

SUPERIOR ENERGY SERVICES, INC.

**Financial Statements for
the Three and Six Months Ended June 30, 2025**

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(in thousands, except per share data)
(unaudited)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 310,406	\$ 343,995
Accounts receivable, net	219,327	209,186
Inventory	59,634	56,481
Income taxes receivable	22,689	15,851
Prepaid expenses	26,115	27,100
Other current assets	9,248	6,147
Total current assets	647,419	658,760
Property, plant and equipment, net	425,268	384,044
Note receivable	73,422	70,940
Restricted cash	54,110	53,824
Deferred tax assets	66,874	71,186
Other assets, net	74,831	40,700
Total assets	<u>\$ 1,341,924</u>	<u>\$ 1,279,454</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 65,567	\$ 47,577
Accrued expenses	101,410	115,818
Income taxes payable	14,735	13,910
Decommissioning liability	26,212	29,411
Total current liabilities	207,924	206,716
Decommissioning liability	183,490	191,408
Other liabilities	41,619	35,433
Total liabilities	433,033	433,557
Stockholders' equity:		
Common stock \$0.01 par value; 52,000 shares authorized; 20,133 shares and 20,216 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	201	202
Additional paid-in capital	905,371	911,862
Retained earnings (deficit)	3,319	(66,167)
Total stockholders' equity	908,891	845,897
Total liabilities and stockholders' equity	<u>\$ 1,341,924</u>	<u>\$ 1,279,454</u>

See accompanying notes to unaudited condensed consolidated financial statements

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	\$ 219,367	\$ 201,081	\$ 445,603	\$ 409,715
Cost of revenues	127,368	108,268	235,807	214,907
Depreciation, depletion, amortization and accretion	27,591	20,868	52,217	41,315
General and administrative expenses	36,888	33,404	71,340	68,379
Other (gains) and losses, net	44	(613)	707	(1,696)
Income from operations	27,476	39,154	85,532	86,810
Other income (expense):				
Interest income, net	4,178	5,760	8,909	12,600
Other expense, net	(1,195)	(2,082)	(1,488)	(3,895)
Income from continuing operations before income taxes	30,459	42,832	92,953	95,515
Income tax expense	(5,956)	(13,370)	(23,467)	(28,157)
Net income from continuing operations	24,503	29,462	69,486	67,358
Income from discontinued operations, net of tax	-	1,896	-	1,896
Net income	<u>\$ 24,503</u>	<u>\$ 31,358</u>	<u>\$ 69,486</u>	<u>\$ 69,254</u>
Income per share - basic:				
Net income from continuing operations	\$ 1.22	\$ 1.46	\$ 3.45	\$ 3.34
Income from discontinued operations, net of tax	-	0.09	-	0.09
Net income	<u>\$ 1.22</u>	<u>\$ 1.55</u>	<u>\$ 3.45</u>	<u>\$ 3.43</u>
Income per share - diluted:				
Net income from continuing operations	\$ 1.22	\$ 1.46	\$ 3.45	\$ 3.34
Income from discontinued operations, net of tax	-	0.09	-	0.09
Net income	<u>\$ 1.22</u>	<u>\$ 1.55</u>	<u>\$ 3.45</u>	<u>\$ 3.43</u>
Weighted-average shares outstanding				
Basic	20,099	20,172	20,143	20,167
Diluted	20,118	20,183	20,160	20,181

See accompanying notes to unaudited condensed consolidated financial statements

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Changes in Stockholders' Equity
(in thousands)
(unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings (Deficit)	Total
	Shares	Amount			
Balances, March 31, 2024	20,174	\$ 202	\$ 910,527	\$ (163,202)	\$ 747,527
Net income	-	-	-	31,359	31,359
Stock-based compensation expense, net	-	-	406	-	406
Balances, June 30, 2024	<u>20,174</u>	<u>\$ 202</u>	<u>\$ 910,933</u>	<u>\$ (131,843)</u>	<u>\$ 779,292</u>
Balances, March 31, 2025	20,132	\$ 201	\$ 904,937	\$ (21,184)	\$ 883,955
Net income	-	-	-	24,503	24,503
Stock-based compensation expense, net	-	-	433	-	433
Restricted stock units vested	1	-	-	-	-
Balances, June 30, 2025	<u>20,133</u>	<u>\$ 201</u>	<u>\$ 905,371</u>	<u>\$ 3,319</u>	<u>\$ 908,891</u>

