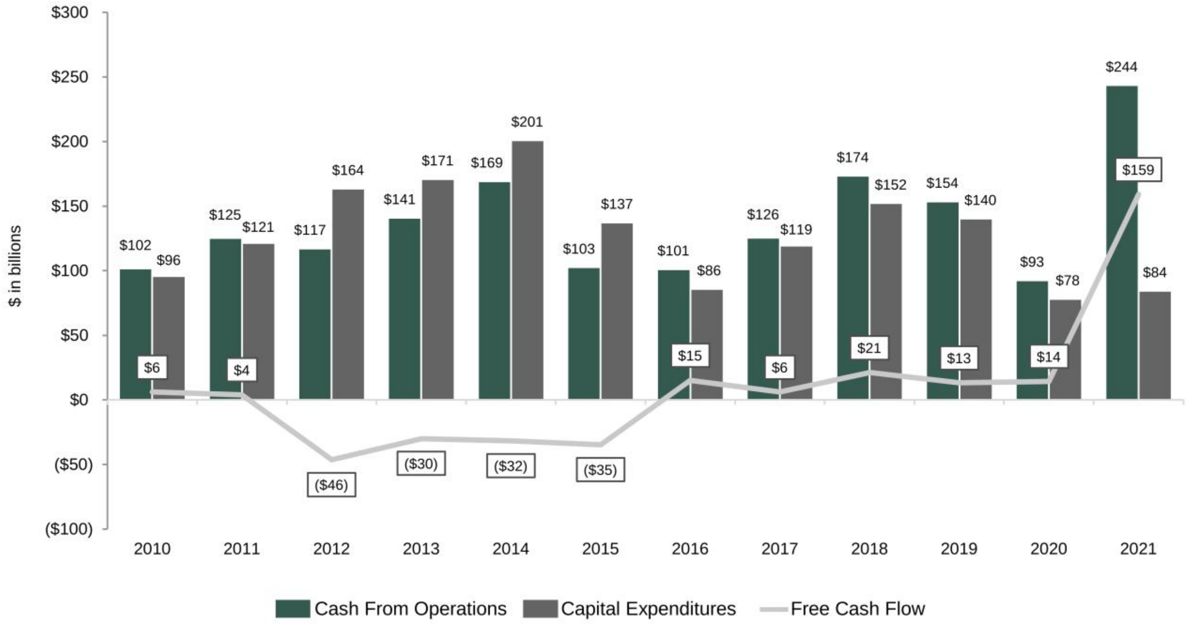
Rig counts historically tracked crude prices, but the correlation has decoupled since April 2020

Source: Baker Hughes, FactSet, Wall Street Research
Note: Market data as of 8/5/2022
1. Henry Hub is not to scale and is in $ / MMcf

U.S. E&P Cash Cycle Since 2010

Capital discipline has driven delay of OFS recovery

(dollar amounts in billions)



Source: Rystad Energy
Note: Includes CFFO, Capex, and FCF from public and private U.S. operators; CFFO is calculated as Capex plus FCF

Supply / Demand Dynamics Favor U.S. OFS Market

Geopolitics	▪ Recovery from COVID and surge in global demand following seven years of declining upstream spending ▪ War in Ukraine structurally altered flow of global hydrocarbons, with the United States well positioned to fill some of the production gap
Upstream Investment	▪ U.S. E&P onshore spending expected to increase ~30-40% this year; international spending expected to increase ~15-20% ▪ Saudi Aramco rig count remains below pre-pandemic levels, but capex announcement suggests rig count could be back to former level by 2H22
Pricing and Margins	▪ Oilfield service companies expected to gain significant leverage in current favorable commodity price environment driven partly due to tightness in the labor market ▪ Historical margin inequality between upstream and OFS companies; gap narrowing in favor of OFS

Source: Rystad Energy and Wall Street Research


Financial Performance

Improving Profitability

(dollar amounts in millions)

- Rapidly improving financial results with annualized Q2 Revenue and Adj EBITDA of $738MM and $70MM, respectively

