



# ***NEWS RELEASE***

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## **KLX ENERGY SERVICES HOLDINGS, INC. REPORTS THIRD QUARTER 2024 RESULTS**

**HOUSTON, TX - October 31, 2024 - KLX Energy Services Holdings, Inc. (Nasdaq: KLXE)** (“KLX”, the “Company”, “we”, “us” or “our”) today reported financial results for the third quarter ended September 30, 2024.

### **Third Quarter 2024 Financial Highlights**

- Revenue of \$189 million
- Net loss of \$(8) million and diluted loss per share of \$(0.51)
- Adjusted EBITDA of \$28 million
- Net loss margin of (4)%
- Adjusted EBITDA margin of 15%
- Cash balance of \$83 million
- Total Debt and Net Debt of \$285 million and \$203 million, respectively
- Liquidity of \$126 million, consisting of approximately \$83 million of cash and approximately \$43 million of availability not borrowed under the September 2024 asset-based revolving credit facility (the “ABL Facility”) borrowing base certificate

*See “Non-GAAP Financial Measures” at the end of this release for a discussion of Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net (Loss) Income, Adjusted Diluted (Loss) Earnings per share, Unlevered and Levered Free Cash Flow, Net Working Capital, Net Debt, Net Leverage Ratio and their reconciliations to the most directly comparable financial measure calculated and presented in accordance with U.S. generally accepted accounting principles (“GAAP”). We have not provided reconciliations of our future expectations as to Adjusted EBITDA or Adjusted EBITDA margin as such reconciliations are not available without unreasonable efforts.*

Chris Baker, KLX President and Chief Executive Officer, said, “I am very proud of our entire team for their outstanding performance during the third quarter. Facing continued market volatility, consolidation of our blue-chip customers and persistent rig count declines over the past few years, we generated our third-highest level of quarterly revenue per average US-operated land rig since the KLX-QES merger in 2020.

“We are pleased to report that our third quarter revenue and Adjusted EBITDA results were at the top-end of our guidance ranges. Our geographic and product and service line (“PSL”) diversification has driven margin sustainability in the face of market volatility, which we believe demonstrates the strength and resiliency of the KLX platform. Additionally, our leading presence in extended reach laterals, completion technologies, and production and intervention services should continue to yield differentiated performance.

“Looking forward, based on seasonality, anticipated customer budget exhaustion and the upcoming calendar that includes the Christmas and New Year’s holidays in the middle of the work week, we expect a fourth quarter 2024 sequential revenue decline of 10% to 14%, similar to 2023.

“More importantly, we are currently in discussions with many of our customers on their 2025 drilling, completion and production programs. These conversations have been very constructive and indicate incremental positive momentum for 2025 with both new and existing customers, giving us cautious optimism as we begin our budgeting for next year,” concluded Baker.

### **Third Quarter 2024 Financial Results**

Revenue for the third quarter of 2024 totaled \$188.9 million, an increase of 4.8% compared to the second quarter of 2024 revenue of \$180.2 million. The increase in revenue reflects incremental completion activity in the third quarter. By end market, drilling, completion, production and intervention solutions contributed approximately 21%, 54%, 16% and 9%, respectively, to revenue for the third quarter of 2024.

Net loss for the third quarter of 2024 was \$(8.2) million, compared to the second quarter of 2024 net loss of \$(8.0) million. Adjusted net loss for the third quarter of 2024 was \$(6.4) million, compared to the second quarter of 2024 adjusted net loss of \$(6.5) million. Adjusted EBITDA for the third quarter of 2024 was \$27.8 million, compared to the second quarter of 2024 Adjusted EBITDA of \$27.0 million. Adjusted EBITDA margin for the third quarter of 2024 was 14.7%, compared to the second quarter of 2024 Adjusted EBITDA margin of 15.0%.