	Common Stock		Additional Paid-in Capital	Retained Earnings (Deficit)	Total
	Shares	Amount			
Balances, December 31, 2023	20,151	\$ 202	\$ 911,388	\$ 49,321	\$ 960,911
Net income	-	-	-	69,254	69,254
Cash dividends (\$12.38 per share)	-	-	-	(250,418)	(250,418)
Shares repurchased	(15)	-	(961)	-	(961)
Restricted stock units vested	53	-	-	-	-
Shares withheld and retired	(15)	-	(1,006)	-	(1,006)
Stock-based compensation expense, net	-	-	1,512	-	1,512
Balances, June 30, 2024	<u>20,174</u>	<u>202</u>	<u>910,933</u>	<u>(131,843)</u>	<u>779,292</u>
Balances, December 31, 2024	20,216	\$ 202	\$ 911,862	\$ (66,167)	\$ 845,897
Net income	-	-	-	69,486	69,486
Shares repurchased	(90)	(1)	(7,226)	-	(7,227)
Restricted stock units vested	10	-	-	-	-
Shares withheld and retired	(3)	-	(153)	-	(153)
Stock-based compensation expense, net	-	-	888	-	888
Balances, June 30, 2025	<u>20,133</u>	<u>\$ 201</u>	<u>\$ 905,371</u>	<u>\$ 3,319</u>	<u>\$ 908,891</u>

See accompanying notes to unaudited condensed consolidated financial statements

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Cash flows from operating activities:				
Net income	\$ 24,503	\$ 31,358	\$ 69,486	\$ 69,254
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation, depletion, amortization and accretion	27,591	20,868	52,217	41,315
Deferred income taxes	(9,868)	5,398	4,177	9,936
Stock based compensation expense	433	406	888	1,512
Other (gains) and losses, net	44	(613)	707	(1,696)
Decommissioning costs	(8,653)	(143)	(15,580)	(573)
Other reconciling items, net	547	(987)	(588)	(2,312)
Changes in operating assets and liabilities	(6,244)	17,489	(18,228)	45,234
Net cash from operating activities	28,353	73,776	93,079	162,670
Cash flows from investing activities:				
Payments for capital expenditures	(31,106)	(34,744)	(60,515)	(55,442)
Proceeds from sales of assets	375	669	590	3,285
Cash paid for acquisitions, net cash acquired	-	-	(56,827)	-
Cash Paid for intangibles	-	-	(2,250)	-
Net cash from investing activities	(30,731)	(34,075)	(119,002)	(52,157)
Cash flows from financing activities:				
Distributions to shareholders	-	-	-	(250,417)
Repurchase of shares	-	-	(7,227)	(962)
Tax withholdings for vested restricted stock units	-	-	(153)	(1,005)
Net cash from financing activities	-	-	(7,380)	(252,384)
Net change in cash, cash equivalents, and restricted cash	(2,378)	39,701	(33,303)	(141,871)
Cash, cash equivalents, and restricted cash at beginning of period	366,894	295,556	397,819	477,128
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 364,516</u>	<u>\$ 335,257</u>	<u>\$ 364,516</u>	<u>\$ 335,257</u>

See accompanying notes to unaudited condensed consolidated financial statements

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements
(unless noted otherwise, amounts in thousands)

(1) Basis of Presentation

Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted. However, management believes the disclosures are adequate such that the information presented is not misleading.

