

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

FORM 10-Q

(Mark One)

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

For The Quarterly Period Ended June 30, 2025

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

For the transition period from _____ to _____

Commission File No. 001-38609

KLX Energy Services Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

36-4904146
(I.R.S. Employer Identification No.)

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

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

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.01 Par Value	KLXE	The Nasdaq Global Select Market

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The registrant has one class of common stock, \$0.01 par value, of which 17,840,457 shares were outstanding as of August 1, 2025.

KLX Energy Services Holdings, Inc.
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PART 1 – FINANCIAL INFORMATION
ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

	June 30, 2025	December 31, 2024
	<i>(Unaudited)</i>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 16.7	\$ 91.6
Restricted cash	0.6	—
Accounts receivable—trade, net of allowance of \$4.4 and \$4.2	106.0	96.9
Inventories, net	32.0	31.0
Prepaid expenses and other current assets	17.4	13.5
Total current assets	172.7	233.0
Property and equipment, net	171.1	197.1
Operating lease assets	18.1	19.6
Intangible assets, net	1.3	1.5
Other assets	6.3	5.1
Total assets	\$ 369.5	\$ 456.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 69.7	\$ 74.4
Accrued interest	0.4	4.5
Accrued liabilities	39.8	41.3
Current portion of long-term debt	4.5	—
Current portion of operating lease obligations	7.0	6.9
Current portion of finance lease obligations	17.7	13.0
Total current liabilities	139.1	140.1
Long-term debt	254.2	285.1
Long-term operating lease obligations	11.7	13.5
Long-term finance lease obligations	10.6	26.4
Other non-current liabilities	1.1	1.7
Commitments, contingencies and off-balance sheet arrangements (Note 7)		
Stockholders' equity:		
Common stock, \$0.01 par value; 110.0 authorized; 18.3 and 17.5 issued	0.2	0.2
Additional paid-in capital	569.0	557.5
Treasury stock, at cost, 0.5 shares and 0.5 shares	(6.2)	(5.8)
Accumulated deficit	(610.2)	(562.4)
Total stockholders' deficit	(47.2)	(10.5)
Total liabilities and stockholders' deficit	\$ 369.5	\$ 456.3

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenues	\$ 159.0	\$ 180.2	\$ 313.0	\$ 354.9
Costs and expenses:				
Cost of sales	125.6	136.0	249.4	280.0
Depreciation and amortization	23.7	23.1	48.4	45.0
Selling, general and administrative	18.0	19.3	39.6	40.9
Research and development costs	0.4	0.3	0.8	0.6
Loss on debt extinguishment	—	—	1.2	—
Impairment and other charges	—	0.1	—	0.1
Operating (loss) income	(8.7)	1.4	(26.4)	(11.7)
Non-operating expense:				
Interest income	0.0	(0.6)	(0.3)	(1.3)
Interest expense	11.0	9.8	21.3	19.4
Net loss before income tax	(19.7)	(7.8)	(47.4)	(29.8)
Income tax expense	0.2	0.2	0.4	0.4
Net loss	\$ (19.9)	\$ (8.0)	\$ (47.8)	\$ (30.2)
Net loss per share-basic	\$ (1.04)	\$ (0.49)	\$ (2.63)	\$ (1.86)
Net loss per share-diluted	\$ (1.04)	\$ (0.49)	\$ (2.63)	\$ (1.86)

See accompanying notes to condensed consolidated financial statements.

KLX Energy Services Holdings, Inc.
Condensed Consolidated Statements of Stockholders' Equity
Six Months Ended June 30, 2025 and June 30, 2024
(In millions of U.S. dollars and shares)
(Unaudited)

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

	Common Stock		Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2023	16.9	\$ 0.1	\$ 553.4	\$ (5.3)	\$ (509.4)	\$ 38.8
Restricted stock, net of forfeitures	—	—	0.8	—	—	0.8
Purchase of treasury stock	—	—	—	(0.5)	—	(0.5)
Issuance of common stock, net of cost	0.4	0.1	(0.1)	—	—	—
Net loss	—	—	—	—	(22.2)	(22.2)
Balance at March 31, 2024	17.3	0.2	554.1	(5.8)	(531.6)	16.9
Restricted stock, net of forfeitures	—	—	1.0	—	—	1.0
Issuance of common stock, net of cost	0.0	—	(0.1)	—	—	(0.1)
Net loss	—	—	—	—	(8.0)	(8.0)
Balance at June 30, 2024	17.3	0.2	\$ 555.0	\$ (5.8)	\$ (539.6)	\$ 9.8

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended	
	June 30, 2025	June 30, 2024
Cash flows from operating activities:		
Net loss	\$ (47.8)	\$ (30.2)
Adjustments to reconcile net loss to net cash flows used in operating activities		
Depreciation and amortization	48.4	45.0
Impairment and other charges	—	0.1
Non-cash compensation	1.4	1.9
Amortization of deferred financing fees	1.2	0.9
Provision for inventory reserve	0.6	0.4
Change in allowance for doubtful accounts	0.4	(0.6)
Gain on disposal of property, equipment and other	(3.8)	(5.4)
Non-cash interest expense	7.1	—
Loss on debt extinguishment	1.2	—
Other	0.6	(0.4)
Changes in operating assets and liabilities:		
Accounts receivable	(9.5)	9.5
Inventories	(2.0)	0.7
Prepaid expenses and other current and non-current assets	0.8	6.9
Accounts payable	(3.8)	(17.0)
Other current and non-current liabilities	(13.3)	(0.4)
Net cash flows (used in) provided by operating activities	<u>(18.5)</u>	<u>11.4</u>
Cash flows from investing activities:		
Purchases of property and equipment	(27.7)	(28.8)
Proceeds from sale of property and equipment	6.4	6.6
Net cash flows used in investing activities	<u>(21.3)</u>	<u>(22.2)</u>
Cash flows from financing activities:		
Proceeds from stock issuance, net of costs	0.6	(0.2)
Borrowings under New ABL Facility	62.0	—
Repayments on New ABL Facility	(17.0)	—
Repayments on Prior ABL Facility	(50.0)	—
Proceeds from issuance of 2030 Senior Notes and warrants	225.2	—
Repayment of 2025 Senior Notes	(236.3)	—
Mandatory redemption on 2030 Senior Notes	(2.4)	—
Payments on finance lease obligations	(10.6)	(10.2)
Proceeds from note payable	5.7	—
Payments of debt issuance costs	(8.5)	(0.5)
Change in financed payables	(2.8)	(3.4)
Other	(0.4)	(0.5)
Net cash flows used in financing activities	<u>(34.5)</u>	<u>(14.8)</u>
Net change in cash and cash equivalents and restricted cash	<u>(74.3)</u>	<u>(25.6)</u>
Cash and cash equivalents and restricted cash, beginning of period	91.6	112.5
Cash and cash equivalents and restricted cash, end of period	<u>\$ 17.3</u>	<u>\$ 86.9</u>
Supplemental disclosures of cash flow information:		
Cash paid during period for:		
Income taxes paid, net of refunds	\$ 1.0	\$ 0.8
Interest	14.9	18.7
Supplemental schedule of non-cash activities:		
Accrued capital expenditures	12.0	8.9
Non-cash interest expense (paid in kind)	7.1	—

See accompanying notes to condensed consolidated financial statements.

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

NOTE 1 - Description of Business and Basis of Presentation

Description of Business

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

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

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. All adjustments which, in the opinion of the Company’s management, are considered necessary for a fair presentation of the results of operations for the periods shown are of a normal recurring nature and have been reflected in the condensed consolidated financial statements. The results of operations for the periods presented are not necessarily indicative of the results expected for the full year 2025 or for any future period. The information included in these condensed consolidated financial statements should be read in conjunction with the condensed consolidated financial statements and accompanying notes included in the Company’s 2024 Annual Report on Form 10-K filed with the SEC on March 13, 2025.