### **Third Quarter 2024 Segment Results**

The Company reports revenue, operating income (loss) and Adjusted EBITDA through three geographic business segments: Rocky Mountains, Southwest and Northeast/Mid-Con. The Company reports operating activities not attributable to an individual geographic business segment through the Corporate and other segment.

- **Rocky Mountains:** Revenue, operating income and Adjusted EBITDA for the Rocky Mountains segment were \$67.9 million, \$9.7 million and \$16.6 million, respectively, for the third quarter of 2024. Third quarter revenue represents a 10.6% sequential increase over the second quarter of 2024 largely due to incremental activity in Coiled Tubing and Directional Drilling, which offset modest declines in activity within our Tech Services and Rentals PSLs. Segment operating income and Adjusted EBITDA decreased (7.6)% and (3.5)% , respectively, driven by a short-term shift in PSL mix.
- **Southwest:** Revenue, operating income and Adjusted EBITDA for the Southwest segment, which includes the Permian and South Texas, were \$68.6 million, \$0.7 million and \$8.7 million, respectively, for the third quarter of 2024. Third quarter revenue represents an approximately (2)% sequential decrease over the second quarter of 2024, mostly related to Tech Services, Frac Rentals and Flowback. Segment operating income and Adjusted EBITDA decreased (73.1)% and (16.3)% , respectively, as a function of the above decrease in revenue and a short-term shift in PSL mix.
- **Northeast/Mid-Con:** Revenue, operating income and Adjusted EBITDA for the Northeast/Mid-Con segment were \$52.4 million, \$2.0 million and \$10.9 million, respectively, for the third quarter of 2024. Third quarter revenue represents a 7.2% sequential increase over the second quarter of 2024 due to increased completions activity. Segment operating income and Adjusted EBITDA increased 180.0% and 70.3%, respectively, largely due to reduced whitespace in our completion PSLs.
- **Corporate and other:** Operating loss and Adjusted EBITDA loss for the Corporate and other segment were \$11.3 million and \$8.4 million, respectively, for the third quarter of 2024. Segment operating loss and Adjusted EBITDA loss increased sequentially (22.8)% and (20.0)% , respectively, largely due to increased professional service fees.

The following is a tabular summary of revenue, operating income (loss) and Adjusted EBITDA (loss) for the third quarter ended September 30, 2024, the second quarter ended June 30, 2024 and the third quarter ended September 30, 2023 (\$ in millions).

	<b>Three Months Ended</b>		
	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>September 30, 2023</b>
<b>Revenue:</b>			
Rocky Mountains	\$ 67.9	\$ 61.4	\$ 77.0
Southwest	68.6	69.9	77.8
Northeast/Mid-Con	52.4	48.9	65.8
<b>Total revenue</b>	<b>\$ 188.9</b>	<b>\$ 180.2</b>	<b>\$ 220.6</b>

	<b>Three Months Ended</b>		
	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>September 30, 2023</b>
<b>Operating income (loss):</b>			
Rocky Mountains	\$ 9.7	\$ 10.5	\$ 17.7
Southwest	0.7	2.6	4.8
Northeast/Mid-Con	2.0	(2.5)	5.2
Corporate and other	(11.3)	(9.2)	(11.3)
<b>Total operating income (loss)</b>	<b>\$ 1.1</b>	<b>\$ 1.4</b>	<b>\$ 16.4</b>

	Three Months Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
<b>Adjusted EBITDA (loss)</b>			
Rocky Mountains	\$ 16.6	\$ 17.2	\$ 23.3
Southwest	8.7	10.4	11.8
Northeast/Mid-Con	10.9	6.4	11.4
Segment total	36.2	34.0	46.5
Corporate and other	(8.4)	(7.0)	(9.8)
<b>Total Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 27.8</b>	<b>\$ 27.0</b>	<b>\$ 36.7</b>

<sup>(1)</sup> Excludes one-time costs, as defined in the Reconciliation of Consolidated Net (Loss) Income to Adjusted EBITDA table below, non-cash compensation expense and non-cash asset impairment expense.

