

# INVESTOR PRESENTATION

APRIL 2024



# Forward-looking Statements

The following contains 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. Forward-looking statements are those that do not state historical facts and are, therefore, inherently subject to risks and uncertainties. The forward-looking statements included herein are based on current expectations and entail various risks and uncertainties that could cause actual results to differ materially from those forward-looking statements. Such risks and uncertainties include, among others, the level of supply 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, general global economic conditions, the cyclical nature of the oil and natural gas industry, geopolitical conflicts and tensions, the financial health of our customers, the actions of the Organization of Petroleum Exporting Countries ("OPEC") and other producing nations with respect to crude oil production levels and pricing, the impact of environmental matters, including executive actions and regulatory 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, our ability to access and the cost of capital in the bank and capital markets, our ability to develop new competitive technologies and products, and other factors discussed in the "Business" and "Risk Factors" sections of the Company's Annual Report on Form 10-K for the year ended December 31, 2023. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof, and, except as required by law, the Company undertakes no obligation to update those statements or to publicly announce the results of any revisions to any of those statements to reflect future events or developments. See page 42 for Non-GAAP Measures EBITDA Reconciliation disclosure.

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# Our Commitment to Sustainability



**Cindy B. Taylor**  
President and Chief Executive Officer

“As a technology-focused manufacturing and energy services company, Oil States continues to advance the future of affordable and reliable energy. As part of our strategy, we continue to support our traditional oil and gas customers with new technologies and best in class service while using our core expertise to enable pathways toward a lower carbon, multi-source energy mix to meet growing global demand.

We are proud of our existing low-carbon footprint present across our global operations. We will continue to strive for improvements in the health and safety of our employees, to further our own sustainability initiatives, to assist our customers in their decarbonization initiatives, and to support the communities in which we work and live.”

# Company Operational and Financial Overview

# Investment Highlights

## Global Energy and Industrial Leader Providing Offshore, International and Alternative Energy Exposure with Emerging Free Cash Flow Growth

### Oil States - A Value Opportunity

**1** Strong Macro Fundamentals, Potential Multi-Year Upcycle  
Strong macro fundamentals, multi-year industry upcycle driving revenue, earnings and free cash flow growth

**2** Offshore, International and Alternative Energy Exposure  
Our global footprint and customer relationships provide offshore, international and renewables growth opportunities

**3** Extended Revenue Visibility  
Long-term offshore project cycles and sustained onshore frac and well completion activity levels driving revenue confidence

**4** Growing Profitability  
Profitability advancing through market expansion, facility and cost optimization, and new technologies

**5** Leading Technology  
Our market-leading technologies are extending the runway for creating sustainable competitive advantage

**6** Increasing Returns Potential  
Disciplined capital allocation positions Oil States for potential return of cash to stockholders

# Technology-Focused, Manufacturing and Energy Services Company

## Offshore / Manufactured Products

- Designs manufactures and sells capital equipment utilized on floating production systems, subsea pipelines, offshore drilling rigs and vessels, subsea mineral gathering riser systems and other military, industrial and land applications.

## Well Site Services

- Provides broad range of completion-oriented equipment and services that are used to establish and maintain the flow of oil and natural gas from a well throughout its life cycle.

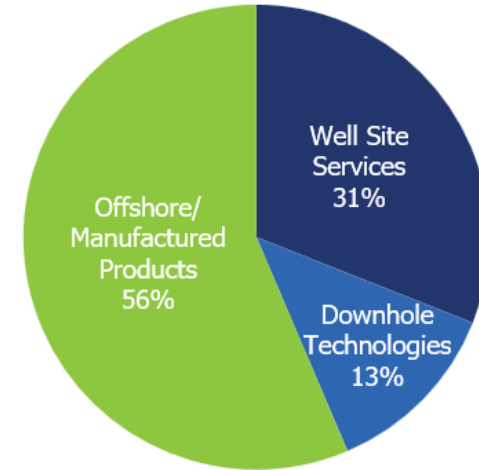
## Downhole Technologies

- Researcher, developer and manufacturer of highly engineered perforation systems and downhole tools primarily used in completion applications.

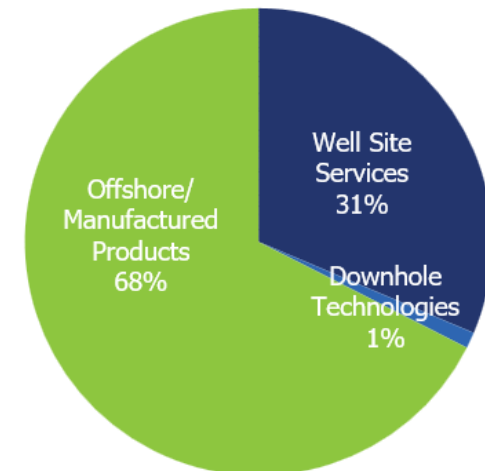
- Long-term, technology-focused business driven by investments in global deepwater capital equipment
- Services for inspection, repair, certification, and maintenance of offshore rigs, vessels, and installed equipment
- Shorter-cycle products (consumables) driven primarily by U.S. onshore shale activities
- U.S. shale focused (78% of 2023 segment revenues)
- GOM and international markets (22% of 2023 segment revenues)

- U.S. shale market represented 75% of 2023 segment revenues
- Offshore and international markets represented 25% of 2023 segment revenues

**2023 Revenue  
by Segment**



**2023 Adjusted  
Segment EBITDA**

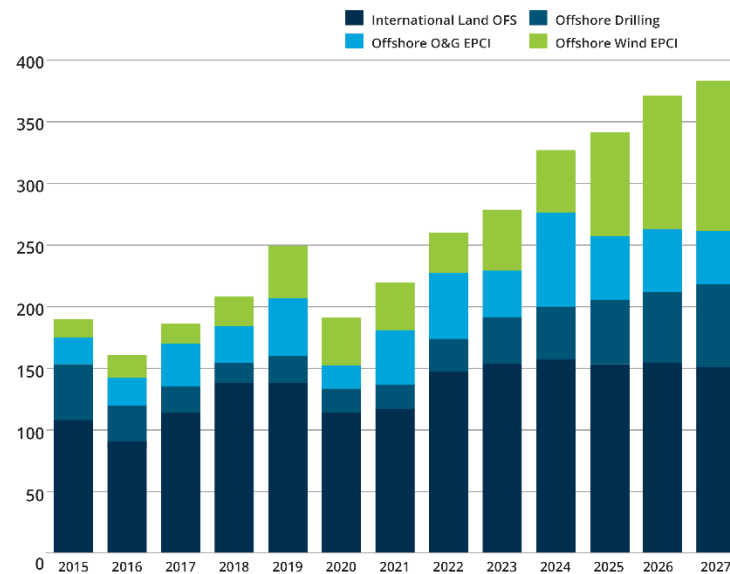


# Strong Offshore, International and Alternative Energy Outlook

## Poised for a multi-year upcycle

### GLOBAL ENERGY MARKET EXPENDITURE (SELECT MARKETS)

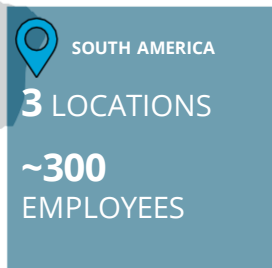
\$billions



- Macro fundamentals for global energy supply and demand suggest upstream expenditures in traditional and alternative energies will continue to grow
- Population increase, growth in per capita energy consumption coupled with historical industry under-investment are bolstering the outlook
- Offshore EPCI investments, drilling and fixed/floating wind markets remain strong
- U.S. land rig count and frac crew counts declined by approximately 20% in 2023 and going into 2024 are expected to remain relatively flat
- Current natural gas prices further softened, but our long-term outlook for global natural gas demand remains robust

# Global Footprint Provides Broad-Based Investment Opportunity

- Positioned in all the Most Active Offshore, International, and U.S. Shale Basins
- Approximately 55% of Revenues Derived from International and Offshore Markets



## U.S. Facilities:

Certain U.S. locations, including Oil States' Houston Ship Channel facility are prepared for sale to reduce overhead costs.