As used herein, “we,” “us,” “our” and similar terms refer to Superior Energy Services, Inc. and its consolidated subsidiaries, unless otherwise specifically stated.

(2) Revenue and Accounts Receivable

Disaggregation of Revenue

The following table presents our revenues by segment disaggregated by geography:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
U.S. land				
Rentals	\$ 40,321	\$ 32,713	\$ 71,740	\$ 71,719
Well Services	7,202	6,242	15,597	13,708
Total U.S. land	<u>47,523</u>	<u>38,955</u>	<u>87,337</u>	<u>85,427</u>
U.S. offshore				
Rentals	42,130	30,644	84,519	67,895
Well Services	26,105	23,125	63,716	51,997
Total U.S. offshore	<u>68,235</u>	<u>53,769</u>	<u>148,235</u>	<u>119,892</u>
International				
Rentals	30,085	36,494	61,965	68,328
Well Services	73,524	71,863	148,066	136,068
Total International	<u>103,609</u>	<u>108,357</u>	<u>210,031</u>	<u>204,396</u>
Total Revenues	<u>\$ 219,367</u>	<u>\$ 201,081</u>	<u>\$ 445,603</u>	<u>\$ 409,715</u>

Accounts Receivable, net

Our allowance for credit losses as of June 30, 2025 and December 31, 2024 was approximately \$6.1 million and \$4.6 million, respectively.

(3) Inventory

The components of inventory are as follows:

	June 30, 2025	December 31, 2024
Finished goods	\$ 34,521	\$ 33,409
Raw materials	9,486	8,714
Work-in-process	6,302	7,532
Supplies and consumables	9,324	6,825
Total	<u>\$ 59,633</u>	<u>\$ 56,481</u>

Finished goods inventory includes component parts awaiting assembly of approximately \$20.7 million and \$18.6 million as of June 30, 2025 and December 31, 2024, respectively.

(4) Decommissioning Liability

The following table summarizes our net decommissioning liability:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Wells	\$ 129,163	\$ 142,546
Platform	80,539	78,273
Total decommissioning liability	209,702	220,819
Note receivable (see Note 5 - Note Receivable)	(73,422)	(70,940)
Total decommissioning liability, net of note receivable	<u>\$ 136,280</u>	<u>\$ 149,879</u>

The following table presents accretion expense (in thousands):

	<u>For the Three Months Ended</u>		<u>For the Six Months Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Accretion expense	\$ 3,413	\$ 2,577	\$ 6,737	\$ 5,088

(5) Note Receivable

Our note receivable consists of a commitment from the seller of our oil and gas property for costs associated with abandonment. Pursuant to an agreement with the seller, we will invoice the seller an agreed upon amount at the completion of certain decommissioning activities. The gross amount of the seller's obligation to us is \$110.9 million and is recorded at its present value, which totaled \$73.4 million as of June 30, 2025.

The discount on the note receivable is currently based on an effective interest rate of 7.12% and is amortized to interest income over the expected timing of the completion of the decommissioning activities, which are expected to be completed during the second quarter of 2030. Interest is paid in kind and is compounded into the carrying amount of the note.

We recorded non-cash interest income related to the note receivable as follows (in thousands):

	<u>For the Three Months Ended</u>		<u>For the Six Months Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest income	\$ 1,252	\$ 1,229	\$ 2,482	\$ 2,438

Interest income is included in other reconciling items, net in the Condensed Consolidated Statements of Cash Flows.