## Balance Sheet and Liquidity

Total debt outstanding as of September 30, 2024 was \$285.2 million, of which \$50.0 million is current as of September 30, 2024. As of September 30, 2024, cash and cash equivalents totaled \$82.7 million. Liquidity as of September 30, 2024 was \$126.3 million, including availability of \$43.6 million on the September 2024 ABL Facility borrowing base certificate. The senior secured notes bear interest at an annual rate of 11.5% (the “Senior Secured Notes”), payable semi-annually in arrears on May 1<sup>st</sup> and November 1<sup>st</sup>. Accrued interest as of September 30, 2024 was \$11.4 million for the Senior Secured Notes and \$0.0 million related to the ABL Facility.

Net Working Capital as of September 30, 2024 was \$51.0 million, a 20.9% increase from June 30, 2024 driven by higher sequential activity and revenue along with slightly increased days sales outstanding and slightly decreased days payables outstanding. We expect to continue to build up our cash balance as we navigate through year-end.

## Other Financial Information

Capital expenditures were \$21.0 million during the third quarter of 2024, an increase of \$5.7 million compared to capital expenditures of \$15.3 million in the second quarter of 2024. The third quarter represents the largest quarterly spend of 2024 due to lumpy timing of equipment receipt from early 2024 orders and is not reflective of normalized quarterly capital spending at current activity levels. Fourth quarter 2024 capital expenditures are expected to be \$5.0 million to \$10.0 million. We expect full year 2024 capital expenditures of \$55.0 million to \$60.0 million with approximately 80% directed towards maintenance spending and on a net basis we expect 2024 full year net capital expenditures (capital expenditures less proceeds from asset sales) to be in the range of approximately \$45.0 million to \$50.0 million.

As of September 30, 2024, we had \$2.3 million of assets held for sale related to one facility and select equipment in the Rocky Mountains and Southwest segments.

## Conference Call Information

KLX will conduct its third quarter 2024 conference call, which can be accessed via dial-in or webcast, on Friday, November 1, 2024 at 11:00 a.m. Eastern Time (10:00 a.m. Central Time) by dialing 1-201-389-0867 and asking for the KLX call at least 10 minutes prior to the start time, or by logging onto the webcast at <https://investor.klx.com/events-and-presentations/events>. For those who cannot listen to the live call, a replay will be available through November 15, 2024, and may be accessed by dialing 1-201-612-7415 and using passcode 13749567#. Also, an archive of the webcast will be available shortly after the call at <https://investor.klx.com/events-and-presentations/events> for 90 days. Please submit any questions for management prior to the call via email to [KLXE@dennardlascar.com](mailto:KLXE@dennardlascar.com).

### **About KLX Energy Services Holdings, Inc.**

KLX is a growth-oriented provider of diversified oilfield services to leading onshore oil and natural gas exploration and production companies operating in both conventional and unconventional plays in all of the active major basins throughout the United States. The Company delivers mission critical oilfield services focused on drilling, completion, production, and intervention activities for technically demanding wells from over 50 service and support facilities located throughout the United States. KLX's complementary suite of proprietary products and specialized services is supported by technically skilled personnel and a broad portfolio of innovative in-house manufacturing, repair and maintenance capabilities. More information is available at [www.klx.com](http://www.klx.com).

### ***Forward-Looking Statements and Cautionary 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 news release (and any oral statements made regarding the subjects of this release, including on the conference call announced herein) 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 and are not current facts. When used in this news release (and any oral statements made regarding the subjects of this release, including on the conference call announced herein), 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 with respect to, among other things: our operating cash flows; the availability of capital and our liquidity; our ability to renew and refinance our debt; our future revenue, income and operating performance; our ability to sustain and improve our utilization, revenue and margins; our ability to maintain acceptable pricing for our services; future capital expenditures; our ability to finance equipment, working capital and capital expenditures; our ability to execute our long-term growth strategy and to integrate our acquisitions; our ability to successfully develop our research and technology capabilities and implement technological developments and enhancements; and the timing and success of strategic initiatives and special projects.

