UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For The Quarterly Period Ended September 30, 2026

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to

Commission File No. 001-38609

KLX Energy Services Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	36-4904146
(State of Incorporation)	(I.R.S. Employer Identification No.)

3040 Post Oak Boulevard, 15th Floor
Houston, TX 77056
(832) 844-1015

(Address, including zip code, and telephone number, including area code, of principal executive offices of registrant)

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
Preferred Stock Purchase Rights	N/A	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant has one class of common stock, $0.01 par value, of which 105,717,389 shares were outstanding as of October 31, 2026.

KLX Energy Services Holdings, Inc.
Form 10-Q
Table of Contents

PART I - FINANCIAL INFORMATION 3
Item 1. Condensed Consolidated Financial Statements (Unaudited) 3
Balance Sheets as of September 30, 2026 and December 31, 2025 3
Statements of Operations for the Three and Nine Months Ended September 30, 2026 and 2025 4
Statements of Stockholders' Equity for the Nine Months Ended September 30, 2026 and 2025 5
Statements of Cash Flows for the Nine Months Ended September 30, 2026 and 2025 6
Notes to Condensed Consolidated Financial Statements 7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 23
Item 3. Quantitative and Qualitative Disclosures About Market Risk 41
Item 4. Controls and Procedures 41
PART II - OTHER INFORMATION 42
Item 1. Legal Proceedings 42
Item 1A. Risk Factors 42
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 43
Item 3. Defaults Upon Senior Securities 43
Item 4. Mine Safety Disclosures 44
Item 5. Other Information 44
Item 6. Exhibits 44
SIGNATURES 46

PART I – FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

KLX Energy Services Holdings, Inc.
Condensed Consolidated Balance Sheets
(In millions of U.S. dollars and shares, except per share data)

	September 30, 2026	December 31, 2025
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5.0	$ 5.7
Accounts receivable–trade, net of allowance for credit losses of $1.7 and $1.7	131.3	102.7
Inventories, net	33.3	30.7
Prepaid expenses and other current assets	13.8	10.8
Total current assets	183.4	149.9
Property and equipment, net	156.4	161.1
Operating lease assets	20.0	22.3
Intangible assets, net	0.8	1.1
Other assets	5.6	5.9
Total assets	$ 366.2	$ 340.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 75.7	$ 68.7
Accrued interest	1.1	0.4
Accrued liabilities	48.0	26.0
Current portion of long-term debt	12.6	4.4
Current portion of operating lease liabilities	7.3	7.1
Current portion of finance lease liabilities	10.7	19.6
Total current liabilities	155.4	126.2
Long-term debt	175.5	253.9
Long-term operating lease liabilities	13.7	15.9
Long-term finance lease liabilities	16.1	17.4
Other non-current liabilities	5.1	1.1
Commitments, contingencies and off-balance sheet arrangements (Note 7)		
Stockholders' equity:		
Common stock, $0.01 par value; 110.0 authorized; 105.7 and 18.9 issued	1.1	0.2
Additional paid-in capital	686.7	571.3
Treasury stock, at cost, 0.0 shares and 0.5 shares	(0.0)	(6.2)
Accumulated deficit	(687.4)	(639.5)
Total stockholders' equity	0.4	(74.2)
Total liabilities and stockholders' equity	$ 366.2	$ 340.3

See accompanying notes to condensed consolidated financial statements.

KLX Energy Services Holdings, Inc.
Condensed Consolidated Statements of Operations
(In millions of U.S. dollars, except per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2026	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Revenues	$ 185.6	$ 166.7	$ 497.6	$ 479.7
Costs and expenses:				
Cost of sales	143.7	130.5	393.7	379.9
Depreciation and amortization	20.9	23.2	63.6	71.6
Selling, general and administrative	18.8	15.6	53.2	55.2
Research and development costs	0.5	0.4	1.4	1.2
Impairment and other charges	—	—	0.5	—
Bargain purchase gain	(0.2)	—	(6.7)	—
Operating income (loss)	1.9	(3.0)	(8.1)	(28.2)
Non-operating expense:				
Interest income	(0.0)	(0.0)	(0.0)	(0.3)
Interest expense	13.4	11.1	37.6	32.4
Loss on debt extinguishment, net	3.8	—	3.5	1.2
Net loss before income tax	(15.3)	(14.1)	(49.2)	(61.5)
Income tax (benefit) expense	0.2	0.2	(1.3)	0.6
Net loss	$ (15.5)	$ (14.3)	$ (47.9)	$ (62.1)
Net loss per share-basic	$ (0.68)	$ (0.74)	$ (2.29)	$ (3.36)
Net loss per share-diluted	$ (0.68)	$ (0.74)	$ (2.29)	$ (3.36)

See accompanying notes to condensed consolidated financial statements.

KLX Energy Services Holdings, Inc.
Condensed Consolidated Statements of Stockholders' Equity
Nine Months Ended September 30, 2026 and September 30, 2025
(*In millions of U.S. dollars and shares*)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2025	18.9	$ 0.2	$ 571.3	$ (6.2)	$ (639.5)	$ (74.2)
Restricted stock, net of forfeitures	(0.1)	(0.0)	0.3	—	—	0.3
Purchase of treasury stock	—	—	—	(0.2)	—	(0.2)
Issuance of common stock, net of cost	0.4	0.0	—	—	—	0.0
Issuance of warrants	—	—	2.0	—	—	2.0
Exercise of warrants	1.3	0.0	—	—	—	0.0
Net loss	—	—	—	—	(24.0)	(24.0)
Balance at March 31, 2026	20.5	0.2	573.6	(6.4)	(663.5)	(96.1)
Restricted stock, net of forfeitures	(0.0)	(0.0)	0.5	—	—	0.5
Issuance of common stock, net of cost	0.7	0.0	1.6	—	—	1.6
Exercise of warrants	0.4	0.0	—	—	—	0.0
Net loss	—	—	—	—	(8.4)	(8.4)
Balance at June 30, 2026	21.6	0.2	575.7	(6.4)	(671.9)	(102.4)
Restricted stock, net of forfeitures	(0.0)	(0.0)	0.5	—	—	0.5
Cancellation of treasury stock	(0.6)	(0.0)	(6.4)	6.4	—	—
Issuance of common stock, net of cost	—	—	(0.2)	—	—	(0.2)
Issuance of common stock related to Equity Rights Offering	25.0	0.2	35.8	—	—	36.0
Issuance of common stock related to Backstop Exchange	59.2	0.6	81.3	—	—	81.9
Exercise of warrants	0.5	0.1	—	—	—	0.1
Net loss	—	—	—	—	(15.5)	(15.5)
Balance at September 30, 2026	105.7	1.1	686.7	(0.0)	(687.4)	0.4

	Common Stock		Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2024	17.5	$ 0.2	$ 557.5	$ (5.8)	$ (562.4)	$ (10.5)
Restricted stock, net of forfeitures	—	—	0.8	—	—	0.8
Purchase of treasury stock	—	—	—	(0.4)	—	(0.4)
Issuance of common stock, net of cost	0.6	0.0	0.4	—	—	0.4
Issuance of warrants	—	—	11.0	—	—	11.0
Net loss	—	—	—	—	(27.9)	(27.9)
Balance at March 31, 2025	18.1	0.2	569.7	(6.2)	(590.3)	(26.6)
Restricted stock, net of forfeitures	—	—	0.5	—	—	0.5
Issuance of common stock, net of cost	0.0	0.0	0.0	—	—	0.0
Exercise of warrants	0.2	0.0	(1.2)	—	—	(1.2)
Net loss	—	—	—	—	(19.9)	(19.9)
Balance at June 30, 2025	18.3	0.2	569.0	(6.2)	(610.2)	(47.2)
Restricted stock, net of forfeitures	—	—	0.6	—	—	0.6
Issuance of common stock, net of cost	0.0	0.0	(0.1)	—	—	(0.1)
Exercise of warrants	0.1	0.0	(0.2)	—	—	(0.2)
Net loss	—	—	—	—	(14.3)	(14.3)
Balance at September 30, 2025	18.4	0.2	569.3	(6.2)	(624.5)	(61.2)

See accompanying notes to condensed consolidated financial statements.

KLX Energy Services Holdings, Inc.
Condensed Consolidated Statements of Cash Flows
(In millions of U.S. dollars)
(Unaudited)

	Nine Months Ended	
	September 30, 2026	**September 30, 2025**
Cash flows from operating activities:		
Net loss	$ (47.9)	$ (62.1)
Adjustments to reconcile net loss to net cash flows provided by (used in) operating activities		
Depreciation and amortization	63.6	71.6
Impairment and other charges	0.5	—
Non-cash compensation	1.4	2.0
Amortization of deferred financing fees	4.9	1.7
Change in provision for inventory reserve	0.5	0.7
Change in allowance for credit losses	0.3	(0.7)
Gain on disposal of property, equipment and other	(5.5)	(5.3)
Non-cash interest expense	22.5	13.1
Loss on debt extinguishment	3.5	1.2
Bargain purchase gain	(6.7)	—
Deferred taxes	(2.0)	—
Other	(0.3)	0.7
Changes in operating assets and liabilities:		
Accounts receivable	(21.1)	(12.9)
Inventories	(3.3)	(3.1)
Prepaid expenses and other current and non-current assets	4.2	(0.6)
Accounts payable	(0.3)	(0.1)
Other current and non-current liabilities	3.2	(11.2)
Net cash flows provided by (used in) operating activities	17.5	(5.0)
Cash flows from investing activities:		
Purchases of property and equipment	(29.9)	(39.7)
Proceeds from sale of property and equipment	7.4	10.6
Wolf Pack Acquisition	(13.5)	—
Net cash flows used in investing activities	(36.0)	(29.1)
Cash flows from financing activities:		
Proceeds from stock issuance, net of costs	(0.2)	0.3
Proceeds from Equity Rights Offering	37.2	—
Borrowings under 2028 ABL Facility	193.9	98.0
Repayments on Prior ABL Facility	—	(50.0)
Repayments on 2028 ABL Facility	(201.0)	(58.0)
Proceeds from issuance of 2030 Senior Notes and warrants	—	225.2
Repayment of 2025 Senior Notes	—	(236.3)
Mandatory redemption on 2030 Senior Notes	(3.8)	(3.6)
Payments on finance lease obligations	(16.0)	(14.8)
Proceeds from financed payables	13.3	5.7
Payments of financed payables	(5.4)	(4.7)
Payments of debt issuance costs	—	(10.5)
Other	(0.2)	(0.4)
Net cash flows provided by (used in) financing activities	17.8	(49.1)
Net change in cash and cash equivalents	(0.7)	(83.2)
Cash and cash equivalents, beginning of period	5.7	91.6
Cash and cash equivalents and restricted cash, end of period	$ 5.0	$ 8.4
Supplemental disclosures of cash flow information:		
Cash paid during period for:		
Income taxes paid, net of refunds	$ 0.4	$ 1.0
Interest	8.7	17.0
Supplemental schedule of non-cash activities:		
Accrued capital expenditures	11.8	9.9
Non-cash interest expense (paid in kind)	22.5	13.1
Debt-for-equity exchanges	2.2	—
Debt-for-equity exchanges related to the Backstop Exchange	81.7	—

See accompanying notes to condensed consolidated financial statements.

KLX Energy Services Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited – U.S. dollars in millions, except per share data)

NOTE 1 - Description of Business and Basis of Presentation

Description of Business

KLX Energy Services Holdings, Inc. (the "Company", "KLXE", "KLX Energy Services", "we", "us" or "our") is a growth-oriented provider of diversified oilfield services to leading onshore oil and natural gas exploration and production ("E&P") companies operating in both conventional and unconventional plays in major active basins throughout the United States. The Company delivers mission critical oilfield services focused on drilling, completion, production and intervention activities for technically demanding wells in over 60 service and support facilities located throughout the United States.

The Company offers a complementary suite of proprietary products and specialized services that is supported by technically skilled personnel and a broad portfolio of innovative in-house manufacturing, repair and maintenance capabilities. KLXE's primary services include coiled tubing, directional drilling, fishing, flowback, fluid pumping, hydraulic fracturing rentals, pressure control, pressure pumping, rig-assisted snubbing, special situation services, thru-tubing and wireline. KLXE's primary rentals include accommodation units, blow out preventers, downhole tools, hydraulic fracturing stacks and tubulars. KLXE's primary product offering includes a suite of proprietary dissolvable and composite plugs along with casing equipment, float equipment, inflatables, liner hangers and stage cementing tools.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. All adjustments which, in the opinion of the Company's management, are considered necessary for a fair presentation of the results of operations for the periods shown are of a normal recurring nature and have been reflected in the condensed consolidated financial statements. The results of operations for the periods presented are not necessarily indicative of the results expected for the full year 2026 or for any future period. The information included in these condensed consolidated financial statements should be read in conjunction with the condensed consolidated financial statements and accompanying notes included in the Company's 2025 Annual Report on Form 10-K filed with the SEC on March 12, 2026.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and related disclosures. Actual results could differ from those estimates.

NOTE 2 - Business Combinations

On June 2, 2026 (the "Closing Date"), KLX Energy Services Holdings, Inc., a Delaware corporation (the "Company"), completed the acquisition (the "Wolf Pack Acquisition") of certain assets owned by Wolf Pack Rentals, LLC, a Texas limited liability company ("Wolf Pack" or the "Seller"), pursuant to an asset purchase agreement, dated June 2, 2026, by and among Wolf Pack, KLX Energy Services LLC, a Delaware limited liability company and indirect wholly owned subsidiary of the Company (the "Buyer") and the Company (the "Purchase Agreement"). The purchase price for the Wolf Pack Acquisition was $16.7, subject to customary post-closing adjustments and to be paid as follows: (i) on the Closing Date, the Buyer paid the Seller $14.1; (ii) two deferred payments of $1.5 each, to be paid at 180 and 360 days after the Closing Date, either in cash or shares of common stock, par value $0.01 per share, of the Company (the "Common Stock"), in its sole

discretion, with a net present value of $2.7; and (iii) estimated post-closing adjustment to the purchase price of $(0.1).

This transaction was accounted for as a purchase under FASB Accounting Standards Codification Topic 805, Business Combinations ("ASC 805"). The results of operations for the Wolf Pack Acquisition are included in the accompanying condensed consolidated statements of operations from the respective date of acquisition.

Under the acquisition method of accounting, we allocate the fair value of purchase consideration transferred to the tangible assets and intangible assets acquired, if any, and liabilities assumed based on their estimated fair values on the date of the acquisition. The fair values assigned, defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants, are based on estimates and assumptions determined by management. The estimated fair value of the assets acquired, net of liabilities assumed, exceeds the purchase consideration, resulting in a bargain purchase gain. The Company believes the bargain purchase gain resulted from an opportunistic transaction. This has been presented as a separate line item on the condensed consolidated statements of operations for the three and nine months ended September 30, 2026.