## International Operations Highlight:

Oil States' Singapore operations are currently being relocated to Batam, Indonesia to achieve cost advantages and potentially expand market penetration for some product lines.

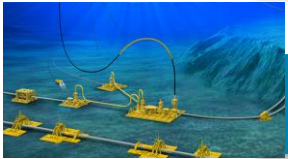
# Offshore/Manufactured Products Segment

# Deepwater Production Infrastructure and Large Development Projects Provide Revenue Visibility

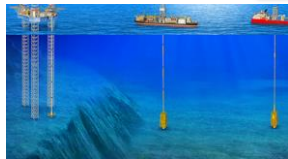
Deepwater production infrastructure and large development projects are generally longer-term in nature, based on through-cycle economics, and less sensitive to commodity price volatility. Through our 25+ global manufacturing and service locations, we provide and support:



Offshore Field Developments – Engineered Equipment for Production Platforms



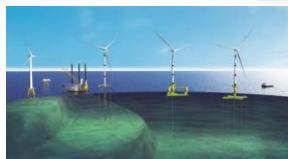
Subsea Pipeline Equipment – Primarily for Export Systems



Offshore Drilling – OEM Drilling Technologies and Aftermarket Services



Onshore Oil and Gas– Consumables for Completion, Drilling and Workover



Renewables/ Offshore Floating Wind / Deepsea Minerals Systems to Support Expansion of Available Energy Sources

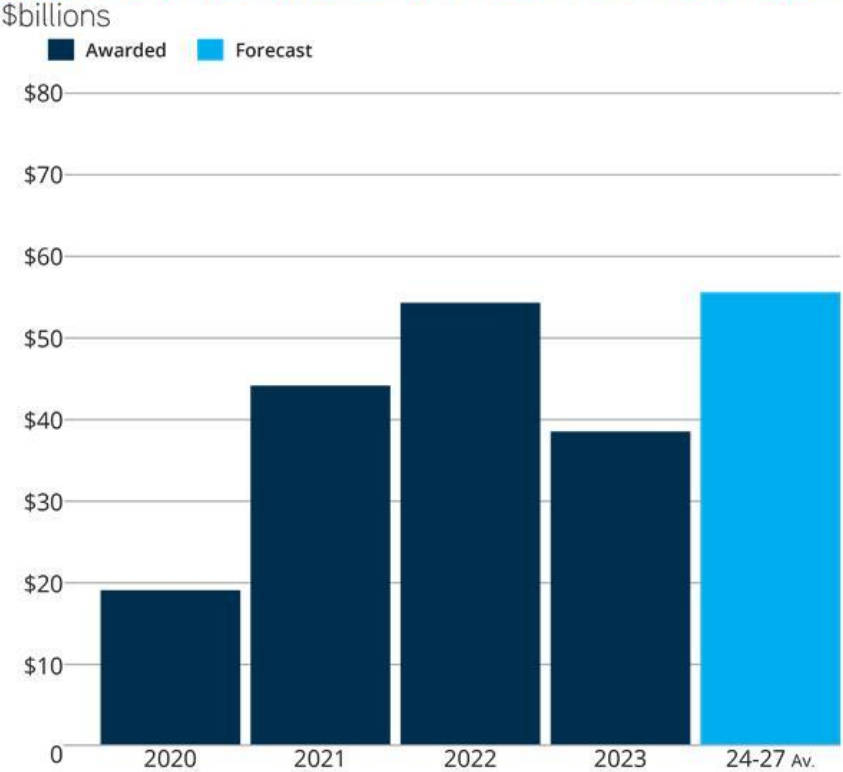


Diverse Set of Manufactured Marine / Military / Industrial / Consumable Products

# Strong Offshore EPC Investment Outlook Driving Segment Growth

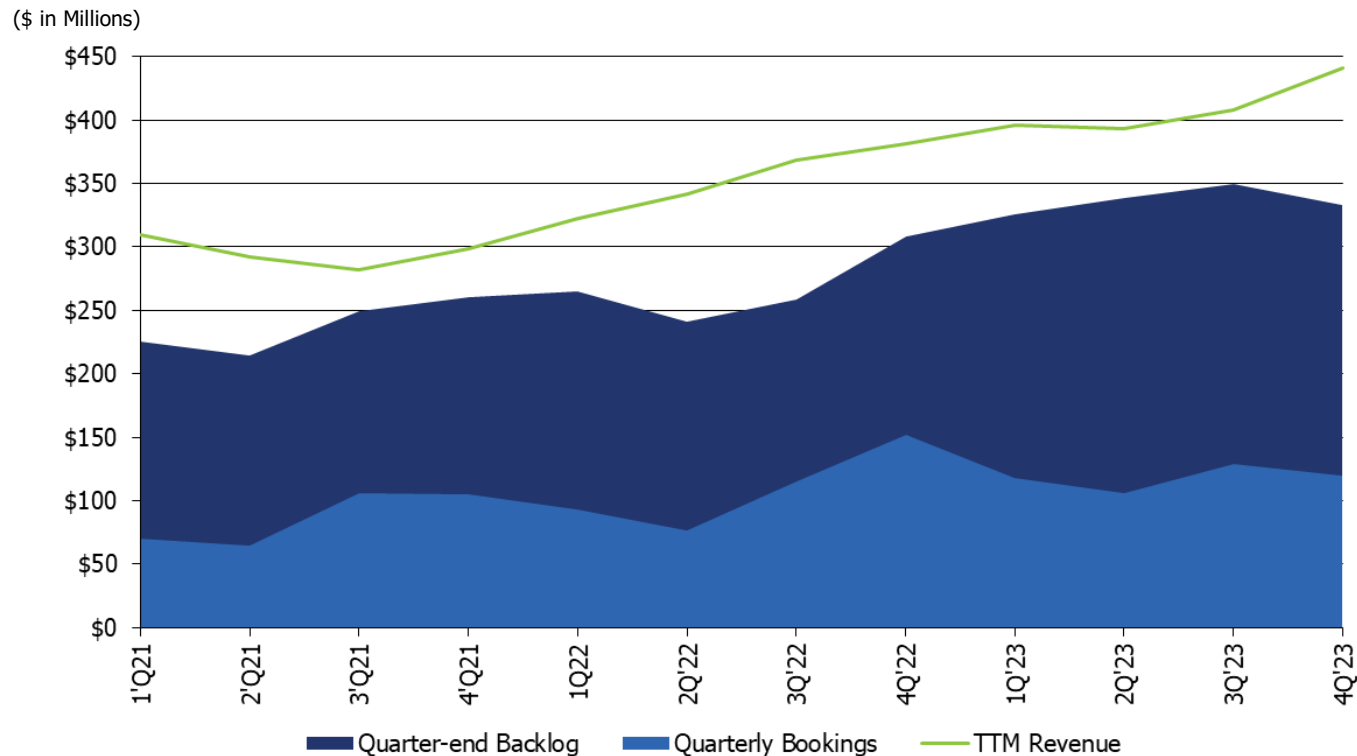
Offshore EPC investment for 2023 totaled \$38.3 billion. The majority of the spending in 2023 was concentrated in the Middle East (36%) and Latin America (26%). Total EPC spend year over year during the 2024-27 period is forecast to total \$221 billion, averaging \$55.4 billion per year. Anticipated top spending regions are Latin America, the Middle East, and West Africa.