Forward-looking statements are not assurances of future performance and actual results could differ materially from our historical experience and our present expectations or projections. These forward-looking statements are based on management's current expectations and beliefs, forecasts for our existing operations, experience, expectations and perception of historical trends, current conditions, anticipated future developments and their effect on us and other factors believed to be appropriate. Although management believes the expectations and assumptions reflected in these forward-looking statements are reasonable as and when made, no assurance can be given that these assumptions are accurate or that any of these expectations will be achieved (in full or at all). Our forward-looking statements involve significant risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Known material factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, risks associated with the following: a decline in demand for our services, including due to overcapacity and other competitive factors affecting our industry; the cyclical nature and volatility of the oil and gas industry, which impacts the level of exploration, production and development activity and spending patterns by oil and natural gas exploration and production companies; a decline in, or substantial volatility of, crude oil and gas commodity prices, which generally leads to decreased spending by our customers and negatively impacts drilling, completion and production activity; inflation; increases in interest rates; the ongoing war in Ukraine and its continuing effects on global trade; the ongoing conflict and tensions in the Middle East; supply chain issues; and other risks and uncertainties listed in our filings with the U.S. Securities and Exchange Commission, including our Current Reports on Form 8-K that we file from time to time, Quarterly Reports on Form 10-Q and Annual Report on Form 10-K. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except as required by law.

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

	Three Months Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
<b>Revenues</b>	\$ 188.9	\$ 180.2	\$ 220.6
<b>Costs and expenses:</b>			
Cost of sales	142.3	136.0	166.2
Depreciation and amortization	23.9	23.1	18.9
Selling, general and administrative	21.2	19.3	18.6
Research and development costs	0.4	0.3	0.4
Impairment and other charges	—	0.1	—
Bargain purchase gain	—	—	0.1
Operating income	1.1	1.4	16.4
Non-operating expense:			
Interest income	(0.7)	(0.6)	(0.7)
Interest expense	9.8	9.8	9.2
Net (loss) income before income tax	(8.0)	(7.8)	7.9
Income tax expense	0.2	0.2	0.3
Net (loss) income	<u>\$ (8.2)</u>	<u>\$ (8.0)</u>	<u>\$ 7.6</u>
Net (loss) income per common share:			
Basic	<u>\$ (0.51)</u>	<u>\$ (0.49)</u>	<u>\$ 0.47</u>
Diluted	<u>\$ (0.51)</u>	<u>\$ (0.49)</u>	<u>\$ 0.47</u>
Weighted average common shares:			
Basic	16.2	16.2	16.0
Diluted	16.2	16.2	16.1

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
	<u>(Unaudited)</u>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 82.7	\$ 112.5
Accounts receivable–trade, net of allowance of \$4.6 and \$5.5	124.8	127.0
Inventories, net	32.7	33.5
Prepaid expenses and other current assets	14.6	17.3
Total current assets	254.8	290.3
Property and equipment, net <sup>(1)</sup>	207.1	220.6
Operating lease assets	18.7	22.3
Intangible assets, net	1.5	1.8
Other assets	4.7	4.8
Total assets	\$ 486.8	\$ 539.8
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 78.5	\$ 87.9
Accrued interest	11.4	4.6
Accrued liabilities	42.6	42.7
Current portion of long-term debt	50.0	—
Current portion of operating lease obligations	6.7	6.9
Current portion of finance lease obligations	15.9	22.0
Total current liabilities	205.1	164.1
Long-term debt	235.2	284.3
Long-term operating lease obligations	12.9	16.0
Long-term finance lease obligations	29.2	36.2
Other non-current liabilities	1.9	0.4
Commitments, contingencies and off-balance sheet arrangements		
Stockholders' equity:		
Common stock, \$0.01 par value; 110.0 authorized; 17.3 and 16.9 issued	0.2	0.1
Additional paid-in capital	555.9	553.4
Treasury stock, at cost, 0.5 shares and 0.4 shares	(5.8)	(5.3)
Accumulated deficit	(547.8)	(509.4)
Total stockholders' equity	2.5	38.8
Total liabilities and stockholders' equity	\$ 486.8	\$ 539.8