The fair values assigned to certain assets acquired and liabilities assumed in relation to the Wolf Pack Acquisition have been prepared on a preliminary basis with information currently available and are subject to change. The Company expects to finalize its analysis by the second quarter of 2027. The following table summarizes the fair values of assets acquired and liabilities assumed in the Wolf Pack Acquisition in accordance with ASC 805:

	Wolf Pack
Accounts receivable-trade	$ 7.9
Inventories	0.3
Other current and non-current assets	(0.8)
Property and equipment	22.7
Accounts payable	(4.2)
Accrued liabilities	(1.6)
Other current and non-current liabilities	(0.9)
Bargain purchase gain, net of deferred taxes	(6.7)
Total purchase price	$ 16.7

Unaudited Supplemental Pro Forma Information

The unaudited supplemental pro forma financial information has been provided for illustrative purposes only and does not purport to be indicative of the actual results that would have been achieved by combining the companies for the periods presented, or of the results that may be achieved by the combined companies in the future. Further, actual results may vary significantly from the results reflected in the following unaudited supplemental pro forma financial information because of future events and transactions, as well as other factors. The unaudited supplemental pro forma financial information does not include adjustments to reflect the impact of other cost savings or synergies that may result from the Wolf Pack Acquisition.

On a pro forma basis to give effect to the Wolf Pack Acquisition, as if it occurred on January 1, 2025, revenues and net loss for the three and nine months ended September 30, 2026 and September 30, 2025 would have been as follows:

	Unaudited Pro Forma			
	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Revenues	$ 185.6	$ 175.9	$ 514.6	$ 508.5
Net loss	(15.5)	(15.5)	(46.0)	(62.5)

From the acquisition date through June 30, 2026, Wolf Pack contributed approximately $3.4 of revenue and $0.3 of net income (excluding the $6.7 bargain purchase gain and $2.0 tax benefit related to the Wolf Pack

Acquisition) to the Company's consolidated results. We incurred transaction costs related to the Wolf Pack Acquisition of approximately $0.8 and have included these on the income statement under "Selling, general and administrative".

NOTE 3 - Inventories, Net

Inventories consisted of the following:

	September 30, 2026	December 31, 2025
Spare parts	$ 19.7	$ 19.3
Plugs	7.7	9.0
Consumables	5.0	4.6
Other	4.4	1.9
Subtotal	36.8	34.8
Less: Inventory reserve	(3.5)	(4.1)
Total inventories, net	$ 33.3	$ 30.7

Inventories are made up of spare parts, composite and dissolvable plugs, consumables (including thru-tubing accessory tools, chemicals and cement) and other (including coiled tubing strings and wireline spools) used to perform services for customers. The Company values inventories at the lower of cost or net realizable value. Inventories are reported net of inventory reserve of $3.5 and $4.1 as of September 30, 2026 and December 31, 2025, respectively.

NOTE 4 - Property and Equipment, Net

Property and equipment consisted of the following:

	Useful Life (Years)			September 30, 2026	December 31, 2025
Land, buildings and improvements	1	—	40	$ 34.2	$ 36.1
Machinery	1	—	20	315.1	299.8
Equipment and furniture	1	—	15	275.7	248.6
ROU assets - finance leases	1	—	20	81.0	84.9
Total property and equipment				706.0	669.4
Less: Accumulated depreciation and amortization				(554.3)	(512.3)
Add: Construction in progress				4.7	4.0
Total property and equipment, net				$ 156.4	$ 161.1

Depreciation expense related to non-leased fixed assets was $16.2 and $18.8 for the three months ended September 30, 2026 and 2025, respectively, and $49.0 and $56.7 for the nine months ended September 30, 2026 and 2025, respectively. Finance lease amortization expense was $4.6 and $4.3 for the three months ended September 30, 2026 and 2025, respectively, and $14.3 and $14.5 for the nine months ended September 30, 2026 and 2025, respectively.

Assets Held for Sale

As of September 30, 2026, the Company's condensed consolidated balance sheet included assets classified as held for sale of $2.0. The assets held for sale are reported within prepaid expenses and other current assets on the condensed consolidated balance sheet and represent the value of two operational facilities and select equipment. These assets were being actively marketed for sale as of September 30, 2026 and are recorded at the lower of their carrying value or fair value less costs to sell.

NOTE 5 - Debt

Outstanding debt consisted of the following:

	September 30, 2026	December 31, 2025
2030 Senior Notes	$ 172.4	$ 244.1
2028 ABL Facility	29.0	36.0
Total principal outstanding	201.4	280.1
Less: Unamortized debt issuance costs	(3.6)	(6.2)
Less: Unamortized issue discount	(9.8)	(15.6)
Total debt	188.1	258.3
Less: Current portion of long-term debt	12.6	4.4
Long-term debt	$ 175.5	$ 253.9

Equity Rights Offering, Backstop Exchange and Amended and Restated Indenture

On September 29, 2026, the Company completed its previously announced subscription rights offering (the "Rights Offering"), which expired in accordance with its terms at 5:00 p.m., New York City time, on September 23, 2026, and closed the Backstop Exchange (as defined below). Pursuant to the terms of the Rights Offering, 24,975,001 shares of Common Stock were purchased pursuant to the exercise of subscription rights at the subscription price of $1.49 per whole share (the "Subscription Price") for gross proceeds of $37.2 to the Company. Of the $37.2 gross cash proceeds from the Rights Offering, the Company used $31.0 for general corporate purposes, including to pay fees and expenses in connection with the Rights Offering, and $6.2 to redeem a portion of the 2030 Senior Notes (as defined below) at par, plus accrued and unpaid interest. The Company issued a partial notice of redemption on September 30, 2026 to redeem $6.2 aggregate principal amount of the 2030 Senior Notes, which was completed on October 13, 2026.

As of October 13, 2026, in connection with the Backstop Exchange, the outstanding principal amount of the 2030 Senior Notes was reduced by $94.0 as a result of the combination of par redemptions from excess proceeds in the Rights Offering and the exchange of 2030 Senior Notes for Common Stock in the Backstop Exchange.

Backstop Exchange

The Rights Offering was backstopped by the existing holders (the "Backstop Parties") of the Company's Senior Secured Floating Rate Cash / PIK Notes due 2030 (the "2030 Senior Notes") in an aggregate backstop commitment amount of $94.0 pursuant to a Rights Offering Backstop Agreement (the "Backstop Agreement"), which was reduced to $87.8 (exclusive of $0.5 of accrued but unpaid interest exchanged) as a result of $6.2 of 2030 Senior Notes redeemed with Rights Offering proceeds. The Backstop Parties committed to purchase their respective backstop commitment amounts through an exchange of their 2030 Senior Notes (at 100% of the principal amount thereof plus accrued and unpaid interest) for shares of Common Stock at the Subscription Price (the "Backstop Exchange"). An aggregate of 59,273,445 shares of Common Stock were issued to the Backstop Parties in the Backstop Exchange. As a result of the Backstop Exchange, the Company recognized a loss on debt extinguishment of $3.8 for the three months ended September 30, 2026.

Shares of Common Stock acquired by the Backstop Parties pursuant to the Backstop Exchange were not registered under the Securities Act of 1933, as amended (the "Securities Act"), and were issued in a private placement exempt from registration under Section 4(a)(2) of the Securities Act. In connection with the completion of the Rights Offering, the Company entered into a Registration Rights Agreement, dated as of September 29, 2026 (the "Registration Rights Agreement"), with the Backstop Parties, pursuant to which the Backstop Parties were granted certain customary registration rights in respect of such shares.

Amended and Restated Indenture

In connection with the closing of the Backstop Exchange, the Company, the subsidiaries party thereto, as guarantors, and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent, entered into an Amended and Restated Indenture, dated as of September 29, 2026 (the "A&R 2030 Senior Notes Indenture").

The A&R 2030 Senior Notes Indenture amended and restated in its entirety the 2030 Senior Notes Indenture (as defined below). The 2030 Senior Notes remain guaranteed and secured on substantially the same terms other than as described below.

The 2030 Senior Notes Indenture was amended and restated to provide additional covenant flexibility and other amendments, including, among other things: (i) reset the total net leverage ratio maintenance covenant step-down schedule to: (w) 4.50:1.00, commencing with the fiscal quarter ending September 30, 2026, (x) 4.00:1.00, commencing on the fiscal quarter ending June 30, 2027, (y) 3.50:1.00, commencing on the fiscal quarter ending June 30, 2028, and (z) 3.00:1.00, commencing on the fiscal quarter ending June 30, 2029, (ii) relax the total net leverage ratio incurrence test for additional indebtedness from 2.50:1.00 to 3.00:1.00, (iii) permanently exclude capital lease obligations from the definition of "Consolidated Total Indebtedness" for purposes of the financial maintenance covenant, incurrence-based tests/ratios/baskets, and the Secured Net Leverage Ratio (as defined in the A&R 2030 Senior Notes Indenture), (iv) increase the basket for indebtedness in respect of purchase money obligations and capital lease obligations from $75.0 to $85.0, (v) provide for par redemption of 2030 Senior Notes in connection with the Backstop Agreement and exclude Rights Offering redemption proceeds from the excess cash flow sweep, (vi) reset the make-whole expiry date to two years from the effective date of the A&R 2030 Senior Notes Indenture and reduce the premium from 102% to 101%, (vii) grant the holders of the 2030 Senior Notes a right of first offer with respect to any debtor-in-possession financing secured by notes priority collateral on a pro rata basis and (viii) require that any opportunity to provide permitted pari passu notes lien indebtedness be offered first to existing holders on a pro rata basis.

Refinancing

On March 7, 2025, the Company and certain of our subsidiaries party thereto entered into a Securities Purchase Agreement with certain holders (the "Investors") of our 11.5% senior secured notes due 2025 (the "2025 Senior Notes"), pursuant to which the Company agreed to issue and sell to the Investors (a) approximately $232.2 in aggregate principal amount of the 2030 Senior Notes and (b) warrants entitling the holders thereof to purchase, in the aggregate, up to 2,373,187 shares of Common Stock, at an exercise price of $0.01 per share, subject to adjustment in exchange for (i) approximately $78.4 in aggregate cash consideration and (ii) approximately $143.6 aggregate principal amount of the 2025 Senior Notes, which were cancelled by the Company upon receipt thereof (collectively, the "Refinancing"). The Company consummated the Refinancing on March 12, 2025.

Senior Secured Notes

2030 Senior Notes

On March 12, 2025, as part of the Refinancing, the Company and certain of its subsidiaries entered into an indenture, dated as of March 12, 2025 (as amended, the "2030 Senior Notes Indenture"), with U.S. Bank Trust Company, National Association, as the trustee and notes collateral agent, pursuant to which $232.2 of the 2030 Senior Notes were issued. The 2030 Senior Notes will mature on March 12, 2030 and bear a floating rate of interest of Term SOFR plus the Applicable Margin (as defined in the 2030 Senior Notes Indenture) based on the Secured Net Leverage Ratio (as defined in the 2030 Senior Notes Indenture) payable on the last day of the applicable interest period in cash or, at the Company's election, additional 2030 Senior Notes paid-in-kind on one-, three- or six-month interest periods, which shall include a 100 basis point premium for any period where interest is paid-in-kind. The 2030 Senior Notes are senior secured obligations of the Company and are guaranteed on a senior secured basis by each of the Company's current domestic subsidiaries and by certain future subsidiaries, subject to agreed guaranty and security principles and certain exclusions.

The 2030 Senior Notes are fully and unconditionally guaranteed by each of the Company's current subsidiaries. The 2030 Senior Notes will also be guaranteed by each of the Company's future subsidiaries that guarantee the Company's indebtedness or indebtedness of guarantors, including under the 2028 ABL Facility (as defined below) and such subsidiaries that become guarantors in the future will also pledge their collateral in support of such guarantees. These guarantees are senior secured obligations of the guarantors secured by a first priority security interest on substantially all of the guarantors' assets (other than collateral securing the 2028 ABL Facility on a first priority basis) and a second priority security interest on the guarantors' assets which secure the 2028 ABL Facility on a first priority basis, subject in each case to certain excluded assets.

The Company is required to redeem the 2030 Senior Notes in an amount equal to 2.00% per annum of all 2030 Senior Notes outstanding as of the prior applicable Interest Payment Date (as defined in the 2030 Senior Notes Indenture) on the last business day of each of March, June, September and December.

Additionally, upon certain changes of control, consummation of certain asset sales and other events, the Company will be required to repurchase the 2030 Senior Notes at the applicable redemption prices.

The 2030 Senior Notes Indenture contains certain financial covenants that include (i) a maximum total net leverage ratio of not greater than (w) 4.50:1.00, commencing with the fiscal quarter ending September 30, 2026, (x) 4.00:1.00, commencing on the fiscal quarter ending June 30, 2027, (y) 3.50:1.00, commencing on the fiscal quarter ending June 30, 2028, and (z) 3.00:1.00, commencing on the fiscal quarter ending June 30, 2029 and (ii) restrictions on making net capital expenditures in any test period in excess of the greater of (x) $65.0 in the aggregate or (y) 7.00% of revenues during such test period.

The 2030 Senior Notes Indenture also restricts, among other things, the Company's ability to incur indebtedness and liens, pay dividends or make other distributions, make certain other restricted payments or investments, sell assets, enter into restrictive agreements, enter into transactions with the Company's affiliates, and merge or consolidate with other entities or convey, transfer or lease all or substantially all of the Company's properties and assets to another person, which, in each case, is subject to certain limitations and exceptions. The 2030 Senior Notes Indenture also contains customary events of default including, among other things, the failure to pay interest for three business days, failure to pay principal when due, failure to observe or perform any other covenants or agreement in the 2030 Senior Notes Indenture subject to grace periods, cross-acceleration to indebtedness with an aggregate principal amount in excess of $7.5, material impairment of liens, failure to pay certain material judgments and certain events of bankruptcy. The 2030 Senior Notes Indenture permits the Company to incur additional pari passu indebtedness of up to $150.0 within twelve months of the Refinancing (including for the purpose of consummating permitted acquisitions and investments) subject to the terms and conditions contained in the 2030 Senior Notes Indenture and contains certain other covenants, events of default and other customary provisions.