### GLOBAL OFFSHORE EPC INVESTMENT OUTLOOK



# Growing Offshore Project Backlog Enables Extended Revenue Visibility

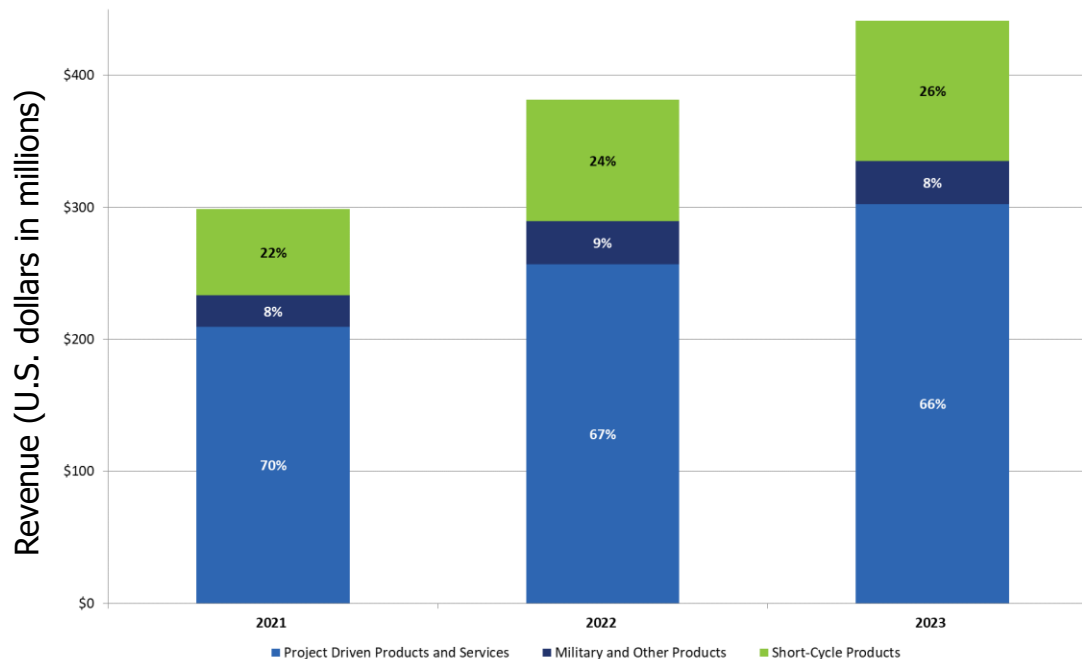
- Major project bidding and quoting activity continues to increase; backlog totaled \$333 million as of December 31, 2023. Segment bookings totaled \$473 million, yielding a book-to-bill ratio of 1.1x for the year.
- Recent book-to-bill ratios support significant revenue growth: 1.2x in 2021, 1.1x in 2022, and 1.1x in 2023.



# Growing Offshore and International Opportunities

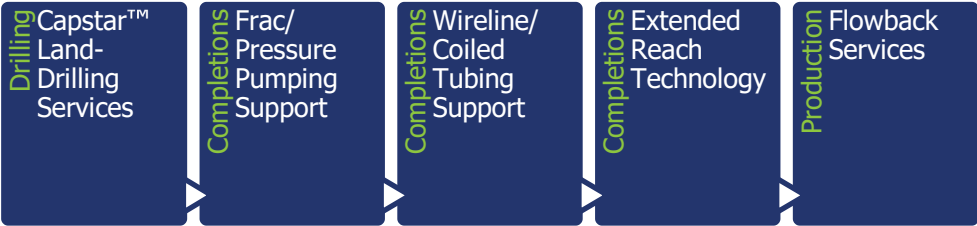
- 66% of 2023 segment revenues derived from major offshore and international projects
- Backlog totaled \$333 million on December 31, 2023, creating future revenue confidence
  - ~70% of backlog turns into revenues in forward twelve months
- Short-cycle product book and turn orders remain steady with current levels of U.S. land completions:
  - Elastomer consumables and composite frac plugs used primarily in onshore applications
  - Valve products (onshore and offshore applications)

## Revenue Breakout



# Well Site Services Segment

# Services Across the Well Lifecycle





# Oil States Active Seat Gate Valve

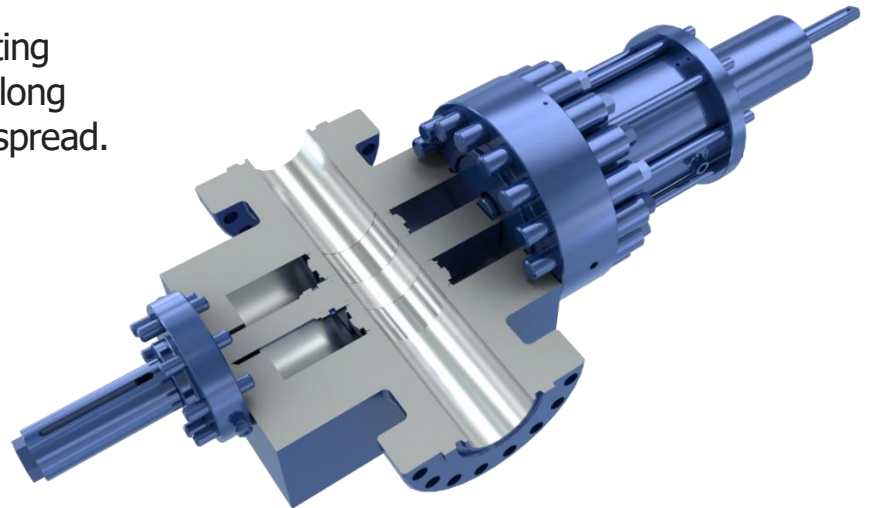
TECHNOLOGY DIFFERENTIATORS

## Changing the Game in Valve Technology

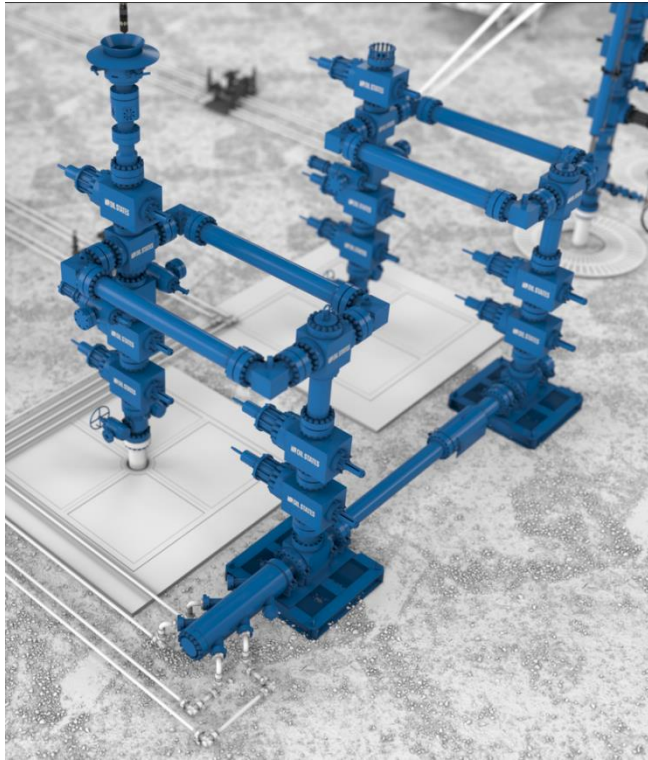
- First of its kind sealing performance, reduces maintenance requirements that translates into up to a full day of time savings compared to traditional gate valves.
- Reduces heavy grease used during operations by hundreds of pounds, significantly reducing grease disposal.
- Substantially lowers personnel intervention at the wellhead improving safety and efficiency.
- On typical multi-well pads, can reduce both operating times required by our equipment and personnel, along with related emissions savings, for the entire frac spread.

