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

FORM 10-Q

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

For the quarterly period ended March 31, 2023

or

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

For the transition period from _____ to _____

Commission file number: 001-16337

OIL STATES INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware	**76-0476605**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
Three Allen Center, 333 Clay Street	
Suite 4620	**77002**
Houston, Texas	*(Zip Code)*
(Address of principal executive offices)	

(713) 652-0582
(Registrant's telephone number, including area code)

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, par value $0.01 per share	OIS	New York Stock Exchange

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. (Check one):

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 ☒

As of April 21, 2023, the number of shares of common stock outstanding was 64,254,578.

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

ITEM 1. *Financial Statements*

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Revenues:		
Products	$ 99,840	$ 85,761
Services	96,359	78,283
	196,199	164,044
Costs and expenses:		
Product costs	78,677	64,801
Service costs	72,058	61,803
Cost of revenues (exclusive of depreciation and amortization expense presented below)	150,735	126,604
Selling, general and administrative expense	24,016	23,833
Depreciation and amortization expense	15,256	17,817
Other operating expense, net	317	126
	190,324	168,380
Operating income (loss)	5,875	(4,336)
Interest expense, net	(2,391)	(2,672)
Other income, net	276	1,025
Income (loss) before income taxes	3,760	(5,983)
Income tax provision	(1,602)	(3,441)
Net income (loss)	$ 2,158	$ (9,424)
Net income (loss) per share:		
Basic	$ 0.03	$ (0.16)
Diluted	0.03	(0.16)
Weighted average number of common shares outstanding:		
Basic	62,825	60,498
Diluted	63,072	60,498

The accompanying notes are an integral part of these financial statements.

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In Thousands)

	Three Months Ended March 31,	
	2023	2022
Net income (loss)	$ 2,158	$ (9,424)
Other comprehensive income:		
Currency translation adjustments	4,149	861
Comprehensive income (loss)	$ 6,307	$ (8,563)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share Amounts)

	March 31, 2023	December 31, 2022
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15,807	$ 42,018
Accounts receivable, net	220,202	218,769
Inventories, net	196,278	182,658
Prepaid expenses and other current assets	18,130	19,317
Total current assets	450,417	462,762
Property, plant, and equipment, net	306,134	303,835
Operating lease assets, net	23,828	23,028
Goodwill, net	79,579	79,282
Other intangible assets, net	165,673	169,798
Other noncurrent assets	24,506	25,687
Total assets	$ 1,050,137	$ 1,064,392
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 527	$ 17,831
Accounts payable	73,478	73,251
Accrued liabilities	35,414	49,057
Current operating lease liabilities	6,528	6,142
Income taxes payable	3,719	2,605
Deferred revenue	48,969	44,790
Total current liabilities	168,635	193,676
Long-term debt	138,484	135,066
Long-term operating lease liabilities	20,912	20,658
Deferred income taxes	7,143	6,652
Other noncurrent liabilities	19,445	18,782
Total liabilities	354,619	374,834
Stockholders' equity:		
Common stock, $.01 par value, 200,000,000 shares authorized, 77,143,220 shares and 76,587,920 shares issued, respectively	771	766
Additional paid-in capital	1,123,876	1,122,292
Retained earnings	274,185	272,027
Accumulated other comprehensive loss	(74,792)	(78,941)
Treasury stock, at cost, 12,888,342 and 12,684,101 shares, respectively	(628,522)	(626,586)
Total stockholders' equity	695,518	689,558
Total liabilities and stockholders' equity	$ 1,050,137	$ 1,064,392

The accompanying notes are an integral part of these financial statements.

UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In Thousands)

Three Months Ended March 31, 2023	**Common Stock**	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Treasury Stock**	**Total Stockholders' Equity**
Balance, December 31, 2022	$ 766	$ 1,122,292	$ 272,027	$ (78,941)	$ (626,586)	$ 689,558
Net income	—	—	2,158	—	—	2,158
Currency translation adjustments (excluding intercompany advances)	—	—	—	3,494	—	3,494
Currency translation adjustments on intercompany advances	—	—	—	655	—	655
Stock-based compensation expense	5	1,584	—	—	—	1,589
Surrender of stock to settle taxes on stock awards	—	—	—	—	(1,936)	(1,936)
Balance, March 31, 2023	$ 771	$ 1,123,876	$ 274,185	$ (74,792)	$ (628,522)	$ 695,518

Three Months Ended March 31, 2022	**Common Stock**	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Treasury Stock**	**Total Stockholders' Equity**
Balance, December 31, 2021	$ 739	$ 1,105,135	$ 281,567	$ (66,031)	$ (625,584)	$ 695,826
Net loss	—	—	(9,424)	—	—	(9,424)
Currency translation adjustments (excluding intercompany advances)	—	—	—	(3,580)	—	(3,580)
Currency translation adjustments on intercompany advances	—	—	—	4,441	—	4,441
Stock-based compensation expense	7	1,828	—	—	—	1,835
Surrender of stock to settle taxes on stock awards	—	—	—	—	(990)	(990)
Balance, March 31, 2022	$ 746	$ 1,106,963	$ 272,143	$ (65,170)	$ (626,574)	$ 688,108

The accompanying notes are an integral part of these financial statements.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Cash flows from operating activities:		
Net income (loss)	$ 2,158	$ (9,424)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization expense	15,256	17,817
Stock-based compensation expense	1,589	1,835
Amortization of deferred financing costs	449	469
Deferred income tax provision (benefit)	396	(174)
Gains on disposals of assets	(210)	(543)
Other, net	17	550
Changes in operating assets and liabilities:		
Accounts receivable	(745)	(9,086)
Inventories	(12,802)	(13,090)
Accounts payable and accrued liabilities	(18,329)	(4,555)
Deferred revenue	4,179	4,324
Other operating assets and liabilities, net	2,124	1,142
Net cash flows used in operating activities	(5,918)	(10,735)
Cash flows from investing activities:		
Capital expenditures	(6,568)	(2,858)
Proceeds from disposition of property and equipment	223	869
Other, net	(48)	(67)
Net cash flows used in investing activities	(6,393)	(2,056)
Cash flows from financing activities:		
Revolving credit facility borrowings	27,865	367
Revolving credit facility repayments	(22,865)	(367)
Repayment of 1.50% convertible senior notes	(17,315)	—
Other debt and finance lease repayments, net	(106)	(165)
Payment of financing costs	(21)	(68)
Shares added to treasury stock as a result of net share settlements due to vesting of stock awards	(1,936)	(990)
Net cash flows used in financing activities	(14,378)	(1,223)
Effect of exchange rate changes on cash and cash equivalents	478	320
Net change in cash and cash equivalents	(26,211)	(13,694)
Cash and cash equivalents, beginning of period	42,018	52,852
Cash and cash equivalents, end of period	$ 15,807	$ 39,158
Cash paid (received) for:		
Interest	$ 485	$ 522
Income taxes, net	(2,465)	119

The accompanying notes are an integral part of these financial statements.

1. Organization and Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Oil States International, Inc. and its subsidiaries (the "Company") have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission pertaining to interim financial information. Certain information in footnote disclosures normally included with financial statements prepared in accordance with generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to these rules and regulations. The unaudited financial statements included in this report reflect all the adjustments, consisting of normal recurring adjustments, which the Company considers necessary for a fair statement of the results of operations for the interim periods covered and for the financial condition of the Company at the date of the interim balance sheet. Results for the interim periods are not necessarily indicative of results for the full year.

The preparation of condensed consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions by management in determining the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include, but are not limited to, goodwill and long-lived asset impairments, revenue and income recognized over time, valuation allowances recorded on deferred tax assets, reserves on inventory, allowances for doubtful accounts, settlement of litigation and potential future adjustments related to contractual indemnification and other agreements. Actual results could materially differ from those estimates.

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, which are adopted by the Company as of the specified effective date. Management believes that recently issued standards, which are not yet effective, will not have a material impact on the Company's consolidated financial statements upon adoption.

The financial statements included in this report should be read in conjunction with the Company's audited financial statements and accompanying notes included in its Annual Report on Form 10-K for the year ended December 31, 2022.

2. Details of Selected Balance Sheet Accounts

Additional information regarding selected balance sheet accounts as of March 31, 2023 and December 31, 2022 is presented below (in thousands):

	March 31, 2023	December 31, 2022
Accounts receivable, net:		
Trade	$ 163,360	$ 145,540
Unbilled revenue	27,849	29,679
Contract assets	27,731	42,599
Other	6,621	6,177
Total accounts receivable	225,561	223,995
Allowance for doubtful accounts	(5,359)	(5,226)
	$ 220,202	$ 218,769
Allowance for doubtful accounts as a percentage of total accounts receivable	2 %	2 %

	March 31, 2023	December 31, 2022
Deferred revenue (contract liabilities)	$ 48,969	$ 44,790

As of March 31, 2023, accounts receivable, net in the United States and the United Kingdom represented 75% and 12%, respectively, of the total. No other country or single customer accounted for more than 10% of the Company's total accounts receivable as of March 31, 2023.

For the three months ended March 31, 2023, the $14.9 million net decrease in contract assets was attributable to $27.8 million transferred to accounts receivable during the period, which was partially offset by $12.9 million in revenue recognized. Deferred revenue (contract liabilities) increased by $4.2 million in the first three months of 2023, reflecting $13.2 million in new customer billings which were not recognized as revenue during the period, partially offset by the recognition of $9.0 million of revenue that was deferred at the beginning of the period.

The following provides a summary of activity in the allowance for doubtful accounts for the three months ended March 31, 2023 and 2022 (in thousands):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Allowance for doubtful accounts – January 1	$ 5,226	$ 4,471
Provisions	133	943
Write-offs	(21)	(635)
Other	21	—
Allowance for doubtful accounts – March 31	$ 5,359	$ 4,779

	March 31, 2023	December 31, 2022
Inventories, net:		
Finished goods and purchased products	$ 95,094	$ 90,443
Work in process	31,632	32,079
Raw materials	108,058	97,817
Total inventories	234,784	220,339
Allowance for excess or obsolete inventory	(38,506)	(37,681)
	$ 196,278	$ 182,658

	March 31, 2023	December 31, 2022
Property, plant and equipment, net:		
Property, plant and equipment	$ 1,139,138	$ 1,128,834
Accumulated depreciation	(833,004)	(824,999)
	$ 306,134	$ 303,835

For the three months ended March 31, 2023 and 2022, depreciation expense was $11.0 million and $12.7 million, respectively.

	March 31, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Other intangible assets:						
Customer relationships	$ 141,259	$ 49,851	$ 91,408	$ 141,179	$ 47,629	$ 93,5
Patents/Technology/Know-how	69,925	30,537	39,388	69,830	29,214	40,6
Tradenames and other	52,497	17,620	34,877	52,488	16,856	35,6
	$ 263,681	$ 98,008	$ 165,673	$ 263,497	$ 93,699	$ 169,7

For the three months ended March 31, 2023 and 2022, amortization expense was $4.3 million and $5.2 million, respectively.

	March 31, 2023	December 31, 2022
Other noncurrent assets:		
Deferred compensation plan	$ 18,349	$ 17,551
Deferred financing costs[1]	—	1,893
Deferred income taxes	1,518	1,517
Other	4,639	4,726
	$ 24,506	$ 25,687

(1) Unamortized deferred financing costs are presented as an offset to outstanding borrowing under the ABL Facility as of March 31, 2023.