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

NOTE 2 - Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2023-09, Income Taxes (Topic 740). This ASU includes specific annual disclosure requirements for rate reconciliation, income taxes paid and other tax-related disclosures. The guidance is effective for the Company for the fiscal year beginning January 1, 2025 and is not expected to have a material impact on the Company’s consolidated financial statements.

NOTE 3 - Inventories, Net

Inventories consisted of the following:

	June 30, 2025	December 31, 2024
Spare parts	\$ 19.7	\$ 20.5
Plugs	9.4	8.0
Consumables	4.6	3.9
Other	1.9	1.8
Subtotal	35.6	34.2
Less: Inventory reserve	(3.6)	(3.2)
Total inventories, net	\$ 32.0	\$ 31.0

Inventories are made up of spare parts, composite and dissolvable plugs, consumables (including thru-tubing accessory tools, chemicals and cement) and other (including coiled tubing strings and wireline spools) used to perform services for customers. The Company values inventories at the lower of cost or net realizable value. Inventories are reported net of inventory reserve of \$3.6 and \$3.2 as of June 30, 2025 and December 31, 2024, respectively.

NOTE 4 - Property and Equipment, Net

Property and equipment consisted of the following:

	Useful Life (Years)	June 30, 2025	December 31, 2024
Land, buildings and improvements	1 — 40	\$ 35.8	\$ 36.3
Machinery	1 — 20	295.0	289.0
Equipment and furniture	1 — 15	255.7	243.4
ROU assets - finance leases	1 — 20	75.4	83.9
Total property and equipment		661.9	652.6
Less: Accumulated depreciation		(496.4)	(461.1)
Add: Construction in progress		5.6	5.6
Total property and equipment, net		\$ 171.1	\$ 197.1

Depreciation expense related to non-leased fixed assets was \$18.9 and \$17.0 for the three months ended June 30, 2025 and 2024, respectively, and \$37.9 and \$32.9 for the six months ended June 30, 2025 and 2024, respectively. Finance lease amortization expense was \$4.6 and \$5.9 for the three months ended June 30, 2025 and 2024, respectively, and \$10.2 and \$11.7 for the six months ended June 30, 2025 and 2024, respectively.

Assets Held for Sale

As of June 30, 2025, the Company's condensed consolidated balance sheet included assets classified as held for sale of \$2.2. The assets held for sale are reported within prepaid expenses and other current assets on the condensed consolidated balance sheet and represent the value of two operational facilities and select equipment. These assets were being actively marketed for sale as of June 30, 2025 and are recorded at the lower of their carrying value or fair value less costs to sell.

NOTE 5 - Debt

Outstanding debt consisted of the following:

	June 30, 2025	December 31, 2024
2025 Senior Notes	\$ —	\$ 236.3
2030 Senior Notes	236.9	—
Prior ABL Facility	—	50.0
New ABL Facility	45.0	—
Total principal outstanding	281.9	286.3
Less: Unamortized debt issuance costs	(6.8)	(1.2)
Less: Original issue discount	(16.4)	—
Total debt	258.7	285.1
Less: Current portion of long-term debt	4.5	—
Long-term debt	\$ 254.2	\$ 285.1

Refinancing

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

Senior Secured Notes

2025 Senior Notes

In conjunction with the acquisition of Motley Services, LLC in 2018, we issued \$250.0 principal amount of the 2025 Senior Notes offered pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), and to certain non-U.S. persons outside the United States in compliance with Regulation S under the Securities Act. On a net basis, after taking into consideration the debt issuance costs for the 2025 Senior Notes, total debt related to the 2025 Senior Notes as of December 31, 2024 was \$235.1. The 2025 Senior Notes bore interest at an annual rate of 11.5%, payable semi-annually in arrears on May 1 and November 1. Accrued interest as of December 31, 2024 was \$4.5.

On March 12, 2025, approximately \$143.6 aggregate principal amount of the 2025 Senior Notes were exchanged in connection with the Refinancing, and the Company deposited \$97.1 in trust with the trustee for the 2025 Senior Notes and irrevocably instructed the trustee to apply such funds to effect the redemption of all of the remaining outstanding 2025 Senior Notes on March 30, 2025 at a redemption price of 100.000% of the principal amount thereof, plus accrued and unpaid interest. Upon deposit of such redemption amount, the indenture that governs the 2025 Senior Notes (the “2025 Senior Notes Indenture”) was satisfied and discharged in accordance with its terms and, as a result thereof, the Company has been released from its obligations under the 2025 Senior Notes and the 2025 Senior Notes Indenture except with respect to those provisions of the 2025 Senior Notes Indenture that, by their terms, survive the satisfaction and discharge of thereof.

2030 Senior Notes

On March 12, 2025, as part of the Refinancing, the Company and certain of its subsidiaries entered into an indenture, dated as of March 12, 2025 (the “2030 Senior Notes Indenture”), with U.S. Bank Trust Company, National Association, as the trustee and notes collateral agent, pursuant to which \$232.2 of the 2030 Senior

Notes were issued. The 2030 Senior Notes will mature on March 12, 2030 and bear a floating rate of interest of Term SOFR plus the Applicable Margin (as defined in the 2030 Senior Notes Indenture) based on the Secured Net Leverage Ratio (as defined in the 2030 Senior Notes Indenture) payable on the last day of the applicable interest period in cash or, at the Company's election, additional 2030 Senior Notes paid-in-kind on one-, three- or six-month interest periods, which shall include a 100 basis point premium for any period where interest is paid-in-kind. The 2030 Senior Notes are senior secured obligations of the Company and are guaranteed on a senior secured basis by each of the Company's current domestic subsidiaries and by certain future subsidiaries, subject to agreed guaranty and security principles and certain exclusions.

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

The Company will be required to redeem the 2030 Senior Notes in an amount equal to 2.00% per annum of all 2030 Senior Notes outstanding as of the prior applicable Interest Payment Date (as defined in the 2030 Senior Notes Indenture) on the last business day of each of March, June, September and December, commencing on March 31, 2025. Additionally, upon certain changes of control, consummation of certain asset sales and other events, the Company will be required to repurchase the 2030 Senior Notes at the applicable redemption prices.

The 2030 Senior Notes Indenture contains certain financial covenants that include (i) a maximum total net leverage ratio of not greater than 4.50 to 1.0 for the test periods ending March 31, 2025 through December 31, 2025, stepping down to 4.00 to 1.0 for the test periods ending March 31, 2026 through December 31, 2026, 3.50 to 1.0 for the test periods ending March 31, 2027 through December 31, 2027, 3.00 to 1.0 for the test periods ending March 31, 2028 through December 31, 2028, and 2.50 to 1.0 for each test period thereafter and (ii) restrictions on making net capital expenditures in any test period in excess of the greater of (x) \$65.0 in the aggregate or (y) 7% of revenues during such test period.

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

As of June 30, 2025, the principal amount outstanding under the 2030 Senior Notes was \$236.9. On a net basis, after taking into consideration unamortized debt issuance costs and original issue discount for the 2030 Senior Notes, total debt related to the 2030 Senior Notes as of June 30, 2025 was \$213.7. The effective interest rate under the 2030 Senior Notes was approximately 13.81% on June 30, 2025. Accrued interest related to the 2030 Senior Notes was \$0.0 as of June 30, 2025.

ABL Facilities

Prior ABL Facility

On August 10, 2018, the Company entered into a Credit Agreement, by and among the Company, as borrower, certain subsidiaries of the Company, as guarantors, JPMorgan Chase Bank, N.A., as administrative agent (“Prior Administrative Agent”), as collateral agent and as issuing lender, and the lenders party thereto, which has been repaid in full and the commitments thereunder terminated (as amended, supplemented, or otherwise modified prior to the termination thereof, the “Prior ABL Facility”). The Prior ABL Facility became effective on September 14, 2018 and was scheduled to mature in 2025. Borrowings under the Prior ABL Facility bore interest at a rate equal to Term SOFR (as defined in the Prior ABL Facility) plus the Applicable Margin (as defined in the Prior ABL Facility). On March 12, 2025, in connection with the completion of the Refinancing, the Prior ABL Facility was repaid in full using borrowings under the New ABL Facility and the commitments thereunder terminated.