<sup>(1)</sup> Includes right-of-use assets - finance leases



**KLX Energy Services Holdings, Inc.**  
**Additional Selected Operating Data**  
*(Unaudited)*

**Non-GAAP Financial Measures**

This release includes Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net (Loss) Income, Adjusted Diluted (Loss) Earnings per share, Unlevered and Levered Free Cash Flow, Net Working Capital, Net Debt and Net Leverage Ratio measures. Each of the metrics are “non-GAAP financial measures” as defined in Regulation G of the Securities Exchange Act of 1934.

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. Adjusted EBITDA is not a measure of net earnings or cash flows as determined by GAAP. We define Adjusted EBITDA as net earnings (loss) before interest, taxes, depreciation and amortization, further adjusted for (i) goodwill and/or long-lived asset impairment charges, (ii) stock-based compensation expense, (iii) restructuring charges, (iv) transaction and integration costs related to acquisitions and (v) other expenses or charges to exclude certain items that we believe are not reflective of the ongoing performance of our business. Adjusted EBITDA is used to calculate the Company’s leverage ratio, consistent with the terms of the Company’s ABL Facility.

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

Adjusted EBITDA margin 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 margin is not a measure of net earnings or cash flows as determined by GAAP. Adjusted EBITDA margin is defined as the quotient of Adjusted EBITDA and total revenue. We believe Adjusted EBITDA margin is useful because it allows us to supplement the GAAP measures in order to more effectively evaluate our operating performance and compare the results of our operations from period to period without regard to our financing methods or capital structure, as a percentage of revenues.

We define Adjusted Net (Loss) Income as consolidated net (loss) income adjusted for (i) goodwill and/or long-lived asset impairment charges, (ii) restructuring charges, (iii) transaction and integration costs related to acquisitions and (iv) other expenses or charges to exclude certain items that we believe are not reflective of the ongoing performance of our business. We believe Adjusted Net (Loss) Income is useful because it allows us to exclude non-recurring items in evaluating our operating performance.

We define Adjusted Diluted (Loss) Earnings per share as the quotient of Adjusted Net (Loss) Income and diluted weighted average common shares. We believe that Adjusted Diluted (Loss) Earnings per share provides useful information to investors because it allows us to exclude non-recurring items in evaluating our operating performance on a diluted per share basis.

We define Unlevered Free Cash Flow as net cash provided by operating activities less capital expenditures and proceeds from sale of property and equipment plus interest expense. We define Levered Free Cash Flow as net cash provided by operating activities less capital expenditures and proceeds from sale of property and equipment. Our management uses Unlevered and Levered Free Cash Flow to assess the Company's liquidity and ability to repay maturing debt, fund operations and make additional investments. We believe that each of Unlevered and Levered Free Cash Flow provide useful information to investors because it is an important indicator of the Company's liquidity, including our ability to reduce Net Debt and make strategic investments.

Net Working Capital is calculated as current assets, excluding cash, less current liabilities, excluding current portion of long-term debt, accrued interest, operating lease obligations and finance lease obligations. We believe that Net Working Capital provides useful information to investors because it is an important indicator of the Company's liquidity.

We define Net Debt as total debt less cash and cash equivalents. We believe that Net Debt provides useful information to investors because it is an important indicator of the Company's indebtedness.

We define Net Leverage Ratio as Net Debt divided by Annualized Adjusted EBITDA. We believe that Net Leverage Ratio provides useful information to investors because it is an important indicator of the Company's indebtedness in relation to our operating performance.