	March 31, 2023	December 31, 2022
Accrued liabilities:		
Accrued compensation	$ 15,882	$ 33,659
Accrued taxes, other than income taxes	3,175	1,865
Insurance liabilities	4,976	4,640
Accrued interest	3,324	1,784
Accrued commissions	2,432	2,302
Other	5,625	4,807
	$ 35,414	$ 49,057

3. Long-term Debt

As of March 31, 2023 and December 31, 2022, long-term debt consisted of the following (in thousands):

	March 31, 2023	December 31, 2022
Revolving credit facility[1]	$ 3,305	$ —
2026 Notes[2]	132,379	132,164
2023 Notes	—	17,303
Other debt and finance lease obligations	3,327	3,430
Total debt	139,011	152,897
Less: Current portion	(527)	(17,831)
Total long-term debt	$ 138,484	$ 135,066

(1) Outstanding borrowings under the revolving credit facility are presented net of $1.7 million of unamortized deferred financing costs as of March 31, 2023. Unamortized deferred financing costs of $1.9 million as of December 31, 2022 are presented in other noncurrent assets.

(2) The outstanding principal amount of the 2026 Notes was $135.0 million as of March 31, 2023 and December 31, 2022.

Revolving Credit Facility

On February 10, 2021, the Company entered into a senior secured credit facility with certain lenders, which provides for a $125.0 million asset-based revolving credit facility (the "ABL Facility") under which credit availability is subject to a borrowing base calculation.

The ABL Facility is governed by a credit agreement, as amended, with Wells Fargo Bank, National Association, as administrative agent and the lenders and other financial institutions from time to time party thereto (the "ABL Agreement"). The ABL Agreement matures on February 10, 2025 with a springing maturity 91 days prior to the maturity of any outstanding indebtedness with a principal amount in excess of $17.5 million.

The ABL Agreement provides funding based on a borrowing base calculation that includes eligible U.S. customer accounts receivable and inventory and provides for a $50.0 million sub-limit for the issuance of letters of credit. Borrowings under the ABL Agreement are secured by a pledge of substantially all of the Company's domestic assets (other than real property) and the stock of certain foreign subsidiaries.

Since December 13, 2022, borrowings under the ABL Agreement bear interest at a rate equal to the Secured Overnight Financing Rate ("SOFR") rate (subject to a floor rate of 0%) plus a margin of 2.75% to 3.25%, or at a base rate plus a margin of 1.75% to 2.25%, in each case based on average borrowing availability. Quarterly, the Company must also pay a commitment fee of 0.375% to 0.50% per annum, based on unused commitments under the ABL Agreement.

The ABL Agreement places restrictions on the Company's ability to incur additional indebtedness, grant liens on assets, pay dividends or make distributions on equity interests, dispose of assets, make investments, repay other indebtedness (including the 2026 Notes discussed below), engage in mergers, and other matters, in each case, subject to certain exceptions. The ABL Agreement contains customary default provisions, which, if triggered, could result in acceleration of repayment of all amounts then outstanding. The ABL Agreement also requires the Company to satisfy and maintain a fixed charge coverage ratio of not less than 1.0 to 1.0 (i) in the event that availability under the ABL Agreement is less than the greater of (a) 15% of the borrowing base and (b) $14.1 million; (ii) to complete certain specified transactions; or (iii) if an event of default has occurred and is continuing.

As of March 31, 2023, the Company had $5.0 million of outstanding ABL Facility borrowings and $15.9 million of outstanding letters of credit. The total amount available to be drawn as of March 31, 2023 was $92.8 million, calculated based on the current borrowing base less outstanding borrowings and letters of credit. As of March 31, 2023, the Company was in compliance with its debt covenants under the ABL Agreement.

2026 Notes

The Company issued $135.0 million aggregate principal amount of its 4.75% convertible senior notes due 2026 (the "2026 Notes") pursuant to an indenture, dated as of March 19, 2021 (the "2026 Indenture"), between the Company and Computershare Trust Company, National Association, as successor trustee. Net proceeds from the 2026 Notes offering, after deducting issuance costs, totaled $130.6 million. The Company used $120.0 million of the cash proceeds to purchase $125.0 million principal amount of the outstanding 2023 Notes (as defined below) at a discount, with the balance added to cash on-hand.

The 2026 Notes bear interest at a rate of 4.75% per year and will mature on April 1, 2026, unless earlier repurchased, redeemed or converted. Interest is payable semi-annually in arrears on April 1 and October 1 of each year. Additional interest and special interest may accrue on the 2026 Notes under certain circumstances as described in the 2026 Indenture. The initial conversion rate is 95.3516 shares of the Company's common stock per $1,000 principal amount of the 2026 Notes (equivalent to an initial conversion price of $10.49 per share of common stock). The conversion rate, and thus the conversion price, may be adjusted under certain circumstances as described in the 2026 Indenture. The Company's intent is to repay the principal amount of the 2026 Notes in cash and settle the conversion feature (if any) in shares of the Company's common stock. As of March 31, 2023, none of the conditions allowing holders of the 2026 Notes to convert, or requiring us to repurchase the 2026 Notes, had been met.

2023 Notes

On February 15, 2023, the Company's 1.50% convertible senior notes due 2023 (the "2023 Notes") matured and the outstanding $17.3 million principal amount was repaid in full.

4. Fair Value Measurements

The Company's financial instruments consist of cash and cash equivalents, investments, receivables, payables and debt instruments. The Company believes that the carrying values of these instruments, other than the 2026 Notes, on the accompanying consolidated balance sheets approximate their fair values. The estimated fair value of the 2026 Notes as of March 31, 2023 was $151.1 million based on quoted market prices (a Level 2 fair value measurement), which compares to the principal amount of $135.0 million.

5. Stockholders' Equity

Common and Preferred Stock

The following table provides details with respect to the changes to the number of shares of common stock, $0.01 par value, outstanding during the first three months of 2023 (in thousands):

Shares of common stock outstanding – December 31, 2022	63,904
Restricted stock awards, net of forfeitures	555
Shares withheld for taxes on vesting of stock awards	(204)
Shares of common stock outstanding – March 31, 2023	64,255

As of March 31, 2023 and December 31, 2022, the Company had 25,000,000 shares of preferred stock, $0.01 par value, authorized, with no shares issued or outstanding.

On February 16, 2023, the Company's Board of Directors authorized $25.0 million for the repurchases of the Company's common stock, par value $0.01 per share, through February 2025. Subject to applicable securities laws, such purchases will be at such times and in such amounts as the Company deems appropriate. As of March 31, 2023, no repurchases were made under this authorization.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss, reported as a component of stockholders' equity, primarily relates to fluctuations in currency exchange rates against the U.S. dollar as used to translate certain of the international operations of the Company's operating segments. Accumulated other comprehensive loss decreased from $78.9 million at December 31, 2022 to $74.8 million at March 31, 2023. For the three months ended March 31, 2023 and 2022, currency translation adjustments recognized as a component of other comprehensive income were primarily attributable to the United Kingdom and Brazil.

During the three months ended March 31, 2023, the exchange rates for the British pound and the Brazilian real strengthened by 3% and 2%, respectively, compared to the U.S. dollar, contributing to other comprehensive income of $4.1 million. During the three months ended March 31, 2022, the exchange rate for the British pound weakened by 3% compared to the U.S. dollar while the Brazilian real strengthened by 17% compared to the U.S. dollar, contributing to other comprehensive income of $0.9 million.

6. Income Taxes

The income tax expense for the three months ended March 31, 2023 was calculated using a discrete approach. This methodology was used because changes in the Company's results of operations and non-deductible expenses can materially impact the estimated annual effective tax rate. For the three months ended March 31, 2023, the Company's income tax expense was $1.6 million on pre-tax income of $3.8 million, which included certain non-deductible expenses and discrete tax items. This compares to an income tax expense of $3.4 million on a pre-tax loss of $6.0 million, which included the impact of valuation allowances recorded against tax assets as well as certain non-deductible expenses and discrete tax items, for the three months ended March 31, 2022.

7. Net Income (Loss) Per Share

The table below provides a reconciliation of the numerators and denominators of basic and diluted net income (loss) per share for the three months ended March 31, 2023 and 2022 (in thousands, except per share amounts):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Numerators:		
Net income (loss)	$ 2,158	$ (9,424)
Less: Income attributable to unvested restricted stock awards	(42)	—
Numerator for basic net income (loss) per share	2,116	(9,424)
Effect of dilutive securities:		
Unvested restricted stock awards	—	—
Numerator for diluted net income (loss) per share	$ 2,116	$ (9,424)
Denominators:		
Weighted average number of common shares outstanding	64,068	61,627
Less: Weighted average number of unvested restricted stock awards outstanding	(1,243)	(1,129)
Denominator for basic net income (loss) per share	62,825	60,498
Effect of dilutive securities:		
Unvested restricted stock awards	—	—
Unvested performance share units	247	—
Denominator for diluted net income (loss) per share	63,072	60,498
Net income (loss) per share:		
Basic	$ 0.03	$ (0.16)
Diluted	0.03	(0.16)

The calculation of diluted earnings per share for the three months ended March 31, 2023 and 2022 excluded 209 thousand shares and 298 thousand shares, respectively, issuable pursuant to outstanding stock options, due to their antidilutive effect. Additionally, shares issuable upon conversion of the Company's convertible senior notes were excluded from each period due to, among other factors, the Company's share price.

8. Long-Term Incentive Compensation

The following table presents a summary of activity for stock options, service-based restricted stock and stock unit awards, and performance-based stock unit awards for the three months ended March 31, 2023 (in thousands):

	Stock Options	Service-based Restricted Stock	Performance- and Service-based Stock Units
Outstanding – December 31, 2022	245	1,222	494
Granted	—	555	168
Vested	—	(513)	—
Forfeited	(82)	—	—
Outstanding – March 31, 2023	163	1,264	662
Weighted average grant date fair value (2023 awards)		$ 9.11	$ 9.11

The restricted stock program consists of a combination of service-based restricted stock and stock units, as well as performance-based stock units. Service-based restricted stock awards generally vest on a straight-line basis over a term of three years. Service-based stock unit awards (39 thousand units outstanding as of March 31, 2023) vest over one-year, with the underlying shares issued at a specified future date. Performance-based stock unit awards generally vest at the end of a three-year period, with the number of shares ultimately issued under the program dependent upon achievement of predefined specific performance objectives based on the Company's cumulative EBITDA over a three-year period.

In the event the predefined targets are exceeded for any performance-based award, additional shares up to a maximum of 200% of the target award may be granted. Conversely, if actual performance falls below the predefined target, the number of shares vested is reduced. If the actual performance falls below the threshold performance level, no restricted shares will vest.

The Company issued conditional long-term cash incentive awards ("Cash Awards") of $1.5 million in the first quarters of 2023 and 2022. The performance measure for each of these Cash Awards is relative total stockholder return compared to a peer group of companies over a three-year period. The ultimate dollar amount to be awarded for each annual grant may range from zero to a maximum of $3.1 million, limited to their targeted award value ($1.5 million) if the Company's total stockholder return were to be negative over the performance period. Obligations related to the Cash Awards are classified as liabilities and recognized over their respective vesting periods.

Stock-based compensation expense recognized during the three months ended March 31, 2023 and 2022 totaled $1.6 million and $1.8 million, respectively. As of March 31, 2023, there was $11.4 million of pre-tax compensation costs related to service-based and performance-based stock awards, which will be recognized in future periods as vesting conditions are satisfied.

9. Segments and Related Information

The Company operates through three operating segments: Offshore/Manufactured Products, Well Site Services and Downhole Technologies. Financial information by operating segment for the three months ended March 31, 2023 and 2022 is summarized in the following tables (in thousands).