New ABL Facility

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

The initial funding under the New ABL Facility occurred on March 12, 2025, and the proceeds therefrom were used to repay the Prior ABL Facility in full. After giving effect to the foregoing, we had approximately \$39.9 of available borrowing capacity under the New ABL Facility. The New ABL Facility includes a springing financial covenant which requires the Company’s consolidated fixed charge coverage ratio to be at least 1.0 to 1.0 if availability under the Revolving Facility falls below \$7.0.

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

As of June 30, 2025, the borrowings outstanding under the New ABL Facility were \$45.0. The effective interest rate under the New ABL Facility was approximately 9.06% on June 30, 2025. Accrued interest related to the New ABL Facility was \$0.4 as of June 30, 2025.

We have funds available under the New ABL Facility of \$48.7 on the borrowing base certificate, which includes the undrawn availability on the FILO Facility.

Other debt-related items

The Company uses standby letters of credit to facilitate commercial transactions with third parties and to secure our performance to certain vendors. Total letters of credit outstanding under the New ABL Facility were \$6.2 at June 30, 2025 and under the Prior ABL Facility were \$6.5 at December 31, 2024. To the extent liabilities are incurred as a result of the activities covered by the letters of credit, such liabilities are included on the accompanying consolidated balance sheets. Restricted cash on the balance sheet is largely tied to cash collateralized letters of credit as we shift from our Prior ABL Facility to the New ABL Facility. As of the date of filing, \$0.6 of the restricted cash remains restricted.

As of June 30, 2025, the Company had \$4.9 of outstanding short-term indebtedness related to the financing of various insurance premiums, which is included in the Accrued liabilities line item in the balance sheet.

NOTE 6 - Fair Value Information

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

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

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

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

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable-trade and accounts payable represent their respective fair values due to their short-term nature. There was \$45.0 debt outstanding under the New ABL Facility as of June 30, 2025. The fair value of the New ABL Facility approximates its carrying value as of June 30, 2025.

The following tables present the placement in the fair value hierarchy of the Senior Secured Notes, based on market prices for publicly traded debt, as of June 30, 2025 and December 31, 2024:

	June 30, 2025	Fair value measurements at reporting date		
		Level 1	Level 2	Level 3
2030 Senior Notes	\$ 214.2	\$ —	\$ —	\$ 214.2
Total Senior Secured Notes	\$ 214.2	\$ —	\$ —	\$ 214.2

	December 31, 2024	Fair value measurements at reporting date		
		Level 1	Level 2	Level 3
2025 Senior Notes	\$ 231.2	\$ —	\$ 231.2	\$ —
Total Senior Secured Notes	\$ 231.2	\$ —	\$ 231.2	\$ —

The following tables present the placement in the fair value hierarchy of Assets Held for Sale, as disclosed in Note 4 - Property and Equipment, Net, based on sales contracts and comparative price quotes, as of June 30, 2025 and December 31, 2024:

	June 30, 2025	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Assets Held for Sale	\$ 2.2	\$ —	\$ 2.2	\$ —
Total Assets Held for Sale	\$ 2.2	\$ —	\$ 2.2	\$ —

	December 31, 2024	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Assets Held for Sale	\$ 2.3	\$ —	\$ 2.3	\$ —
Total Assets Held for Sale	\$ 2.3	\$ —	\$ 2.3	\$ —

During the three and six months ended June 30, 2025, the before-tax loss related to Assets Held for Sale was \$0.4 and \$0.4. During the three and six months ended June 30, 2024, there was no before-tax loss (gain) related to Assets Held for Sale.

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

Environmental Regulations & Liabilities

The Company is subject to various federal, state and local environmental laws and regulations that establish standards and requirements for the protection of the environment. The Company continues to monitor the status of these laws and regulations. However, the Company cannot predict the future impact of such laws and regulations, as well as standards and requirements, on our business, which are subject to change and can have retroactive effectiveness. Currently, the Company has not been fined, cited or notified of any environmental violations or liabilities that would have a material adverse effect on its condensed consolidated financial statement position, results of operations, liquidity or capital resources. However, management does recognize that by the very nature of its business, material costs could be incurred in the future to maintain compliance. The amount of such future expenditures is not determinable due to several factors, including the unknown magnitude of possible regulation or liabilities, the unknown timing and extent of the corrective actions that may be required, the determination of the Company's liability in proportion to other responsible parties and the extent to which such expenditures are recoverable from insurance or indemnification.

Litigation

The Company is at times either a plaintiff or a defendant in various legal actions arising in the normal course of business, the outcomes of which, in the opinion of management, neither individually nor in the aggregate

are likely to result in a material adverse effect on the Company's condensed consolidated financial statements.

Indemnities, Commitments and Guarantees

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

NOTE 8 - Equity and Stock-Based Compensation

Equity Distribution Agreement

On June 14, 2021, the Company entered into an Equity Distribution Agreement (as amended from time to time, the "Equity Distribution Agreement") with Piper Sandler & Co. as sales agent (the "Agent"). Pursuant to the terms of the Equity Distribution Agreement, the Company may sell from time to time through the Agent (the "ATM Offering") the Company's common stock, par value \$0.01 per share ("Common Stock"), having an aggregate offering price of up to \$50.0. On November 16, 2022, the Company entered into Amendment No. 1 to the Equity Distribution Agreement, which, among other things, allows for debt-for-equity exchanges in accordance with Section 3(a)(9) of the Securities Act. On March 14, 2025, the Company entered into Amendment No. 2 to the Equity Distribution Agreement (the "EDA Amendment"), which, among other things, increased the aggregate offering price to up to approximately \$57.8 (which amount includes all of the Common Stock previously sold pursuant to the Equity Distribution Agreement prior to the EDA Amendment) and provides for the Company's election not to deliver a placement notice.

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

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

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

During the three and six months ended June 30, 2025, the Company sold 25,000 and 167,769 shares of Common Stock, respectively, in exchange for gross proceeds of approximately \$0.1 and \$0.6, respectively, and incurred legal and administrative fees of \$0.1 and \$0.1, respectively.

During the three and six months ended June 30, 2024, the Company did not sell any shares of Common Stock and incurred legal and administrative fees of \$0.1 and \$0.2, respectively.

Stock-Based Compensation

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

On May 10, 2023, the stockholders of KLXE approved the Second Amended and Restated KLX Energy Services Holdings, Inc. Long-Term Incentive Plan, amended and restated as of March 8, 2023 (the “Amended and Restated LTIP”), which, among other things, increased the total number of shares of Company Common Stock, par value \$0.01 per share, for issuance by 1,200,000 shares, resulting in an increase of the total number of shares of our Common Stock reserved for issuance to 1,256,289, and extended the expiration date to March 8, 2033. A description of the Amended and Restated LTIP is included in the Company’s proxy statement, filed with the SEC on March 28, 2023.

Compensation cost recognized during the three and six months ended June 30, 2025 and June 30, 2024 was related to grants of restricted stock as approved by the Compensation Committee. Stock-based compensation was \$0.6 and \$1.0 for the three months ended June 30, 2025 and 2024, respectively, and \$1.4 and \$1.9 for the six months ended June 30, 2025 and 2024, respectively. Unrecognized compensation cost related to restricted stock awards made by the Company was \$4.5 at June 30, 2025 and \$3.9 at December 31, 2024.

NOTE 9 - Income Taxes

Income tax expense was \$0.2 and \$0.2 for the three months ended June 30, 2025 and 2024, respectively, and \$0.4 and \$0.4 for the six months ended June 30, 2025 and 2024, respectively, and was comprised primarily of state and local taxes. The Company has a full valuation allowance recorded against its net deferred tax assets and, as a result, it was unable to recognize a federal tax benefit on its year-to-date losses.