(6) Property, Plant and Equipment, Net

A summary of property, plant and equipment, net is as follows:

	June 30, 2025	December 31, 2024
Machinery and equipment	\$ 546,522	\$ 476,455
Buildings, improvements and leasehold improvements	69,124	68,705
Vehicles	10,988	8,811
Furniture and fixtures	23,555	21,364
Construction-in-progress	34,554	30,722
Land	29,411	29,030
Oil and gas producing assets	95,233	93,754
Property, plant and equipment, gross	809,387	728,841
Accumulated depreciation and depletion	(384,119)	(344,797)
Property, plant and equipment, net	\$ 425,268	\$ 384,044

A summary of depreciation and depletion expense associated with our property, plant and equipment is as follow (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Depreciation	\$ 18,880	\$ 16,388	\$ 35,230	\$ 32,522
Depletion	\$ 4,561	\$ 1,665	\$ 9,279	\$ 3,237
Total depreciation and depletion	\$ 23,441	\$ 18,053	\$ 44,509	\$ 35,759

(7) Debt

In December 2023, we entered into an Amended and Restated Credit Agreement providing for up to a \$140.0 million asset based secured revolving Credit Facility (the "Credit Facility"). The issuance of letters of credit reduces availability under the Credit Facility dollar-for-dollar.

As of June 30, 2025, our borrowing base under the Credit Facility was approximately \$90.0 million, and we had \$52.1 million in letters of credit outstanding that reduced the borrowing availability under the revolving credit facility. We had no outstanding borrowings under the Credit Facility as of June 30, 2025.

(8) Other Expense, net

A summary of other expense, net is as follows (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Foreign currency losses	\$ (1,030)	\$ (2,564)	\$ (1,310)	\$ (4,238)
Other, net	\$ (165)	482	\$ (178)	343
Other expense, net	\$ (1,195)	\$ (2,082)	\$ (1,488)	\$ (3,895)

Gains and losses on foreign currencies are primarily related to our operations in Argentina and Brazil.

(9) Segment Information

Summarized financial information for our segments is as follows:

For the Three Months Ended June 30, 2025				
	Rentals	Well Services	Corporate and Other	Consolidated Total
Revenues	\$ 112,537	\$ 106,830	\$ -	\$ 219,367
Cost of revenues (exclusive of items shown separately below)	49,756	77,612	-	127,368
Depreciation, depletion, amortization and accretion	14,537	12,304	750	27,591
General and administrative expenses	9,088	12,574	15,226	36,888
Other (gains) and losses, net	133	(89)	-	44
Income (loss) from operations	<u>\$ 39,023</u>	<u>\$ 4,429</u>	<u>\$ (15,976)</u>	<u>\$ 27,476</u>
For the Three Months Ended June 30, 2024				
	Rentals	Well Services	Corporate and Other	Consolidated Total
Revenues	\$ 99,851	\$ 101,230	\$ -	\$ 201,081
Cost of revenues (exclusive of items shown separately below)	36,596	71,672	-	108,268
Depreciation, depletion, amortization and accretion	11,962	8,392	514	20,868
General and administrative expenses	7,142	11,184	15,078	33,404
Other (gains) and losses, net	90	(704)	-	(613)
Income (loss) from operations	<u>\$ 44,061</u>	<u>\$ 10,686</u>	<u>\$ (15,592)</u>	<u>\$ 39,154</u>
For the Six Months Ended June 30, 2025				
	Rentals	Services	Corporate and Other	Consolidated Total
Revenues	\$ 218,224	\$ 227,379	\$ -	\$ 445,603
Cost of revenues (exclusive of items shown separately below)	88,718	147,089	-	235,807
Depreciation, depletion, amortization and accretion	26,564	24,252	1,401	52,217
General and administrative expenses	16,655	24,877	29,808	71,340
Other losses, net	129	578	-	707
Income (loss) from operations	<u>\$ 86,158</u>	<u>\$ 30,583</u>	<u>\$ (31,209)</u>	<u>\$ 85,532</u>
For the Six Months Ended June 30, 2024				
	Rentals	Services	Corporate and Other	Consolidated Total
Revenues	\$ 207,942	\$ 201,773	\$ -	\$ 409,715
Cost of revenues (exclusive of items shown separately below)	74,362	140,545	-	214,907
Depreciation, depletion, amortization and accretion	23,772	16,523	1,020	41,315
General and administrative expenses	14,334	22,511	31,534	68,379
Other (gains) and losses, net	202	(1,884)	(14)	(1,696)
Income (loss) from operations	<u>\$ 95,272</u>	<u>\$ 24,078</u>	<u>\$ (32,540)</u>	<u>\$ 86,810</u>

(10) Stock-Based Compensation Plans

2021 Management Incentive Plan

Under the current Management Incentive Plan (“MIP”), the Company may grant restricted stock, restricted stock units, performance stock units, or other stock-based awards to eligible participants. The stock-based compensation expense is reflected in general and administrative expenses.