	Revenues	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
Three Months Ended March 31, 2023					
Offshore/Manufactured Products	$ 98,199	$ 4,668	$ 11,090	$ 535	$ 548,439
Well Site Services	67,058	6,146	6,966	5,772	212,415
Downhole Technologies	30,942	4,275	(1,519)	249	256,095
Corporate	—	167	(10,662)	12	33,188
Total	$ 196,199	$ 15,256	$ 5,875	$ 6,568	$ 1,050,137

	Revenues	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
Three Months Ended March 31, 2022					
Offshore/Manufactured Products	$ 84,112	$ 5,330	$ 10,196	$ 902	$ 559,877
Well Site Services	48,172	7,932	(3,395)	1,548	197,077
Downhole Technologies	31,760	4,384	(1,505)	317	265,958
Corporate	—	171	(9,632)	91	55,053
Total	$ 164,044	$ 17,817	$ (4,336)	$ 2,858	$ 1,077,965

The following tables provide supplemental disaggregated revenue from contracts with customers by operating segment for the three months ended March 31, 2023 and 2022 (in thousands):

	Offshore/Manufactured Products		Well Site Services		Downhole Technologies		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Three Months Ended March 31								
Major revenue categories -								
Project-driven products	$ 39,132	$ 33,844	$ —	$ —	$ —	$ —	$ 39,132	$ 33,844
Short-cycle:								
Completion products and services	17,955	13,580	65,406	45,166	30,942	31,760	114,303	90,506
Drilling services	—	—	1,652	3,006	—	—	1,652	3,006
Other products	9,485	7,044	—	—	—	—	9,485	7,044
Total short-cycle	27,440	20,624	67,058	48,172	30,942	31,760	125,440	100,556
Other products and services	31,627	29,644	—	—	—	—	31,627	29,644
	$ 98,199	$ 84,112	$ 67,058	$ 48,172	$ 30,942	$ 31,760	$ 196,199	$ 164,044

Revenues from products and services transferred to customers over time accounted for approximately 66% and 62% of consolidated revenues for the three months ended March 31, 2023 and 2022, respectively. The balance of revenues for the respective periods relates to products and services transferred to customers at a point in time. As of March 31, 2023, the Company had $209.9 million of remaining backlog related to contracts with an original expected duration of greater than one year. Approximately 35% of this remaining backlog is expected to be recognized as revenue over the remaining nine months of 2023, with an additional 46% recognized in 2024 and the balance thereafter.

10. Commitments and Contingencies

The Company is a party to various pending or threatened claims, lawsuits and administrative proceedings seeking damages or other remedies concerning its commercial operations, products, employees and other matters, including occasional claims by individuals alleging exposure to hazardous materials as a result of the Company's products or operations. Some of these claims relate to matters occurring prior to the acquisition of businesses, and some relate to businesses the Company has sold. In certain cases, the Company is entitled to indemnification from the sellers of businesses and, in other cases, the Company has indemnified the buyers of businesses. Although the Company can give no assurance about the outcome of pending legal and administrative proceedings and the effect such outcomes may have on the Company, management believes that any ultimate liability resulting from the outcome of such proceedings, to the extent not otherwise provided for or covered by indemnity or insurance, will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q and other statements we make contain certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). Actual results could differ materially from those projected in the forward-looking statements as a result of a number of important factors, including incorrect or changed assumptions. For a discussion of known material factors that could affect our results, please refer to "Part I, Item 1. Business," "Part I, Item 1A. Risk Factors," "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk" included in our 2022 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on February 17, 2023, as well as to "Part II, Item 1A. Risk Factors" included in this Quarterly Report on Form 10-Q.

You can typically identify "forward-looking statements" by the use of forward-looking words such as "may," "will," "could," "project," "believe," "anticipate," "expect," "estimate," "potential," "plan," "forecast," "proposed," "should," "seek," and other similar words. Such statements may relate to our future financial position, budgets, capital expenditures, projected costs, plans and objectives of management for future operations and possible future strategic transactions. Actual results frequently differ from assumed facts and such differences can be material, depending upon the circumstances.

While we believe we are providing forward-looking statements expressed in good faith and on a reasonable basis, there can be no assurance that actual results will not differ from such forward-looking statements. The following are important factors that could cause actual results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, us:

- *the impact of disruptions in the bank and capital markets, including the two U.S. bank failures which occurred in March 2023;*
- *the impact of the ongoing military action between Russia and Ukraine, that began in February 2022, including, but not limited to, energy market disruptions, supply chain disruptions and increased costs, government sanctions, and delays or potential cancellation of planned customer projects;*
- *the ability and willingness of the Organization of Petroleum Exporting Countries ("OPEC") and other producing nations to set and maintain oil production levels and pricing;*
- *the level of supply of and demand for oil and natural gas;*
- *fluctuations in the current and future prices of oil and natural gas;*
- *the level of exploration, drilling and completion activity;*
- *the cyclical nature of the oil and natural gas industry;*
- *the level of offshore oil and natural gas developmental activities;*
- *the financial health of our customers;*
- *the impact of environmental matters, including executive actions and regulatory or legislative efforts to adopt environmental or climate change regulations that may result in increased operating costs or reduced oil and natural gas production or demand globally;*
- *proposed new rules by the SEC relating to the disclosure of a range of climate-related information and risks;*
- *political, economic and litigation efforts to restrict or eliminate certain oil and natural gas exploration, development and production activities due to concerns over the threat of climate change;*
- *the availability of and access to attractive oil and natural gas field prospects, which may be affected by governmental actions or actions of other parties restricting drilling and completion activities;*
- *general global economic conditions;*
- *global weather conditions and natural disasters, including hurricanes in the Gulf of Mexico;*
- *changes in tax laws and regulations;*
- *supply chain disruptions;*
- *the impact of tariffs and duties on imported materials and exported finished goods;*
- *our ability to timely obtain and maintain critical permits for operating facilities;*
- *our ability to attract and retain skilled personnel;*

- *negative outcome of litigation, threatened litigation or government proceedings;*
- *our ability to develop new competitive technologies and products;*
- *inflation, including our ability to increase prices to our customers as our costs increase;*
- *fluctuations in currency exchange rates;*
- *physical, digital, cyber, internal and external security breaches and other incidents affecting information security and data privacy;*
- *the cost of capital in the bank and capital markets and our ability to access them;*
- *our ability to protect and enforce our intellectual property rights;*
- *our ability to complete the integration of acquired businesses and achieve the expected accretion in earnings; and*
- *the other factors identified in "Part I, Item 1A. Risk Factors" in our 2022 Annual Report on Form 10-K, as well as in "Part II, Item 1A. Risk Factors" included in this Quarterly Report on Form 10-Q.*

Should one or more of these risks or uncertainties materialize, or should the assumptions on which our forward-looking statements are based prove incorrect or change, actual results may differ materially from those expected, estimated or projected. In addition, the factors identified above may not necessarily be all of the important factors that could cause actual results to differ materially from those expressed in any forward-looking statement made by us, or on our behalf. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no responsibility to publicly release the result of any revision of our forward-looking statements after the date they are made.

In addition, in certain places in this Quarterly Report on Form 10-Q, we refer to information and reports published by third parties that purport to describe trends or developments in the energy industry. We do so for the convenience of our stockholders and in an effort to provide information available in the market that will assist our investors in better understanding the market environment in which we operate. However, we specifically disclaim any responsibility for the accuracy and completeness of such information and undertake no obligation to update such information.

ITEM 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion and analysis should be read together with our condensed consolidated financial statements and notes to those statements included elsewhere in this Quarterly Report on Form 10-Q and our consolidated financial statements and notes to those statements included in our 2022 Annual Report on Form 10-K in order to understand factors, such as charges and credits, financing transactions and changes in tax regulations, which may impact comparability from period to period.

We provide a broad range of manufactured products and services to customers in the energy, industrial and military sectors through our Offshore/Manufactured Products, Well Site Services and Downhole Technologies segments. Demand for our products and services is cyclical and substantially dependent upon activity levels in the oil and gas industry, particularly our customers' willingness to invest capital in the exploration for and development of crude oil and natural gas reserves. Our customers' capital spending programs are generally based on their cash flows and their outlook for near-term and long-term commodity prices, making demand for our products and services sensitive to expectations regarding future crude oil and natural gas prices, as well as economic growth, commodity demand and estimates of resource production and regulatory pressures related to environmental, social and governance ("ESG") considerations.

Recent Developments

Brent and West Texas Intermediate ("WTI") crude oil and natural gas pricing trends were as follows:

Year	Average Price[1] for quarter ended				Average Price[1] for year ended December 31
	March 31	June 30	September 30	December 31	
Brent Crude (per bbl)					
2023	$ 81.01				
2022	100.87	$ 113.84	$ 100.71	$ 88.77	$ 100.99
WTI Crude (per bbl)					
2023	$ 75.91				
2022	95.18	$ 108.83	$ 93.06	$ 82.79	$ 94.90
Henry Hub Natural Gas (per MMBtu)					
2023	$ 2.64				
2022	4.67	$ 7.50	$ 8.03	$ 5.55	$ 6.45

(1) Source: U.S. Energy Information Administration (spot prices).

On April 21, 2023, Brent crude oil, WTI crude oil and natural gas spot prices closed at $83.36 per barrel, $77.86 per barrel and $2.20 per MMBtu, respectively. Additionally, as presented in more detail below, the U.S. drilling rig count reported on April 21, 2023 was 753 rigs – comparable to the first quarter 2023 average.

In February 2023, we repaid the $17.3 million principal amount, plus accrued interest, of outstanding 2023 Notes (as defined below). Additionally, our Board of Directors authorized a $25.0 million stock repurchase plan, which extends through February 2025. No repurchases have been made under the plan as of March 31, 2023.

Overview

Current and expected future pricing for WTI crude oil and inflationary costs increases, along with expectations regarding the regulatory environment in the regions in which we operate, are factors that will continue to influence our customers' willingness to invest capital in their businesses. Expectations for the longer-term price for Brent crude oil will continue to influence our customers' spending related to global offshore drilling and development and, thus, a significant portion of the activity of our Offshore/Manufactured Products segment.

Crude oil prices and levels of demand for crude oil are likely to remain highly volatile due to numerous factors, including: global uncertainties related to disruptions in the banking sector, geopolitical conflicts (such as the direction and outcome of Russia's invasion of Ukraine) and international tensions; sanctions; the perceived risk of a global economic recession; domestic or international crude oil production; changes in governmental rules and regulations; the willingness of operators to invest capital in the exploration for and development of resources; use of alternative fuels; improved vehicle fuel efficiency; a more sustained movement to electric vehicles; and the potential for ongoing supply/demand imbalances. Capital investment by our customers temporarily declined due to these factors and the desire to generate sustainable cash flows.

Customer spending in the natural gas shale plays has been limited due to technological advancements that have led to significant amounts of natural gas being produced from prolific basins in the Northeastern United States and from associated gas produced from the drilling and completion of unconventional oil wells in the United States.

U.S. drilling, completion and production activity and, in turn, our financial results, are sensitive to near-term fluctuations in commodity prices, particularly WTI crude oil prices, given the short-term, call-out nature of our U.S. operations.

Our Offshore/Manufactured Products segment provides technology-driven, highly-engineered products and services for offshore oil and natural gas production systems and facilities globally, as well as certain products and services to the offshore and land-based drilling and completion markets. This segment also produces a variety of products for use in industrial, military and other applications outside the traditional energy industry. Additionally, we are investing in research and product development related to, and have been awarded select contracts and are bidding on additional projects that facilitate, the development of alternative energy sources, including offshore wind and deepsea mineral gathering opportunities. This segment is particularly influenced by global spending on deepwater drilling and production, which is primarily driven by our customers' longer-term commodity demand forecasts and outlook for crude oil and natural gas prices. Approximately 40% of Offshore/Manufactured Products segment sales in the first three months of 2023 were driven by our customers' capital spending for products used in exploratory and developmental drilling, greenfield offshore production infrastructure, and subsea pipeline tiein and repair system applications, along with upgraded equipment for existing offshore drilling rigs and other vessels (referred to herein as "project-driven products"). Deepwater oil and gas development projects typically involve significant capital investments and multi-year development plans. Such projects are generally undertaken by larger exploration, field development and production companies (primarily international oil companies and state-run national oil companies) using relatively conservative crude oil and natural gas pricing assumptions. Given the long lead times associated with field development, we believe some of these deepwater projects, once approved for development, are generally less susceptible to change based on short-term fluctuations in the price of crude oil and natural gas.