On July 4, 2025, President Trump signed into law the legislation known as the One Big Beautiful Bill Act (“OBBBA”). The OBBBA permanently extends several key expiring provisions from the Tax Cut and Jobs Act of 2017, including 100% bonus depreciation, domestic research cost expensing and the business interest expense limitation. “Accounting Standards Codification on Income Taxes” (Topic 740) requires the effects of changes of new income tax legislation to be recognized in the period in which the legislation is enacted. Because the enactment date is outside the current reporting period, only a disclosure of the impact to the financial statements is required. Accordingly, the Company does not expect a material change to the financial statements from the OBBBA due to the full valuation allowance recorded against its net deferred tax assets.

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

NOTE 10 - Segment Reporting

The Company is organized on a geographic basis. The Company’s reportable segments, which are also its operating segments, are comprised of the Rocky Mountains Region (the Bakken, Williston, DJ, Uinta, Powder River, Piceance and Niobrara basins), the Southwest Region (the Permian Basin and the Eagle Ford Shale) and the Northeast/Mid-Con Region (the Marcellus and Utica Shale as well as the Mid-Continent STACK and SCOOP and Haynesville Shale). The segments regularly report their results of operations and make requests

for capital expenditures and acquisition funding to the Chief Operating Decision Maker (“CODM”). The Company’s CODM is our Chief Executive Officer. As a result, the Company has three reportable segments.

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

	Three Months Ended									
	June 30, 2025					June 30, 2024				
	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total
Revenues	\$ 54.2	\$ 59.0	\$ 46.2	\$ (0.4)	\$ 159.0	\$ 61.5	\$ 70.2	\$ 49.0	\$ (0.5)	\$ 180.2
Less										
Cost of sales	40.2	48.7	36.6	(0.4)		40.6	55.3	39.9	(0.5)	
Depreciation and amortization	6.5	8.4	8.4			6.7	7.4	8.6		
Selling, general and administrative ⁽¹⁾	1.9	3.0	1.5			1.9	3.3	1.7		
Other segment items	2.3	0.6	1.0			1.8	1.6	1.3		
Segment operating income	\$ 3.3	\$ (1.7)	\$ (1.3)	\$ —	\$ 0.3	\$ 10.5	\$ 2.6	\$ (2.5)	\$ —	\$ 10.6
<i>Reconciliation of profit or loss (segment profit/(loss))</i>										
Unallocated corporate expenses					(9.0)					(9.2)
Interest income					0.0					0.6
Interest expense					(11.0)					(9.8)
Loss before income tax					\$ (19.7)					\$ (7.8)

⁽¹⁾ Note that the Selling, general and administrative line item in the Consolidated Statement of Operations contains the Other segment items line item here, less the Research and development costs line item.

	Six Months Ended									
	June 30, 2025					June 30, 2024				
	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total
Revenues	\$ 102.1	\$ 124.4	\$ 87.2	\$ (0.7)	\$ 313.0	\$ 107.2	\$ 139.9	\$ 108.9	\$ (1.1)	\$ 354.9
Less										
Cost of sales	77.9	98.4	72.4	(0.7)		77.3	113.3	87.9	(1.1)	
Depreciation and amortization	13.3	16.7	17.4			13.3	14.8	16.0		
Selling, general and administrative ⁽¹⁾	3.8	6.4	3.1			4.0	6.7	3.4		
Other segment items	4.0	1.6	3.7			3.3	3.2	1.7		
Segment operating income	\$ 3.1	\$ 1.3	\$ (9.4)	\$ —	\$ (5.0)	\$ 9.3	\$ 1.9	\$ (0.1)	\$ —	\$ 11.1
<i>Reconciliation of profit or loss (segment profit/(loss))</i>										
Unallocated corporate expenses					(21.4)					(22.8)
Interest income					0.3					1.3
Interest expense					(21.3)					(19.4)
Loss before income tax					\$ (47.4)					\$ (29.8)

⁽¹⁾ Note that the Selling, general and administrative line item in the Consolidated Statement of Operations contains the Other segment items line item here, less the Research and development costs line item.

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

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

	Three Months Ended									
	June 30, 2025					June 30, 2024				
	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total
Drilling	\$ 5.4	\$ 10.4	\$ 10.4	\$ (0.4)	\$ 25.8	\$ 5.3	\$ 18.2	\$ 15.0	\$ (0.5)	\$ 38.0
Completion	30.6	30.9	27.0		88.5	33.7	33.1	25.8		92.6
Production	13.4	10.9	4.0		28.3	16.2	10.6	3.9		30.7
Intervention	4.8	6.8	4.8		16.4	6.3	8.3	4.3		18.9
Total revenues	\$ 54.2	\$ 59.0	\$ 46.2	\$ (0.4)	\$ 159.0	\$ 61.5	\$ 70.2	\$ 49.0	\$ (0.5)	\$ 180.2

	Six Months Ended									
	June 30, 2025					June 30, 2024				
	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total
Drilling	\$ 12.9	\$ 22.4	\$ 21.8	\$ (0.7)	\$ 56.4	\$ 9.1	\$ 39.7	\$ 32.3	\$ (1.1)	\$ 80.0
Completion	52.9	63.8	49.9		166.6	60.6	65.7	59.7		186.0
Production	25.8	23.3	6.9		56.0	27.2	18.7	8.0		53.9
Intervention	10.5	14.9	8.6		34.0	10.3	15.8	8.9		35.0
Total revenues	\$ 102.1	\$ 124.4	\$ 87.2	\$ (0.7)	\$ 313.0	\$ 107.2	\$ 139.9	\$ 108.9	\$ (1.1)	\$ 354.9

The following table presents total assets by segment:

	As of	
	June 30, 2025	December 31, 2024
Rocky Mountains	\$ 100.8	\$ 114.0
Southwest	153.7	152.3
Northeast/Mid-Con	97.7	98.4
Total	352.2	364.7
Unallocated assets	17.3	91.6
Total assets	\$ 369.5	\$ 456.3

The following table presents cash capital expenditures by reportable segment:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Rocky Mountains	\$ 1.3	\$ 2.1	\$ 2.8	\$ 6.3
Southwest	3.9	6.0	10.0	9.5
Northeast/Mid-Con	7.4	7.1	14.5	12.8
Unallocated expenditures	0.1	0.1	0.4	0.2
Total capital expenditures	\$ 12.7	\$ 15.3	\$ 27.7	\$ 28.8

NOTE 11 - Net Loss Per Common Share

Basic net loss per common share is computed using the weighted average common shares outstanding during the period. Diluted net loss per common share is computed by using the weighted average common shares outstanding, including the dilutive effect of restricted shares based on an average share price during the period. For the three months ended June 30, 2025 and 2024, 0.8 million shares and 0.7 million shares of the Company's Common Stock, respectively, and for the six months ended June 30, 2025 and 2024, 0.7 million shares and 0.4 million shares of the Company's Common Stock, respectively, were excluded from the determination of diluted net loss per common share because their effect would have been anti-dilutive. The computations of basic and diluted net loss per share for the three and six months ended June 30, 2025 and 2024 are as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Net loss	\$ (19.9)	\$ (8.0)	\$ (47.8)	\$ (30.2)
(Shares in millions)				
Basic weighted average common shares	19.2	16.2	18.2	16.2
Effect of dilutive securities - dilutive securities	—	—	—	—
Diluted weighted average common shares	19.2	16.2	18.2	16.2
Basic net loss per common share	\$ (1.04)	\$ (0.49)	\$ (2.63)	\$ (1.86)
Diluted net loss per common share	\$ (1.04)	\$ (0.49)	\$ (2.63)	\$ (1.86)

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements to encourage companies to provide prospective information to investors. This Quarterly Report on Form 10-Q (this “Quarterly Report”) includes forward-looking statements that reflect our current expectations and projections about our future results, performance and prospects. Forward-looking statements include all statements that are not historical in nature or are not current facts. When used in this Quarterly Report, the words “believe,” “expect,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “continue,” “may,” “might,” “should,” “could,” “will” or the negative of these terms or similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events.