Summary Segment Income Statement

	Fiscal	PF Calendar Quarter				Q3'22 Guidance	
	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Low	High
Revenue							
Rockies	$33.6	$37.4	$35.3	$43.3	$53.1		
Southwest	43.0	43.7	50.2	51.9	60.0		
Mid-Con / Northeast	35.3	47.2	59.5	57.1	71.3		
Revenue	$111.9	$128.3	$145.0	$152.3	$184.4		
Revenue Growth	23%	15%	13%	5%	21%	9%	13%
Adjusted EBITDA							
Rockies	$3.1	$4.8	$2.3	$4.7	$9.3		
Southwest	1.8	0.6	4.2	4.2	6.4		
Mid-Con / Northeast	0.5	3.6	6.2	2.7	11.1		
Corporate & Other	(4.8)	(4.9)	(6.0)	(6.7)	(9.4)		
Adjusted EBITDA	$0.6	$4.1	$6.7	$4.9	$17.4		
Adjusted EBITDA Margin							
Rockies	9.2%	12.8%	6.5%	10.9%	17.5%		
Southwest	4.2%	1.4%	8.4%	8.1%	10.7%		
Mid-Con / Northeast	1.4%	7.6%	10.4%	4.7%	15.6%		
Adjusted EBITDA Margin	0.5%	3.2%	4.6%	3.2%	9.4%	10.0%	12.0%

Source: Company disclosure

Note: Results in Q2 2021 and prior are reported using a January 31st fiscal year end; results in Q3 and Q4 2021 are reported using a December 31st fiscal year end

Balance Sheet & Capitalization

(dollar amounts in millions)

- Ended Q2 with cash and total debt balance of $32MM and $295MM, respectively
  - Q2 Annualized net leverage ratio reduced to ~3.8x and expect further improvement in our credit metrics based on our Q3 guidance
- Ended Q2 with available liquidity of $57MM, which was up $2MM or 4% from Q1 levels
  - Based on outlook, we expect available liquidity to continue to improve as we progress through 2022/23

Summary Balance Sheet as of June 30, 2022

Assets	
Cash	$31.5
Accounts Receivable, net	123.3
Inventories	26.0
Other Current Assets	17.8
Total Current Assets	198.6
Property, Plant & Equipment, net	167.2
Operating Lease Asset	43.5
Intangible Assets	2.1
Other Assets	4.0
Total Assets	$415.4

Liabilities & Shareholders' Equity	
Accounts Payable	$85.7
Accrued Liabilities	35.4
Current Portion of Finance Lease	8.1
Current Portion of Operating Lease	14.7
Total Current Liabilities	143.9
Long-term Debt	295.4
LT Portion of Finance Lease	16.3
LT Portion of Operating Lease	28.7
Other LT Liabilities	0.4
Shareholders' Equity	(69.3)
Total Liabilities & Shareholders' Equity	$415.4

Summary Capitalization

	Maturity	$
Cash		$31.5
ABL Borrowings	Sep-23	50.0
Senior Secured Notes	Nov-25	245.4
Net Debt		$263.9
Annualized Q2 2022 Ad EBITDA		69.6
Net Debt		3.79x
Cash		31.5
Gross ABL Availabity		39.2
Gross Liquidity		$70.7
Less: FCCR Holdback		14.1
Available Liquidity		$56.6

Source: Company disclosure
Annualized net leverage ratio defined as Total Debt less Cash divided by annualized Q2 2022 Adj EBITDA
Long term debt and secured notes are net of unamortized debt issuance costs

Appendix

Reconciliation of Consolidated Net Loss to Adjusted EBITDA (loss)

(dollar amounts in millions)