Backlog reported by our Offshore/Manufactured Products segment increased to $326 million as of March 31, 2023 from $308 million as of December 31, 2022 and $265 million as of March 31, 2022. Bookings totaled $118 million in the first quarter of 2023, yielding a book-to-bill ratio of 1.2x. The following table sets forth backlog as of the dates indicated (in millions).

	Backlog as of			
Year	**March 31**	**June 30**	**September 30**	**December 31**
2023	$ 326			
2022	265	$ 241	$ 258	$ 308
2021	226	214	249	260

Our Well Site Services segment provides completion services and, to a much lesser extent, land drilling services, in the United States (including the Gulf of Mexico) and the rest of the world. U.S. drilling and completion activity and, in turn, our Well Site Services results, are sensitive to near-term fluctuations in commodity prices, particularly WTI crude oil prices, given the short-term, call-out nature of its operations. We primarily supply equipment and service personnel utilized in the completion of and initial production from new and recompleted wells in our U.S. operations, which are dependent primarily upon the level and complexity of drilling, completion and workover activity in our areas of operations. Well intensity and complexity have increased with the continuing transition to multi-well pads, the drilling of longer lateral wells and increased downhole pressures, along with the increased number of frac stages completed in horizontal wells.

Our Downhole Technologies segment provides oil and gas perforation systems, downhole tools and services in support of completion, intervention, wireline and well abandonment operations. This segment designs, manufactures and markets its consumable engineered products to oilfield service as well as exploration and production companies. Product and service offerings for this segment include innovations in perforation technology through patented and proprietary systems combined with advanced modeling and analysis tools. This expertise has led to the optimization of perforation hole size, depth, and quality of tunnels, which are key factors for maximizing the effectiveness of hydraulic fracturing. Additional offerings include proprietary frac plug and toe valve products, which are focused on zonal isolation for hydraulic fracturing of horizontal wells, and a broad range of consumable products, such as setting tools and bridge plugs, that are used in completion, intervention and decommissioning applications. Demand drivers for the Downhole Technologies segment include continued trends toward longer lateral lengths, increased frac stages and more perforation clusters to target increased unconventional well productivity, which requires ongoing technological and product developments.

Demand for our completion-related products and services within each of our segments is highly correlated to changes in the total number of wells drilled in the United States, total footage drilled, the number of drilled wells that are completed and changes in the drilling rig count. The following table sets forth a summary of the U.S. and international drilling rig count, as measured by Baker Hughes Company, as of and for the periods indicated.

		Average for the Three Months Ended March 31,	
	As of April 21, 2023	**2023**	**2022**
United States Rig Count:			
Land – Oil	571	579	493
Land – Natural gas and other	161	155	123
Offshore	21	19	17
	753	753	633
International Rig Count:			
Land		897	828
Offshore		226	193
		1,123	1,021
		1,876	1,654

The U.S. energy industry is primarily focused on crude oil and liquids-rich exploration and development activities in U.S. shale plays utilizing horizontal drilling and completion techniques. As of March 31, 2023, oil-directed drilling accounted for 78% of the total U.S. rig count – with the balance largely natural gas related. As can be derived from the table above, the average U.S. rig count for the first three months of 2023 increased by 120 rigs, or 19%, compared to the average for the first three months of 2022.

We use a variety of domestically produced and imported raw materials and component products, including steel, in the manufacture of our products. The United States has imposed tariffs on a variety of imported products, including steel and aluminum. In response to the U.S. tariffs on steel and aluminum, the European Union and several other countries, including Canada and China, have threatened and/or imposed retaliatory tariffs. In addition, in response to Russia's invasion of Ukraine, governments in the European Union, the United States, the United Kingdom, Switzerland and other countries have enacted sanctions against Russia and Russian interests. The effect of these sanctions and tariffs and the application and interpretation of existing trade agreements and customs, anti-dumping and countervailing duty regulations continue to evolve, and we continue to monitor these matters. If we encounter difficulty in procuring these raw materials and component products, or if the prices we have to pay for these products increase and we are unable to pass corresponding cost increases on to our customers, our financial position, cash flows and results of operations could be adversely affected. Furthermore, uncertainty with respect to potential costs in the drilling and completion of oil and gas wells could cause our customers to delay or cancel planned projects which, if this occurred, would adversely affect our financial position, cash flows and results of operations.

Other factors that can affect our business and financial results include but are not limited to: the general global economic environment (including disruptions in the banking sector); competitive pricing pressures; public health crises; natural disasters; labor market constraints; supply chain disruptions; inflation in wages, materials, parts, equipment and other costs; climate-related and other regulatory changes; geopolitical tensions; and changes in tax laws in the United States and international markets. We continue to monitor the global economy, the prices of and demand for crude oil and natural gas, and the resultant impact on the capital spending plans and operations of our customers in order to plan and manage our business.

Human Capital

For more information on our health and safety, diversity and other workforce policies, please see "Part I, Item 1. Business – Human Capital" in our Annual Report on Form 10-K for the year ended December 31, 2022.

Selected Financial Data

This selected financial data should be read in conjunction with our Unaudited Condensed Consolidated Financial Statements and related notes included in "Part I, Item 1. Financial Statements" of this Quarterly Report on Form 10-Q and in "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and related notes included in "Part II, Item 8. Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for the year ended December 31, 2022 in order to understand factors which may impact comparability of the selected financial data.

Unaudited Consolidated Results of Operations

The following summarizes our consolidated results of operations for the three months ended March 31, 2023 and 2022 (in thousands, except per share amounts):

	Three Months Ended March 31,		
	2023	2022	Variance
Revenues:			
Products	$ 99,840	$ 85,761	$ 14,079
Services	96,359	78,283	18,076
	196,199	164,044	32,155
Costs and expenses:			
Product costs	78,677	64,801	13,876
Service costs	72,058	61,803	10,255
Cost of revenues (exclusive of depreciation and amortization expense presented below)	150,735	126,604	24,131
Selling, general and administrative expenses	24,016	23,833	183
Depreciation and amortization expense	15,256	17,817	(2,561)
Other operating income, net	317	126	191
	190,324	168,380	21,944
Operating income (loss)	5,875	(4,336)	10,211
Interest expense, net	(2,391)	(2,672)	281
Other income, net	276	1,025	(749)
Income (loss) before income taxes	3,760	(5,983)	9,743
Income tax provision	(1,602)	(3,441)	1,839
Net income (loss)	$ 2,158	$ (9,424)	$ 11,582
Net income (loss) per share:			
Basic	$ 0.03	$ (0.16)	
Diluted	0.03	(0.16)	
Weighted average number of common shares outstanding:			
Basic	62,825	60,498	
Diluted	63,072	60,498	

Unaudited Segment Results of Operations

We manage and measure our business performance in three distinct operating segments: Offshore/Manufactured Products, Well Site Services and Downhole Technologies. Supplemental financial information by operating segment for the three months ended March 31, 2023 and 2022 is summarized below (in thousands):

	Three Months Ended March 31,		
	2023	2022	Variance
Revenues			
Offshore/Manufactured Products			
Project-driven products	$ 39,132	$ 33,844	$ 5,288
Short-cycle products	27,440	20,624	6,816
Other products and services	31,627	29,644	1,983
Total Offshore/Manufactured Products	98,199	84,112	14,087
Well Site Services	67,058	48,172	18,886
Downhole Technologies	30,942	31,760	(818)
Total	$ 196,199	$ 164,044	$ 32,155
Operating income (loss)			
Offshore/Manufactured Products	$ 11,090	$ 10,196	$ 894
Well Site Services	6,966	(3,395)	10,361
Downhole Technologies	(1,519)	(1,505)	(14)
Corporate	(10,662)	(9,632)	(1,030)
Total	$ 5,875	$ (4,336)	$ 10,211

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

We reported net income for the three months ended March 31, 2023 of $2.2 million, or $0.03 per share. These results compare to a net loss for the three months ended March 31, 2022 of $9.4 million, or $0.16 per share.

Increased capital investments by our customers, together with our internal cost control and strict capital discipline measures and other corporate actions, resulted in significant improvements in our recent consolidated results.

Revenues. Consolidated total revenues in the first three months of 2023 increased $32.2 million, or 20%, from the first three months of 2022.

Consolidated product revenues in the first three months of 2023 increased $14.1 million, or 16%, from the first three months of 2022, driven primarily by higher customer demand for connector, drilling and short-cycle products. Consolidated service revenues in the first three months of 2023 increased $18.1 million, or 23%, from the first three months of 2022 due primarily to increased customer spending in the U.S. shale play regions and the Gulf of Mexico. As can be derived from the following table, 64% of our consolidated revenues in the first three months of 2023 were derived from sales of our short-cycle product and service offerings, which compares to 61% in the prior-year period.

The following table provides supplemental disaggregated revenue from contracts with customers by operating segment for the three months ended March 31, 2023 and 2022 (in thousands):

	Offshore/ Manufactured Products		Well Site Services		Downhole Technologies		Total	
Three Months Ended March 31	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Major revenue categories -								
Project-driven products	$ 39,132	$ 33,844	$ —	$ —	$ —	$ —	$ 39,132	$ 33,844
Short-cycle:								
Completion products and services	17,955	13,580	65,406	45,166	30,942	31,760	114,303	90,506
Drilling services	—	—	1,652	3,006	—	—	1,652	3,006
Other products	9,485	7,044	—	—	—	—	9,485	7,044
Total short-cycle	27,440	20,624	67,058	48,172	30,942	31,760	125,440	100,556
Other products and services	31,627	29,644	—	—	—	—	31,627	29,644
	$ 98,199	$ 84,112	$ 67,058	$ 48,172	$ 30,942	$ 31,760	$ 196,199	$ 164,044
Percentage of total revenue by type -								
Products	75 %	71 %	— %	— %	85 %	82 %	51 %	52 %
Services	25 %	29 %	100 %	100 %	15 %	18 %	49 %	48 %

Cost of Revenues (exclusive of Depreciation and Amortization Expense). Our consolidated total cost of revenues (exclusive of depreciation and amortization expense) increased $24.1 million, or 19%, in the first three months of 2023 compared to the first three months of 2022.

Consolidated product costs in the first three months of 2023 increased $13.9 million, or 21%, compared to the first three months of 2022 due to the reported revenue growth and a shift in sales mix, as well as higher material transportation, labor and other costs. Consolidated service costs in the first three months of 2023 increased $10.3 million, or 17%, compared to the first three months of 2022, due to the impact of higher revenue levels and increased labor and other costs.

Selling, General and Administrative Expense. Selling, general and administrative expense increased $0.2 million, or 1%, in the first three months of 2023 from the first three months of 2022, despite a 20% increase in total revenues.

Depreciation and Amortization Expense. Depreciation and amortization expense decreased $2.6 million, or 14%, in the first three months of 2023 compared to the prior-year period, driven primarily by reduced capital investments made in our Well Site Services segment in recent years. Note 9, "Segments and Related Information," to our Unaudited Condensed Consolidated Financial Statements presents depreciation and amortization expense by segment.