On March 6, 2026, the requisite holders agreed to execute the First Amendment to the 2030 Senior Notes Indenture (the "First Amendment to the Indenture") to provide financial covenant relief in the form of (i) extending the period for which the maximum total net leverage ratio covenant is tested at 4.50 to 1.0 through and including the testing period ending March 31, 2027, stepping down to 3.50 to 1.0 for the testing periods ending June 30, 2027 through and including March 31, 2028, to 3.00 to 1.0 for the testing periods ending June 30, 2028 through and including March 31, 2029, and to 2.50 to 1.0 for the testing periods ending June 30, 2029 and thereafter, (ii) a temporary holiday to exclude capital lease obligations as indebtedness for the purposes of determining compliance with the maximum total net leverage ratio covenant for the testing periods ending December 31, 2025 through and including March 31, 2027 and (iii) clarifying that proceeds from our ATM Offering (as defined below) program may be applied as an equity cure. The First Amendment to the Indenture also establishes additional debt and lien baskets to permit the issuance of letters of credit by third parties for the Company's account in favor of insurers in connection with a $6.7 substitute insurance collateral facility. As of September 30, 2026, the Company was in compliance with its debt covenants under the 2030 Senior Notes.

During the second quarter of 2026, the Company entered into debt-for-equity exchange agreements (the “Exchange Agreements” and each, an “Exchange Agreement”) with certain holders (the “Noteholders”) of the 2030 Senior Notes. Pursuant to the Exchange Agreements, the Noteholders exchanged $2.2 in aggregate principal amount of the Company’s outstanding Notes for an aggregate of 627,521 shares of Common Stock.

As of September 30, 2026, the principal amount outstanding under the 2030 Senior Notes was $172.4. On a net basis, after taking into consideration unamortized debt issuance costs and issue discount for the 2030 Senior Notes, total debt related to the 2030 Senior Notes as of September 30, 2026 was $159.3. The effective interest rate under the 2030 Senior Notes was approximately 12.29% on September 30, 2026. Accrued interest related to the 2030 Senior Notes was $0.6 as of September 30, 2026 and $— as of December 31, 2025.

2025 Senior Notes

The previously-issued 2025 Senior Notes were redeemed on March 30, 2025 and the related indenture was satisfied and discharged in full.

ABL Facilities

2028 ABL Facility

On March 7, 2025, the Company also entered into a Credit Agreement, dated as of March 7, 2025 (the “2028 ABL Facility”), with the Company, as borrower, Eclipse Business Capital LLC, as administrative agent, as collateral agent and as FILO administrative agent and the lenders party thereto. The 2028 ABL Facility is comprised of an asset-based revolving credit facility with a $125.0 commitment (the “Revolving Facility”), a first-in-last-out asset-based credit facility with a $10.0 commitment (the “FILO Facility”), and a committed incremental loan option under the Revolving Facility with a $25.0 commitment (the “Incremental Revolving Loans”). The availability of the Incremental Revolving Loans are subject to usual and customary conditions to effectiveness, including, for example, the Company electing to utilize such Incremental Revolving Loans by a date certain and the payment of required fees. Borrowings under the Revolving Facility (including, to the extent incurred, the Incremental Revolving Loans) bear interest at a rate equal to adjusted term SOFR plus an applicable margin of 4.625%. Borrowings under the FILO Facility bear interest at a rate equal to adjusted term SOFR plus an applicable margin of 6.00%. The applicable margin under the Revolving Facility is subject to a 0.125% reduction and the applicable margin under the FILO Facility is subject to a 0.50% reduction, in each case upon the repayment in full of a $5.0 over-advance provided on the initial funding date under the Revolving Facility. The 2028 ABL Facility is secured by, among other things, a first priority lien on accounts receivable and inventory and contains customary conditions precedent to borrowing and affirmative and negative covenants.

The initial funding under the 2028 ABL Facility occurred on March 12, 2025, and the proceeds therefrom were used to repay the Company’s 2018 credit facility with JPMorgan Chase Bank, N.A. as administrative agent (the “Prior ABL Facility”) in full. After giving effect to the foregoing, we had approximately $39.9 of available borrowing capacity under the 2028 ABL Facility. The 2028 ABL Facility includes a springing financial covenant which requires the Company’s consolidated fixed charge coverage ratio to be at least 1.00 to 1.0 if availability under the Revolving Facility falls below $7.0.

The 2028 ABL Facility includes financial, operating and negative covenants that limit our ability to incur indebtedness, to create liens or other encumbrances, to make certain payments and investments, including dividend payments, to engage in transactions with affiliates, to engage in sale/leaseback transactions, to guarantee indebtedness and to sell or otherwise dispose of assets and merge or consolidate with other entities. It also includes a covenant to deliver annual audited financial statements that are not qualified by a “going concern” or like qualification or exception. A failure to comply with the obligations contained in the 2028 ABL Facility could result in an event of default, which could permit acceleration of the debt, termination of undrawn commitments and enforcement against any liens securing the debt. The 2028 ABL Facility contains certain other covenants (including the ability to incur indebtedness for the purpose of consummating permitted

acquisitions, subject to the terms of the 2028 ABL Facility), events of default and other customary provisions. As of September 30, 2026, the Company was in compliance with its financial covenants under the 2028 ABL Facility.

On September 4, 2026, we drew down the full amount of $7.0 available under the FILO Facility, as part of the 2028 ABL Facility, to use for the Company's ongoing operations. As of September 30, 2026, the borrowings outstanding under the 2028 ABL Facility were $29.0, out of which $22.0 were under the Revolving Facility and $7.0 under the FILO Facility. The effective interest rate under the Revolving Facility was approximately 8.42% on September 30, 2026, and the effective interest rate under the FILO Facility was approximately 9.80% on September 30, 2026. Accrued interest related to the 2028 ABL Facility was $0.6 as of September 30, 2026 and $0.4 as of December 31, 2025.

We have funds available under the 2028 ABL Facility of $73.4 on the September 30, 2026 borrowing base certificate.

Prior ABL Facility

On March 12, 2025, in connection with the completion of the Refinancing, the Prior ABL Facility was repaid in full using borrowings under the 2028 ABL Facility and the commitments thereunder terminated.

Other debt-related items

The Company uses standby letters of credit to facilitate commercial transactions with third parties and to secure our performance to certain vendors. Total letters of credit outstanding under the 2028 ABL Facility were $9.0 at September 30, 2026 and $6.9 at December 31, 2025. To the extent liabilities are incurred as a result of the activities covered by the letters of credit, such liabilities are included on the accompanying consolidated balance sheets.

As of September 30, 2026, the Company had $9.8 of outstanding indebtedness related to the financing of various insurance premiums and vehicles and equipment at a weighted average interest rate of approximately 12.11%. Included in this amount is $6.8 of lease agreements for vehicles and equipment we entered into during the nine months ended September 30, 2026, which qualify for failed sale-leaseback treatment in conjunction with the Wolf Pack Acquisition and consequently are treated as financing agreements. These agreements are included on the balance sheet under “Accrued liabilities” at $2.2 and “Other non-current liabilities” at $4.6.

NOTE 6 - Fair Value Information

All financial instruments are carried at amounts that approximate estimated fair value. The fair value is the price at which an asset could be exchanged in a current transaction between knowledgeable, willing parties. Assets measured at fair value are categorized based upon the lowest level of significant input to the valuations.

Level 1 – quoted prices in active markets for identical assets and liabilities.

Level 2 – quoted prices for identical assets and liabilities in markets that are not active or observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 – unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The carrying amounts of cash and cash equivalents, accounts receivable-trade and accounts payable represent their respective fair values due to their short-term nature. There was $29.0 and $36.0 debt outstanding under the 2028 ABL Facility as of September 30, 2026 and December 31, 2025, respectively. The fair value of the 2028 ABL Facility approximates its carrying value as of September 30, 2026.

The following tables present the placement in the fair value hierarchy of the 2030 Senior Notes, based on market prices for publicly traded debt, as of September 30, 2026 and December 31, 2025:

		Fair value measurements at reporting date		
	September 30, 2026	Level 1	Level 2	Level 3
2030 Senior Notes	$ 163.5	$ —	$ —	$ 163.5
Total Senior Notes	$ 163.5	$ —	$ —	$ 163.5

		Fair value measurements at reporting date		
	December 31, 2025	Level 1	Level 2	Level 3
2030 Senior Notes	$ 246.0	$ —	$ —	$ 246.0
Total Senior Notes	$ 246.0	$ —	$ —	$ 246.0

The following tables present the placement in the fair value hierarchy of Assets Held for Sale, as disclosed in Note 4 - Property and Equipment, Net, based on sales contracts and comparative price quotes, as of September 30, 2026 and December 31, 2025:

		Fair value measurements at reporting date using		
	September 30, 2026	Level 1	Level 2	Level 3
Assets Held for Sale	$ 3.7	$ —	$ 3.7	$ —
Total Assets Held for Sale	$ 3.7	$ —	$ 3.7	$ —

		Fair value measurements at reporting date using		
	December 31, 2025	Level 1	Level 2	Level 3
Assets Held for Sale	$ —	$ —	$ —	$ —
Total Assets Held for Sale	$ —	$ —	$ —	$ —

During the three and nine months ended September 30, 2026, there was no before-tax loss (gain) related to Assets Held for Sale. During the three and nine months ended September 30, 2025, the before-tax loss related to Assets Held for Sale was $— and $0.4.

NOTE 7 - Commitments, Contingencies and Off-Balance-Sheet Arrangements

Environmental Regulations & Liabilities

The Company is subject to various federal, state and local environmental laws and regulations that establish standards and requirements for the protection of the environment. The Company continues to monitor the status of these laws and regulations. However, the Company cannot predict the future impact of such laws and regulations, as well as standards and requirements, on our business, which are subject to change and can have retroactive effectiveness. Currently, the Company has not been fined, cited or notified of any environmental violations or liabilities that would have a material adverse effect on its condensed consolidated financial statement position, results of operations, liquidity or capital resources. However, management does

recognize that by the very nature of its business, material costs could be incurred in the future to maintain compliance. The amount of such future expenditures is not determinable due to several factors, including the unknown magnitude of possible regulation or liabilities, the unknown timing and extent of the corrective actions that may be required, the determination of the Company's liability in proportion to other responsible parties and the extent to which such expenditures are recoverable from insurance or indemnification.

Litigation

The Company is at times either a plaintiff or a defendant in various legal actions arising in the normal course of business, the outcomes of which, in the opinion of management, neither individually nor in the aggregate are likely to result in a material adverse effect on the Company's condensed consolidated financial statements.

Indemnities, Commitments and Guarantees

During its ordinary course of business, the Company has made certain indemnities, commitments and guarantees under which it may be required to make payments in relation to certain transactions. These indemnities include indemnities to various lessors in connection with facility leases for certain claims arising from such facility or lease, as well as indemnities to other parties to certain acquisition agreements. The duration of these indemnities, commitments and guarantees varies and, in certain cases, is indefinite. Many of these indemnities, commitments and guarantees provide for limitations on the maximum potential future payments the Company could be obligated to make. However, the Company is unable to estimate the maximum amount of liability related to its indemnities, commitments and guarantees because such liabilities are contingent upon the occurrence of events that are not reasonably determinable. Management believes that any liability for these indemnities, commitments and guarantees would not be material to the accompanying condensed consolidated financial statements. Accordingly, no significant amounts have been accrued for indemnities, commitments and guarantees.

NOTE 8 - Equity and Stock-Based Compensation

Equity Distribution Agreement

On June 14, 2021, the Company entered into an Equity Distribution Agreement (as amended from time to time, the "Equity Distribution Agreement") with Piper Sandler & Co. as sales agent (the "Agent"). Pursuant to the terms of the Equity Distribution Agreement, the Company may sell from time to time through the Agent (the "ATM Offering") shares of Common Stock having an aggregate offering price of up to $50.0. On November 16, 2022, the Company entered into Amendment No. 1 to the Equity Distribution Agreement, which, among other things, allows for debt-for-equity exchanges in accordance with Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act"). On March 14, 2025, the Company entered into Amendment No. 2 to the Equity Distribution Agreement (the "EDA Amendment"), which, among other things, increased the aggregate offering price to up to approximately $57.8 (which amount includes all of the Common Stock previously sold pursuant to the Equity Distribution Agreement prior to the EDA Amendment) and provides for the Company's election not to deliver a placement notice.

Common Stock offered and sold in the ATM Offering was issued pursuant to the Company's shelf registration statement on Form S-3 (Registration No. 333-271182) filed with the SEC on April 7, 2023 and declared effective on April 19, 2023 (the "Registration Statement"), the prospectus supplement relating to the ATM Offering filed with the SEC on March 14, 2025 and any applicable additional prospectus supplements related to the ATM Offering that formed a part of the Registration Statement. Sales of Common Stock under the Equity Distribution Agreement were made in transactions that are deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act. The Registration Statement expired on April 19, 2026 pursuant to Rule 415(a)(5) under the Securities Act. Sales under the ATM Offering program may restart when and if the Company files a prospectus supplement under a successor registration statement.

The Equity Distribution Agreement contains customary representations, warranties and agreements by the Company, indemnification obligations of the Company and the Agent, including for liabilities under the Securities Act, other obligations of the parties and termination provisions. Under the terms of the Equity Distribution Agreement, the Company will pay the Agent a commission equal to 3.0% of the gross sales price of the Common Stock sold.

The Company has used and plans to use the net proceeds from the ATM Offering, after deducting the Agent's commissions and the Company's offering expenses, for general corporate purposes, which may include, among other things, paying or refinancing all or a portion of the Company's then-outstanding indebtedness and funding acquisitions, capital expenditures and working capital.

During the three and nine months ended September 30, 2026, the Company did not sell any shares of Common Stock and incurred legal and administrative fees of $0.1 and $0.3, respectively.

During the three and nine months ended September 30, 2025, the Company sold — and 167,769 shares of Common Stock, respectively, in exchange for gross proceeds of approximately $— and $0.6, respectively, and incurred legal and administrative fees of $0.1 and $0.3, respectively.

Equity Rights Offering and Backstop Exchange

On September 29, 2026, the Company completed its Rights Offering and Backstop Exchange. Pursuant to the terms of the Rights Offering, 24,975,001 shares of Common Stock were purchased pursuant to the exercise of subscription rights at the Subscription Price of $1.49 per whole share for gross proceeds of $37.2 to the Company. Of the $37.2 gross cash proceeds from the Rights Offering, the Company used $31.0 for general corporate purposes, including to pay fees and expenses in connection with the Rights Offering, and $6.2 to redeem a portion of the 2030 Senior Notes at par, plus accrued and unpaid interest. In addition, an aggregate of 59,273,445 shares of Common Stock were issued to the Backstop Parties in the Backstop Exchange. As of September 30, 2026, we have accrued for $1.2 in costs related to the Equity Rights Offering. For additional information regarding the Rights Offering and the Backstop Exchange, see Note 5 - Debt.