Adj EBITDA Reconciliation

	Q1'19 (3)	Q2'19 (3)	Q3'19 (3)	Q4'19 (3)	Q1'20 (3)	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Consolidated net loss (2)	$ (13.9)	$ (7.8)	$ (117.2)	$ (33.0)	$ (263.8)	$ (54.8)	$ (38.3)	$ (30.5)	$ (36.8)	$ (25.0)	$ (20.3)	$ (18.6)	$ (19.9)	$ (7.5)
Income tax expense (benefit)	0.5	0.3	(0.3)	(8.4)	0.1	—	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Interest expense, net	7.8	8.3	8.1	8.3	8.1	7.6	7.7	8.0	7.8	8.0	8.2	8.2	8.3	8.7
Operating income (loss)	(5.6)	0.8	(109.4)	(33.1)	(255.6)	(47.2)	(30.4)	(22.4)	(28.9)	(16.9)	(12.0)	(10.3)	(11.5)	1.4
Bargain purchase gain	—	—	—	—	—	—	2.4	(1.6)	—	0.5	0.5	—	—	—
Impairment and other charges (1)	—	—	87.3	1.2	218.0	—	4.4	0.8	—	0.2	0.2	—	—	—
One-time costs, excluding impairment and other charges (1)	5.4	1.2	12.3	5.0	14.7	1.6	3.0	2.4	3.3	1.3	0.7	1.4	2.0	1.2
Adjusted operating income (loss)	(0.2)	2.0	(9.8)	(26.9)	(22.9)	(45.6)	(20.6)	(20.8)	(25.6)	(14.9)	(10.6)	(8.9)	(9.5)	2.6
Depreciation and amortization	27.2	29.6	29.9	26.8	26.1	21.5	14.7	17.9	15.4	14.5	13.8	14.8	13.7	14.0
Non-cash compensation	7.3	7.3	6.0	6.6	1.8	4.8	0.5	0.3	0.8	1.0	0.9	0.8	0.7	0.8
Adjusted EBITDA (loss)	**$ 34.3**	**$ 38.9**	**$ 26.1**	**$ 6.5**	**$ 5.0**	**$ (19.3)**	**$ (5.4)**	**$ (2.6)**	**$ (9.4)**	**$ 0.6**	**$ 4.1**	**$ 6.7**	**$ 4.9**	**$ 17.4**

*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 2022 relate to $0.9 in non-recurring legal and restructuring costs, $0.1 in costs related to testing and treatment of COVID-19, $0.1 in severance costs and $0.1 in additional non-recurring costs.

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

(3) 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. 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.

Source: Company disclosure

Reconciliation of Segment Operating Income (loss) to Adjusted EBITDA (loss)

(dollar amounts in millions)

Rocky Mountains Segment Adj EBITDA Reconciliation

	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Rocky Mountains operating income (loss)	$ (4.6)	$ 1.7	$ (7.1)	$ (2.2)	$ (0.4)	$ (3.8)	$ (0.8)	$ 4.0
One-time costs (1)	0.8	(0.7)	0.3	0.2	0.2	0.2	0.1	0.1
Adjusted operating income (loss)	(3.8)	1.0	(6.8)	(2.0)	(0.2)	(3.6)	(0.7)	4.1
Depreciation and amortization expense	4.1	5.3	5.1	5.0	5.0	5.9	5.4	5.2
Non-cash compensation	0.2	0.2	0.1	0.1	—	—	—	—
Rocky Mountains Adjusted EBITDA (loss)	**$ 0.5**	**$ 6.5**	**$ (1.6)**	**$ 3.1**	**$ 4.8**	**$ 2.3**	**$ 4.7**	**$ 9.3**

(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 Reconciliation

	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Southwest operating income (loss)	$ (9.3)	$ (6.5)	$ (7.5)	$ (3.7)	$ (4.2)	$ (1.0)	$ (0.4)	$ 2.0
One-time costs [(1)]	0.8	0.1	0.9	0.1	0.1	0.3	0.1	(0.2)
Adjusted operating income (loss)	(8.5)	(6.4)	(6.6)	(3.6)	(4.1)	(0.7)	(0.3)	1.8
Depreciation and amortization expense	6.3	7.4	5.8	5.4	4.7	4.9	4.5	4.6
Non-cash compensation	—	0.1	0.1	—	—	—	—	—
Southwest Adjusted EBITDA (loss)	**$ (2.2)**	**$ 1.1**	**$ (0.7)**	**$ 1.8**	**$ 0.6**	**$ 4.2**	**$ 4.2**	**$ 6.4**