Operating Income (Loss). Our consolidated operating income was $5.9 million in the first three months of 2023. This compares to a consolidated operating loss of $4.3 million recognized in the first three months of 2022.

Interest Expense, Net. Net interest expense totaled $2.4 million in the first three months of 2023, which compares to $2.7 million in the first three months of 2022. Interest expense as a percentage of total debt outstanding was approximately 7% in the first three months of 2023 and 6% in the first three months of 2022.

Income Tax. Income tax expense for the the first three months of 2023 was calculated using a discrete approach. This methodology was used because changes in our results of operations and non-deductible expenses can materially impact the estimated annual effective tax rate. For the first three months of 2023, our income tax provision was $1.6 million on pre-tax income of $3.8 million, which included certain non-deductible expenses and discrete tax items. This compares to an income tax provision of $3.4 million on a pre-tax loss of $6.0 million for the first three months of 2022, which included the impact of valuation allowances recorded against tax assets as well as certain non-deductible expenses and discrete tax items.

Other Comprehensive Income. Reported comprehensive income (loss) is the sum of reported net income (loss) and other comprehensive income. Other comprehensive income was $4.1 million in the first three months of 2023 compared to comprehensive income of $0.9 million in the first three months of 2022 due to fluctuations in foreign currency exchange rates compared to the U.S. dollar for certain of the international operations of our operating segments. For the first three months of 2023 and 2022, currency translation adjustments recognized as a component of other comprehensive income were primarily attributable to the United Kingdom and Brazil. During the first three months of 2023, the exchange rates for the British pound and the Brazilian real strengthened compared to the U.S. dollar. During the first three months of 2022, the exchange rate for the British pound weakened compared to the U.S. dollar, while the Brazilian real strengthened compared to the U.S. dollar.

Segment Operating Results

Offshore/Manufactured Products

Revenues. Our Offshore/Manufactured Products segment revenues increased $14.1 million, or 17%, in the first three months of 2023 compared to the first three months of 2022 due primarily to increased demand for connector, drilling and short-cycle products.

Operating Income. Our Offshore/Manufactured Products segment reported operating income of $11.1 million in the first three months of 2023, compared to operating income of $10.2 million in the first three months of 2022. This year-over-year increase was due primarily to the segment's reported revenue growth, partially offset by a shift in product sales mix and the impact of higher material, transportation, labor and other costs.

Backlog. Backlog in our Offshore/Manufactured Products segment totaled $326 million as of March 31, 2023 compared to $308 million as of December 31, 2022. Bookings during the first three months of 2023 totaled $118 million, yielding a book-to-bill ratio of 1.2x.

Well Site Services

Revenues. Our Well Site Services segment revenues increased $18.9 million, or 39%, in the first three months of 2023 compared to the first three months of 2022, driven primarily by increased U.S. customer activity levels.

Operating Income (Loss). Our Well Site Services segment reported operating income of $7.0 million in the first three months of 2023, compared to an operating loss of $3.4 million in the first three months of 2022. The segment's operating results improved $10.4 million from the prior-year period, due to the reported revenue growth and a $1.8 million decrease in depreciation and amortization expense, partially offset by increased labor, material and other costs.

Downhole Technologies

Revenues. Our Downhole Technologies segment revenues decreased $0.8 million, or 3%, in the first three months of 2023 from the first three months of 2022.

Operating Loss. Our Downhole Technologies segment reported an operating loss of $1.5 million in the first three months of 2023, consistent with the results reported in the first three months of 2022.

Corporate

Operating Loss. Corporate expenses in the first three months of 2023 increased $1.0 million, or 11%, from the first three months of 2022, due primarily to higher personnel costs and professional fees.

Liquidity, Capital Resources and Other Matters

Our primary liquidity needs are to fund operating and capital expenditures, new product development and general working capital needs. In addition, capital has been used to fund strategic business acquisitions, repay debt and fund share repurchases. Our primary sources of funds are cash flow from operations, proceeds from borrowings under our credit facilities and, less frequently, capital markets transactions.

Operating Activities

Cash flows used in operations totaled $5.9 million during the first three months of 2023, compared to $10.7 million used in operations during the first three months of 2022.

During 2023, $25.6 million was used to fund net working capital increases, primarily due to the payment of accrued 2022 short- and long-term cash incentives and an activity-driven increase in inventories. During the first quarter of 2022, $21.3 million was used to fund net working capital increases, primarily due to increases in inventories and accounts receivable driven by higher activity levels.

Investing Activities

Net cash used in investing activities during the first three months of 2023 totaled $6.4 million, compared to $2.1 million used in investing activities during the first three months of 2022.

Capital expenditures totaled $6.6 million and $2.9 million during the first three months of 2023 and 2022, respectively. These investments were partially offset by proceeds from the sale of property and equipment of $0.2 million and $0.9 million during the first three months of 2023 and 2022, respectively.

We expect to spend approximately $25 million in capital expenditures during 2023. We plan to fund these capital expenditures with available cash, internally generated funds and, if necessary, borrowings under our ABL Facility discussed below.

Financing Activities

During the first three months of 2023, net cash of $14.4 million was used in financing activities, which included the repayment of the $17.3 million principal amount of our outstanding 2023 Notes. This compares to $1.2 million of cash used in financing activities during the first three months of 2022.

As of March 31, 2023, we had cash and cash equivalents totaling $15.8 million, which compared to $42.0 million as of December 31, 2022.

As of March 31, 2023, we had $5.0 million in borrowings outstanding under our ABL Facility, $135.0 million principal amount of our 2026 Notes (as defined below) outstanding and other debt of $3.3 million. Our reported interest expense included amortization of deferred financing costs of $0.4 million during the first three months of 2023. For the first three months of 2023, our contractual cash interest expense was $2.0 million, or approximately 5% of the average principal balance of debt outstanding.

We believe that cash on-hand, cash flow from operations and borrowing capacity available under our ABL Facility will be sufficient to meet our liquidity needs in the coming twelve months. If our plans or assumptions change, or are inaccurate, we may need to raise additional capital. Our ability to obtain capital for additional projects to implement our growth strategy over the longer term will depend upon our future operating performance, financial condition and, more broadly, on the availability of equity and debt financing. Capital availability will be affected by prevailing conditions in our industry, the global economy, the global banking and financial markets, stakeholder scrutiny of ESG matters and other factors, many of which are beyond our control. In this regard, the effect of the two U.S. bank failures in March 2023 resulted in significant disruptions to global banking and financial markets. For companies like ours that support the energy industry, these disruptions negatively impacted the value of our common stock and may reduce our ability to access capital in the bank and capital markets or result in such capital being available on less favorable terms, which could in the future negatively affect our liquidity.

On March 21, 2022, the SEC proposed new rules relating to the disclosure of a range of climate-related information and risks. A final rule is expected to be released in the second quarter of 2023, but we cannot predict the final form and substance of the rule and its requirements at this time. The ultimate impact on our business is uncertain and, upon finalization, we and our customers may incur increased compliance costs related to the assessment and disclosure of climate-related risks. We may also face increased litigation risks related to disclosures made pursuant to the rule if finalized as proposed. In addition, enhanced climate disclosure requirements could accelerate the trend of certain stakeholders and lenders in restricting access to capital or seeking more stringent conditions with respect to their investments in us, our customers and other companies like ours that support the energy industry. For more information on our risks related to climate change, see the risk factors in "Part I, Item 1A. Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2022 titled, "Our and our customers' operations are subject to a series of risks arising out of the threat of climate change that could result in increased operating costs, limit the areas in which oil and natural gas production may occur, and reduce demand for the products and services we provide" and "Increasing attention to ESG matters may impact our business."

Stock Repurchase Program. On February 16, 2023, the Board of Directors authorized $25.0 million for the repurchases of our common stock, par value $0.01 per share, through February 2025. Subject to applicable securities laws, such purchases will be at such times and in such amounts as we deem appropriate. As of March 31, 2023, no repurchases were made under this authorization.

Revolving Credit Facility. On February 10, 2021, we entered into a senior secured credit facility with certain lenders, which provides for a $125.0 million asset-based revolving credit facility (the "ABL Facility") under which credit availability is subject to a borrowing base calculation.

The ABL Facility is governed by a credit agreement, as amended, with Wells Fargo Bank, National Association, as administrative agent and the lenders and other financial institutions from time to time party thereto (the "ABL Agreement"). The ABL Agreement matures on February 10, 2025 with a springing maturity 91 days prior to the maturity of any outstanding indebtedness with a principal amount in excess of $17.5 million.

See Note 3, "Long-term Debt," to the Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information regarding the ABL Agreement. As of March 31, 2023, we had $5.0 million of outstanding borrowings and $15.9 million of outstanding letters of credit under the ABL Agreement. The total amount available to be drawn as of March 31, 2023 was $92.8 million, calculated based on the then-current borrowing base less outstanding letters of credit.

2026 Notes. We issued $135.0 million aggregate principal amount of 4.75% convertible senior notes due 2026 (the "2026 Notes") pursuant to an indenture, dated as of March 19, 2021 (the "2026 Indenture"), between us and Computershare Trust Company, National Association, as successor trustee. The 2026 Notes will mature on April 1, 2026, unless earlier repurchased, redeemed or converted.

The 2026 Indenture contains certain events of default, including certain defaults by us with respect to other indebtedness of at least $40.0 million.

See Note 3, "Long-term Debt," to the Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information regarding the 2026 Notes. As of March 31, 2023, none of the conditions allowing holders of the 2026 Notes to convert, or requiring us to repurchase the 2026 Notes, had been met.

2023 Notes. On February 15, 2023, our 1.50% convertible senior notes due 2023 (the "2023 Notes") matured and the outstanding $17.3 million principal amount was repaid in full.

Our total debt represented 17% and 18% of our combined total debt and stockholders' equity as of March 31, 2023 and December 31, 2022, respectively.

Contingencies and Other Obligations. We are a party to various pending or threatened claims, lawsuits and administrative proceedings seeking damages or other remedies concerning our commercial operations, products, employees and other matters, including occasional claims by individuals alleging exposure to hazardous materials as a result of our product or operations. Some of these claims relate to matters occurring prior to the acquisition of businesses, and some relate to businesses we have sold. In certain cases, we are entitled to indemnification from the sellers of the businesses and, in other cases, we have indemnified the buyers of businesses.

See Note 10, "Commitments and Contingencies," to the Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional discussion.

Off-Balance Sheet Arrangements. As of March 31, 2023, we had no off-balance sheet arrangements.

Critical Accounting Policies

For a discussion of the critical accounting policies and estimates that we use in the preparation of our condensed consolidated financial statements, see "Part II Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2022. These estimates require significant judgments, assumptions and estimates. We have discussed the development, selection, and disclosure of these critical accounting policies and estimates with the audit committee of our Board of Directors. There have been no material changes to the judgments, assumptions and estimates upon which our critical accounting estimates are based.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, which are adopted by us as of the specified effective date. Management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on our consolidated financial statements upon adoption.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

Market risk refers to the potential losses arising from changes in interest rates, foreign currency exchange rates, equity prices, and commodity prices, including the correlation among these factors and their volatility.

Our principal market risks are our exposure to changes in interest rates and foreign currency exchange rates. We enter into derivative instruments only to the extent considered necessary to meet risk management objectives and do not use derivative contracts for speculative purposes.

Interest Rate Risk. We have a revolving credit facility that is subject to the risk of higher interest charges associated with increases in interest rates. As of March 31, 2023, we had $5.0 million in floating-rate obligations outstanding under our ABL Facility. The use of floating-rate obligations exposes us to the risk of increased interest expense in the event of increases in short-term interest rates. If the floating interest rates increased by 1% from March 31, 2023 levels, our consolidated interest expense would increase by a total of approximately $0.1 million annually.