Stock-Based Compensation

The Company has a Long-Term Incentive Plan ("LTIP") under which the compensation committee of the Board of Directors (the "Board") of the Company (the "Compensation Committee") has the authority to grant stock options, stock appreciation rights, restricted stock, restricted stock units or other forms of equity-based or equity-related awards. Compensation cost for the LTIP grants is generally recorded on a straight-line basis over the vesting term of the shares based on the grant date value using the closing trading price.

On May 10, 2023, the stockholders of KLXE approved the Second Amended and Restated KLX Energy Services Holdings, Inc. Long-Term Incentive Plan, amended and restated as of March 8, 2023 (the "Amended and Restated LTIP"), which, among other things, increased the total number of shares of Common Stock for issuance by 1,200,000 shares, resulting in an increase of the total number of shares of our Common Stock reserved for issuance to 1,256,289, and extended the expiration date to March 8, 2033. A description of the Amended and Restated LTIP is included in the Company's proxy statement, filed with the SEC on March 28, 2023.

Compensation cost recognized during the three and nine months ended September 30, 2026 and September 30, 2025 was related to grants of restricted stock as approved by the Compensation Committee. Stock-based compensation was $0.5 and $0.6 for the three months ended September 30, 2026 and 2025, respectively, and $1.4 and $2.0 for the nine months ended September 30, 2026 and 2025, respectively. Unrecognized compensation cost related to restricted stock awards made by the Company was $2.4 at September 30, 2026 and $3.0 at December 31, 2025.

NOTE 9 - Income Taxes

Income tax expense (benefit) was $0.2 and $(1.3) for the three and nine months ended September 30, 2026, respectively, and was comprised primarily of state and local taxes, offset by a deferred tax benefit recognized from a reduction in the valuation allowance related to the Wolf Pack Acquisition, recognized in the second quarter of 2026. Comparatively, income tax expense was $0.2 and $0.6 for the three and nine months ended September 30, 2025, respectively, and was comprised primarily of state and local taxes. The Company has a full valuation allowance recorded against its net deferred tax assets and, as a result, it was unable to recognize a federal tax benefit on its year-to-date losses.

The Company continues to monitor additional guidance issued by the U.S. Treasury Department, the Internal Revenue Service and others.

NOTE 10 - Segment Reporting

The Company is organized on a geographic basis into three reportable segments. These reportable segments, which are also the Company's operating segments, are comprised of the Rocky Mountains Region (the Bakken, Williston, DJ, Uinta, Powder River, Piceance and Niobrara basins), the Southwest Region (the Permian Basin and the Eagle Ford Shale) and the Northeast/Mid-Con Region (the Marcellus and Utica Shale as well as the Mid-Continent STACK and SCOOP and Haynesville Shale). The segments regularly report their results of operations and make requests for capital expenditures and acquisition funding to the Chief Operating Decision Maker (“CODM”). The Company’s CODM is our Chief Executive Officer.

The following tables present revenues, significant expenses and operating (loss) income by reportable segment:

	Three Months Ended									
	September 30, 2026					September 30, 2025				
	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total
Revenues	$ 58.6	$ 71.1	$ 56.1	$ (0.2)	$ 185.6	$ 50.9	$ 56.8	$ 59.4	$ (0.4)	$ 166.7
Less										
Cost of sales	43.5	57.7	41.8	(0.2)		39.7	47.8	42.7	(0.4)	
Depreciation and amortization	5.1	8.2	7.2			6.1	8.4	8.3		
Selling, general and administrative[1]	2.0	3.0	1.5			1.8	3.0	1.6		
Other segment items	0.7	1.5	0.7			1.5	1.0	0.2		
Segment operating income	$ 7.3	$ 0.7	$ 4.9	$ —	$ 12.9	$ 1.8	$ (3.4)	$ 6.6	$ —	$ 5.0
Reconciliation of profit or loss (segment profit/(loss))										
Unallocated corporate expenses[2]					(11.0)					(8.0)
Interest income					0.0					0.0
Interest expense					(13.4)					(11.1)
Loss on debt extinguishment					(3.8)					—
Loss before income tax					$ (15.3)					$ (14.1)

(1) Note that the Selling, general and administrative line item in the Consolidated Statement of Operations contains the Other segment items line item here, less the Research and development costs line item.
(2) For the three months ended September 30, 2026, these consist of $1.0 of cost of sales, $0.3 of depreciation and amortization, $9.4 of selling, general and administrative, and $0.3 of other expenses. For the three months ended September 30, 2025, these consist of $0.7 of cost of sales, $0.4 of depreciation and amortization, $6.5 of selling, general and administrative, and $0.4 of other expenses.

	Nine Months Ended									
	September 30, 2026					September 30, 2025				
	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total
Revenues	$ 148.0	$ 189.5	$ 160.7	$ (0.6)	$ 497.6	$ 153.0	$ 181.2	$ 146.6	$ (1.1)	$ 479.7
Less										
Cost of sales	118.2	155.9	117.3	(0.6)		117.6	146.2	115.1	(1.1)	
Depreciation and amortization	16.4	23.6	22.3			19.4	25.1	25.7		
Selling, general and administrative[1]	5.9	9.0	4.7			5.6	9.4	4.7		
Other segment items	3.8	3.5	3.4			5.5	2.6	3.9		
Segment operating income	$ 3.7	$ (2.5)	$ 13.0	$ —	$ 14.2	$ 4.9	$ (2.1)	$ (2.8)	$ —	$ 0.0
Reconciliation of profit or loss (segment profit/(loss))										
Unallocated corporate expenses[2]					(22.3)					(28.2)
Interest income					0.0					0.3
Interest expense					(37.6)					(32.4)
Loss on debt extinguishment, net					(3.5)					(1.2)
Loss before income tax					$ (49.2)					$ (61.5)

(1) Note that the Selling, general and administrative line item in the Consolidated Statement of Operations contains the Other segment items line item here, less the Research and development costs line item.
(2) For the nine months ended September 30, 2026, these consist of $2.9 of cost of sales, $1.2 of depreciation and amortization, $23.2 of selling, general and administrative, and $(5.0) of other expenses. For the nine months ended September 30, 2025, these consist of $2.1 of cost of sales, $1.4 of depreciation and amortization, $23.5 of selling, general and administrative, and $1.2 of other expenses.

Other segment items include research and development costs, allocations and other expenses.

The following tables present revenues by service offering by reportable segment:

	Three Months Ended									
	September 30, 2026					September 30, 2025				
	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total
Drilling	$ 10.2	$ 19.2	$ 17.0	$ (0.2)	$ 46.2	$ 5.0	$ 9.4	$ 12.1	$ (0.4)	$ 26.1
Completion	28.0	35.9	28.3		92.2	28.8	32.1	38.4		99.3
Production	15.4	10.8	4.3		30.5	12.9	9.5	4.0		26.4
Intervention	5.0	5.2	6.5		16.7	4.2	5.8	4.9		14.9
Total revenues	$ 58.6	$ 71.1	$ 56.1	$ (0.2)	$ 185.6	$ 50.9	$ 56.8	$ 59.4	$ (0.4)	$ 166.7

	Nine Months Ended									
	September 30, 2026					September 30, 2025				
	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total
Drilling	$ 23.7	$ 45.7	$ 44.5	$ (0.6)	$ 113.3	$ 17.9	$ 31.8	$ 33.9	$ (1.1)	$ 82.5
Completion	71.5	97.5	88.7		257.7	81.7	95.9	88.3		265.9
Production	38.3	30.4	11.9		80.6	38.7	32.8	10.9		82.4
Intervention	14.5	15.9	15.6		46.0	14.7	20.7	13.5		48.9
Total revenues	$ 148.0	$ 189.5	$ 160.7	$ (0.6)	$ 497.6	$ 153.0	$ 181.2	$ 146.6	$ (1.1)	$ 479.7

The following table presents total assets by segment:

	As of	
	September 30, 2026	December 31, 2025
Rocky Mountains	$ 96.7	$ 103.0
Southwest	160.1	139.2
Northeast/Mid-Con	104.4	92.4
Total	361.2	334.6
Unallocated assets	5.0	5.7
Total assets	$ 366.2	$ 340.3

The following table presents cash capital expenditures by reportable segment:

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Rocky Mountains	$ 1.8	$ 4.0	$ 5.7	$ 6.8
Southwest	5.5	3.0	9.3	13.0
Northeast/Mid-Con	5.3	4.9	14.8	19.4
Unallocated expenditures	—	0.1	0.1	0.5
Total capital expenditures	$ 12.6	$ 12.0	$ 29.9	$ 39.7

NOTE 11 - Net Loss Per Common Share

Basic net loss per common share is computed using the weighted average common shares outstanding during the period. Diluted net loss per common share is computed by using the weighted average common shares outstanding, including the dilutive effect of restricted shares based on an average share price during the period. For the three months ended September 30, 2026 and 2025, 0.7 and 0.8 million shares of Common Stock, respectively, and for the nine months ended September 30, 2026 and 2025, 0.5 and 0.7 million shares of Common Stock, respectively, were excluded from the determination of diluted net loss per common share because their effect would have been anti-dilutive. The computations of basic and diluted net loss per share for the three and nine months ended September 30, 2026 and 2025 are as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net loss	$ (15.5)	$ (14.3)	$ (47.9)	$ (62.1)
(Shares in millions)				
Basic weighted average common shares	22.7	19.2	20.9	18.5
Effect of dilutive securities - dilutive securities	—	—	—	—
Diluted weighted average common shares	22.7	19.2	20.9	18.5
Basic net loss per common share	$ (0.68)	$ (0.74)	$ (2.29)	$ (3.36)
Diluted net loss per common share	$ (0.68)	$ (0.74)	$ (2.29)	$ (3.36)

NOTE 12 - Related Party Transactions

Stuart Porter, a greater than 5% passive shareholder of the company, is the Senior Partner of Trace Capital. From time to time and in the ordinary course of business and at arms-length, certain Trace Capital portfolio companies engage us as service providers. The revenue associated with these related party transactions was $0.0 and $6.8 for the three months ended September 30, 2026 and 2025, respectively, and $4.8 and $7.3 for the nine months ended September 30, 2026 and 2025, respectively. The related accounts receivable balance was $0.0 and $3.9 as of September 30, 2026 and December 31, 2025, respectively.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements to encourage companies to provide prospective information to investors. This Quarterly Report on Form 10-Q (this “Quarterly Report”) includes forward-looking statements that reflect our current expectations and projections about our future results, performance and prospects. Forward-looking statements include all statements that are not historical in nature or are not current facts. When used in this Quarterly Report, 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. 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.

These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause our actual results, performance and prospects to differ materially from those expressed in, or implied by, these forward-looking statements. Factors that might cause such a difference include those discussed in our filings with the SEC, in particular those discussed under the headings “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2025 and in this Quarterly Report, including the following factors:

- general economic conditions, such as inflation and government efforts to reduce inflation or a recession;
- persistent volatility in national and global crude oil demand and crude oil prices;
- the possibility of inefficiencies, curtailments or shutdowns in our customers’ operations, whether in response to reductions in demand or other factors;
- uncertainty regarding our future operating results;
- regulation of and dependence upon the energy industry;
- the cyclical nature of the energy industry;
- fluctuations in market prices for fuel, oil and natural gas;

- overall domestic and global political and economic conditions, including the imposition of increased, new and retaliatory tariffs or trade or other economic sanctions, political instability or armed conflict, including the ongoing conflicts in Ukraine, the Israel-Gaza region and elsewhere in the Middle East, including the conflict with Iran, as well as conditions in South America, including most recently in Venezuela;
- the level of capital spending and access to capital markets by our customers in response to changes in demand and crude oil prices;
- our ability to maintain acceptable pricing for our services;
- our ability to maintain compliance with the covenants in our debt agreements and our liquidity levels and the need to obtain additional capital or financing, and the availability and/or cost of obtaining such capital or financing;
- competitive conditions within the industry;
- the loss of or interruption in operations of one or more key suppliers;
- legislative or regulatory changes and potential liability under federal and state laws and regulations;
- decreases in the rate at which oil and/or natural gas reserves are discovered and/or developed;
- the impact of technological advances on the demand for our products and services;
- customers' delays in obtaining permits for their operations;
- hazards and operational risks that may not be fully covered by insurance;
- limitations originating from our organizational documents, debt instruments and U.S. federal income tax obligations may impact our financial flexibility, our ability to engage in strategic transactions or our ability to declare and pay cash dividends on our Common Stock;
- changes in supply, demand and costs of equipment, including as a result of tariffs;
- oilfield anti-indemnity provisions;
- seasonal and adverse weather conditions that can affect oil and natural gas operations;
- reliance on information technology resources and the inability to implement new technology and services;
- the possibility of terrorist or cyberattacks and the consequences of any such events;
- increased labor costs or our ability to employ, or maintain the employment of, a sufficient number of key employees, technical personnel, and other skilled and qualified workers;
- the market environment and impacts resulting from a global pandemic and subsequent variants;
- the inability to successfully consummate or integrate our acquisitions or inability to manage potential growth;
- the effects of the stockholder protection rights plan described herein, including any potential anti-takeover effects;
- our ability to realize the anticipated benefits of the Rights Offering and related transactions; and
- our ability to remediate any material weakness in, or to maintain effective, internal controls over financial reporting and disclosure controls and procedures.

In light of these risks and uncertainties, you are cautioned not to put undue reliance on any forward-looking statements in this Quarterly Report. These statements should be considered only after carefully reading this entire Quarterly Report. Except as required under the federal securities laws and rules and regulations of the SEC, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional risks that we may currently deem immaterial or that are not presently known to us could also cause the forward-looking events discussed in this Quarterly Report not to occur.

All forward-looking statements, expressed or implied, included in this Quarterly Report are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statement that we or persons acting on our behalf may issue.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (U.S. dollars in millions, except per share data)

The following discussion and analysis should be read in conjunction with the historical condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report as well as our Annual Report on Form 10-K for the year ended December 31, 2025. This discussion contains forward-looking statements reflecting our current expectations and estimates and assumptions concerning events and financial trends that may affect our future operating results or financial position. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" appearing elsewhere in this Quarterly Report.

The following discussion and analysis addresses the results of our operations for the three and nine months ended September 30, 2026, as compared to our results of operations for the three and nine months ended September 30, 2025. In addition, the discussion and analysis addresses our liquidity, financial condition and other matters for these periods.