**OVER 31,500 STAGES  
NOW SUCCESSFULLY  
COMPLETED!**

**BUILDING A  
MOAT AROUND  
CORE  
MARKETS**



# Well Site Services



## Strategy

- Deploy proprietary, technology-driven, HPHT equipment which is well suited for increasingly complex completion requirements – hold 167 patents, with an additional 26 patents pending
- Leading market position in U.S. oil and gas shale plays and the Gulf of Mexico
- Maintain an active R&D effort with 14 patents issued over the last 12 months
- Active Seat Valve technology and launch of ActiveHub™ digital platform to protect and grow market share
- Network of over 20 service locations, operating in approximately 15 countries

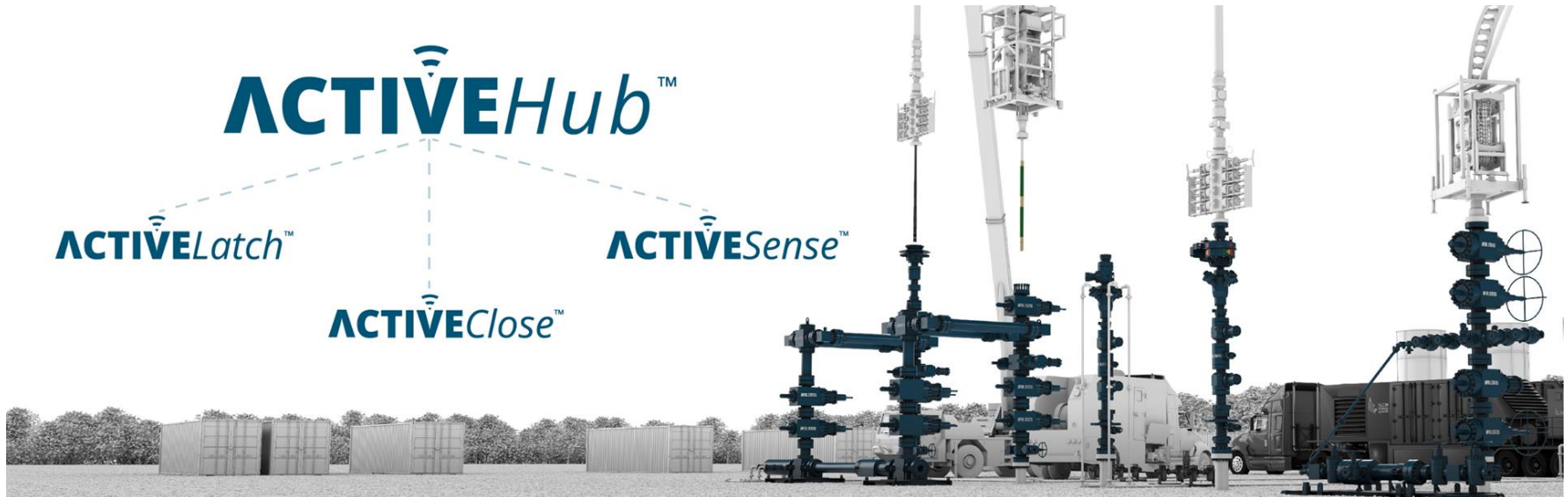
## Technology-backed Equipment and Services

- ActiveHub™ digital platform for remote monitoring and control of assets
- Frac stacks, zipper manifolds, zipper bridge systems
- Wellhead isolation equipment and services which are integral to stage frac operations
- Wireline, coiled tubing and gravel pack support equipment and personnel
- Downhole proprietary extended reach technology (Tempress™ HydroPull™ tool)
- Flowback separation equipment and services

# ActiveHub™ Digital Ecosystem of Technologies

TECHNOLOGY DIFFERENTIATORS

## Oil States ActiveHub™ Digital Solutions



- The ActiveHub™ platform is a digital ecosystem of technologies including ACTIVELatch™, ACTIVEClose™, and ACTIVESense™ which provide remote monitoring and control of assets across the well site.
- The system is Wi-Fi or 4G enabled and effectively removes personnel from the 'red zone' areas of higher risk, improving safety of operations.
- Reduced downtime associated with manual operation of valves increases the efficiency and number of stages that can be completed.

# Downhole Technologies Segment

# Downhole Technologies Overview

- Researcher, developer and manufacturer of consumable engineered products primarily used in completion applications
- Provider of proprietary consumable completion products
  - Supplies products with relatively high barriers to entry due to strict regulatory compliance and IP backed technology
- Strong engineering culture supported by an R&D facility and in-house manufacturing
  - Direct technical relationships with strong customer base
  - 365+ patents granted or pending
- Offers robust growth pipeline of technologies with opportunities to expand domestically and internationally



*GEODynamics® Eclipse™ perforating guns enable operators to achieve maximum removal of casing prior to perf, wash, and cement operations during plug and abandonment (P&A) of a well. This is a faster, more cost-effective approach to P&A and assists our customers to responsibly decommission older assets.*

# Downhole Technologies' Product Offerings

## Engineered Perforation Solutions

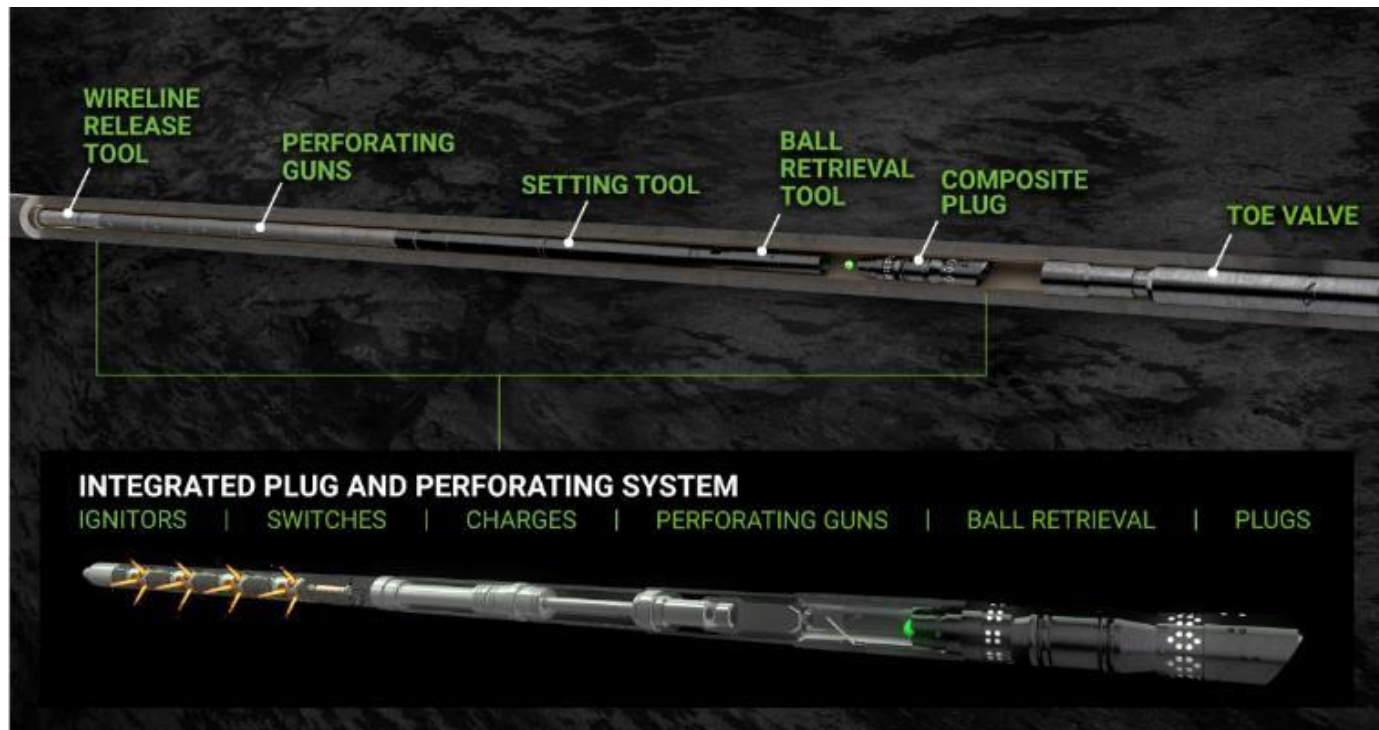
Pioneered advancements in perforation technology using patented and proprietary systems combined with advanced modeling and analysis tools

## Completion Products

Proprietary frac plugs, toe valves and other completion products

## Legacy® Oil Tools

Broad range of consumable products used in completion, intervention and decommissioning applications