Foreign Currency Exchange Rate Risk. Our operations are conducted in various countries around the world and we receive revenue from these operations in a number of different currencies. As such, our earnings are subject to movements in foreign currency exchange rates when transactions are denominated in (i) currencies other than the U.S. dollar, which is our functional currency, or (ii) the functional currency of our subsidiaries, which is not necessarily the U.S. dollar. In order to mitigate the effects of foreign currency exchange rate risks in areas outside of the United States (primarily in our Offshore/Manufactured Products segment), we generally pay a portion of our expenses in local currencies and a substantial portion of our contracts provide for collections from customers in U.S. dollars. During the first three months of 2023, our reported foreign currency exchange losses were $0.5 million and are included in "Other operating expense, net" in the consolidated statements of operations.

Accumulated other comprehensive loss, reported as a component of stockholders' equity, primarily relates to fluctuations in currency exchange rates against the U.S. dollar as used to translate certain of the international operations of our operating segments. Our accumulated other comprehensive loss decreased $4.1 million from $78.9 million as of December 31, 2022 to $74.8 million as of March 31, 2023, due to changes in currency exchange rates. During the three months ended March 31, 2023, the exchange rates for the British pound and the Brazilian real strengthened by 3% and 2%, respectively, compared to the U.S. dollar.

ITEM 4. *Controls and Procedures*

(i) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) of the Exchange Act. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2023 at the reasonable assurance level.

(ii) Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as that term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended March 31, 2023, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. *Legal Proceedings*

The information with respect to this Item 1 is set forth under Note 10, "Commitments and Contingencies."

ITEM 1A. *Risk Factors*

"Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2022 includes a detailed discussion of our risk factors. The risks described in such report are not the only risks we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, may materially adversely affect our business, financial conditions or future results. Except as described below, there have been no material changes to our risk factors as set forth in our 2022 Annual Report on Form 10-K.

Adverse developments affecting the financial services industry, such as events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could adversely affect the Company's current and projected business operations and its financial condition and results of operations.

Events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about such events or other similar risks, have in the past and may in the future lead to acute or market-wide liquidity problems. In addition, if any of the Company's customers, suppliers or other business counterparties are unable to access funds held by such a financial institution, such parties' ability to pay their obligations to the Company or to enter into new commercial arrangements requiring additional payments to the Company could be adversely affected.

Inflation and rapid increases in interest rates have led to a decline in the trading value of previously issued government securities with interest rates below current market interest rates. Although the U.S. Department of Treasury, Federal Deposit Insurance Corporation ("FDIC") and Federal Reserve Board have announced a program to mitigate the risk of potential losses on the sale of such instruments, widespread demands for customer withdrawals or other needs of financial institutions for immediate liquidity may exceed the capacity of such program. Additionally, the Company maintains cash balances at third-party financial institutions in excess of FDIC standard insurance limits, and there is no guarantee that the U.S. Department of Treasury, FDIC and Federal Reserve Board will provide access to uninsured funds in the future in the event of the closure of such banks or financial institutions, or that they would do so in a timely fashion.

Access to funding sources and other credit arrangements in amounts adequate to finance the Company's business operations could be significantly impaired by the foregoing factors that affect the Company, any financial institutions with which the Company enters into credit agreements or arrangements directly, or the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry.

The results of events or concerns that involve one or more of these factors could include a variety of material and adverse impacts on the Company's current and projected business operations and the Company's financial condition and results of operations. These risks include, but may not be limited to, the following:

- delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets;
- inability to enter into credit facilities or other working capital resources;
- potential or actual breach of contractual obligations that require the Company to maintain letters of credit or other credit support arrangements; or
- termination of cash management arrangements and/or delays in accessing or actual loss of funds subject to cash management arrangements.

In addition, investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for the Company to acquire financing on acceptable terms or at all. Any decline in available funding or access to cash and liquidity resources could, among other risks, adversely impact the Company's ability to meet operating expenses or other obligations, financial or otherwise, result in breaches of the Company's financial and/or contractual obligations, or result in violations of federal or state wage and hour laws. In addition, any further deterioration in the macroeconomic economy or financial services industry could lead to losses or defaults by the Company's customers, vendors or suppliers. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors, could have material adverse impacts on the Company's liquidity and its current and/or projected business operations and financial condition and results of operations.

ITEM 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

(a) None.

(b) None.

(c)

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Period	Total Number of Shares Purchased[1]	Average Price Paid per Share[1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs[2]
January 1 through January 31, 2023	—	$ —	—	$ —
February 1 through February 28, 2023	204,541	9.47	—	25,000,000
March 1 through March 31, 2023	—	—	—	25,000,000
Total	204,541	$ 9.47	—	

(1) All shares purchased during the three-month period ended March 31, 2023 were acquired from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock grants. These shares were not part of a publicly announced program to purchase common stock.

(2) On February 16, 2023, the Company's Board of Directors authorized $25.0 million for the repurchases of the Company's common stock, par value $0.01 per share, through February 2025. As of March 31, 2023, no repurchases were made under this authorization.

ITEM 3. ***Defaults Upon Senior Securities***

None.

ITEM 4. ***Mine Safety Disclosures***

Not applicable.

ITEM 5. ***Other Information***

None.

ITEM 6. *Exhibits*

Exhibit No.		Description
3.1	—	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000, as filed with the SEC on March 30, 2001 (File No. 001-16337)).
3.2	—	Fifth Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K, as filed with the SEC on February 17, 2023 (File No. 001-16337)).
3.3	—	Certificate of Designations of Special Preferred Voting Stock of Oil States International, Inc. (incorporated by reference to Exhibit 3.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000, as filed with the SEC on March 30, 2001 (File No. 001-16337)).
10.1*+	—	Form of Performance Award Agreement under the Registrant's Amended and Restated Equity Participation Plan.
10.2*+	—	Form of Restricted Stock Agreement under the Registrant's Amended and Restated Equity Participation Plan.
10.3*+	—	Form of Cash Award Agreement.
31.1*	—	Certification of Chief Executive Officer of Oil States International, Inc. pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2*	—	Certification of Chief Financial Officer of Oil States International, Inc. pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1**	—	Certification of Chief Executive Officer of Oil States International, Inc. pursuant to Rules 13a-14(b) or 15d-14(b) under the Securities Exchange Act of 1934, as amended.
32.2**	—	Certification of Chief Financial Officer of Oil States International, Inc. pursuant to Rules 13a-14(b) or 15d-14(b) under the Securities Exchange Act of 1934, as amended.
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 contracts or compensatory plans or arrangements.

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.

OIL STATES INTERNATIONAL, INC.

Date:	April 28, 2023	By:	/s/ LLOYD A. HAJDIK
			Lloyd A. Hajdik Executive Vice President, Chief Financial Officer and Treasurer (Duly Authorized Officer and Principal Financial Officer)

EXHIBIT 10.1

PERFORMANCE AWARD AGREEMENT

THIS AGREEMENT is made on __________ ("Grant Date") between Oil States International, Inc., a Delaware corporation (the "Company"), and __________ ("Employee").

To carry out the purposes of the Amended and Restated Equity Participation Plan of Oil States International, Inc. (as amended from time to time, the "Plan"), by affording Employee the opportunity to acquire cash and shares of common stock of the Company ("Stock"), and in consideration of the mutual agreements and other matters set forth herein and in the Plan, the Company and Employee hereby agree as follows:

1. **Grant of Award**. The Company grants to Employee on the Grant Date a performance award ("Performance Award") comprised of two separate components: (a) a target cash award, the payout of which is based on relative total shareholder return (the "TSR Component"); and (b) a target number of deferred Stock units equal to a target number of shares of Stock, the payout of which is based on the Company's cumulative EBITDA (the "EBITDA Component"), each as set forth in the Notice of Performance Award Conditions ("Notice"), attached as Exhibit A, which Notice is incorporated herein by reference as a part of this Agreement. Subject to Section 2, the maximum amount of such cash award and the maximum number of such shares of Stock that Employee may earn pursuant to this Performance Award is determined by the applicable schedule set forth in the Notice. Employee acknowledges receipt of a copy of the Plan, and agrees that this Performance Award shall be subject to all of the terms and conditions set forth herein and in the Plan, including future amendments thereto, if any, pursuant to the terms thereof, which Plan is incorporated herein by reference as a part of this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan shall govern.

2. **Vesting**.

(a) If Employee remains continuously employed by the Company from the Grant Date through December 31, _____, this Performance Award shall vest in Employee on such date at the levels set forth in the Notice based upon achievement of the Company performance objectives set forth in the Notice ("Performance Objectives") during the period commencing on January 1, _____ and ending December 31, _____ (the "Performance Period"). As soon as administratively practicable after the end of the Performance Period (or such earlier date as set forth in Sections 2(b), (c), (d) or (e)), the Compensation Committee of the Board ("Committee") shall affirm in writing the extent to which the Performance Objectives have been achieved and the cash and the number of units of deferred Stock that are vested in Employee as a result of such achievement.

(b) If on or after the eighteen-month anniversary of the Grant Date and prior to the end of the Performance Period (i) a "Change of Control" (as defined in Treasury Regulation Section 1.409A-3(i)(5) that also meets the definition of "Change of Control" under the Plan) of the Company occurs, (ii) Employee incurs a "Disability" (as defined in Treasury Regulation Section 1.409A-3(i)(4) that also meets the definition of "disability" under the Company's long-term disability plan), or (iii) Employee's employment terminates due to Employee's death, this Performance Award shall vest on the earliest of such events at the greater of the "Determined Percentage" (as defined below) and the "target" levels of performance as set forth in the Notice. For this purpose, the "Determined Percentage" means the percentage of vesting that would have occurred respecting the Performance Award pursuant to the Notice as if (1) the last day of the Performance Period was the Determination Date (as defined below) and the Performance Objectives were measured as of such date and (2) the dollar amount levels for "entry," "target" and "overachievement" with respect to the Performance Objectives relating to the EBITDA Component set forth in the Notice were each prorated by multiplying the applicable dollar amount level by a fraction, the numerator of which is the number of calendar quarters during the period beginning on January 1, _____ and ending on the Determination Date, and the denominator of which is 12 (such prorated levels being referred to herein as the "Prorated EBITDA Objectives"). As soon as administratively practicable after the date of the applicable vesting event described in clauses (b)(i), (b)(ii) or (b)(iii) above, the Committee shall affirm in writing the extent to which the Performance Objectives have been achieved and the cash and the number of units of deferred Stock that vest as a result of such achievement. As used in this Agreement, the term "Determination Date" means (A) with respect to the TSR Component of the Performance Award, the date of the applicable vesting event, and (B) with respect to the EBITDA Component of the Performance Award, the most recently completed fiscal quarter of the Company coincident with or next preceding the date of the applicable vesting event.

(c) If on or after the Grant Date and prior to the end of the Performance Period Employee terminates employment with the Company on or after age fifty-eight for a reason other than death or Disability ("Retirement"), this Performance Award shall vest on the date of such termination due to Retirement (the "Retirement Date") at the "Determined Percentage" (as defined below). For this purpose, the "Determined Percentage" means the percentage of vesting that would have occurred respecting the Performance Award pursuant to the Notice as if (1) the last day of the Performance Period was the Determination Date and the Performance Objectives were measured as of such date and (2) the dollar amount levels for "entry," "target" and "overachievement" with respect to the Performance Objectives relating to the EBITDA Component set forth in the Notice were each equal to the Prorated EBITDA Objectives; provided, however, that if the Retirement Date occurs prior to the eighteen-month anniversary of the Grant Date, then the amount determined pursuant to the preceding provisions of this sentence shall be multiplied by a fraction, the numerator of which is equal to the number of Employee's actual days of employment from the Grant Date to Employee's Retirement Date, and the denominator of which is equal to the total number of days in the Performance Period (determined without regard to Employee's Retirement). As soon as administratively practicable after the Retirement Date, the Committee shall affirm in writing the extent to which the Performance Objectives have been achieved and the cash and the number of units of deferred Stock that are vested in Employee as a result of such achievement.