Company History

KLX Energy Services was initially formed from the combination of seven private oilfield service companies acquired during 2013 and 2014. The Company continued to selectively acquire regional and product line specific businesses through 2019 to expand our service capabilities and broaden our geographic presence. Once the acquisitions were completed, we undertook a comprehensive integration of these businesses to align our services, our people and our assets across all the geographic regions where we maintain a presence. We acquired Quintana Energy Services, Inc. ("QES") during the second quarter of 2020 and, by doing so, helped establish KLXE as an industry leading provider of asset-light oilfield solutions across the full well lifecycle to the major onshore oil and gas producing regions of the United States.

The merger of KLXE and QES (the "QES Merger") provided increased scale to serve a blue-chip customer base across the onshore oil and gas basins in the United States. The QES Merger combined two strong company cultures comprised of highly talented teams with shared commitments to safety, performance, customer service and profitability. The combination leveraged two of the largest fleets of coiled tubing and wireline assets, resulting in KLXE becoming a leading diversified provider of drilling, completions and production services, with market leadership positions in coiled tubing and fishing services. After closing the QES Merger, the Company integrated personnel, facilities, processes and systems across all functional areas of the organization.

On March 8, 2023, KLXE acquired all of the equity interests of Greene's Energy Group, LLC ("Greene's"), in an all-stock transaction, including $1.7 in cash remaining at Greene's, which was subsequently adjusted to $1.1 due to a $0.6 working capital adjustment.

On June 2, 2026 (the "Closing Date"), KLXE completed the acquisition of certain assets owned by Wolf Pack Rentals, LLC (the "Wolf Pack Acquisition"). The purchase price for the Wolf Pack Acquisition is $16.7, subject to customary post-closing adjustments and to be paid as follows: (i) on the Closing Date, the Buyer paid the Seller $14.1; (ii) two deferred payments of $1.5 each, to be paid at 180 and 360 days after the Closing Date, either in cash or shares of common stock, par value $0.01 per share, of the Company (the "Common Stock"), in its sole discretion, with a net present value of $2.7; and (iii) estimated post-closing adjustment to the purchase price of $0.1.

Looking ahead, the Company expects to continue to pursue opportunistic, strategic, accretive acquisitions that would be expected to further strengthen the Company's competitive positioning and capital structure and drive efficiencies, accelerate growth and create long-term stockholder value.

Company Overview

We serve many of the leading companies engaged in the exploration and development of onshore conventional and unconventional oil and natural gas reserves in the United States. Our customers are primarily large independent and major oil and gas companies. We currently support these customer operations from over 60 service facilities located in the key major shale basins. We operate in three segments on a geographic basis, including the Rocky Mountains Region (the Bakken, Williston, DJ, Uinta, Powder River, Piceance and Niobrara basins), the Southwest Region (the Permian Basin, Eagle Ford Shale and the Gulf Coast as well as in industrial and petrochemical facilities) and the Northeast/Mid-Con Region (the Marcellus and Utica Shale as well as the Mid-Continent STACK and SCOOP and Haynesville Shale). Our revenues, operating earnings and identifiable assets are primarily attributable to these three reportable geographic segments. While we manage our business based upon these geographic groupings, our assets and our technical personnel are deployed on a dynamic basis across all of our service facilities to optimize utilization and profitability.

These expansive operating areas provide us with access to a number of nearby unconventional crude oil and natural gas basins, both with existing customers expanding their production footprint and third parties acquiring new acreage. Our proximity to existing and prospective customer activities allows us to anticipate and respond quickly to such customers' needs and efficiently deploy our assets. We believe that our strategic geographic positioning will benefit us as activity increases in our core operating areas. Our broad geographic footprint provides us with exposure to the ongoing recovery in drilling, completion, production and intervention related service activity and will allow us to opportunistically pursue new business in basins with active drilling environments.

We work with our customers to provide engineered solutions across the lifecycle of the well by streamlining operations, reducing non-productive time and developing cost effective solutions and customized tools for our customers' challenging service needs, including their technically complex extended reach horizontal wells. We believe future revenue growth opportunities will continue to be driven by increases in the number of new customers served and the breadth of services we offer to existing and prospective customers.

We offer a variety of targeted services that are differentiated by the technical competence and experience of our field service engineers and their deployment of a broad portfolio of specialized tools and proprietary equipment. Our innovative and adaptive approach to proprietary tool design has been employed by our in-house research and development ("R&D") organization and, in selected instances, by our technology partners to develop tools covered by 41 patents and 8 pending patent applications, which we believe differentiates us from our regional competitors and also allows us to deliver more focused service and better outcomes in our specialized services than larger national competitors that do not discretely dedicate their resources to the services we provide.

We utilize contract manufacturers to produce our products, which, in many cases, our engineers have developed from input and requests from our customers and customer-facing managers, thereby maintaining the integrity of our intellectual property while avoiding manufacturing startup and maintenance costs. This approach leverages our technical strengths, as well as those of our technology partners. These services and related products are modest in cost to the customer relative to other well construction expenditures but have a high cost of failure and are, therefore, critical to our customers' outcomes. We believe our customers have come to depend on our decades of field experience to execute on some of the most challenging problems they face. We believe we are well positioned as a company to service customers when they are drilling and completing complex wells, and remediating both newer and older legacy wells.

We invest in innovative technology and equipment designed for modern production techniques that increase efficiencies and production for our customers. North American unconventional onshore wells are increasingly characterized by extended lateral lengths, tighter spacing between hydraulic fracturing stages, increased cluster density and heightened proppant loads. Drilling and completion activities for wells in unconventional resource plays are extremely complex, and downhole challenges and operating costs increase as the complexity and lateral length of these wells increase. For these reasons, E&P companies with complex wells increasingly prefer service providers with the scale and resources to deliver best-in-class solutions that evolve in real-time with the technology used for extraction. We believe we offer best-in-class service execution at the

wellsite and innovative downhole technologies, positioning us to benefit from our ability to service technically complex wells where the potential for increased operating leverage is high due to the large number of stages per well.

We endeavor to create a next generation oilfield services company in terms of management controls, processes and operating metrics, and have driven these processes down through the operating management structure in every region, which we believe differentiates us from many of our competitors. This allows us to offer our customers in all of our geographic regions discrete, comprehensive and differentiated services that leverage both the technical expertise of our skilled engineers and our in-house R&D team.

Recent Developments

Stockholder Protection Rights Plan

On September 23, 2026, our Board of Directors (the "Board") adopted a stockholder protection rights plan and declared a dividend of one right (a "Right") in respect of each of the Company's issued and outstanding shares of Common Stock. The dividend was payable to the stockholders of record at the close of business on October 5, 2026. The terms of the Rights are set forth in the Stockholder Protection Rights Agreement, dated as of September 23, 2026 (as it may be amended from time to time, the "Rights Agreement"), by and between the Company and Computershare Trust Company, N.A., as rights agent.

In general terms, the Rights Agreement imposes significant dilution upon any person or group (other than the Company or certain related persons) that is or becomes the beneficial owner of 10% (the "Triggering Percentage") or more of the Company's outstanding Common Stock without the prior approval of the Board. A person or group that becomes the beneficial owner of the Triggering Percentage or more is called an "Acquiring Person." Any Rights held by an Acquiring Person will be null and void and may not be exercised. Stockholders that beneficially own the Triggering Percentage or more of the Company's outstanding Common Stock immediately prior to the first public announcement by the Company of the adoption of the Rights Agreement are not considered Acquiring Persons; however, such stockholders generally may not acquire, or obtain the right to acquire, beneficial ownership of one or more additional shares of Common Stock. The term "beneficial ownership" is defined in the Rights Agreement and includes, among other things, certain securities that may be exercised or converted into shares of Common Stock and certain derivative arrangements.

No 13G Investor (as defined in the Rights Agreement) that, together with all its affiliates and associates, is the beneficial owner of Common Stock representing less than 20% of the Common Stock then outstanding, will be deemed to be an "Acquiring Person"; provided, that a 13G Investor may lose its status as such in the circumstances specified in the Rights Agreement.

The Rights are not exercisable until the Distribution Date. The Rights will expire prior to the earliest of (i) the close of business on September 23, 2027, or such later date as may be established by the Board prior to the expiration of the Rights; (ii) the time at which the Rights are redeemed pursuant to the Rights Agreement; (iii) the time at which the Rights are exchanged pursuant to the Rights Agreement; and (iv) the occurrence of certain transactions as described in the Rights Agreement.

The Rights Agreement is attached hereto as Exhibit 4.1 and is incorporated herein by reference. The description of the Rights Agreement herein does not purport to be complete and is qualified in its entirety by reference to Exhibit 4.1.

Recent Trends and Outlook

Demand for services in the oil and natural gas industry is cyclical and subject to sudden and significant volatility. So far in 2026, factors affecting oil prices have included instability and conflict in the Middle East, including military conflict with Iran and related disruptions to shipping through the Strait of Hormuz, attacks on energy infrastructure in the Middle East and Russia, output increases from the largest oil-producing countries and changes in the growth rate of the U.S. and world economies. Oil and natural gas prices have been, and may remain, volatile, which impacts demand for our business. West Texas Intermediate's ("WTI") average

daily price per barrel increased by approximately 32.4%, to $87.12 per Bbl during the three months ended September 30, 2026, compared to the WTI average daily price per barrel of $65.78 per Bbl during the three months ended September 30, 2025. Prices during the quarter were volatile, swinging between $69.60 at their lowest and $107.02 at their highest. For the three months ended September 30, 2026, average U.S. land rig count stood at 575, which is an increase of 6.9% compared to the average rig count during the prior quarter of 538 and an increase of 9.1% compared to the average rig count for the three months ended December 31, 2025 of 527.

Looking ahead to the remainder of the year ending December 31, 2026, assuming economic activity holds at the recent level and commodity prices remain volatile, we anticipate that our customers will allocate capital in a disciplined manner. So far in 2026, WTI prices have generally increased as the conflict with Iran intensified, including following the resumption of military strikes in July, and have decreased during periods of de-escalation, such as following the June 2026 memorandum of understanding. Although we expect this dynamic to hold for the foreseeable future, it is difficult to anticipate future changes in price. Although oil prices remain above the break-even level for most operators, we expect the industry to retain a disciplined approach to drilling and completion expansion, notwithstanding the increase in rig activity compared to the prior year.

Oil and natural gas prices may fluctuate with changes in demand due to, among other things, the ongoing war in Ukraine, the Israel-Hamas conflict, the conflict with Iran, disruptions to shipping through the Strait of Hormuz, attacks on energy infrastructure, international sanctions, speculation as to future actions by OPEC+, gas prices, interest rates, inflation and government efforts to reduce inflation, and possible changes in the overall health of the global economy, including a perceived economic recovery or any increased volatility in financial and credit markets, the imposition of increased, new and retaliatory tariffs or a recession. To what extent these and other external factors (such as government action with respect to climate change regulation) ultimately impact our future business, liquidity, financial condition, and results of operations is highly uncertain and dependent on numerous factors, including future developments, that are not within our control and cannot be accurately predicted.

We believe our diverse product and service offerings uniquely position KLXE to respond to a rapidly evolving marketplace where we can provide a comprehensive suite of engineered solutions for our customers with one call and one master services agreement.

How We Generate Revenue and the Costs of Conducting Our Business

Our business strategy seeks to generate attractive returns on capital by providing differentiated services and prudently applying our cash flow to select targeted opportunities, with the potential to deliver high returns that we believe offer superior margins over the long-term and short payback periods. Our services generally require equipment that is less expensive to maintain and is operated by a smaller staff than many other oilfield services providers. As part of our returns-focused approach to capital spending, we are focused on efficiently utilizing capital to develop new products. We support our existing asset base with targeted investments in R&D, which we believe allows us to maintain a technical advantage over our competitors providing similar services using standard equipment.

Demand for services in the oil and natural gas industry is cyclical and subject to sudden and significant volatility. We remain focused on serving the needs of our customers by providing a broad portfolio of product service lines across major basins, while preserving a solid balance sheet, maintaining sufficient operating liquidity and prudently managing our capital expenditures.

We believe we have strong management systems in place, which will allow us to manage our operating resources and associated expenses relative to market conditions. Historically, we believe our services have generated margins superior to our competitors based upon the differential quality of our performance, and that these margins may contribute to future cash flow generation. The required investment in our business includes both working capital (principally for accounts receivable, inventory and accounts payable growth tied to increasing activity) and capital expenditures for both maintenance of existing assets and ultimately growth when economic returns justify the spending. Our required maintenance capital expenditures tend to be lower

than other oilfield service providers due to the generally asset-light nature of our services, the lower average age of our assets and our ability to charge back a portion of asset maintenance to customers for a number of our assets.

Results of Operations

Three Months Ended September 30, 2026 Compared to Three Months Ended September 30, 2025

Revenue. The following is a summary of revenue by segment and product line for the periods indicated:

	Three Months Ended		
	September 30, 2026	**September 30, 2025**	**% Change**
Revenue:			
Rocky Mountains	$ 58.6	$ 50.8	15.4 %
Southwest	70.9	56.6	25.3 %
Northeast/Mid-Con	56.1	59.3	(5.4)%
Total revenue	$ 185.6	$ 166.7	11.3 %

	Three Months Ended		
	September 30, 2026	**September 30, 2025**	**% Change**
Revenue:			
Drilling	$ 46.2	$ 26.1	77.0 %
Completion	92.2	99.3	(7.2)%
Production	30.5	26.4	15.5 %
Intervention	16.7	14.9	12.1 %
Total revenue	$ 185.6	$ 166.7	11.3 %

For the quarter ended September 30, 2026, revenues were $185.6, an increase of $18.9, or 11.3%, as compared with the prior year period. The overall increase in revenues reflects an increase in activity during the quarter, leading to higher demand for our services. Higher weighted average price and job mix contributed to approximately 5% of the $18.9 increase, and higher weighted average volume contributed to the remaining approximately 95%. On a segment basis, Rocky Mountains segment revenue increased by $7.8 or 15.4%. Higher weighted average volume contributed to approximately all of the dollar increase. Southwest segment revenue increased by $14.3 or 25.3%. Higher weighted average price and job mix contributed to approximately 13% of the dollar increase, and higher weighted average volume contributed to the remaining approximately 87%. Northeast/Mid-Con segment revenue decreased by $3.2 or 5.4%. Lower weighted average volume contributed to approximately all of the dollar decrease.

Cost of sales. For the quarter ended September 30, 2026, cost of sales were $143.7, or 77.4% of sales, as compared to the three months ended September 30, 2025 of $130.5, or 78.3% of sales. Cost of sales as a percentage of revenues decreased primarily due to higher leverage of fixed costs during the quarter. The two largest components of cost of sales are labor and repair & maintenance. As cost of sales as a percentage of revenues decreased, labor costs per employee increased by 5.2% as compared with the three months ended September 30, 2025. Repair & maintenance costs as a percentage of revenues decreased by (3.8)% as compared to the three months ended September 30, 2025, due to the higher pricing during the quarter.