These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause our actual results, performance and prospects to differ materially from those expressed in, or implied by, these forward-looking statements. Factors that might cause such a difference include those discussed in our filings with the Securities and Exchange Commission (the “SEC”), in particular those discussed under the headings “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024 and in this Quarterly Report, including the following factors:

- general economic conditions, such as market volatility, inflation and government efforts to reduce inflation or a recession;
- persistent volatility in national and global crude oil demand and crude oil prices;
- the possibility of inefficiencies, curtailments or shutdowns in our customers’ operations whether in response to reductions in demand or other factors;
- uncertainty regarding our future operating results;
- regulation of and dependence upon the energy industry;
- the cyclical nature of the energy industry;
- fluctuations in market prices for fuel, oil and natural gas;
- overall domestic and global political and economic conditions, including the imposition of increased, new and retaliatory tariffs or trade or other economic sanctions, political instability or armed conflict, including the ongoing conflicts in Ukraine, the Israel-Gaza region and elsewhere in the Middle East, including the conflict with Iran;
- our ability to maintain acceptable pricing for our services;
- competitive conditions within the industry;
- the loss of or interruption in operations of one or more key suppliers;
- legislative or regulatory changes and potential liability under federal and state laws and regulations;
- decreases in the rate at which oil and/or natural gas reserves are discovered and/or developed;

- the impact of technological advances on the demand for our products and services;
- customers' delays in obtaining permits for their operations;
- hazards and operational risks that may not be fully covered by insurance;
- the write-off of a significant portion of intangible assets;
- our liquidity levels and the need to obtain additional capital or financing, and the availability and/or cost of obtaining such capital or financing;
- limitations originating from our organizational documents, debt instruments and U.S. federal income tax obligations may impact our financial flexibility, our ability to engage in strategic transactions or our ability to declare and pay cash dividends on our Common Stock;
- changes in supply, demand and costs of equipment, including as a result of tariffs;
- oilfield anti-indemnity provisions;
- seasonal and adverse weather conditions that can affect oil and natural gas operations;
- reliance on information technology resources and the inability to implement new technology and services;
- the possibility of terrorist or cyber attacks and the consequences of any such events;
- increased labor costs or our ability to employ, or maintain the employment of, a sufficient number of key employees, technical personnel, and other skilled and qualified workers;
- the market environment and impacts resulting from a global pandemic and subsequent variants;
- the inability to successfully consummate or integrate our acquisitions or inability to manage potential growth; and
- our ability to remediate any material weakness in, or to maintain effective, internal controls over financial reporting and disclosure controls and procedures.

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

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

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

The following discussion and analysis should be read in conjunction with the historical condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report as well as our Annual Report on Form 10-K for the year ended December 31, 2024. This discussion contains forward-looking statements reflecting our current expectations and estimates and assumptions concerning events and financial trends that may affect our future operating results or financial position. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the sections entitled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” appearing elsewhere in this Quarterly Report.

The following discussion and analysis addresses the results of our operations for the three and six months ended June 30, 2025, as compared to our results of operations for the three and six months ended June 30, 2024. In addition, the discussion and analysis addresses our liquidity, financial condition and other matters for these periods.

Company History

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

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

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

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

Company Overview

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

geographic segments. While we manage our business based upon these geographic groupings, our assets and our technical personnel are deployed on a dynamic basis across all of our service facilities to optimize utilization and profitability.

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

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

We offer a variety of targeted services that are differentiated by the technical competence and experience of our field service engineers and their deployment of a broad portfolio of specialized tools and proprietary equipment. Our innovative and adaptive approach to proprietary tool design has been employed by our in-house research and development ("R&D") organization and, in selected instances, by our technology partners to develop tools covered by 37 patents and 8 pending patent applications, which we believe differentiates us from our regional competitors and also allows us to deliver more focused service and better outcomes in our specialized services than larger national competitors that do not discretely dedicate their resources to the services we provide.

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

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

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

Recent Trends and Outlook

Demand for services in the oil and natural gas industry is cyclical and subject to sudden and significant volatility. So far in 2025, factors affecting oil prices have included instability and conflict in the Middle East, output increases from the largest oil-producing countries and changes in the growth rate of the U.S. and world economies. Oil and natural gas prices have been, and may remain, volatile, which impacts demand for our business. West Texas Intermediate's ("WTI") average daily price per barrel decreased by approximately 10.0%, to \$64.57 per Bbl during the three months ended June 30, 2025, compared to the WTI average daily price per barrel of \$71.78 per Bbl during the three months ended March 31, 2025. In early April 2025, after the introduction of tariffs by the U.S. government and an announced increase in production from the Organization of the Petroleum Exporting Countries and its allies ("OPEC+"), the price of oil dropped by approximately 15%, from \$71.87 per Bbl to \$61.05 per Bbl. In early July 2025, OPEC+ announced an additional production increase of about 548 thousand barrels per day. Per the U.S. Energy Information Administration, U.S. crude oil production is expected to remain relatively constant between the second quarter of 2025 and the fourth quarter of 2026, declining by less than 1%. Natural gas prices have increased to a recent high point in early 2025, before decreasing in the second quarter of 2025 near the two-year average. As of June 30, 2025, U.S. land rig count stood at 533, a decrease of 7.0% compared to December 31, 2024, when the U.S. land rig count was 573.

Looking ahead to the year ending December 31, 2025, assuming economic activity holds at the recent level and commodity prices remain volatile, we anticipate that our customers will continue to cautiously allocate capital. So far in the year ending December 31, 2025, WTI prices have increased slightly in the first quarter, before suddenly decreasing due to the above events, making it difficult to anticipate future changes in price. Currently, global oil flows supplied from OPEC+ and other oil producing nations are expected to increase and therefore put downwards pricing pressure globally. As oil price remains above the break-even level for most operators, we expect the industry to retain a cautious approach to drilling and completion expansion.

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

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

How We Generate Revenue and the Costs of Conducting Our Business

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

Demand for services in the oil and natural gas industry is cyclical and subject to sudden and significant volatility. We remain focused on serving the needs of our customers by providing a broad portfolio of product

service lines across major basins, while preserving a solid balance sheet, maintaining sufficient operating liquidity and prudently managing our capital expenditures.

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

Results of Operations

Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

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

	Three Months Ended		
	June 30, 2025	June 30, 2024	% Change
Revenue:			
Rocky Mountains	\$ 54.1	\$ 61.4	(11.9)%
Southwest	58.8	69.9	(15.9)%
Northeast/Mid-Con	46.1	48.9	(5.7)%
Total revenue	<u>\$ 159.0</u>	<u>\$ 180.2</u>	<u>(11.8)%</u>

	Three Months Ended		
	June 30, 2025	June 30, 2024	% Change
Revenue:			
Drilling	\$ 25.8	\$ 38.0	(32.1)%
Completion	88.5	92.6	(4.4)%
Production	28.3	30.7	(7.8)%
Intervention	16.4	18.9	(13.2)%
Total revenue	<u>\$ 159.0</u>	<u>\$ 180.2</u>	<u>(11.8)%</u>

For the quarter ended June 30, 2025, revenues were \$159.0, a decrease of \$21.2, or 11.8%, as compared with the prior year period. The overall decrease in revenues reflects a decline in activity during the quarter, leading to lower demand for our services. Lower weighted average price contributed to approximately 19% of the \$21.2 decrease, and lower weighted average volume contributed to the remaining approximately 81%. On a segment basis, Rocky Mountains segment revenue decreased by \$7.3 or 11.9%. Lower weighted average price contributed to approximately 15% of the dollar decrease, and lower weighted average volume contributed to the remaining approximately 85%. Southwest segment revenue decreased by \$11.1 or 15.9%. Lower weighted average volume contributed to approximately all of the dollar decrease. Northeast/Mid-Con segment revenue decreased by \$2.8 or 5.7%. Lower weighted average price contributed to approximately 45% of the dollar decrease, and lower weighted average volume contributed to the remaining approximately 55%.