*GEODynamics® integrated plug and perforating system provides operators with a turnkey solution for setting frac plugs and firing the perforating system in a single run downhole, saving customers time and money.*

# Product Developments and Market Initiatives

**Expanded portfolio of gun systems now addresses a broader range of wells and applications**



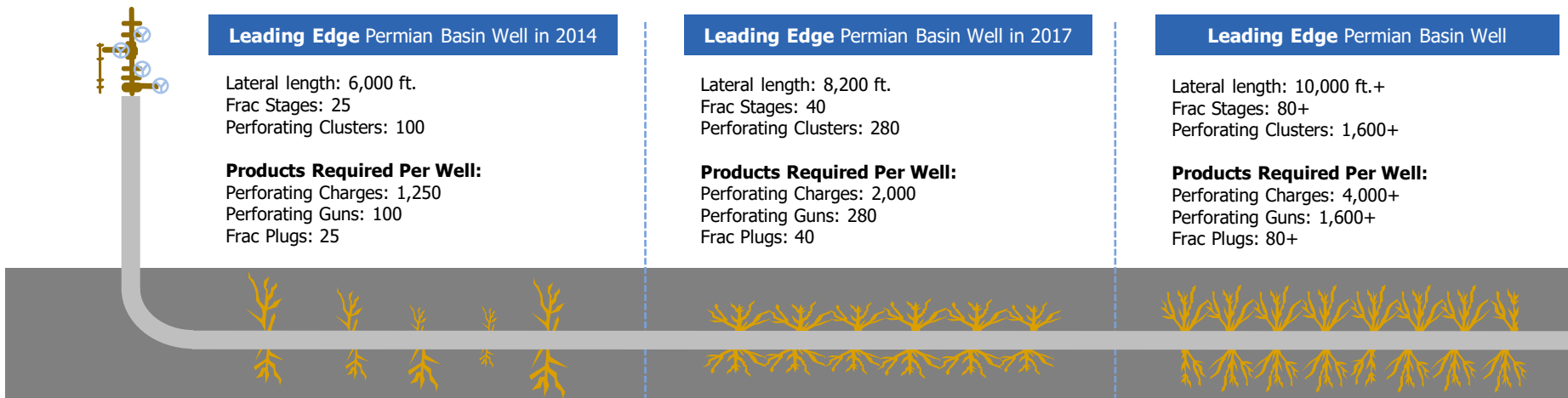
*Shown above: GEODynamics® EPIC™ Precision and EPIC™ Flex*

- **GEODynamics recently launched an expanded perforating system portfolio including:**
  - EPIC™ Precision™ (fully integrated) and EPIC™ Flex™ (open architecture) perforating systems to better address and support the needs of our customers.
  - In addition, GEODynamics is launching new addressable switch technology called Slim U, which should further increase reliability of perforating operations.
  - The management and engineering teams have driven recent R&D investments, new technology roll-outs, and an increased focus on supporting wireline service providers.
  - These investments, management focus, and lean manufacturing approaches coupled with topline revenue growth are expected to drive potential capture of additional market share and improved EBITDA performance.

# Completion Intensity in Shale Wells

- Customer adoption of advanced completions technology is driving demand for consumable completion products (driven by longer lateral lengths, increased frac stages and more perforation clusters for improved unconventional well productivity)
  - Typical well today: 6,000-9,000 ft. in length, 40-70 frac stages, and 400-800 perforating clusters
- Recent market trends include customer movement to shorter perforating guns, consistent hole size charges, customization of shot phasing and use of advanced charge technologies
- 1Q24 QTD average frac spread count is at 254 vs. 258 in 3Q23<sup>(1)</sup>

## Increasing Well Completion Design and Product Requirements Over Time <sup>(2)</sup>



Source: <sup>(1)</sup> Primary Vision Frac Spread Count for 3Q2023 averaged 258, while 1Q2024 average count as of 3/15/2024 was 254.

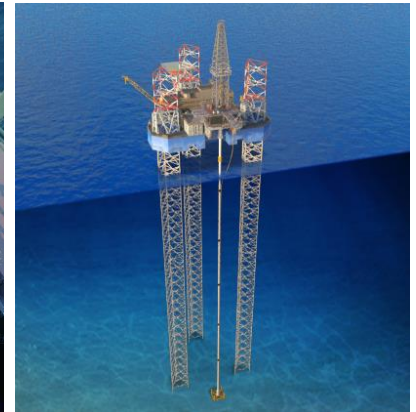
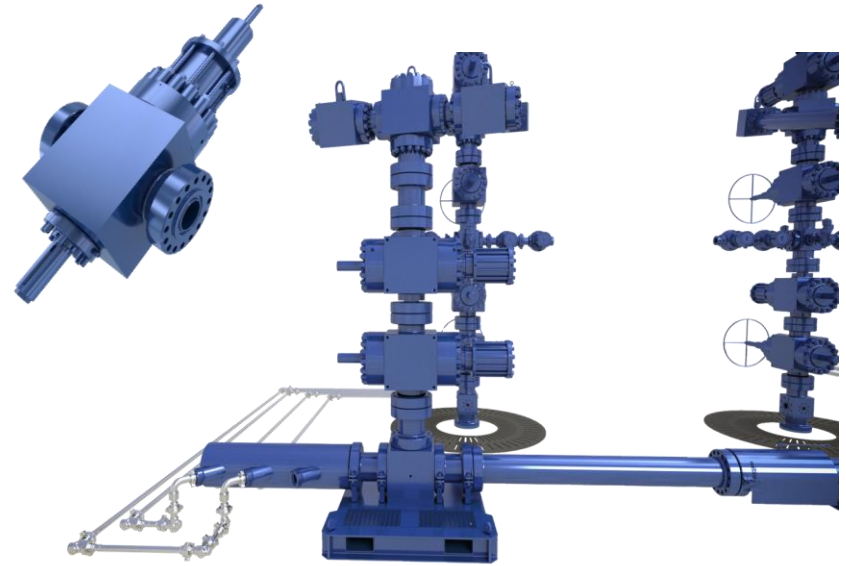
<sup>(2)</sup> Well completion design and product requirements data are Company management estimates.

# Leading Technology

**Extending the Revenue Runway within Traditional and Alternative Energy Markets**

# Leveraging Core Technology into Traditional and Alternative Energy, Extending the Revenue Runway

- Oil States is applying over 80 years of experience and expertise in core technologies for oil and gas to grow our position in traditional markets while also creating pathways for future revenues
- We leverage core technologies to enable development of new lower-carbon alternative energy sources and to support customers' decarbonization initiatives
- Since 2009, Oil States has carried out over 50 renewables projects globally



# Technology and Industry Multi Award Winner

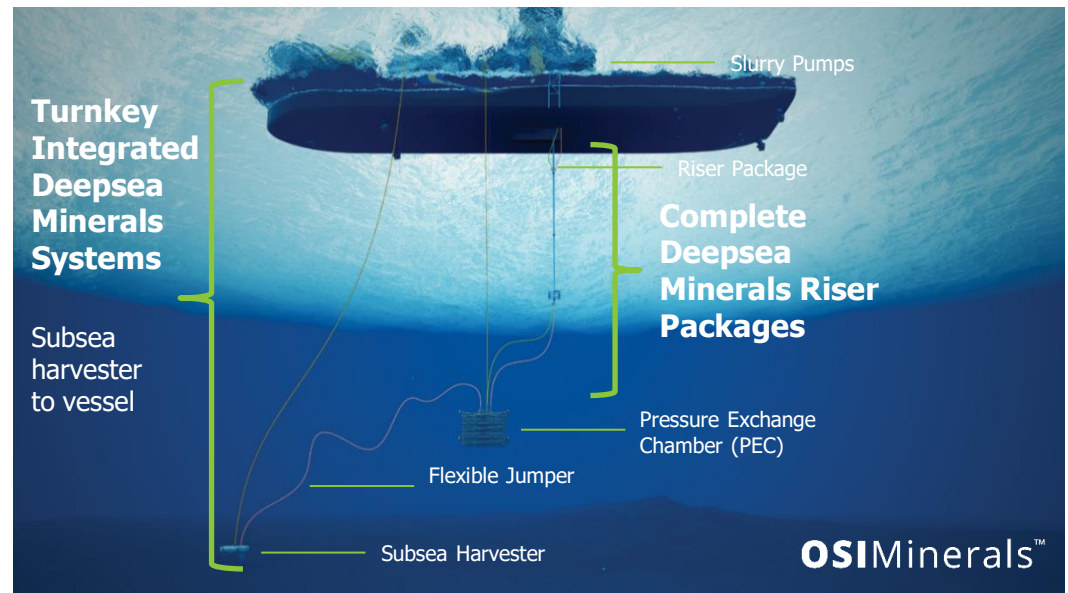
**Our industry-leading technology and safety culture continues to be recognized.**