(d) If prior to the eighteen-month anniversary of the Grant Date (i) a Change of Control occurs, (ii) Employee incurs a "Disability", or (iii) Employee's employment terminates due to Employee's death, this Performance Award shall vest on the earliest of such events at the greater of the "Determined Percentage" (as defined below) and the percentage attributable to the "target" levels of performance as set forth in the Notice. For this purpose, the "Determined Percentage" means the percentage of vesting that would have occurred respecting the Performance Award pursuant to the Notice as if (1) the last day of the Performance Period was the Determination Date and the Performance Objectives were measured as of such date and (2) the dollar amount levels for "entry," "target" and "overachievement" with respect to the Performance Objectives relating to the EBITDA Component set forth in the Notice were each equal to the Prorated EBITDA Objectives. Notwithstanding the foregoing, if the vesting event is as a result of (ii) or (iii) above, then both the percentage attributable to the "target" levels of performance as set forth in the Notice and the Determined Percentage shall be multiplied by a fraction, the numerator of which is equal to the number of Employee's actual days of employment from the Grant Date to the date of Disability or death, as applicable, and the denominator of which is equal to the total number of days in the Performance Period (determined without regard to the occurrence of the applicable vesting date). As soon as administratively practicable after the date of the applicable vesting event, the Committee shall affirm in writing the extent to which the Performance Objectives have been achieved and the cash and the number of units of deferred Stock that vest as a result of such achievement.

(e) If on or after the Grant Date and prior to the end of the Performance Period the Company terminates Employee's employment with the Company for a reason other than "Cause" (as defined below), and not by reason of Employee's death or Disability, this Performance Award shall vest on the date of such termination (the "Involuntary Termination Date") at the "Determined Percentage" (as defined below). For this purpose, the "Determined Percentage" means the percentage of vesting that would have occurred respecting the Performance Award pursuant to the Notice as if (1) the last day of the Performance Period was the Determination Date and the Performance Objectives were measured as of such date and (2) the dollar amount levels for "entry," "target" and "overachievement" with respect to the Performance Objectives relating to the EBITDA Component set forth in the Notice were each equal to the Prorated EBITDA Objectives; provided, however, that if the Involuntary Termination Date occurs prior to the eighteen-month anniversary of the Grant Date, then the amount determined pursuant to the preceding provisions of this sentence shall be multiplied by a fraction, the numerator of which is equal to the number of Employee's actual days of employment from the Grant Date to Employee's Involuntary Termination Date, and the denominator of which is equal to the total number of days in the Performance Period (determined without regard to Employee's termination of employment). As soon as administratively practicable after the Involuntary Termination Date, the Committee shall affirm in writing the extent to which the Performance Objectives have been achieved and the cash and the number of units of deferred Stock that are vested in Employee as a result of such achievement. For purposes of this Agreement, "Cause" means "cause" (or a term of like import) as defined in Employee's individual employment or severance agreement with the Company or an affiliate in effect at the time of Employee's termination of employment or, in the absence of such an agreement or definition, shall mean (i) Employee's conviction of (or plea of nolo contendere to) a felony, dishonesty or a breach of trust as regards the Company or any subsidiary; (ii) Employee's commission of any act of theft, fraud, embezzlement or misappropriation against the Company or any subsidiary that is materially injurious to the Company or such subsidiary regardless of whether a criminal conviction is obtained; (iii) Employee's willful and continued failure to devote substantially all of Employee's business time to the Company's business affairs (excluding failures due to illness, incapacity, vacations, incidental civic activities and incidental personal time) which failure is not remedied within a reasonable time after written demand is delivered by the Company, which demand specifically identifies the manner in which the Company believes that Employee has failed to devote substantially all of his business time to the Company's business affairs; or (iv) Employee's unauthorized disclosure of confidential information of the Company or any subsidiary that is materially injurious to the Company or such subsidiary. For purposes of the preceding sentence, no act, or failure to act, on Employee's part shall be deemed "willful" unless done, or omitted to be done, by Employee not in good faith and without reasonable belief that Employee's action or omission was in the best interest of the Company.

(f) If Employee's employment with the Company is terminated prior to the end of the Performance Period, and neither (b), (c), (d) nor (e) above apply, this Performance Award automatically shall be forfeited in full, without payment, on such termination.

3. **Payment**. As soon as administratively practicable after, and in no event later than 2 ½ months following the end of the calendar year in which occurs, the earliest of the applicable vesting events pursuant to Section 2(a), (b), (c), (d) or (e), Employee shall receive from the Company, subject to satisfying the tax withholding obligations of Section 6, (a) with respect to the TSR Component, the vested cash, and (b) with respect to the EBITDA Component, the shares of Stock represented by the vested units of deferred Stock, an amount of cash equal to the Fair Market Value (as defined in the Plan) on the vesting date of a number of shares of Stock equal to the number of shares of Stock represented by the vested units of deferred Stock, or a combination thereof, as determined by the Committee in its sole discretion. It is understood that the consideration for the issuance of such Stock is Employee's services to the Company, which services shall have a value not less than the par value of such Stock.

4. **Community Interest of Spouse**. The community interest, if any, of any spouse of Employee in this Performance Award shall be subject to all the terms, conditions and restrictions in the Plan, this Agreement and the Notice.

5. **No Shareholder Rights**. Neither Employee, nor anyone lawfully claiming under Employee, shall have any right to vote, receive dividends or any other privileges or rights of a shareholder of the Company with respect to the units of deferred Stock subject to this Performance Award, unless and until actual shares of Stock are delivered to Employee following the vesting of such deferred Stock units.

6. **Withholding of Tax**. To the extent that payment of this Performance Award results in compensation income to Employee for federal, state or other tax purposes, including payroll taxes, Employee, in Employee's discretion, shall (a) deliver to the Company, at the time of such payment, such amount of cash or shares of Stock, (b) direct the Company to withhold or "net" cash or such amount of Stock otherwise payable pursuant to this Agreement, or (c) provide any combination of (a) or (b), as required for the Company to meet its withholding obligations under applicable tax laws or regulations, calculated in a manner consistent with the Company's then-current accounting practices. Notwithstanding the foregoing, in satisfaction of the proceeding obligations, the maximum level of net withholding shall never exceed the aggregate amount of applicable tax liabilities determined based upon the allowable withholding determined by the maximum individual statutory rates in the applicable jurisdiction that may be utilized without creating adverse accounting treatment with respect to this Performance Award.

7. **Employment Relationship**. For purposes of this Agreement, Employee shall be considered to be in the employment of the Company as long as Employee remains an employee of the Company, any parent or subsidiary entity of the Company or any successor to any of the foregoing. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee in its sole discretion, and its determination shall be final. For purposes of this Agreement, termination of Employee's employment with the Company shall be interpreted consistent with the meaning of the term "separation from service" in Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended ("Code").

8. **Committee's Powers**. No provision contained in this Agreement shall in any way terminate, modify or alter, or be construed or interpreted as terminating, modifying or altering any of the powers, rights or authority vested in the Committee pursuant to the terms of the Plan, including, without limitation, the Committee's rights to make certain determinations and elections with respect to the Performance Award. Specifically, but not by way of limitation, the Committee's determinations respecting the attainment of the Performance Objectives shall be made in its sole discretion, shall be subject to such adjustments consistent with the intent of this Agreement as the Committee deems appropriate and shall not be subject to challenge by Employee or any other person.

9. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Employee.

10. **Non-Alienation**. Employee shall not have any right to pledge, hypothecate, anticipate or assign this Agreement or any rights hereunder, except by will or the laws of descent and distribution.

11. **Not a Contract of Employment**. This Agreement shall not be deemed to constitute a contract of employment, nor shall any provision hereof affect (a) the right of the Company to terminate Employee anytime, with or without reason, or (b) the terms and conditions of any other written agreement between the Company and Employee, except as expressly provided therein.

12. **Code Section 409A**. Each payment under this Agreement is intended to be a short-term deferral under Treasury Regulation Section 1.409A-1(b)(4). Each payment under this Agreement, and each payment or benefit payable pursuant to the terms of the benefit plans, programs and policies of the Company, shall be considered a separate payment for purposes of Section 409A of the Code. Notwithstanding any provision in the Plan or this Agreement to the contrary, if any payment or benefit provided for under this Agreement would be subject to additional taxes and interest under section 409A of the Code if

Employee's receipt of such payment or benefit is not delayed in accordance with the requirements of section 409A(a)(2)(B)(i) of the Code, then such payment or benefit shall not be provided to Employee (or Employee's estate, if applicable) until the earlier of (i) the date of Employee's death or (ii) the date that is six months after the date of Employee's "separation from service" with the Company within the meaning of the Section 409A of the Code and the regulations promulgated thereunder.

13. **Clawback.** Employee's receipt of this Performance Award is expressly conditioned on Employee's agreement to the terms and provisions of this Section, and Employee acknowledges that Employee would not have received this Performance Award in the absence of such agreement. By accepting this Performance Award, Employee acknowledges and agrees that:

(a) the compensation (inclusive of Stock) payable pursuant to this Performance Award and any other award granted to Employee under the Plan (whether granted before, on or after the Grant Date) shall not be deemed fully earned or vested, even if paid or distributed to Employee, if such compensation or any portion thereof is subject to recovery, revocation, recoupment or "clawback" by the Company or any of its affiliates pursuant to (i) the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), (ii) any rules or regulations promulgated under the Act or by any stock exchange on which the Company's Stock is listed (collectively, the "Rules"), or (iii) any compensation recoupment or clawback policies or procedures adopted by the Company or any of its affiliates, in each case with respect to clauses (i), (ii) and (iii) above as such provisions, rules, regulations, policies and procedures may be adopted and amended from time to time (including with retroactive effect); and

(b) any other compensation or benefit (inclusive of Stock) payable to or on behalf of Employee from the Company or any of its affiliates (whether payable before, on or after the Grant Date, but excluding any compensation or benefit payable pursuant to a Performance Award granted under the Plan) shall not be deemed fully earned or vested, even if paid or distributed to Employee, if such compensation, benefit or any portion thereof is subject to recovery, revocation, recoupment or clawback by the Company or any of its affiliates pursuant to the Act, the Rules or any compensation recoupment or clawback policies or procedures adopted by the Company or any of its affiliates, in each case as the Act, the Rules and such policies and procedures may be adopted and amended from time to time (including with retroactive effect).

In addition, Employee hereby agrees (on behalf of Employee and any other individual, entity or other person claiming under or through Employee) that: (x) compensation payable pursuant to this Performance Award (inclusive of stock) and any other compensation or benefit payable to or on behalf of Employee (whether under the Plan or otherwise) shall be subject to recovery, revocation, recoupment or clawback as provided in the preceding provisions of this Section; and (y) Employee (or any such individual, entity or other person) shall not seek indemnification or contribution from the Company or any of its affiliates with respect to any amount so recovered, revoked, recouped or clawed back. This Section shall survive the termination of this Agreement.

14. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

15. **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and Employee has executed this Agreement, all effective on the Grant Date.

OIL STATES INTERNATIONAL, INC.

____

Cindy B. Taylor
President and Chief Executive Officer
Oil States International, Inc.

EMPLOYEE

____

EXHIBIT 10.2

RESTRICTED STOCK AGREEMENT

THIS AGREEMENT is made as of __________ (the "Effective Date") between Oil States International, Inc., a Delaware corporation (the "Company"), and __________ ("Employee").