The following tables present a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures for the periods indicated:

**KLX Energy Services Holdings, Inc.**  
**Reconciliation of Consolidated Net (Loss) Income to Adjusted EBITDA\***  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	<b>Three Months Ended</b>		
	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>September 30, 2023</b>
Consolidated net (loss) income	\$ (8.2)	\$ (8.0)	\$ 7.6
Income tax expense	0.2	0.2	0.3
Interest expense, net	9.1	9.2	8.5
Operating income	1.1	1.4	16.4
Bargain purchase gain	—	—	0.1
Impairment and other charges <sup>(1)</sup>	—	0.1	—
One-time net costs, excluding impairment and other charges <sup>(1)</sup>	1.8	1.4	0.5
Adjusted operating income	2.9	2.9	17.0
Depreciation and amortization	23.9	23.1	18.9
Non-cash compensation	1.0	1.0	0.8
Adjusted EBITDA	<u>\$ 27.8</u>	<u>\$ 27.0</u>	<u>\$ 36.7</u>

\*Previously announced quarterly numbers may not sum to the year-end total due to rounding.

<sup>(1)</sup> The one-time costs during the third quarter of 2024 relate to professional services and other charges.

**KLX Energy Services Holdings, Inc.**  
**Consolidated Net (Loss) Income Margin<sup>(1)</sup>**  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	<b>Three Months Ended</b>		
	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>September 30, 2023</b>
Consolidated net (loss) income	\$ (8.2)	\$ (8.0)	\$ 7.6
Revenue	188.9	180.2	220.6
Consolidated net (loss) income margin percentage	<u>(4.3)%</u>	<u>(4.4)%</u>	<u>3.4 %</u>

<sup>(1)</sup> Consolidated net (loss) income margin is defined as the quotient of consolidated net (loss) income and total revenue.

**KLX Energy Services Holdings, Inc.**  
**Consolidated Adjusted EBITDA Margin<sup>(1)</sup>**  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	Three Months Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
Adjusted EBITDA	\$ 27.8	\$ 27.0	\$ 36.7
Revenue	188.9	180.2	220.6
Adjusted EBITDA Margin Percentage	14.7 %	15.0 %	16.6 %

<sup>(1)</sup> Adjusted EBITDA margin is defined as the quotient of Adjusted EBITDA and total revenue. Adjusted EBITDA is net (loss) income excluding one-time costs (as defined above), depreciation and amortization expense, non-cash compensation expense and non-cash asset impairment expense.

**KLX Energy Services Holdings, Inc.**  
**Reconciliation of Rocky Mountains Operating Income to Adjusted EBITDA**  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	Three Months Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
Rocky Mountains operating income	\$ 9.7	\$ 10.5	\$ 17.7
One-time costs <sup>(1)</sup>	—	—	—
Adjusted operating income	9.7	10.5	17.7
Depreciation and amortization expense	6.9	6.7	5.6
Non-cash compensation	—	—	—
Rocky Mountains Adjusted EBITDA	\$ 16.6	\$ 17.2	\$ 23.3

<sup>(1)</sup> One-time costs are defined in the Reconciliation of Consolidated Net (Loss) Income to Adjusted EBITDA table above. For purposes of segment reconciliation, one-time costs also include impairment and other charges.

**KLX Energy Services Holdings, Inc.**  
**Reconciliation of Southwest Operating Income to Adjusted EBITDA**  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	Three Months Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
Southwest operating income	\$ 0.7	\$ 2.6	\$ 4.8
One-time costs <sup>(1)</sup>	0.2	0.4	0.2
Adjusted operating income	0.9	3.0	5.0
Depreciation and amortization expense	7.8	7.4	6.8
Non-cash compensation	—	—	—
Southwest Adjusted EBITDA	\$ 8.7	\$ 10.4	\$ 11.8

<sup>(1)</sup> One-time costs are defined in the Reconciliation of Consolidated Net (Loss) Income to Adjusted EBITDA table above. For purposes of segment reconciliation, one-time costs also include impairment and other charges.