- **ACTIVEHub™ with ACTIVELatch™ Remote Well Site Monitoring & Control System**
  - 2024 OTC Spotlight on New Technology® Award
  
- **Oil States Swift™ DW2 RAR Connector - Ratchet Anti-Rotation Mechanism**
  - 2024 OTC Spotlight on New Technology® Award
  
- **FTLP™ Floating Wind Platform**
  - 2023 Offshore Technology Conference (OTC) Spotlight on New Technology® Award
  - 2023 Business Network for Offshore Wind (BNOW) Ventus Award Finalist
  
- **Active Seat Gate Valve**
  - 2024 Oil & Gas Middle East Award Finalist
  - 2023 OTC Spotlight on New Technology® Award
  - 2023 Gulf Energy Excellence Award Winner- Best Production Technology
  
- **MPD-Ready System for Jackup Rigs**
  - 2023 Hart Energy Meritorious Award for Engineering Innovation
  
- **Merlin™ Deepsea Minerals Riser System**
  - 2023 Gulf Energy Excellence Award Finalist- Energy Project of the Year – Upstream
  
- **Oil States Safety Culture**
  - 2023 National Ocean Industries Association (NOIA) Safety in Seas Culture of Safety Award

# Deepsea Mineral Gathering Systems- Providing Access to New Sources of Critical Minerals

- Oil States, through our OSI Minerals™ business, has supplied complete deepsea minerals riser packages which provide a conduit for deepsea minerals being transported from the sea floor to surface.
- In May 2021, Oil States was recognized with OTC's Spotlight on New Technology® award for its Merlin™ Deepsea Mineral Riser System.
- These systems will be used to collect and vertically transport deepsea polymetallic nodules ('black rocks'), high in concentration of minerals used for EV battery manufacturing and other renewables applications, which sit 12,000-20,000ft (~3-4 miles) below the surface of the water on the sea floor.
- Through strategic partnerships, we have taken a leading position as a subsea minerals collection system integrator to help our customers overcome technical challenges and unlock previously inaccessible ultradeep resources. Longer-term, a turnkey deepsea minerals system could include the subsea harvester, flexible jumpers, the pressure exchange chamber, the deepsea minerals riser package, as well as the pumping system required to lift the minerals.



# Deepsea Mineral Gathering Systems: A Leading Track Record in an Emerging New Market

**Oil States has received multiple system awards to date.**

**Three systems have now successfully been deployed, further solidifying Oil States leading track record in this emerging industry.**

## **Recent awards include:**

- Cosmos Shoji Co Ltd, Japan award to supply a Deepsea Minerals Riser System
- Allseas Deepsea Minerals Riser System award for an ultradeep system for use by The Metals Company capable of reaching 6,000 meters (approximately 20,000 feet; ~4 miles) water depth
- Allseas Global Riser Analysis and design study
- Front-end engineering and design (FEED) study for Green Minerals AS (Norway) to include a turnkey Harsh Environment Mineral Gathering System for long-term use in Norwegian waters



OSI Minerals™ Riser Spider shown on deck of ultra-deepwater service vessel.

# Leveraging Our Offshore Experience into Renewables

- Oil States possesses nearly 80 years of offshore experience, including 40+ years experience in deepwater operations, supporting fixed and floating structures. This experience translates well into offshore wind opportunities where we continue to build a strong track record
- Oil States supplied fixed platform foundations, platform and vessel cranes, and custom blade-lifting frames for the first U.S. offshore wind project, Block Island, NY
- With the development of a new patent-pending mid-water depth floating “FTLP” solution, our OSI Renewables™ business is potentially one of the few providers globally who are capable of providing a floating offshore wind solution for deeper water depths



# New Technology- FTLP™

## A Stable and Cost-Effective Solution for Mid-Water Depth Floating Wind

### Patent Pending FTLP™ Floating Wind Platform (OSI Renewables™)

- First renewable technology offering mid-water offshore wind operators a highly-stable, floating-platform structure with substantially reduced cost and streamlined installation capability
- The FTLP Platform is expected to reduce carbon emissions compared to a semi-submersible designed hull, while reducing the seabed environmental impact by utilizing fewer and smaller anchors
- High entry costs create barriers to entry, positioning Oil States as a leader in this space



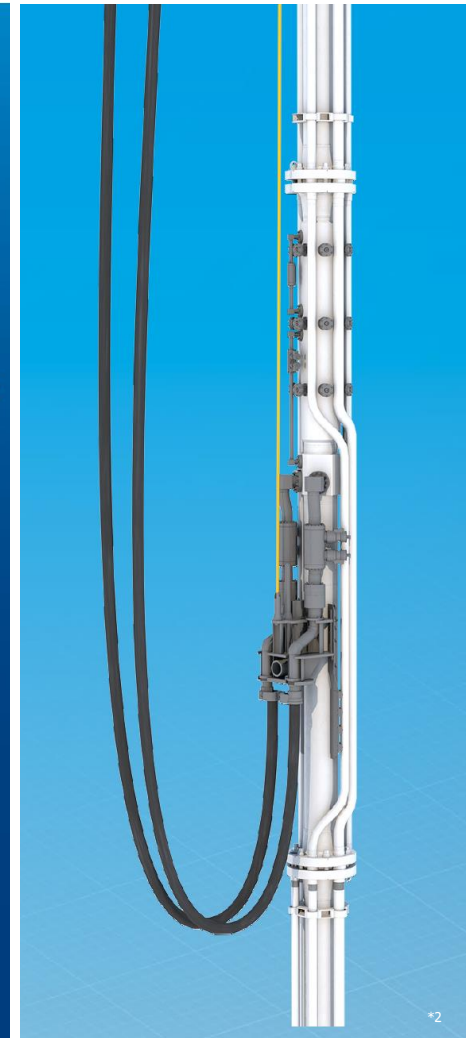
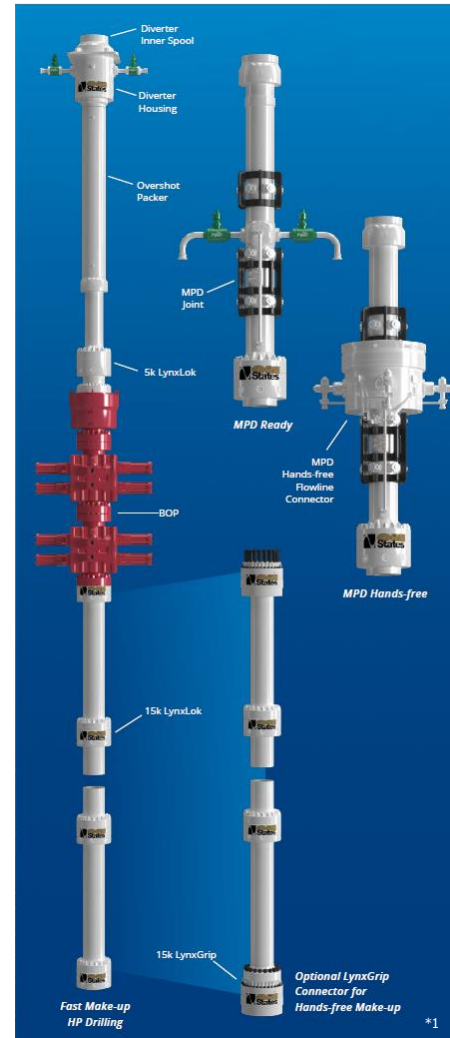
# New Technology Innovation: Safely Managing Pressure in Complex Drilling Environments