Cost of sales. For the quarter ended June 30, 2025, cost of sales were \$125.6, or 79.0% of sales, as compared to the three months ended June 30, 2024 of \$136.0, or 75.5% of sales. Cost of sales as a percentage of revenues increased primarily due to lower leverage of fixed costs during the quarter. The two largest components of cost of sales are labor and repair & maintenance. As cost of sales as a percentage of revenues increased, labor costs per employee remained flat as compared with the three months ended June 30, 2024. Repair & maintenance costs as a percentage of revenues increased by 2.8% as compared to the three months ended June 30, 2024, due to the higher pricing during the quarter.

Selling, general and administrative expenses (“SG&A”). For the quarter ended June 30, 2025, SG&A expenses were \$18.0, or 11.3% of revenues, as compared with \$19.3, or 10.7% of revenues, in the prior year period. SG&A expenses and revenues decreased at a similar rate during the quarter, which caused the percentage of revenues to remain the same compared to the three months ended June 30, 2024.

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

	Three Months Ended		
	June 30, 2025	June 30, 2024	% Change
Operating (loss) income:			
Rocky Mountains	\$ 3.3	\$ 10.5	(68.6)%
Southwest	(1.7)	2.6	NM
Northeast/Mid-Con	(1.3)	(2.5)	48.0 %
Corporate and other	(9.0)	(9.2)	2.2 %
Total operating (loss) income	<u>\$ (8.7)</u>	<u>\$ 1.4</u>	<u>NM</u>

For the quarter ended June 30, 2025, operating loss was \$8.7 compared to operating income of \$1.4 in the prior year period, due to a reduction in activity and pricing.

The operating results across our three geographic segments broadly declined as a function of lower revenues compared to the prior year period. Rocky Mountains segment operating income was \$3.3, Southwest segment operating loss was \$1.7, and Northeast/Mid-Con segment operating loss was \$1.3 for the three months ended June 30, 2025.

Income tax expense. For the quarter ended June 30, 2025, income tax expense was \$0.2, consistent with income tax expense of \$0.2 in the prior year period, and was comprised primarily of state and local taxes. The Company did not recognize a federal tax benefit on its year-to-date losses because it has a full valuation allowance recorded against its net deferred tax assets.

Net loss. For the quarter ended June 30, 2025, net loss was \$19.9, as compared to net loss of \$8.0 in the prior year period, decreasing primarily as a result of lower revenues as discussed above.

Results of Operations

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

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

	Six Months Ended		
	June 30, 2025	June 30, 2024	% Change
Revenue:			
Rocky Mountains	\$ 101.9	\$ 107.0	(4.8)%
Southwest	124.0	139.3	(11.0)%
Northeast/Mid-Con	87.1	108.6	(19.8)%
Total revenue	<u>\$ 313.0</u>	<u>\$ 354.9</u>	<u>(11.8)%</u>

	Six Months Ended		
	June 30, 2025	June 30, 2024	% Change
Revenue:			
Drilling	\$ 56.4	\$ 80.0	(29.5)%
Completion	166.6	186.0	(10.4)%
Production	56.0	53.9	3.9 %
Intervention	34.0	35.0	(2.9)%
Total revenue	<u>\$ 313.0</u>	<u>\$ 354.9</u>	<u>(11.8)%</u>

For the six months ended June 30, 2025, revenues were \$313.0, a decrease of \$41.9, or 11.8%, as compared with the prior year period. The overall decrease in revenues reflects a decline in activity during the six months ended, leading to lower demand for our services. Lower weighted average price contributed to approximately 33% of the \$41.9 decrease, and lower weighted average volume contributed to the remaining approximately 67%. On a segment basis, Rocky Mountains segment revenue decreased by \$5.1 or 4.8%. This decrease was driven predominantly by a decrease in weighted average price. Southwest segment revenue decreased by \$15.3 or 11.0%. This decrease was driven entirely by a decrease in weighted average volume. Northeast/Mid-Con segment revenue decreased by \$21.5 or 19.8%. Lower weighted average volume contributed to approximately all of the dollar decrease.

Cost of sales. For the six months ended June 30, 2025, cost of sales were \$249.4, or 79.7% of sales, as compared to the six months ended June 30, 2024 of \$280.0, or 78.9% of sales. Cost of sales as a percentage of revenues increased primarily due to lower leverage of fixed costs during the six months ended. The two largest components of cost of sales are labor and repair & maintenance. As cost of sales as a percentage of revenues increased, labor costs per employee decreased by (0.9)% as compared with the six months ended June 30, 2024. Repair & maintenance costs as a percentage of revenues decreased by (4.3)% as compared to the six months ended June 30, 2024, due to lower utilization during the six months ended.

Selling, general and administrative expenses (“SG&A”). For the six months ended June 30, 2025, SG&A expenses were \$39.6, or 12.7% of revenues, as compared with \$40.9, or 11.5% of revenues, in the prior year period. The increase in percentage of revenues is due to the lower revenues and lower leverage of fixed costs during the six months ended, as SG&A decreased at a lower rate than revenues compared to the six months ended June 30, 2024.

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

	Six Months Ended		
	June 30, 2025	June 30, 2024	% Change
Operating (loss) income:			
Rocky Mountains	\$ 3.1	\$ 9.3	(66.7)%
Southwest	1.3	1.9	(31.6)%
Northeast/Mid-Con	(9.4)	(0.1)	(9,300.0)%
Corporate and other	(21.4)	(22.8)	6.1 %
Total operating loss	<u>\$ (26.4)</u>	<u>\$ (11.7)</u>	<u>(125.6)%</u>

For the six months ended June 30, 2025, operating loss was \$26.4 compared to operating loss of \$11.7 in the prior year period, due to a reduction in activity and pricing.

The operating results across our three geographic segments declined as a function of lower revenues compared to the prior year period. Rocky Mountains segment operating income was \$3.1, Southwest segment operating income was \$1.3, and Northeast/Mid-Con segment operating loss was \$9.4 for the six months ended June 30, 2025.

Income tax expense. For the six months ended June 30, 2025, income tax expense was \$0.4, compared to income tax expense of \$0.4 in the prior year period, and was comprised primarily of state and local taxes. The Company did not recognize a federal tax benefit on its year-to-date losses because it has a full valuation allowance recorded against its net deferred tax assets.

Net loss. For the six months ended June 30, 2025, net loss was \$47.8, as compared to net loss of \$30.2 in the prior year period, decreasing primarily as a result of lower revenues as discussed above.

Liquidity and Capital Resources

Overview

We require capital to fund ongoing operations, including maintenance expenditures on our existing fleet and equipment, organic growth initiatives, debt service obligations, investments and acquisitions. Our primary sources of liquidity to date have been capital contributions from our equity and note holders, borrowings under our Prior ABL Facility (as defined below) and New ABL Facility (as defined below) and cash flows from operations. At June 30, 2025, we had \$16.7 of cash and cash equivalents, and \$48.7 available on the New ABL Facility Borrowing Base Certificate, which resulted in a total liquidity position of \$65.4.

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

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

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

Refinancing

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

ABL Facilities

Prior ABL Facility

On August 10, 2018, the Company entered into a Credit Agreement, by and among the Company, as borrower, certain subsidiaries of the Company, as guarantors, JPMorgan Chase Bank, N.A., as administrative agent ("Prior Administrative Agent"), as collateral agent and as issuing lender, and the lenders party thereto, which has been repaid in full and the commitments thereunder terminated (as amended, supplemented, or otherwise modified prior to the termination thereof, the "Prior ABL Facility"). The Prior ABL Facility became effective on September 14, 2018 and was scheduled to mature in 2025. Borrowings under the Prior ABL Facility bore interest at a rate equal to Term SOFR (as defined in the Prior ABL Facility) plus the Applicable Margin (as defined in the Prior ABL Facility). On March 12, 2025, in connection with the completion of the Refinancing, the Prior ABL Facility was repaid in full using borrowings under the New ABL Facility and the commitments thereunder terminated.