**KLX Energy Services Holdings, Inc.**  
**Reconciliation of Northeast/Mid-Con Operating Income (Loss) to Adjusted EBITDA**  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	Three Months Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
Northeast/Mid-Con operating income (loss)	\$ 2.0	\$ (2.5)	\$ 5.2
One-time costs <sup>(1)</sup>	—	0.2	—
Adjusted operating income (loss)	2.0	(2.3)	5.2
Depreciation and amortization expense	8.9	8.6	6.1
Non-cash compensation	—	0.1	0.1
Northeast/Mid-Con Adjusted EBITDA	\$ 10.9	\$ 6.4	\$ 11.4

<sup>(1)</sup> One-time costs are defined in the Reconciliation of Consolidated Net (Loss) Income to Adjusted EBITDA table above. For purposes of segment reconciliation, one-time costs also include impairment and other charges.

**KLX Energy Services Holdings, Inc.**  
**Reconciliation of Corporate and Other Operating Loss to Adjusted EBITDA Loss**  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	Three Months Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
Corporate and other operating loss	\$ (11.3)	\$ (9.2)	\$ (11.3)
Bargain purchase gain	—	—	0.1
Impairment and other charges	—	0.1	—
One-time net costs, excluding impairment and other charges <sup>(1)</sup>	1.6	0.8	0.3
Adjusted operating loss	(9.7)	(8.3)	(10.9)
Depreciation and amortization expense	0.3	0.4	0.4
Non-cash compensation	1.0	0.9	0.7
Corporate and other Adjusted EBITDA loss	\$ (8.4)	\$ (7.0)	\$ (9.8)

<sup>(1)</sup> One-time costs are defined in the Reconciliation of Consolidated Net (Loss) Income to Adjusted EBITDA table above. For purposes of segment reconciliation, one-time costs also include impairment and other charges.

**KLX Energy Services Holdings, Inc.**  
**Segment Operating Income Margin<sup>(1)</sup>**  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	Three Months Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
<b>Rocky Mountains</b>			
Operating income	\$ 9.7	\$ 10.5	\$ 17.7
Revenue	67.9	61.4	77.0
Segment operating income margin percentage	14.3 %	17.1 %	23.0 %
<b>Southwest</b>			
Operating income	0.7	2.6	4.8
Revenue	68.6	69.9	77.8
Segment operating income margin percentage	1.0 %	3.7 %	6.2 %
<b>Northeast/Mid-Con</b>			
Operating income (loss)	2.0	(2.5)	5.2
Revenue	52.4	48.9	65.8
Segment operating income (loss) margin percentage	3.8 %	(5.1)%	7.9 %

<sup>(1)</sup> Segment operating income margin is defined as the quotient of segment operating income (loss) and segment revenue.

**KLX Energy Services Holdings, Inc.**  
**Segment Adjusted EBITDA Margin<sup>(1)</sup>**  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	Three Months Ended		
	September 30, 2024	June 30, 2024	June 30, 2023
<b>Rocky Mountains</b>			
Adjusted EBITDA	\$ 16.6	\$ 17.2	\$ 23.3
Revenue	67.9	61.4	77.0
Adjusted EBITDA Margin Percentage	24.4 %	28.0 %	30.3 %
<b>Southwest</b>			
Adjusted EBITDA	8.7	10.4	11.8
Revenue	68.6	69.9	77.8
Adjusted EBITDA Margin Percentage	12.7 %	14.9 %	15.2 %
<b>Northeast/Mid-Con</b>			
Adjusted EBITDA	10.9	6.4	11.4
Revenue	52.4	48.9	65.8
Adjusted EBITDA Margin Percentage	20.8 %	13.1 %	17.3 %

<sup>(1)</sup> Segment Adjusted EBITDA margin is defined as the quotient of Segment Adjusted EBITDA and total segment revenue. Segment Adjusted EBITDA is segment operating income (loss) excluding one-time costs (as defined above), non-cash compensation expense and non-cash asset impairment expense.