(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 Reconciliation

	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Northeast/Mid-Con operating income (loss)	$ (5.1)	$ (11.6)	$ (6.8)	$ (3.8)	$ (0.6)	$ 2.1	$ (0.8)	$ 7.3
One-time costs (1)	2.7	1.2	0.7	0.6	0.5	0.6	0.1	0.1
Adjusted operating income (loss)	(2.4)	(10.4)	(6.1)	(3.2)	(0.1)	2.7	(0.7)	7.4
Depreciation and amortization expense	3.8	4.8	3.8	3.6	3.6	3.4	3.4	3.6
Non-cash compensation	0.1	0.2	0.2	0.1	0.1	0.1	—	0.1
Northeast/Mid-Con Adjusted EBITDA (loss)	**$ 1.5**	**$ (5.4)**	**$ (2.1)**	**$ 0.5**	**$ 3.6**	**$ 6.2**	**$ 2.7**	**$ 11.1**

(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 Adjusted EBITDA Margin Reconciliation

(dollar amounts in millions)

Segment Adj EBITDA Margin Reconciliation

	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Rocky Mountains								
Adjusted EBITDA (loss) ...	$ 0.5	$ 6.5	$ (1.6)	$ 3.1	$ 4.8	$ 2.3	$ 4.7	$ 9.3
Revenue	18.2	29.4	24.3	33.6	37.4	35.3	43.3	53.1
Adjusted EBITDA Margin Percentage	**2.7 %**	**22.1 %**	**(6.6)%**	**9.2 %**	**12.8 %**	**6.5 %**	**10.9 %**	**17.5 %**
Southwest								
Adjusted EBITDA (loss) ...	(2.2)	1.1	(0.7)	1.8	0.6	4.2	4.2	6.4
Revenue	24.8	30.1	38.0	43.0	43.7	50.2	51.9	60.0
Adjusted EBITDA Margin Percentage	**(8.9)%**	**3.5 %**	**(1.8)%**	**4.2 %**	**1.4 %**	**8.4 %**	**8.1 %**	**10.7 %**
Northeast/Mid-Con								
Adjusted EBITDA (loss) ...	1.5	(5.4)	(2.1)	0.5	3.6	6.2	2.7	11.1
Revenue	27.9	27.3	28.5	35.3	47.2	59.5	57.1	71.3
Adjusted EBITDA Margin Percentage	**5.4 %**	**(19.9)%**	**(7.4)%**	**1.4 %**	**7.6 %**	**10.4 %**	**4.7 %**	**15.6 %**

Source: Company disclosure

SG&A Margin Reconciliation

(dollar amounts in millions)

SG&A Margin Reconciliation

	Q4'19*	Q1'20*	Q2'20*	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Selling, general and administrative expenses	$20.8	$17.4	$21.9	$14.1	$15.5	$14.9	$14.3	$14.1	$15.7	$15.0	$18.0
Revenue......................	98.8	83.0	54.5	70.9	86.8	90.8	111.9	128.3	145.0	152.3	184.4
SG&A Margin Percentage..................	**21.1 %**	**21.0 %**	**40.2 %**	**19.9 %**	**17.9 %**	**16.4 %**	**12.8 %**	**11.0 %**	**10.8 %**	**9.8 %**	**9.8 %**

*KLX stand-alone results before the merger with QES. Q2'20 results are pro forma and reflect the results of legacy KLXE and legacy QES assuming the Merger had occurred on February 1, 2020.

Source: Company disclosure

Annualized Adjusted EBITDA (loss) Reconciliation

(dollar amounts in millions)

Annualized Quarterly Adj EBITDA (loss) Reconciliation

	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Adjusted EBITDA (loss)	$ (5.4)	$ (2.6)	$ (9.4)	$ 0.6	$ 4.1	$ 6.7	$ 4.9	$ 17.4
Multiplied by four quarters	4	4	4	4	4	4	4	4
Annualized Quarterly Adjusted EBITDA (loss)	**$ (21.6)**	**$ (10.4)**	**$ (37.6)**	**$ 2.4**	**$ 16.4**	**$ 26.8**	**$ 19.6**	**$ 69.6**

Source: Company disclosure