To carry out the purposes of the Amended and Restated Equity Participation Plan of Oil States International, Inc. (as amended from time to time, the "Plan"), by affording Employee the opportunity to acquire restricted shares of common stock of the Company ("Stock"), and in consideration of the mutual agreements and other matters set forth herein and in the Plan, the Company and Employee hereby agree as follows:

1. **Award of Shares**. Upon execution of this Agreement, the Company shall issue __________ shares of Stock to Employee. Employee acknowledges receipt of a copy of the Plan, and agrees that this award of Stock shall be subject to all of the terms and conditions set forth herein and in the Plan, including future amendments thereto, if any, pursuant to the terms thereof, which Plan is incorporated herein by reference as a part of this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan shall govern.

2. **Forfeiture Restrictions**. The Stock issued to Employee pursuant to this Agreement may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of to the extent then subject to the Forfeiture Restrictions (as hereinafter defined), and in the event of termination of Employee's employment with the Company for any reason (other than as provided below), automatically upon such termination Employee shall, for no consideration, forfeit to the Company all Stock to the extent then subject to the Forfeiture Restrictions. The prohibition against transfer and the obligation to forfeit and surrender Stock to the Company upon termination of employment are herein referred to as "Forfeiture Restrictions," and the shares which are then subject to the Forfeiture Restrictions are herein sometimes referred to as "Restricted Shares." The Forfeiture Restrictions shall be binding upon and enforceable against any transferee of the Stock. The Forfeiture Restrictions shall lapse as to Stock issued to Employee pursuant to this Agreement as follows: (a) with respect to 33% of the Restricted Shares, on the first anniversary of the Effective Date, (b) with respect to 67% of the Restricted Shares, on the second anniversary of the Effective Date, (c) with respect to 100% of the Restricted Shares, on the third anniversary of the Effective Date. Notwithstanding the foregoing, the Forfeiture Restrictions shall lapse as to all of the Stock on (i) the date a Change of Control (as such term is defined in the Plan) occurs if such Change of Control occurs while Employee is employed by the Company or (ii) the termination of Employee's employment due to his death or a disability that entitles Employee to receive benefits under a long term disability plan of the Company.

3. **Certificates**. A certificate evidencing the Restricted Shares shall be issued by the Company in Employee's name, pursuant to which Employee shall have voting rights and shall be entitled to receive dividends and other distributions (provided, however, that dividends or other distributions paid in any form other than cash shall be subject to the Forfeiture Restrictions). The certificate shall bear the following legend:

> The shares evidenced by this certificate have been issued pursuant to an agreement made as of __________, a copy of which is attached hereto and incorporated herein, between the Company and the registered holder of the shares, and are subject to forfeiture to the Company under certain circumstances described in such agreement. The sale, assignment, pledge or other transfer of the shares of stock evidenced by this certificate is prohibited under the terms and conditions of such agreement, and such shares may not be sold, assigned, pledged or otherwise transferred except as provided in such agreement.

Notwithstanding the foregoing, the Company may, in its discretion, elect to complete the delivery of the Restricted Shares by means of electronic, book-entry statement, rather than issuing physical share certificates. The Company may cause the certificate, if any, to be delivered upon issuance to the Secretary of the Company as a depository for safekeeping until the forfeiture occurs or the Forfeiture Restrictions lapse pursuant to the terms of this Agreement. Upon request of the Company, Employee shall deliver to the Company a stock power, endorsed in blank, relating to the Restricted Shares then subject to the Forfeiture Restrictions. Upon the lapse of the Forfeiture Restrictions without forfeiture, the Company shall cause a new certificate or certificates to be issued for the remaining Stock after the Company's tax withholding obligation has been satisfied pursuant to paragraph 5, without legend (except for any legend required pursuant to applicable securities laws or any other agreement to which Employee is a party) in the name of Employee in exchange for the certificate evidencing the Restricted Shares or, as may be the case, the Company shall issue appropriate instructions to the transfer agent if the electronic, book-entry method is utilized.

4. **Consideration**. It is understood that the consideration for the issuance of Restricted Shares shall be Employee's agreement to render future services to the Company, which services shall have a value not less than the par value of such Restricted Shares.

5. **Withholding of Tax**. To the extent that a tax election by Employee or the receipt of Stock by Employee results in compensation income to Employee for federal or state tax purposes, Employee shall deliver to the Company at the time of such event, such amount of money or shares of Stock (which form of payment shall be determined by Employee) as the Company may require to meet its withholding obligation under applicable tax laws or regulations, and, if Employee fails to do so, the Company is authorized to withhold from any cash remuneration then or thereafter payable to Employee any tax required to be withheld by reason of such resulting compensation income. To the extent that the lapse of any Forfeiture Restrictions results in compensation income to Employee for federal or state tax purposes and Employee, in Employee's discretion, has not otherwise made arrangements to satisfy its withholding obligation, the Company shall withhold from the prior Restricted Shares such shares of Stock as the Company may require to meet its withholding obligations under applicable tax laws or regulations. Notwithstanding the foregoing, in satisfaction of the proceeding obligations where Employee is to receive distribution of Stock, Employee may elect, in Employee's discretion, to have the Company withhold shares of Stock otherwise payable pursuant to this Agreement with a value in excess of minimum tax withholding obligations, but not in excess of the allowable withholding determined by the maximum individual statutory rate in the applicable jurisdiction.

6. **Status of Stock**. Employee agrees that the Restricted Shares will not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws. Employee also agrees (i) that the certificates, if any, representing the Restricted Shares may bear such legend or legends as the Committee deems appropriate in order to ensure compliance with applicable securities laws, (ii) that the Company may refuse to register the transfer of the Restricted Shares on the stock transfer records of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable securities law and (iii) that the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the Restricted Shares.

7. **Employment Relationship**. For purposes of this Agreement, Employee shall be considered to be in the employment of the Company as long as Employee remains an employee of the Company, any parent or subsidiary entity of the Company or any successor to any of the foregoing. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee, and its determination shall be final.

8. **Clawback Policy**. To the extent required by applicable law or any applicable securities exchange listing standards, or as otherwise determined by the Committee, awards and amounts paid or payable pursuant to or with respect to awards shall be subject to the provisions of any applicable clawback policies or procedures adopted by the Company which clawback policies or procedures may provide for forfeiture, repurchase and/or recoupment of awards and amounts paid or payable pursuant to or with respect to awards. Notwithstanding any provision of the Plan or any award agreement to the contrary, the Company reserves the right, without the consent of any recipient of any award under the Plan, to adopt any such clawback policies and procedures, including such policies and procedures applicable to the Plan or any award agreement with retroactive effect.

9. **Committee's Powers**. No provision contained in this Agreement shall in any way terminate, modify or alter, or be construed or interpreted as terminating, modifying or altering any of the powers, rights or authority vested in the Committee pursuant to the terms of the Plan, including, without limitation, the Committee's rights to make certain determinations and elections with respect to the Restricted Shares.

10. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Employee.

11. **Non-Alienation**. Employee shall not have any right to pledge, hypothecate, anticipate or assign this Agreement or the rights hereunder, except by will or the laws of descent and distribution.

12. **Not a Contract of Employment**. This Agreement shall not be deemed to constitute a contract of employment, nor shall any provision hereof affect (a) the right of the Company to discharge Employee at will or (b) the terms and conditions of any other agreement between the Company and Employee except as expressly provided herein.

13. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

14. **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and Employee has executed this Agreement, all effective as of the Effective Date.

OIL STATES INTERNATIONAL, INC.

By ____

Cindy B. Taylor
President and Chief Executive Officer

EMPLOYEE

By ____

EXHIBIT 10.3

TO: __________

FROM: Cindy Taylor
President and CEO, Oil States International Inc.

RE: Cash-Based, Long-Term Incentive Award

To recognize your dedicated service and ongoing contributions to Oil States, I am pleased to inform you that you have been selected to receive a cash-based, long-term incentive award ("Cash-Based Award").

The Cash-Based Award was developed to provide a long-term incentive that is not subject to the industry volatility experienced in recent years, to better align your interests with the Company's goals and to incentivize and retain its key employees.

Details of your award and of the Cash-Based Award program generally are described in the attached Exhibit A. To acknowledge your receipt and acceptance of this award, please sign Exhibit A where noted and return a copy to the attention of __________, via email at __________.

If you have any questions about your Cash-Based Award, please do not hesitate to contact __________.

Thank you for your dedicated efforts and keep up the good work!

Sincerely,

Cindy Taylor

EXHIBIT A

CASH-BASED, LONG-TERM INCENTIVE AWARD

Employee: __________

Date of Award: __________

Total Value of Cash-Based Award: __________

Vesting Schedule: Three (3) Years – Pro-Rata – 1/3 Annually

This Cash-Based Award will vest annually in equal installments over a three (3) year period, one third each year beginning on __________.

On each vesting date, you will receive a cash payment for the pro-rata vested value of the award, subject to withholding of all taxes and other applicable deductions. To be eligible to receive the payment, you must be employed by the Company on the annual vesting dates of the award.

Below is your Cash-Based Award Vesting Schedule:

Vesting Date	Vesting Amount

If you terminate employment for any reason other than those outlined below, you will not be eligible for future payments and all unvested award amounts will be forfeited.

In the event of a change in control of Oil States International, Inc., all unvested award amounts of the Cash-Based Award would vest upon the date of the Change of Control.

In the event that a recipient becomes disabled, as defined in the Company's Long-Term Disability policy, the recipient will still continue to be eligible for award vesting, as long as the recipient remains an employee of the Company.

In the event of the death of a recipient during the vesting period, all unvested award amounts of the Cash-Based Award would vest at the date of death and the recipient's estate would be paid the unvested value.

This Cash-Based Award shall not be deemed to constitute a contract of employment, nor shall any provision hereof affect (a) the right of the Company to discharge Employee at will or (b) the terms and conditions of any other agreement between the Company and Employee except as expressly provided herein.

Employee Signature: __________________________________

Printed Name: _______________________________________

Date: ____

PLEASE RETURN AN EXECUTED COPY TO __________

EXHIBIT 31.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
OF OIL STATES INTERNATIONAL, INC.
PURSUANT TO RULE 13a–14(a) UNDER THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Cindy B. Taylor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Oil States International, Inc. (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 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 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.

/s/ Cindy B. Taylor

Name: Cindy B. Taylor
President and Chief Executive Officer
Date: April 28, 2023

EXHIBIT 31.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
OF OIL STATES INTERNATIONAL, INC.
PURSUANT TO RULE 13a–14(a) UNDER THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Lloyd A. Hajdik, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Oil States International, Inc. (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 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 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.

/s/ Lloyd A. Hajdik

Name:	Lloyd A. Hajdik Executive Vice President, Chief Financial Officer and Treasurer
Date:	April 28, 2023

EXHIBIT 32.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
OF OIL STATES INTERNATIONAL, INC.
PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Oil States International, Inc. for the quarterly period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Cindy B. Taylor, President and Chief Executive Officer of Oil States International, Inc. (the "Company"), hereby certify, to the best of my knowledge, that:

1. The 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 Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Cindy B. Taylor

Name:	Cindy B. Taylor
	President and Chief Executive Officer
Date:	April 28, 2023

EXHIBIT 32.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
OF OIL STATES INTERNATIONAL, INC.
PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Oil States International, Inc. for the quarterly period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lloyd A. Hajdik, Executive Vice President, Chief Financial Officer and Treasurer of Oil States International, Inc. (the "Company"), hereby certify, to the best of my knowledge, that:

1. The 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 Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lloyd A. Hajdik

Name:	Lloyd A. Hajdik
	Executive Vice President, Chief Financial Officer and Treasurer
Date:	April 28, 2023