New ABL Facility

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

The initial funding under the New ABL Facility occurred on March 12, 2025, and the proceeds therefrom were used to repay the Prior ABL Facility in full. After giving effect to the foregoing, we had approximately \$39.9 of available borrowing capacity under the New ABL Facility. The New ABL Facility includes a springing financial covenant which requires the Company's consolidated fixed charge coverage ratio to be at least 1.0 to 1.0 if availability under the Revolving Facility falls below \$7.0.

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

As of June 30, 2025, the borrowings outstanding under the New ABL Facility were \$45.0, a decrease of \$10.0 from March 31, 2025. The effective interest rate under the New ABL Facility was approximately 9.06% on June 30, 2025. Accrued interest related to the New ABL Facility was \$0.4 as of June 30, 2025.

Senior Secured Notes

2025 Senior Notes

In conjunction with the acquisition of Motley Services, LLC in 2018, we issued \$250.0 principal amount of the 2025 Senior Notes offered pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to certain non-U.S. persons outside the United States in compliance with Regulation S under the Securities Act. On a net basis, after taking into consideration the debt issuance costs for the 2025 Senior Notes, total debt related to the 2025 Senior Notes as of December 31, 2024 was \$235.1. The 2025 Senior Notes bore interest at an annual rate of 11.5%, payable semi-annually in arrears on May 1 and November 1. Accrued interest as of December 31, 2024 was \$4.5.

On March 12, 2025, approximately \$143.6 aggregate principal amount of the 2025 Senior Notes were exchanged in connection with the Refinancing, and the Company deposited \$97.1 in trust with the trustee for the 2025 Senior Notes and irrevocably instructed the trustee to apply such funds to effect the redemption of all of the remaining outstanding 2025 Senior Notes on March 30, 2025 at a redemption price of 100.000% of the principal amount thereof, plus accrued and unpaid interest. Upon deposit of such redemption amount, the indenture that governs the 2025 Senior Notes (the "2025 Senior Notes Indenture") was satisfied and discharged in accordance with its terms and, as a result thereof, the Company has been released from its obligations under the 2025 Senior Notes and the 2025 Senior Notes Indenture except with respect to those provisions of the 2025 Senior Notes Indenture that, by their terms, survive the satisfaction and discharge of thereof.

2030 Senior Notes

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

interest is paid-in-kind. The 2030 Senior Notes are senior secured obligations of the Company and are guaranteed on a senior secured basis by each of the Company's current domestic subsidiaries and by certain future subsidiaries, subject to agreed guaranty and security principles and certain exclusions.

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

The Company will be required to redeem the 2030 Senior Notes in an amount equal to 2.00% per annum of all 2030 Senior Notes outstanding as of the prior applicable Interest Payment Date (as defined in the 2030 Senior Notes Indenture) on the last business day of each of March, June, September and December, commencing on March 31, 2025. Additionally, upon certain changes of control, consummation of certain asset sales and other events, the Company will be required to repurchase the 2030 Senior Notes at the applicable redemption prices.

The 2030 Senior Notes Indenture contains certain financial covenants that include (i) a maximum total net leverage ratio of not greater than 4.50 to 1.0 for the test periods ending March 31, 2025 through December 31, 2025, stepping down to 4.00 to 1.0 for the test periods ending March 31, 2026 through December 31, 2026, 3.50 to 1.0 for the test periods ending March 31, 2027 through December 31, 2027, 3.00 to 1.0 for the test periods ending March 31, 2028 through December 31, 2028, and 2.50 to 1.0 for each test period thereafter and (ii) restrictions on making net capital expenditures in any test period in excess of the greater of (x) \$65.0 in the aggregate or (y) 7% of revenues during such test period.

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

As of June 30, 2025, the principal amount outstanding under the 2030 Senior Notes was \$236.9. On a net basis, after taking into consideration unamortized debt issuance costs and original issue discount for the 2030 Senior Notes, total debt related to the 2030 Senior Notes as of June 30, 2025 was \$213.7. The effective interest rate under the 2030 Senior Notes was approximately 13.81% on June 30, 2025. Accrued interest related to the 2030 Senior Notes was \$0.0 as of June 30, 2025.

Other debt-related items

The Company uses standby letters of credit to facilitate commercial transactions with third parties and to secure our performance to certain vendors. Total letters of credit outstanding under the New ABL Facility were \$6.2 at June 30, 2025 and under the Prior ABL Facility were \$6.5 at December 31, 2024. To the extent liabilities are incurred as a result of the activities covered by the letters of credit, such liabilities are included

on the accompanying consolidated balance sheets. Restricted cash on the balance sheet is largely tied to cash collateralized letters of credit as we shift from our Prior ABL Facility to the New ABL Facility. As of the date of filing, \$0.6 of the restricted cash remains restricted.

As of June 30, 2025, the Company had \$4.9 of outstanding short-term indebtedness related to the financing of various insurance premiums, which is included in the Accrued liabilities line item in the balance sheet.

Indemnities, Commitments and Guarantees

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

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

Capital Expenditures

Our capital expenditures were \$27.7 during the six months ended June 30, 2025, compared to \$28.8 in the six months ended June 30, 2024. We offset \$6.4 of capital spending during the six months ended June 30, 2025 with the same amount of proceeds from asset sales. Based on current industry conditions and our significant investments in capital expenditures over the past several years, we expect to incur between \$40.0 and \$50.0 in total capital expenditures for the year ending December 31, 2025. The nature of our capital expenditures is comprised of a base level of investment required to support our current operations and amounts related to growth and Company initiatives. Capital expenditures for growth and Company initiatives are discretionary. We continually evaluate our capital expenditures, and the amount we ultimately spend will depend on a number of factors, including expected industry activity levels and Company initiatives.

Equity Distribution Agreement

On June 14, 2021, the Company entered into an Equity Distribution Agreement (as amended from time to time, the "Equity Distribution Agreement") with Piper Sandler & Co. as sales agent (the "Agent"). Pursuant to the terms of the Equity Distribution Agreement, the Company may sell from time to time through the Agent (the "ATM Offering") the Company's common stock, par value \$0.01 per share ("Common Stock"), having an aggregate offering price of up to \$50.0. On November 16, 2022, the Company entered into Amendment No. 1 to the Equity Distribution Agreement, which, among other things, allows for debt-for-equity exchanges in accordance with Section 3(a)(9) of the Securities Act. On March 14, 2025, the Company entered into Amendment No. 2 to the Equity Distribution Agreement (the "EDA Amendment"), which, among other things, increased the aggregate offering price to up to approximately \$57.75 (which amount includes all of the Common Stock previously sold pursuant to the Equity Distribution Agreement prior to the EDA Amendment) and provides for the Company's election not to deliver a placement notice. Under the terms of the Equity

Distribution Agreement, the Company will pay the Agent a commission equal to 3.0% of the gross sales price of the Common Stock sold.

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

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

During the three and six months ended June 30, 2025, the Company sold 25,000 and 167,769 shares of Common Stock, respectively, in exchange for gross proceeds of approximately \$0.1 and \$0.6, respectively, and incurred legal and administrative fees of \$0.1 and \$0.1, respectively.

During the three and six months ended June 30, 2024, the Company did not sell any shares of Common Stock and incurred legal and administrative fees of \$0.1 and \$0.2, respectively.