Selling, general and administrative expenses ("SG&A"). For the quarter ended September 30, 2026, SG&A expenses were $18.8, or 10.1% of revenues, as compared with $15.6, or 9.4% of revenues, in the prior year period. SG&A expenses increased during the quarter as compared to the three months ended September 30, 2025, primarily due to additional costs to execute the Rights Offering.

Operating (loss) income. The following is a summary of operating (loss) income by segment:

	Three Months Ended		
	September 30, 2026	September 30, 2025	% Change
Operating income (loss):			
Rocky Mountains	$ 7.3	$ 1.8	305.6 %
Southwest	0.7	(3.4)	NM
Northeast/Mid-Con	4.9	6.6	(25.8)%
Corporate and other	(11.0)	(8.0)	(37.5)%
Total operating income (loss)	$ 1.9	$ (3.0)	163.3 %

For the quarter ended September 30, 2026, operating income was $1.9 compared to operating loss of $3.0 in the prior year period, due to an increase in activity and pricing.

The operating results across our three geographic segments were mixed, as Rocky Mountains operating income increased by 305.6% and Southwest operating results turned positive, while Northeast/Mid-Con operating income decreased by 25.8%. Rocky Mountains segment operating income was $7.3, Southwest segment operating income was $0.7, and Northeast/Mid-Con segment operating income was $4.9 for the three months ended September 30, 2026.

Loss on debt extinguishment. During the quarter ended September 30, 2026, as part of the Backstop Exchange, the Company incurred a $3.8 loss on debt extinguishment associated with the $87.8 reduction in 2030 Senior Notes. This loss consisted of debt issuance costs and original issue discount related to the portion of 2030 Senior Notes being retired as well as issuance costs allocated to the Backstop Exchange itself.

Income tax (benefit) expense. For the quarter ended September 30, 2026, income tax expense was $0.2, as compared to income tax expense of $0.2 in the prior year period, related to state and local taxes. The Company did not recognize a federal tax benefit on its year-to-date losses because it has a full valuation allowance recorded against its net deferred tax assets.

Net loss. For the quarter ended September 30, 2026, net loss was $15.5, as compared to net loss of $14.3 in the prior year period. In the current year period, revenues were higher, however, this was offset by additional costs related to the Rights Offering and related transactions.

Results of Operations

Nine Months Ended September 30, 2026 Compared to Nine Months Ended September 30, 2025

Revenue. The following is a summary of revenue by segment and product line for the periods indicated:

	Nine Months Ended		
	September 30, 2026	**September 30, 2025**	**% Change**
Revenue:			
Rocky Mountains	$ 148.0	$ 152.7	(3.1)%
Southwest	189.0	180.6	4.7 %
Northeast/Mid-Con	160.6	146.4	9.7 %
Total revenue	$ 497.6	$ 479.7	3.7 %

	Nine Months Ended		
	September 30, 2026	**September 30, 2025**	**% Change**
Revenue:			
Drilling	$ 113.3	$ 82.5	37.3 %
Completion	257.7	265.9	(3.1)%
Production	80.6	82.4	(2.2)%
Intervention	46.0	48.9	(5.9)%
Total revenue	$ 497.6	$ 479.7	3.7 %

For the nine months ended September 30, 2026, revenues were $497.6, an increase of $17.9, or 3.7%, as compared with the prior year period. The overall increase in revenues reflects an increase in activity during the nine months ended, leading to higher demand for our services. Higher weighted average price and job mix contributed to approximately 22% of the $17.9 increase, and higher weighted average volume contributed to the remaining approximately 78%. On a segment basis, Rocky Mountains segment revenue decreased by $4.7 or 3.1%. Lower weighted average volume contributed to approximately all of the dollar decrease. Southwest segment revenue increased by $8.4 or 4.7%. Higher weighted average price and job mix contributed to approximately 28% of the dollar increase, and higher weighted average volume contributed to the remaining approximately 72%. Northeast/Mid-Con segment revenue increased by $14.2 or 9.7%. Higher weighted average price and job mix contributed to approximately 36% of the dollar increase, and higher weighted average volume contributed to the remaining approximately 64%.

Cost of sales. For the nine months ended September 30, 2026, cost of sales were $393.7, or 79.1% of sales, as compared to the nine months ended September 30, 2025 of $379.9, or 79.2% of sales. Cost of sales as a percentage of revenues held steady with the increase of revenues in the current year period. The two largest components of cost of sales are labor and repair & maintenance. Labor costs per employee increased by 4.0% as compared with the nine months ended September 30, 2025. Repair & maintenance costs as a percentage of revenues decreased by (2.4)% as compared to the nine months ended September 30, 2025, due to lower utilization during the nine months ended September 30, 2026.

Selling, general and administrative expenses ("SG&A"). For the nine months ended September 30, 2026, SG&A expenses were $53.2, or 10.7% of revenues, as compared with $55.2, or 11.5% of revenues, in the prior year period. SG&A decreased in dollar value and as a percentage of revenues compared to the nine months ended September 30, 2025 due to company initiatives to control costs.

Operating (loss) income. The following is a summary of operating (loss) income by segment:

	Nine Months Ended		
	September 30, 2026	September 30, 2025	% Change
Operating (loss) income:			
Rocky Mountains	$ 3.7	$ 4.9	(24.5)%
Southwest	(2.5)	(2.1)	(19.0)%
Northeast/Mid-Con	13.0	(2.8)	NM
Corporate and other	(22.3)	(28.2)	20.9 %
Total operating loss	$ (8.1)	$ (28.2)	71.3 %

For the nine months ended September 30, 2026, operating loss was $8.1 compared to operating loss of $28.2 in the prior year period, due to an increase in activity and pricing.

The operating results across our three geographic segments were mixed compared to the prior year period, as Rocky Mountains and Southwest experienced decreases in operating performance, while Northeast/Mid-Con turned from an operating loss to operating income. Rocky Mountains segment operating income was $3.7, Southwest segment operating loss was $2.5, and Northeast/Mid-Con segment operating income was $13.0 for the nine months ended September 30, 2026.

Income tax (benefit) expense. For the nine months ended September 30, 2026, income tax benefit was $1.3, compared to income tax expense of $0.6 in the prior year period, with the change primarily due to a deferred tax benefit recognized from the reduction in the valuation allowance, offset by state and local taxes. The Company did not recognize a federal tax benefit on its year-to-date losses because it has a full valuation allowance recorded against its net deferred tax assets.

Net loss. For the nine months ended September 30, 2026, net loss was $47.9, as compared to net loss of $62.1 in the prior year period. The reduction in net loss was primarily attributable to improved operating performance in the Northeast/Mid-Con segment and lower Corporate and other expenses.

Liquidity and Capital Resources

Overview

We require capital to fund ongoing operations, including maintenance expenditures on our existing fleet and equipment, organic growth initiatives, debt service obligations, investments and acquisitions. Our primary sources of liquidity to date have been capital contributions from our equity and note holders, borrowings under our Prior ABL Facility (as defined below) and 2028 ABL Facility (as defined below) and cash flows from operations. At September 30, 2026, we had $5.0 of cash and cash equivalents, and $73.4 available capacity under the 2028 ABL Facility.

We have taken several actions to continue to improve our liquidity position, including efficiencies gained from the QES Merger, equity issuances under our ATM Offering program, debt-for-equity exchanges that have reduced interest burden, completed the Rights Offering and Backstop Exchange, and monetized non-core and obsolete assets. On March 12, 2025, we completed a refinancing of our long-term indebtedness, as described in greater detail under “—Refinancing”, “—ABL Facilities—2028 ABL Facility” and “—Senior Secured Notes—2030 Senior Notes” below and, most recently we completed the Rights Offering and Backstop Exchange, as described in greater detail under “—Equity Rights Offering, Backstop Exchange and Amended and Restated Indenture”. As market conditions warrant and subject to our contractual restrictions, liquidity position and other factors, we may further access the public or private debt and equity markets or seek to recapitalize, refinance or otherwise restructure our capital structure.

Our ability to comply with the covenants in our debt instruments and pay the principal and interest on our debt and to satisfy our other liabilities will depend on our future operating performance and our ability to refinance

our debt as it becomes due. Our future operating performance and ability to refinance such indebtedness will be affected by prevailing economic and political conditions, the level of drilling, completion, production and intervention services activity for North American onshore oil and natural gas resources, the willingness of capital providers to lend to our industry and other financial and business factors, many of which are beyond our control. In addition, incurring additional debt in excess of our existing outstanding indebtedness would result in increased interest expense and financial leverage, and issuing Common Stock may result in dilution to our current stockholders.

In order to ensure our continued compliance with the maximum total net leverage ratio covenant under the 2030 Senior Notes Indenture, on March 6, 2026, the requisite Investors (as defined below) agreed to execute the First Amendment to the 2030 Senior Notes Indenture (the "First Amendment to the Indenture") to provide financial covenant relief, described more fully below under "2030 Senior Notes." In connection with the entry into the First Amendment to the Indenture, we issued warrants for our Common Stock (the "Warrants") to our Investors, based on their pro rata ownership of principal amount of the 2030 Senior Notes, providing for the purchase of up to 803,712 shares of Common Stock at an exercise price of $0.01 per share, subject to adjustment, pursuant to Section 4(a)(2) of the Securities Act.

Our 2028 ABL Facility matures on March 7, 2028 and we intend to work with our existing lenders or other sources of capital to refinance the 2028 ABL Facility.

In light of our substantial leverage position, as market conditions warrant and subject to our contractual restrictions, liquidity position and other factors, we have evaluated several alternatives for deleveraging including debt for equity exchanges, non-core asset sales or other potential transactions to recapitalize, refinance or otherwise restructure our capital structure, and on September 29, 2026, we completed the Rights Offering and the Backstop Exchange described below.

For risks associated with the Rights Offering and the Backstop Exchange, please see "Part II. Item 1A. Risk Factors-Risks Related to the Rights Offering and the Backstop Exchange" below.

We actively manage our capital spending and are focused primarily on required maintenance spending. For the past couple of years, due to increasing oil prices leading to an increase in demand for our services, our operating cash flow has been positive. Based on our current forecasts, we believe our cash on hand, availability under the 2028 ABL Facility and our cash flows will provide us with the ability to fund our operations for at least the next twelve months.

Equity Rights Offering, Backstop Exchange and Amended and Restated Indenture

On September 29, 2026, the Company completed its previously announced subscription rights offering (the "Rights Offering"), which expired in accordance with its terms at 5:00 p.m., New York City time, on September 23, 2026, and closed the Backstop Exchange (as defined below). Pursuant to the terms of the Rights Offering, 24,975,001 shares of Common Stock were purchased pursuant to the exercise of subscription rights at the subscription price of $1.49 per whole share (the "Subscription Price") for gross proceeds of $37.2 to the Company. Of the $37.2 gross cash proceeds from the Rights Offering, the Company used $31.0 for general corporate purposes, including to pay fees and expenses in connection with the Rights Offering, and $6.2 to redeem a portion of the 2030 Senior Notes (as defined below) at par, plus accrued and unpaid interest. The Company issued a partial notice of redemption on September 30, 2026 to redeem $6.2 aggregate principal amount of the 2030 Senior Notes, which was completed on October 13, 2026.

As of October 13, 2026, in connection with the Backstop Exchange, the outstanding principal amount of the 2030 Senior Notes was reduced by $94.0 as a result of the combination of par redemptions from excess proceeds in the Rights Offering and the exchange of 2030 Senior Notes for Common Stock in the Backstop Exchange.

Backstop Exchange

The Rights Offering was backstopped by the existing holders (the "Backstop Parties") of the Company's Senior Secured Floating Rate Cash / PIK Notes due 2030 (the "2030 Senior Notes") in an aggregate backstop commitment amount of $94.0 pursuant to a Rights Offering Backstop Agreement (the "Backstop Agreement"), which was reduced to $87.8 (exclusive of $0.5 of accrued but unpaid interest exchanged) as a result of $6.2 of 2030 Senior Notes redeemed with Rights Offering proceeds. The Backstop Parties committed to purchase their respective backstop commitment amounts through an exchange of their 2030 Senior Notes (at 100% of the principal amount thereof plus accrued and unpaid interest) for shares of Common Stock at the Subscription Price (the "Backstop Exchange"). An aggregate of 59,273,445 shares of Common Stock were issued to the Backstop Parties in the Backstop Exchange. As a result of the Backstop Exchange, the Company recognized a loss on debt extinguishment of $3.8 for the three months ended September 30, 2026.

Shares of Common Stock acquired by the Backstop Parties pursuant to the Backstop Exchange were not registered under the Securities Act of 1933, as amended (the "Securities Act"), and were issued in a private placement exempt from registration under Section 4(a)(2) of the Securities Act. In connection with the completion of the Rights Offering, the Company entered into a Registration Rights Agreement, dated as of September 29, 2026 (the "Registration Rights Agreement"), with the Backstop Parties, pursuant to which the Backstop Parties were granted certain customary registration rights in respect of such shares.

Amended and Restated Indenture

In connection with the closing of the Backstop Exchange, the Company, the subsidiaries party thereto, as guarantors, and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent, entered into an Amended and Restated Indenture, dated as of September 29, 2026 (the "A&R 2030 Senior Notes Indenture").

The A&R 2030 Senior Notes Indenture amended and restated in its entirety the 2030 Senior Notes Indenture (as defined below). The 2030 Senior Notes remain guaranteed and secured on substantially the same terms other than as described below.

The 2030 Senior Notes Indenture was amended and restated to provide additional covenant flexibility and other amendments, including, among other things: (i) reset the total net leverage ratio maintenance covenant step-down schedule to: (w) 4.50:1.00, commencing with the fiscal quarter ending September 30, 2026, (x) 4.00:1.00, commencing on the fiscal quarter ending June 30, 2027, (y) 3.50:1.00, commencing on the fiscal quarter ending June 30, 2028, and (z) 3.00:1.00, commencing on the fiscal quarter ending June 30, 2029, (ii) relax the total net leverage ratio incurrence test for additional indebtedness from 2.50:1.00 to 3.00:1.00, (iii) permanently exclude capital lease obligations from the definition of "Consolidated Total Indebtedness" for purposes of the financial maintenance covenant, incurrence-based tests/ratios/baskets, and the Secured Net Leverage Ratio (as defined in the A&R 2030 Senior Notes Indenture), (iv) increase the basket for indebtedness in respect of purchase money obligations and capital lease obligations from $75.0 to $85.0, (v) provide for par redemption of 2030 Senior Notes in connection with the Backstop Agreement and exclude Rights Offering redemption proceeds from the excess cash flow sweep, (vi) reset the make-whole expiry date to two years from the effective date of the A&R 2030 Senior Notes Indenture and reduce the premium from 102% to 101%, (vii) grant the holders of the 2030 Senior Notes a right of first offer with respect to any debtor-in-possession financing secured by notes priority collateral on a pro rata basis and (viii) require that any opportunity to provide permitted pari passu notes lien indebtedness be offered first to existing holders on a pro rata basis.