Stock-based compensation expense associated with MIP grants were as follows (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Compensation Expense	\$ 433	\$ 406	\$ 888	\$ 1,512

(11) Income Taxes

The effective tax rate for the three months ended June 30, 2025 and 2024 was 19.6% and 31.2%, respectively. The effective tax rate for the six months ended June 30, 2025 and 2024 was 25.2% and 29.5%, respectively. The effective tax rate for all periods was impacted by non-deductible items, our geographical mix of earnings and losses in certain foreign jurisdictions which could not be benefited.

We had approximately \$45.3 million in gross U.S. foreign tax credit deferred tax assets with a valuation allowance of \$25.6 million against them as of December 31, 2024. We continue to evaluate the realizability of our U.S. foreign tax credit carryforwards and may have additional valuation allowance releases in future periods if we achieve positive cumulative income results of appropriate character and timing that provide sufficient positive evidence to do so.

We had unrecognized tax benefits of \$2.9 million as of June 30, 2025, all of which would impact our effective tax rate if recognized. It is reasonably possible that all of unrecognized tax benefits could be settled in the next twelve-month period due to the conclusion of tax audits or due to the expiration of statute of limitations.

(12) Supplemental Cash Flow Information

The table below is a reconciliation of cash, cash equivalents and restricted cash as of the beginning and the end of the periods presented:

	For the Six Months Ended June 30,	
	2025	2024
Cash and cash equivalents	\$ 343,995	\$ 391,684
Restricted cash-non-current	53,824	85,444
Cash, cash equivalents, and restricted cash, beginning of period (January 1 st)	<u>\$ 397,819</u>	<u>\$ 477,128</u>
Cash and cash equivalents	\$ 310,406	\$ 281,254
Restricted cash-non-current	54,110	54,003
Cash, cash equivalents, and restricted cash, end of period (June 30 th)	<u>\$ 364,516</u>	<u>\$ 335,257</u>

Accrued capital expenditures totaled \$7.2 million and \$4.1 million as of June 30, 2025 and 2024, respectively.

Changes in operating accounts on cash flows from operating activities are as follows (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Accounts receivable, net	\$ (13,743)	\$ 23,819	\$ 2,051	\$ 57,590
Inventory	2,646	2,828	3,982	8,728
Prepaid expenses and other current assets	(3,552)	(5,185)	3,447	(6,405)
Accounts payable	3,776	9,509	5,278	1,121
Accrued expenses	1,269	(2,420)	(26,684)	(11,241)
Income taxes	619	(7,107)	(6,588)	(2,613)
Other, net	2,741	(3,955)	286	(1,946)
Changes in operating assets and liabilities	<u>\$ (6,244)</u>	<u>\$ 17,489</u>	<u>\$ (18,228)</u>	<u>\$ 45,234</u>

(13) New Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for annual reporting periods beginning after December 15, 2026, with early adoption permitted, and should be applied on a prospective basis with a retrospective option. We are currently evaluating the effect the adoption of ASU 2023-09 will have on our disclosures.

(14) Acquisition

On February 28, 2025, the Company acquired Rival Downhole Tools ("Rival") for \$56 million. Rival is a renowned provider of premium downhole drilling tools, with a strong focus on engineering, technical sales, and intellectual property. The transaction was accounted for as a business combination. The allocation of the purchase price resulted in \$11 million of goodwill.

(15) Subsequent Events

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027.