## High-Pressure Riser Systems for Jackups

- Specifically engineered for high-pressure environments; offers operators greater capability, safety, and speed
- Built-in automation capabilities and optional managed-pressure drilling (MPD) or hands-free add-on systems
- Fast make up speeds with a LynxLok™ Connector that enables 15-minute make up speeds, enhances safety, and reduces risks on-site by limiting or removing the amount of time personnel spend in the danger zone

## Managed Pressure Drilling Integration Joint for MPD Systems

- The Integrated Joint resides below the rig floor in the moon pool of the drillship or semi-sub within the riser string/BOP on the seafloor providing primary pressure control
- Lighter, more compact, and easier to handle, run, and maintain than competing technology
- Unique retrievable stripper sealing system that can be retrieved to the surface through the telescopic joint without the need to pull the full integration joint, offering significant time and cost savings
- 'Hands Free Pull in Bridle' is a simplified and effective solution for remote make-up of the flow lines without the need for complex structures in the moon pool
- System has now been successfully deployed offshore in Australia

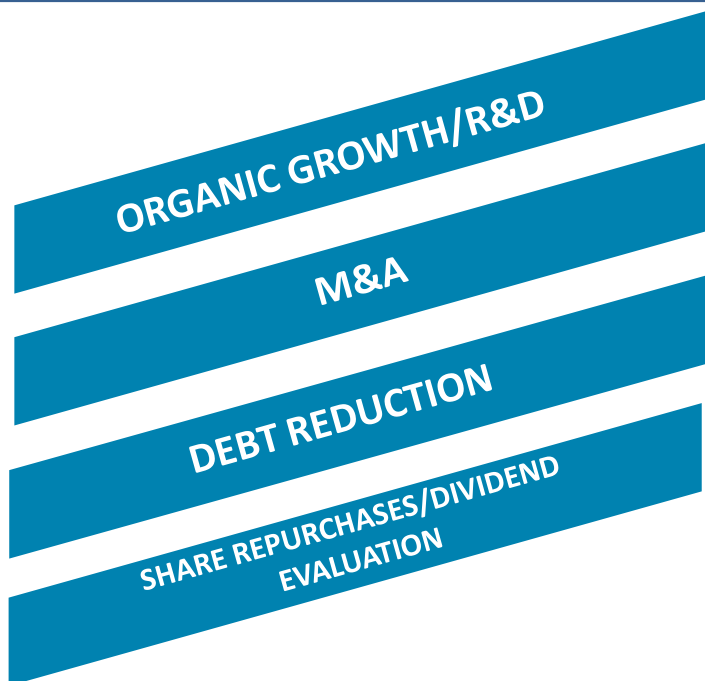


# Financial Highlights

# Fourth Quarter 2023 Financial Highlights

- Net income of \$6.0 million, or \$0.09 per diluted share, reported for the quarter.
- Consolidated revenues of \$208.3 million increased 7% sequentially, driven by higher offshore and international activity.
- Adjusted EBITDA<sup>1</sup> of \$24.0 million increased 2% sequentially.
- Offshore/Manufactured Products segment revenues increased 24% sequentially to \$137.9 million – the highest level reported since the fourth quarter of 2015.
- Offshore/Manufactured Products segment backlog totaled \$333 million as of December 31, with quarterly bookings of \$120 million.
- Invested \$3.9 million in share repurchases during the quarter.
- Extended the maturity date of our revolving credit facility to February 16, 2028.

# Capital Allocation/Free Cash Flow and Returns Potential Are Primary Focus



- » Six consecutive EPS positive quarters with significant incremental free cash flow compared to 2022.
- » \$31 million of free cash flow generated in 2023 <sup>(2)</sup>
- » No significant debt maturities until April 2026.
- » “Asset-light” business requires relatively low levels of capex to support growth, some R&D to secure future revenues; flexibility to consider accretive bolt-on M&A.
- » Share buyback authorization of \$25 million in place. Repurchased \$7 million of shares in 2023 (\$18 million authorization available).

## FY 2023 FINANCIAL METRICS

**\$123 MILLION**

TOTAL LIQUIDITY

**11%**

TOTAL NET DEBT/  
CAPITALIZATION <sup>(1)</sup>

**\$31 MILLION**

FREE CASH FLOW

**\$7 MILLION**

SHARES REPURCHASED

**STRONG FINANCIAL POSITION!**

# Conclusion

# Oil States Investment Summary

## Strong Macro Outlook

Potential for Multi-Year Upcycle



## Offshore, International and Alternatives

Provides Exposure to Expanded Global Opportunity Set



## Extended Revenue Runway

Growing Backlog and Technology Investments Leading to Revenue Growth



## Growing Profitability

Streamlined Operations and Execution History Provides Improving Margins



## Leading Technology

Strategic Investments in R&D Protect and Create Sustainable Market Share



## Increasing Returns Potential

Significant Free Cash Flow Leading to Growing Stockholder Returns



**= VALUE OPPORTUNITY**

# Appendix

ESG

Financial Summary/Non-GAAP Reconciliations

# ESG Policies and Priorities

## Environmental

- The Company's commitment to environmental matters is an integral part of our culture and business practices. It is our policy to promote the integrity and improvement of our processes and facilities so that they can be as protective of the environment as possible. We strive to maintain compliance with all environmental regulations, prevent unpermitted releases to the atmosphere, land and water to minimize impact to the environment wherever practicable through process improvements via available and emerging technologies.
- We actively evaluate our operations looking for ways to continuously improve our practices employed to reduce Company and customer environmental impacts.



## Social

- Our Board of Directors and executive management team embrace their leadership responsibility and strive to exemplify the Company's values thereby instilling them in our workforce.
- Our operations are global and therefore demand a diverse workforce, which we believe provides us with a competitive advantage and allows us to better understand and communicate with our diverse set of constituents.
- Our strong focus on innovation necessitates an equally strong focus on technical skills and associated training programs, which we believe creates high performing teams that can arrive at better solutions to problems while advancing our employees' potential.
- Employee training, career development and retention practices are key to the Company's success.



## Governance

- Oil States has corporate governance policies and guidelines that the Board of Directors believes are consistent with Oil States' values, and that are designed to promote the effective functioning of the Board, its committees and the Company.
- Our Board has three standing committees, Audit, Compensation, and Nominating, Governance and Sustainability, with each comprised solely of independent directors.
  - The Nominating, Governance and Sustainability Committee oversees sustainability on an ongoing basis and reviews environmental, health, safety and social matters on behalf of the Board of Directors who is updated regularly.
- Management's commitment, ethics training, and internal and third-party audits are an integral part of our comprehensive ethics program. All employees are required to complete annual ethics training. In addition, we provide ongoing presentations targeting key topics such as anti-bribery and anti-corruption to our employees.
- All directors, officers and employees of the Company are expected to act ethically at all times and in accordance with the Company's ethics policy entitled "Corporate Code of Business Conduct and Ethics".



# Summary Financial Position

*(USD in millions, except percentages)*

	<b>12/31/2023</b> <i>(unaudited)</i>
Cash	\$ 47
Net Working Capital (excludes cash, current operating lease liabilities and current portion of long-term debt)	291
Current Portion of Long-Term Debt	\$ 1
ABL Revolving Credit Facility (Matures February 2028) <sup>(1)</sup>	0
Convertible Senior Notes (Due April 2026) <sup>(2)</sup>	133
Other Debt	2
Total Debt	<u>136</u>
Stockholders' Equity	<u>710</u>
Total Capitalization	<u>\$ 846</u>
Total Net Debt / Total Capitalization <sup>(3)</sup>	11.1%
Credit Facility Availability <sup>(4)</sup>	\$ 76
Cash	47
Total Liquidity	<u>\$ 123</u>

(1) Amount shown net of unamortized debt issuance costs.