Refinancing

On March 7, 2025, the Company and certain of our subsidiaries party thereto entered into a Securities Purchase Agreement with certain holders (the "Investors") of our 11.5% senior secured notes due 2025 (the "2025 Senior Notes"), pursuant to which the Company agreed to issue and sell to the Investors (a) approximately $232.2 in aggregate principal amount of the 2030 Senior Notes and (b) warrants entitling the holders thereof to purchase, in the aggregate, up to 2,373,187 shares of Common Stock, at an exercise price of $0.01 per share, subject to adjustment in exchange for (i) approximately $78.4 in aggregate cash

consideration and (ii) approximately $143.6 aggregate principal amount of the 2025 Senior Notes, which were cancelled by the Company upon receipt thereof (collectively, the "Refinancing"). The Company consummated the Refinancing on March 12, 2025.

Senior Secured Notes

2030 Senior Notes

On March 12, 2025, as part of the Refinancing, the Company and certain of its subsidiaries entered into an indenture, dated as of March 12, 2025 (as amended, the "2030 Senior Notes Indenture"), with U.S. Bank Trust Company, National Association, as the trustee and notes collateral agent, pursuant to which $232.2 of the 2030 Senior Notes were issued. The 2030 Senior Notes will mature on March 12, 2030 and bear a floating rate of interest of Term SOFR plus the Applicable Margin (as defined in the 2030 Senior Notes Indenture) based on the Secured Net Leverage Ratio (as defined in the 2030 Senior Notes Indenture) payable on the last day of the applicable interest period in cash or, at the Company's election, additional 2030 Senior Notes paid-in-kind on one-, three- or six-month interest periods, which shall include a 100 basis point premium for any period where interest is paid-in-kind. The 2030 Senior Notes are senior secured obligations of the Company and are guaranteed on a senior secured basis by each of the Company's current domestic subsidiaries and by certain future subsidiaries, subject to agreed guaranty and security principles and certain exclusions.

The 2030 Senior Notes are fully and unconditionally guaranteed by each of the Company's current subsidiaries. The 2030 Senior Notes will also be guaranteed by each of the Company's future subsidiaries that guarantee the Company's indebtedness or indebtedness of guarantors, including under the 2028 ABL Facility and such subsidiaries that become guarantors in the future will also pledge their collateral in support of such guarantees. These guarantees are senior secured obligations of the guarantors secured by a first priority security interest on substantially all of the guarantors' assets (other than collateral securing the 2028 ABL Facility on a first priority basis) and a second priority security interest on the guarantors' assets which secure the 2028 ABL Facility on a first priority basis, subject in each case to certain excluded assets.

The Company is required to redeem the 2030 Senior Notes in an amount equal to 2.00% per annum of all 2030 Senior Notes outstanding as of the prior applicable Interest Payment Date (as defined in the 2030 Senior Notes Indenture) on the last business day of each of March, June, September and December. Additionally, upon certain changes of control, consummation of certain asset sales and other events, the Company will be required to repurchase the 2030 Senior Notes at the applicable redemption prices.

The 2030 Senior Notes Indenture contains certain financial covenants that include (i) a maximum total net leverage ratio of not greater than (w) 4.50:1.00, commencing with the fiscal quarter ending September 30, 2026, (x) 4.00:1.00, commencing on the fiscal quarter ending June 30, 2027, (y) 3.50:1.00, commencing on the fiscal quarter ending June 30, 2028, and (z) 3.00:1.00, commencing on the fiscal quarter ending June 30, 2029 and (ii) restrictions on making net capital expenditures in any test period in excess of the greater of (x) $65.0 in the aggregate or (y) 7.00% of revenues during such test period.

The 2030 Senior Notes Indenture also restricts, among other things, the Company's ability to incur indebtedness and liens, pay dividends or make other distributions, make certain other restricted payments or investments, sell assets, enter into restrictive agreements, enter into transactions with the Company's affiliates, and merge or consolidate with other entities or convey, transfer or lease all or substantially all of the Company's properties and assets to another person, which, in each case, is subject to certain limitations and exceptions. The 2030 Senior Notes Indenture also contains customary events of default including, among other things, the failure to pay interest for three business days, failure to pay principal when due, failure to observe or perform any other covenants or agreement in the 2030 Senior Notes Indenture subject to grace periods, cross-acceleration to indebtedness with an aggregate principal amount in excess of $7.5, material impairment of liens, failure to pay certain material judgments and certain events of bankruptcy. The 2030 Senior Notes Indenture permits the Company to incur additional pari passu indebtedness of up to $150.0 within twelve months of the Refinancing (including for the purpose of consummating permitted acquisitions

and investments) subject to the terms and conditions contained in the 2030 Senior Notes Indenture and contains certain other covenants, events of default and other customary provisions.

On March 6, 2026, the requisite Investors agreed to execute the First Amendment to the Indenture to provide financial covenant relief in the form of (i) extending the period for which the maximum total net leverage ratio covenant is tested at 4.50 to 1.0 through and including the testing period ending March 31, 2027, stepping down to 3.50 to 1.0 for the testing periods ending June 30, 2027 through and including March 31, 2028, to 3.00 to 1.0 for the testing periods ending June 30, 2028 through and including March 31, 2029, and to 2.50 to 1.0 for the testing periods ending June 30, 2029 and thereafter, (ii) a temporary holiday to exclude capital lease obligations as indebtedness for the purposes of determining compliance with the maximum total net leverage ratio covenant for the testing periods ending December 31, 2025 through and including March 31, 2027 and (iii) clarifying that proceeds from our ATM Offering program may be applied as an equity cure. The First Amendment to the Indenture also establishes additional debt and lien baskets to permit the issuance of letters of credit by third parties for the Company's account in favor of insurers in connection with a $6.7 substitute insurance collateral facility. As of September 30, 2026, the Company was in compliance with its financial covenants under the 2030 Senior Notes.

Also in connection with our entry into the First Amendment to the Indenture, we issued Warrants to our noteholders, based on their pro rata ownership of principal amount of the 2030 Senior Notes, providing for the purchase of up to 803,712 shares of Common Stock at an exercise price of $0.01 per share, subject to adjustment, pursuant to Section 4(a)(2) of the Securities Act.

There is no certainty that the First Amendment to the Indenture or the amendments set forth in the A&R 2030 Senior Notes Indenture will be sufficient to allow us to comply with our covenants under the 2030 Senior Notes Indenture or that we will be able to obtain future amendments in the event we are unable to comply with such covenants. For additional details, see "Part I. Item 1A. Risk Factors—Risks Relating to Financial Considerations—The 2030 Senior Notes Indenture and the 2028 ABL Facility have significant financial and operating restrictions that may have an adverse effect on our business, financial condition and results of operations. A failure to comply with the obligations contained in any such agreement governing our indebtedness could result in an event of default under such agreement, which could permit acceleration of the related debt, enforcement against any liens securing the related debt and acceleration of debt under other instruments that may contain cross acceleration or cross default provisions. We may not have, or may not be able to obtain, sufficient funds to make any required accelerated payments" in our Annual Report on Form 10-K for the year ended December 31, 2025.

During the second quarter of 2026, the Company entered into debt-for-equity exchange agreements (the "Exchange Agreements" and each, an "Exchange Agreement") with certain holders (the "Noteholders") of the 2030 Senior Notes. Pursuant to the Exchange Agreements, the Noteholders exchanged $2.2 in aggregate principal amount of the Company's outstanding Notes for an aggregate of 627,521 shares of Common Stock.

As of September 30, 2026, the principal amount outstanding under the 2030 Senior Notes was $172.4. On a net basis, after taking into consideration unamortized debt issuance costs and issue discount for the 2030 Senior Notes, total debt related to the 2030 Senior Notes as of September 30, 2026 was $159.3. The effective interest rate under the 2030 Senior Notes was approximately 12.29% on September 30, 2026. Accrued interest related to the 2030 Senior Notes was $0.6 as of September 30, 2026 and $— as of December 31, 2025.

2025 Senior Notes

The previously-issued 2025 Senior Notes were redeemed on March 30, 2025 and the related indenture was satisfied and discharged in full.

ABL Facilities

2028 ABL Facility

On March 7, 2025, the Company also entered into a Credit Agreement, dated as of March 7, 2025 (the "2028 ABL Facility"), with the Company, as borrower, Eclipse Business Capital LLC, as administrative agent, as collateral agent and as FILO administrative agent and the lenders party thereto. The 2028 ABL Facility is comprised of an asset-based revolving credit facility with a $125.0 commitment (the "Revolving Facility"), a first-in-last-out asset-based credit facility with a $10.0 commitment (the "FILO Facility"), and a committed incremental loan option under the Revolving Facility with a $25.0 commitment (the "Incremental Revolving Loans").

The availability of the Incremental Revolving Loans are subject to usual and customary conditions to effectiveness, including, for example, the Company electing to utilize such Incremental Revolving Loans by a date certain and the payment of required fees. Borrowings under the Revolving Facility (including, to the extent incurred, the Incremental Revolving Loans) bear interest at a rate equal to adjusted term SOFR plus an applicable margin of 4.625%. Borrowings under the FILO Facility bear interest at a rate equal to adjusted term SOFR plus an applicable margin of 6.00%. The applicable margin under the Revolving Facility is subject to a 0.125% reduction and the applicable margin under the FILO Facility is subject to a 0.500% reduction, in each case upon the repayment in full of a $5.0 over-advance provided on the initial funding date under the Revolving Facility. The 2028 ABL Facility is secured by, among other things, a first priority lien on accounts receivable and inventory and contains customary conditions precedent to borrowing and affirmative and negative covenants.

The initial funding under the 2028 ABL Facility occurred on March 12, 2025, and the proceeds therefrom were used to repay the Prior ABL Facility in full. After giving effect to the foregoing, we had approximately $39.9 of available borrowing capacity under the 2028 ABL Facility. Our 2028 ABL Facility matures on March 7, 2028.

The 2028 ABL Facility includes a springing financial covenant which requires the Company's consolidated fixed charge coverage ratio to be at least 1.0 to 1.0 if availability under the Revolving Facility falls below $7.0.

The 2028 ABL Facility includes financial, operating and negative covenants that limit our ability to incur indebtedness, to create liens or other encumbrances, to make certain payments and investments, including dividend payments, to engage in transactions with affiliates, to engage in sale/leaseback transactions, to guarantee indebtedness and to sell or otherwise dispose of assets and merge or consolidate with other entities. It also includes a covenant to deliver annual audited financial statements that are not qualified by a "going concern" or like qualification or exception. A failure to comply with the obligations contained in the 2028 ABL Facility could result in an event of default, which could permit acceleration of the debt, termination of undrawn commitments and enforcement against any liens securing the debt. The 2028 ABL Facility contains certain other covenants (including the ability to incur indebtedness for the purpose of consummating permitted acquisitions, subject to the terms of the 2028 ABL Facility), events of default and other customary provisions. As of September 30, 2026, the Company was in compliance with its financial covenants under the 2028 ABL Facility.

As of September 30, 2026, the borrowings outstanding under the 2028 ABL Facility were $29.0, out of which $22.0 were under the Revolving Facility and $7.0 under the FILO Facility. The effective interest rate under the Revolving Facility was approximately 8.42% on September 30, 2026, and the effective interest rate under the FILO Facility was approximately 9.80% on September 30, 2026. Accrued interest related to the 2028 ABL Facility was $0.6 as of September 30, 2026 and $0.4 as of December 31, 2025.

Indemnities, Commitments and Guarantees

In the normal course of our business, we make certain indemnities, commitments and guarantees under which we may be required to make payments in relation to certain transactions. These indemnities include indemnities to various lessors in connection with facility leases for certain claims arising from such facility or lease and indemnities to other parties to certain acquisition agreements. The duration of these indemnities, commitments and guarantees varies and, in certain cases, is indefinite. Many of these indemnities,

commitments and guarantees provide for limitations on the maximum potential future payments we could be obligated to make. However, we are unable to estimate the maximum amount of liability related to our indemnities, commitments and guarantees because such liabilities are contingent upon the occurrence of events that are not reasonably determinable. Our management believes that any liability for these indemnities, commitments and guarantees would not be material to our financial statements. Accordingly, no significant amounts have been accrued for indemnities, commitments and guarantees.

We have employment agreements with certain key members of management expiring on various dates. Our employment agreements generally provide for certain protections in the event of a change of control. These protections generally include the payment of severance and related benefits under certain circumstances in the event of a change in control.

Capital Expenditures

Our capital expenditures were $29.9 during the nine months ended September 30, 2026, compared to $39.7 in the nine months ended September 30, 2025. We offset $7.4 of capital spending during the nine months ended September 30, 2026 with the same amount of proceeds from asset sales. Based on current industry conditions and our significant investments in capital expenditures over the past several years, we expect to incur approximately $40.0 in total capital expenditures for the year ending December 31, 2026. The nature of our capital expenditures is comprised of a base level of investment required to support our current operations and amounts related to growth and Company initiatives. Capital expenditures for growth and Company initiatives are discretionary. We continually evaluate our capital expenditures, and the amount we ultimately spend will depend on a number of factors, including expected industry activity levels and Company initiatives.

Equity Distribution Agreement

On June 14, 2021, the Company entered into an Equity Distribution Agreement (as amended from time to time, the “Equity Distribution Agreement”) with Piper Sandler & Co. as sales agent (the “Agent”). Pursuant to the terms of the Equity Distribution Agreement, the Company may sell from time to time through the Agent (the “ATM Offering”) shares of Common Stock having an aggregate offering price of up to $50.0. On November 16, 2022, the Company entered into Amendment No. 1 to the Equity Distribution Agreement, which, among other things, allows for debt-for-equity exchanges in accordance with Section 3(a)(9) of the Securities Act. On March 14, 2025, the Company entered into Amendment No. 2 to the Equity Distribution Agreement (the “EDA Amendment”), which, among other things, increased the aggregate offering price to up to approximately $57.75 (which amount includes all of the Common Stock previously sold pursuant to the Equity Distribution Agreement prior to the EDA Amendment) and provides for the Company's election not to deliver a placement notice. Under the terms of the Equity Distribution Agreement, the Company will pay the Agent a commission equal to 3.0% of the gross sales price of the Common Stock sold.