Cash Flows

Our cash flows used in operating activities for the six months ended June 30, 2025 were approximately \$18.5 as compared to approximately \$11.4 provided by operating activities for the six months ended June 30, 2024. Our operating cash flows are sensitive to many variables, the most significant of which are utilization and profitability, the timing of billing and customer collections, payments to our vendors, repair and maintenance costs and personnel, any of which may affect our available cash. Additionally, should our customers experience financial distress for any reason, they could default on their payments owed to us, which would affect our cash flows and liquidity.

At June 30, 2025, we had \$16.7 of cash and cash equivalents and \$0.6 of restricted cash. Cash on hand at June 30, 2025 decreased by \$74.3, as a result of \$18.5 of cash flows used in operating activities, \$21.3 of cash flows used in investing activities and \$34.5 used in financing activities. Our liquidity requirements consist of working capital needs, debt service obligations and ongoing capital expenditure requirements. Our primary requirements for working capital are directly related to the activity level of our operations.

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

	Six Months Ended	
	June 30, 2025	June 30, 2024
Net cash flows (used in) provided by operating activities	\$ (18.5)	\$ 11.4
Net cash flows used in investing activities	(21.3)	(22.2)
Net cash flows used in financing activities	(34.5)	(14.8)
Net change in cash and cash equivalents and restricted cash	(74.3)	(25.6)
Cash and cash equivalents and restricted cash balance end of period	<u>\$ 17.3</u>	<u>\$ 86.9</u>

Net cash (used in) provided by operating activities

Net cash used in operating activities was \$18.5 for the six months ended June 30, 2025, as compared to net cash provided by operating activities of \$11.4 for the six months ended June 30, 2024. The negative operating cash flows were attributable to the net loss position and an increase in days receivable outstanding.

Net cash used in investing activities

Net cash used in investing activities was \$21.3 for the six months ended June 30, 2025, as compared to net cash used in investing activities of \$22.2 for the six months ended June 30, 2024. The cash flows used in investing activities for the six months ended June 30, 2025 were primarily driven by maintenance capital spending tied to the operation of our existing asset base offset by sales of property and equipment.

Net cash used in financing activities

Net cash used in financing activities was \$34.5 for the six months ended June 30, 2025, compared to net cash used in financing activities of \$14.8 for the six months ended June 30, 2024. We refinanced both our 2025 Senior Notes and Prior ABL Facility during the six months ended June 30, 2025, which brought additional cash outlays. We also restarted sales under our ATM Offering program, which generated proceeds of \$0.6 during the six months ended June 30, 2025.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets

and liabilities. Certain accounting policies involve judgments and uncertainties to such an extent that there is a reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our financial statements. Other than the critical accounting policy included below, we believe that our critical accounting policies are limited to those described in the Critical Accounting Estimates section of Management's Discussion and Analysis of Financial Condition and Results of Operations included in our 2024 Annual Report on Form 10-K filed with the SEC on March 13, 2025.

Recent Accounting Pronouncements

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

How We Evaluate Our Operations

Key Financial Performance Indicators

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

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

- *Revenue*
- *Operating income*
- *Adjusted Earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA")*: Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. Adjusted EBITDA is not a measure of net earnings or cash flows as determined by GAAP. We define Adjusted EBITDA as net earnings (loss) before interest, taxes, depreciation and amortization, further adjusted for (i) goodwill and/or long-lived asset impairment charges, (ii) stock-based compensation expense, (iii) restructuring charges, (iv) transaction and integration costs related to acquisitions and (v) other expenses or charges to exclude certain items that we believe are not reflective of ongoing performance of our business.
- *Adjusted EBITDA Margin*: Adjusted EBITDA Margin is defined as Adjusted EBITDA, as defined above, as a percentage of revenue.

We believe Adjusted EBITDA is useful because it allows us to supplement the GAAP measures in order to evaluate our operating performance and compare the results of our operations from period to period without regard to our financing methods or capital structure. We exclude the items listed above in arriving at Adjusted EBITDA (Loss) because these amounts can vary substantially from company to company within our industry depending upon accounting methods, book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net (loss) earnings as determined in accordance with GAAP, or as an indicator of our operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA. Our computations of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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

In connection with the preparation of this Quarterly Report for the quarter ended June 30, 2025, an evaluation was performed under the supervision of and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that its disclosure controls and procedures were effective as of June 30, 2025.

Changes in Internal Control over Financial Reporting

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

PART II – OTHER INFORMATION

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

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

On March 9, 2021, the Company filed claims in the District Court of Harris County, Texas against Magellan E&P Holdings, Inc. ("Magellan"), Redmon-Keys Insurance Group, Inc. ("Redmon-Keys") and certain underwriters at Lloyd's (the "Magellan Underwriters") to recover \$4.6 owed on invoices duly issued by the Company for services rendered on behalf of the defendants in response to an offshore well blowout near Bob Hall Pier in Corpus Christi, Texas. On March 30, 2021, Magellan filed for bankruptcy pursuant to Chapter 7 of the U.S. bankruptcy code. During the fiscal year ended January 31, 2021, the Company reserved the full amount of its invoices totaling \$4.6 as a prudent action in light of the Chapter 7 filing. Through the bankruptcy proceedings, the Company recovered \$1.0 in March 2024 and, following a settlement by the Chapter 7 Trustee with the Magellan Underwriters in December 2024 and approved by the District Court of Harris County, Texas in January 2025, the Company expects to receive an additional \$1.0 to \$1.3 in 2025. The Company continues to pursue claims against Redmon-Keys.

ITEM 1A. RISK FACTORS

In addition to the information set forth in this Quarterly Report, you should carefully consider the risk factors previously described in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS***Purchases of Equity Securities by the Issuer and Affiliated Purchasers***

The following table presents the total number of shares of our Common Stock that we repurchased during the three months ended June 30, 2025:

Period	Total number of shares purchased ⁽¹⁾	Average price paid per share ⁽²⁾	Total number of shares purchased as part of publicly announced plans or programs ⁽³⁾	Approximate dollar value of shares that may yet be purchased under the plans or programs
April 1, 2025 - April 30, 2025	1,574	\$ 3.31	—	\$ 48,859,603
May 1, 2025 - May 31, 2025	—	\$ —	—	\$ 48,859,603
June 1, 2025 - June 30, 2025	—	\$ —	—	\$ 48,859,603
Total	<u>1,574</u>		<u>—</u>	

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

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

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

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6.	EXHIBITS
3.1	Amended and Restated Certificate of Incorporation of KLX Energy Services Holdings, Inc. (incorporated by reference to Exhibit 3.1 of KLX Energy Services Holdings, Inc.'s Quarterly Report on Form 10-Q, filed on September 8, 2020, File No. 001-38609).
3.2	Fourth Amended and Restated Bylaws of KLX Energy Services Holdings, Inc. (incorporated by reference to Exhibit 3.1 of KLX Energy Services Holdings, Inc.'s Current Report on Form 8-K, filed on September 9, 2021, File No. 001-38609).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

KLX ENERGY SERVICES HOLDINGS, INC.

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

Date: August 7, 2025

By: /s/ Keefer M. Lehner
Keefer M. Lehner
Executive Vice President and Chief Financial Officer

Date: August 7, 2025

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

Date: August 7, 2025

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

I, Christopher J. Baker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of KLX Energy Services Holdings, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 7, 2025

/s/ Christopher J. Baker

Christopher J. Baker

President and Chief Executive Officer

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

I, Keefer M. Lehner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of KLX Energy Services Holdings, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 7, 2025

/s/ Keefer M. Lehner

Keefer M. Lehner

Executive Vice President and Chief Financial Officer

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

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with the Quarterly Report of KLX Energy Services Holdings, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Christopher J. Baker, as President and Chief Executive Officer of the Company, hereby certify that:

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

Date: August 7, 2025

/s/ Christopher J. Baker

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

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

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with the Quarterly Report of KLX Energy Services Holdings, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Keefer M. Lehner, as Executive Vice President and Chief Financial Officer of the Company, hereby certify that:

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

Date: August 7, 2025

/s/ Keefer M. Lehner

Keefer M. Lehner

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)