(2) The outstanding principal of the 2026 Convertible Senior Notes was \$135.0 million. Amount shown net of unamortized debt issuance costs.

(3) Net debt defined as total debt less cash.

(4) Total availability under the asset-based credit facility as of December 31, 2023.

# Non-GAAP Adjusted EBITDA Reconciliation

(USD in millions)

	FYE December 31,						
	2017	2018	2019	2020	2021	2022	2023
<b>Offshore/Manufactured Products</b>							
Operating Income (Loss)	\$ 38	\$ 39	\$ 36	\$ (81)	\$ 15	\$ 45	\$ 65
Other Income	0	0	1	1	1	1	0
Depreciation and Amortization Expense	25	23	23	22	22	20	19
Impairment of Goodwill	-	-	-	87	-	-	-
Impairment of Inventory	-	-	-	16	-	-	-
Severance and restructuring charges	-	-	2	1	1	-	-
Facility and consolidation charges	-	-	-	-	-	-	2
Adjusted Segment EBITDA	\$ 63	\$ 62	\$ 62	\$ 46	\$ 39	\$ 66	\$ 87
<b>Well Site Services</b>							
Operating Income (Loss)	\$ (59)	\$ (17)	\$ (55)	\$ (193)	\$ (35)	\$ 5	\$ 14
Other Income	1	3	4	3	3	3	0
Depreciation and Amortization Expense	82	81	78	53	40	29	25
Impairment of Goodwill	-	-	-	127	-	-	-
Impairments of Fixed and Lease Assets	-	-	34	9	4	-	-
Impairment of Inventory	-	-	-	9	1	-	-
Severance and restructuring charges	-	-	2	4	4	-	-
Patent defense costs	-	-	-	-	-	-	1
Adjusted Segment EBITDA	\$ 24	\$ 67	\$ 63	\$ 12	\$ 22	\$ 37	\$ 40
<b>Downhole Technologies</b>							
Operating Income (Loss)	\$ 27	\$ (164)	\$ (224)	\$ (13)	\$ (7)	\$ (15)	
Other Income (Expense)	(0)	0	(0)	(0)	(0)	(0)	-
Depreciation and Amortization Expense	19	21	23	18	18	18	16
Impairments of Goodwill	-	165	193	-	-	-	-
Impairments of Fixed and Lease Assets	-	-	4	-	-	-	-
Impairment of Inventory	-	-	6	2	-	-	-
Severance and restructuring charges	-	-	2	1	-	-	-
Adjusted Segment EBITDA	\$ 45	\$ 22	\$ 2	\$ 7	\$ 11	\$ 1	
<b>Corporate</b>							
Operating Loss	\$ (53)	\$ (54)	\$ (45)	\$ (36)	\$ (32)	\$ (41)	\$ (41)
Other Income (Expense)	-	-	-	11	(5)	(0)	-
Depreciation and Amortization Expense	1	1	1	1	1	1	1
Release of foreign currency translation adjustments on liquidation of an international operation	-	-	-	-	9	-	-
Settlement of disputes with seller of GEODynamics, Inc.	-	-	-	-	-	1	-
Gains on Extinguishment of Debt	-	-	-	(11)	(4)	(0)	-
Severance and restructuring charges	-	-	-	1	2	-	-
Adjusted Corporate EBITDA	\$ (52)	\$ (54)	\$ (44)	\$ (34)	\$ (30)	\$ (40)	\$ (40)
<b>Oil States International, Inc.</b>							
Net Income (Loss)	\$ (85)	\$ (19)	\$ (232)	\$ (468)	\$ (64)	\$ (10)	\$ 13
Income Tax Provision (Benefit)	7	(3)	(9)	(66)	(9)	5	3
Net Interest Expense	4	19	18	14	10	10	8
Depreciation and Amortization Expense	108	124	123	99	81	67	61
Impairments of Goodwill	-	-	165	406	-	-	-
Release of foreign currency translation adjustments on liquidation of an international operation	-	-	-	-	9	-	-
Impairments of Fixed and Lease Assets	-	-	34	12	4	-	-
Impairments of Inventory	-	-	-	31	4	-	-
Settlement of disputes with seller of GEODynamics, Inc.	-	-	-	-	-	1	-
Gains on Extinguishment of Debt	-	-	-	(11)	(4)	(0)	-
Severance and restructuring charges	-	-	4	9	7	-	-
Facility and consolidation charges	-	-	-	-	-	-	2
Patent defense costs	-	-	-	-	-	-	1
Adjusted Consolidated EBITDA	\$ 35	\$ 121	\$ 102	\$ 26	\$ 38	\$ 74	\$ 88

# Non-GAAP Free Cash Flow Summary

*(USD in millions)*

	For the Years Ended December 31,						
	2017	2018	2019	2020	2021	2022	2023
Net Cash Flows Provided by Operating Activities	\$ 95	\$ 103	\$ 137	\$ 133	\$ 7	\$ 33	\$ 57
Capital Expenditures	(35)	(88)	(56)	(13)	(18)	(20)	(31)
Proceeds from Disposition of Property, Plant and Equipment	2	4	6	10	12	6	5
Free Cash Flow	<u>\$ 62</u>	<u>\$ 19</u>	<u>\$ 87</u>	<u>\$ 130</u>	<u>\$ 1</u>	<u>\$ 18</u>	<u>\$ 31</u>

# Non-GAAP Measures: Adjusted EBITDA Reconciliation

The term Adjusted EBITDA consists of net income (loss) plus net interest expense, taxes, depreciation and amortization expense, facility consolidation charges, patent defense costs and loss on settlement of disputes with the seller of GEODynamics, Inc., less gains on extinguishment of 1.50% convertible senior notes (the “2023 Notes”). Adjusted EBITDA is not a measure of financial performance under generally accepted accounting principles (“GAAP”) and should not be considered in isolation from or as a substitute for net income (loss) or cash flow measures prepared in accordance with GAAP or as a measure of profitability or liquidity. Additionally, Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. The Company has included Adjusted EBITDA as a supplemental disclosure because its management believes that Adjusted EBITDA provides useful information regarding its ability to service debt and to fund capital expenditures and provides investors a helpful measure for comparing its operating performance with the performance of other companies that have different financing and capital structures or tax rates. The Company uses Adjusted EBITDA to compare and to monitor the performance of the Company and its business segments to other comparable public companies and as a benchmark for the award of incentive compensation under its annual incentive compensation plan. The table above sets forth reconciliations of Adjusted EBITDA to net income (loss), which is the most directly comparable measure of financial performance calculated under GAAP.

The term Adjusted Segment EBITDA consists of operating income (loss) plus other income (expense), depreciation and amortization expense, facility consolidation charges, patent defense costs and loss on settlement of disputes with the seller of GEODynamics, Inc., less gains on extinguishment of the 2023 Notes. Adjusted Segment EBITDA is not a measure of financial performance under GAAP and should not be considered in isolation from or as a substitute for operating income (loss) or cash flow measures prepared in accordance with GAAP or as a measure of profitability or liquidity. Additionally, Adjusted Segment EBITDA may not be comparable to other similarly titled measures of other companies. The Company has included Adjusted Segment EBITDA as supplemental disclosure because its management believes that Adjusted Segment EBITDA provides useful information regarding its ability to service debt and to fund capital expenditures and provides investors a helpful measure for comparing its operating performance with the performance of other companies that have different financing and capital structures or tax rates. The Company uses Adjusted Segment EBITDA to compare and to monitor the performance of its business segments to other comparable public companies and as a benchmark for the award of incentive compensation under its annual incentive compensation plan. The table above sets forth reconciliations of Adjusted Segment EBITDA to operating income (loss), which is the most directly comparable measure of financial performance calculated under GAAP.

 **OIL STATES**