Common Stock offered and sold in the ATM Offering was issued pursuant to the Registration Statement, the prospectus supplement relating to the ATM Offering filed with the SEC on March 14, 2025 and any applicable additional prospectus supplements related to the ATM Offering that formed a part of the Registration Statement. Sales of Common Stock under the Equity Distribution Agreement were made in transactions that are deemed to be “at the market offerings” as defined in Rule 415 under the Securities Act. The Registration Statement expired on April 19, 2026 pursuant to Rule 415(a)(5) under the Securities Act. Sales under the ATM Offering program may restart when and if the Company files a prospectus supplement under a successor registration statement.

The Company has used and plans to use the net proceeds from the ATM Offering, after deducting the Agent’s commissions and the Company’s offering expenses, for general corporate purposes, which may include, among other things, paying or refinancing all or a portion of the Company’s then-outstanding indebtedness, and funding acquisitions, capital expenditures and working capital.

During the three and nine months ended September 30, 2026, the Company did not sell any shares of Common Stock and incurred legal and administrative fees of $0.1 and $0.3, respectively.

During the three and nine months ended September 30, 2025, the Company sold — and 167,769 shares of Common Stock, respectively, in exchange for gross proceeds of approximately $— and $0.6, respectively, and incurred legal and administrative fees of $0.1 and $0.3, respectively.

Cash Flows

Our cash flows provided by operating activities for the nine months ended September 30, 2026 were approximately $17.5 as compared to approximately $5.0 used in operating activities for the nine months ended September 30, 2025. Our operating cash flows are sensitive to many variables, the most significant of which are utilization and profitability, the timing of billing and customer collections, payments to our vendors, repair and maintenance costs and personnel, any of which may affect our available cash. Additionally, should our customers experience financial distress for any reason, they could default on their payments owed to us, which would affect our cash flows and liquidity.

At September 30, 2026, we had $5.0 of cash and cash equivalents. Cash on hand at September 30, 2026 decreased by $0.7, as a result of $17.5 of cash flows provided by operating activities, $36.0 of cash flows used in investing activities and $17.8 provided by financing activities. Our liquidity requirements consist of working capital needs, debt service obligations and ongoing capital expenditure requirements. Our primary requirements for working capital are directly related to the activity level of our operations.

The following table sets forth our cash flows for the periods presented below:

	Nine Months Ended	
	September 30, 2026	September 30, 2025
Cash and cash equivalents and restricted cash, beginning of period	$ 5.7	$ 91.6
Net cash flows provided by (used in) operating activities	17.5	(5.0)
Net cash flows used in investing activities	(36.0)	(29.1)
Net cash flows provided by (used in) financing activities	17.8	(49.1)
Net change in cash and cash equivalents and restricted cash	(0.7)	(83.2)
Cash and cash equivalents and restricted cash balance end of period	$ 5.0	$ 8.4

Net cash provided by (used in) operating activities

Net cash provided by operating activities was $17.5 for the nine months ended September 30, 2026, as compared to net cash used in operating activities of $5.0 for the nine months ended September 30, 2025. The positive operating cash flows were attributable to improvements in working capital requirements in the current year.

Net cash used in investing activities

Net cash used in investing activities was $36.0 for the nine months ended September 30, 2026, as compared to net cash used in investing activities of $29.1 for the nine months ended September 30, 2025. Outside of the cash paid for the Wolf Pack Acquisition, the cash flows used in investing activities for the nine months ended September 30, 2026 were primarily driven by maintenance capital spending tied to the operation of our existing asset base offset by sales of property and equipment.

Net cash provided by (used in) financing activities

Net cash provided by financing activities was $17.8 for the nine months ended September 30, 2026, compared to net cash used in financing activities of $49.1 for the nine months ended September 30, 2025. In the current year, we completed the Rights Offering, which brought gross proceeds of $37.2 to the Company. We refinanced both our 2025 Senior Notes and Prior ABL Facility during the nine months ended September 30, 2025, which brought additional cash outlays in the prior year.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. Certain accounting policies involve judgments and uncertainties to such an extent that there is a reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our financial statements. Other than the critical accounting policy included below, we believe that our critical accounting policies are limited to those described in the Critical Accounting Estimates section of Management's Discussion and Analysis of Financial Condition and Results of Operations included in our 2025 Annual Report on Form 10-K filed with the SEC on March 12, 2026.

Business Combinations

We completed the Wolf Pack Acquisition on June 2, 2026. Wolf Pack's results of operations have been included in our financial results for the period subsequent to the acquisition date.

Under the acquisition method of accounting, we allocate the fair value of purchase consideration transferred to the tangible assets and intangible assets acquired, if any, and liabilities assumed based on their estimated fair values on the date of the acquisition. The fair values assigned, defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants, are based on estimates and assumptions determined by management. The estimated fair value of the assets acquired, net of liabilities assumed, exceeds the purchase consideration, resulting in a bargain purchase gain.

When determining the fair value of assets acquired and liabilities assumed, we make significant estimates and assumptions. Our estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates.

During the measurement period, not to exceed one year from the date of acquisition, we may record adjustments to the assets acquired and liabilities assumed, with a corresponding offset to bargain purchase gain if new information is obtained related to facts and circumstances that existed as of the acquisition date. After the measurement period, any subsequent adjustments are reflected in the consolidated statements of operations. Acquisition costs, such as legal and consulting fees, are expensed as incurred.

Recent Accounting Pronouncements

We continue to evaluate any recently issued accounting pronouncements for future adoption.

How We Evaluate Our Operations

Key Financial Performance Indicators

We recognize the highly cyclical nature of our business and the need for metrics to (1) best measure the trends in our operations and (2) provide baselines and targets to assess the performance of our managers.

The measures we believe most effective to achieve the above stated goals include:

- *Revenue*

- *Operating income*
- *Adjusted Earnings before interest, taxes, depreciation and amortization (*"Adjusted EBITDA"*)*: 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 and (v) other expenses or charges to exclude certain items that we believe are not reflective of ongoing performance of our business.
- *Adjusted EBITDA Margin:* Adjusted EBITDA Margin is defined as Adjusted EBITDA, as defined above, as a percentage of revenue.

We believe Adjusted EBITDA is useful because it allows us to supplement the GAAP measures in order to 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 (Loss) because these amounts can vary substantially from company to company within our industry depending upon accounting methods, 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 (loss) earnings 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by Item 305 of Regulation S-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures that are designed to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers (who are our Chief Executive Officer and Chief Financial Officer, respectively), or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met.

In connection with the preparation of this Quarterly Report for the quarter ended September 30, 2026, an evaluation was performed under the supervision of and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of September 30, 2026.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the period covered by this Quarterly Report that have materially affected or, are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS (U.S. dollars in millions)

The Company is at times either a plaintiff or a defendant in various legal actions arising in the normal course of business, the outcomes of which, in the opinion of management, neither individually nor in the aggregate are likely to result in a material adverse effect on the Company's consolidated financial statements, except as noted herein.

ITEM 1A. RISK FACTORS

In addition to the information set forth in this Quarterly Report, you should carefully consider the risk factors previously described in Part I, Item IA. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025.

Risks Related to the Rights Offering and the Backstop Exchange

The sale of substantial amounts of our Common Stock could adversely affect the price of our Common Stock.

Sales of substantial amounts of our Common Stock in the public market, and the availability of shares of our Common Stock for future sale, including shares of our Common Stock issued in the Rights Offering and the Backstop Exchange, could cause the market price of our Common Stock to remain low for a substantial amount of time.

We cannot foresee the impact of such potential sales on the market, but it is possible that if a significant percentage of such available shares of Common Stock were attempted to be sold within a short period of time, the market for shares of our Common Stock would be adversely affected. Even if a substantial number of sales do not occur within a short period of time, the mere existence of this "market overhang" could have a negative impact on the market for our Common Stock and our ability to raise additional capital. Any disposition by the Backstop Parties or any other substantial stockholders of our Common Stock in the public market, or the perception that such dispositions could occur, could adversely affect prevailing market prices of our Common Stock.

Certain of the Backstop Parties hold a significant ownership position in the Company, which may allow them to exert significant influence over corporate matters.

After giving effect to the Rights Offering and the Backstop Exchange, affiliates of Cross Ocean Partners Management LP ("Cross Ocean") and Whitebox Advisors LLC ("Whitebox") hold 22,495,104 and 13,055,633 shares of Common Stock, respectively (representing 21.3% and 12.4%, respectively, of our outstanding Common Stock as of October 31, 2026), according to Schedule 13D filings made by each of them on October 6, 2026.

As a result of their substantial ownership of our capital stock, Cross Ocean and Whitebox may be able to significantly influence matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, such as a merger or other sale of our Company or our assets. This concentration of ownership may limit the ability of other stockholders to influence corporate matters and may cause us to make strategic decisions that could involve risks to you or that may not be aligned with your

interests. Additionally, pursuant to the Backstop Agreement, each of Cross Ocean and Whitebox designated one individual that is independent under applicable listing standards, requirements and rules of the Nasdaq Global Select Market, and our Board of Directors appointed such designees, Franklin S. Edmonds, Jr. and E. Dirk Hallen, to our Board of Directors. For so long as each of Cross Ocean and Whitebox, together with its controlled affiliates, beneficially owns at least 7.5% of our outstanding Common Stock, it has the right to have its designee included in the slate of nominees recommended by our Board of Directors at each annual meeting of stockholders and to designate a replacement to fill any vacancy created by its designee ceasing to serve. This influence may adversely affect the market price of our Common Stock.

Our stockholder protection rights plan, or "poison pill," includes terms and conditions that could discourage a takeover or other transaction that stockholders may consider favorable.

In order to provide the Board with time to make informed decisions that are in the best long-term interests of the Company and its stockholders, on September 23, 2026, our Board adopted a stockholder protection rights plan, which could discourage, delay or prevent an acquisition of the Company at a premium price. The rights plan provides for preferred stock purchase rights attached to each share of our Common Stock, which will cause substantial dilution to a person or group that becomes the beneficial owner of 10% or more of our outstanding Common Stock without the prior approval of our Board. As a result, the overall effect of the rights plan may be to render more difficult or discourage a merger, tender or exchange offer or other business combination involving our Company that is not approved by the Board even if the offer may be considered beneficial by some stockholders. The Rights will expire no later than the close of business on September 23, 2027, unless such date is extended by the Board prior to the expiration of the Rights.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table presents the total number of shares of our Common Stock that we repurchased during the three months ended September 30, 2026:

Period	Total number of shares purchased[1]	Average price paid per share[2]	Total number of shares purchased as part of publicly announced plans or programs[3]	Approximate dollar value of shares that may yet be purchased under the plans or programs
July 1, 2026 - July 31, 2026	—	$ —	—	$ 48,859,603
August 1, 2026 - August 31, 2026	—	$ —	—	$ 48,859,603
September 1, 2026 - September 30, 2026	—	$ —	—	$ 48,859,603
Total	—		—	

(1) Includes shares purchased from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting of restricted stock grants under the Company's Amended and Restated LTIP.

(2) The average price paid per share of Common Stock repurchased includes commissions paid to the brokers.

(3) In August 2019, our Board authorized a share repurchase program for the repurchase of outstanding shares of the Company's Common Stock having an aggregate purchase price up to $50.0 million.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

3.1	Amended and Restated Certificate of Incorporation of KLX Energy Services Holdings, Inc. (incorporated by reference to Exhibit 3.1 of KLX Energy Services Holdings, Inc.'s Quarterly Report on Form 10-Q, filed on September 8, 2020, File No. 001-38609).
3.2	Fourth Amended and Restated Bylaws of KLX Energy Services Holdings, Inc. (incorporated by reference to Exhibit 3.1 of KLX Energy Services Holdings, Inc.'s Current Report on Form 8-K, filed on September 9, 2021, File No. 001-38609).
4.1	Stockholder Protection Rights Agreement, dated as of September 23, 2026, by and between KLX Energy Services Holdings, Inc. and Computershare Trust Company, N.A., as Rights Agent (incorporated by reference to Exhibit 4.1 of KLX Energy Services Holdings, Inc.'s Current Report on Form 8-K, filed on September 23, 2026, File No. 001-38609).
4.2+	Amended and Restated Indenture, dated as of September 29, 2026, among KLX Energy Services Holdings, Inc., the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee and collateral agent (incorporated by reference to Exhibit 4.1 of KLX Energy Services Holdings, Inc.'s Current Report on Form 8-K, filed on September 30, 2026, File No. 001-38609).
10.1	Rights Offering Backstop Agreement, dated August 6, 2026, by and among KLX Energy Services Holdings, Inc. and the credit parties thereto (incorporated by reference to Exhibit 10.1 of KLX Energy Services Holdings, Inc.'s Current Report on Form 8-K, filed on August 10, 2026, File No. 001-38609).
10.2†	Amended and Restated Executive Employment Agreement, dated as of August 11, 2026, between Christopher J. Baker and KLX Energy Services Holdings, Inc.
10.3	Registration Rights Agreement, dated as of September 29, 2026, by and among KLX Energy Services Holdings, Inc. and the stockholder party thereto (incorporated by reference to Exhibit 10.1 of KLX Energy Services Holdings, Inc.'s Current Report on Form 8-K, filed on September 30, 2026, File No. 001-38609).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.
** Furnished herewith.

† Management contract or compensatory plan or arrangement
+ Certain schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

SIGNATURES

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

KLX ENERGY SERVICES HOLDINGS, INC.

By: /s/ Christopher J. Baker
Christopher J. Baker
President, Chief Executive Officer and Director

Date: November 6, 2026

By: /s/ Geoffrey C. Stanford
Geoffrey C. Stanford
Senior Vice President, Interim Chief Financial Officer and Chief Accounting Officer

Date: November 6, 2026

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Christopher J. Baker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 of KLX Energy Services Holdings, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2026

/s/ Christopher J. Baker
Christopher J. Baker
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Geoffrey C. Stanford, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 of KLX Energy Services Holdings, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2026

/s/ Geoffrey C. Stanford

Geoffrey C. Stanford
Senior Vice President, Interim Chief Financial Officer and Chief Accounting Officer

Exhibit 32.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with the Quarterly Report of KLX Energy Services Holdings, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Christopher J. Baker, as President and Chief Executive Officer of the Company, hereby certify that:

(1) the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
(2) the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2026

/s/ Christopher J. Baker
Christopher J. Baker
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with the Quarterly Report of KLX Energy Services Holdings, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Geoffrey C. Stanford, as Interim Chief Financial Officer of the Company, hereby certify that:

(1) the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
(2) the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2026

/s/ Geoffrey C. Stanford

Geoffrey C. Stanford
Senior Vice President, Interim Chief Financial Officer and Chief Accounting Officer
(Principal Financial Officer)