**KLX Energy Services Holdings, Inc.**  
**Reconciliation of Consolidated Net (Loss) Income to Adjusted Net (Loss) Income and**  
**Adjusted Diluted (Loss) Earnings per Share**  
*(In millions of U.S. dollars and shares, except per share amounts)*  
*(Unaudited)*

	Three Months Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
Consolidated net (loss) income	\$ (8.2)	\$ (8.0)	\$ 7.6
Bargain purchase gain	—	—	0.1
Impairment and other charges	—	0.1	—
One-time costs <sup>(1)</sup>	1.8	1.4	0.5
Adjusted Net (Loss) Income	\$ (6.4)	\$ (6.5)	\$ 8.2
Diluted weighted average common shares	16.2	16.2	16.1
Adjusted Diluted (Loss) Earnings per share <sup>(2)</sup>	\$ (0.40)	\$ (0.40)	\$ 0.51

\*Previously announced quarterly numbers may not sum to the year-end total due to rounding.

<sup>(1)</sup> The one-time costs during the third quarter of 2024 relate to professional services and other charges.

<sup>(2)</sup> Adjusted Diluted (Loss) Earnings per share is defined as the quotient of Adjusted Net (Loss) Income and diluted weighted average common shares.

**KLX Energy Services Holdings, Inc.**  
**Reconciliation of Net Cash Flow Provided by Operating Activities to Free Cash Flow**  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	Three Months Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
Net cash flow provided by operating activities	\$ 16.8	\$ 22.2	\$ 25.6
Capital expenditures	(21.0)	(15.3)	(17.8)
Proceeds from sale of property and equipment	2.6	3.3	4.8
Levered Free Cash Flow	(1.6)	10.2	12.6
Add: Interest expense, net	9.1	9.2	8.5
Unlevered Free Cash Flow	\$ 7.5	\$ 19.4	\$ 21.1



**KLX Energy Services Holdings, Inc.**  
**Reconciliation of Current Assets and Current Liabilities to Net Working Capital**  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	As of		
	September 30, 2024	June 30, 2024	December 31, 2023
Current assets	\$ 254.8	\$ 251.3	\$ 290.3
Less: Cash	82.7	86.9	112.5
Net current assets	172.1	164.4	177.8
Current liabilities	205.1	151.7	164.1
Less: Current portion of long-term debt	50.0	—	—
Less: Accrued interest	11.4	4.6	4.6
Less: Operating lease obligations	6.7	7.0	6.9
Less: Finance lease obligations	15.9	17.9	22.0
Net current liabilities	121.1	122.2	130.6
Net Working Capital	\$ 51.0	\$ 42.2	\$ 47.2

**KLX Energy Services Holdings, Inc.**  
**Reconciliation of Net Debt<sup>(1)</sup>**  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	As of		
	September 30, 2024	June 30, 2024	December 31, 2023
Total Debt	\$ 285.2	\$ 284.9	\$ 284.3
Cash	82.7	86.9	112.5
Net Debt	\$ 202.5	\$ 198.0	\$ 171.8

<sup>(1)</sup> Net Debt is defined as total debt less cash and cash equivalents.

**KLX Energy Services Holdings, Inc.**  
**Reconciliation of Net Leverage Ratio<sup>(1)</sup>**  
*(In millions of U.S. dollars)*  
*(Unaudited)*

	As of		
	September 30, 2024	June 30, 2024	December 31, 2023
Adjusted EBITDA	\$ 27.8	\$ 27.0	\$ 23.0
Multiply by four quarters	4	4	4
Annualized Adjusted EBITDA	111.2	108.0	92.0
Net Debt	202.5	198.0	171.8
Net Leverage Ratio	1.8	1.8	1.9

<sup>(1)</sup> Net Leverage Ratio is defined as Net Debt divided by Annualized Adjusted EBITDA.