Expro Group Holdings N.V.

Q1 | 2024

Highlights

NYSE: **XPRO**

Disclaimer

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This presentation includes the non-GAAP financial measures of Adjusted EBITDA, Adjusted EBITDA Margin, Contribution, Contribution Margin, Support Costs, Adjusted Cash Flow from Operations, Cash Conversion, and Free Cash Flow Margin, Adjusted Net Income and Adjusted Net Income per diluted share, which may be used periodically by management when discussing the Company's financial results with investors and analysts. Adjusted EBITDA, Adjusted EBITDA Margin, Contribution, Contribution Margin, Support Costs, Adjusted Cash Flow from Operations, Cash Conversion, and Free Cash Flow Margin, Adjusted Net Income and Adjusted Net Income per diluted share, are presented because management believes these metrics provide additional information relative to the performance of the Company's business. These metrics are commonly employed by the management, financial analysts and investors to evaluate the operating and financial performance of the Company from period to period and to compare it with the performance of other publicly traded companies within the industry. You should not consider Adjusted EBITDA, Adjusted EBITDA Margin, Contribution, Contribution Margin, Support Costs, Adjusted Cash Flow from Operations, Cash Conversion, and Free Cash Flow Margin, Adjusted Net Income and Adjusted Net Income per diluted share, in isolation or as a substitute for analysis of the Company's results as reported under GAAP. Because Adjusted EBITDA, Adjusted EBITDA Margin, Contribution, Contribution Margin, Support Costs, Adjusted Cash Flow from Operations, Cash Conversion, and Free Cash Flow Margin, Adjusted Net Income and Adjusted Net Income per diluted share, may be defined differently by other companies in the Company's industry, the Company's presentation of Adjusted EBITDA, Adjusted EBITDA Margin, Contribution, Contribution Margin, Support Costs, Adjusted Cash Flow from Operations, Cash Conversion, and Free Cash Flow Margin, Adjusted Net Income and Adjusted Net Income per diluted share, may not be comparable to similarly titled measures of other companies, thereby diminishing their utility. For a reconciliation of each to the nearest comparable measure in accordance with GAAP, please see the Appendix to this presentation.

The Company is not able to provide a reconciliation of forward-looking Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow Margin to the most directly comparable measure in accordance with U.S. generally accepted accounting principles without unreasonable effort because of the inherent difficulty in forecasting and quantifying certain amounts necessary for such a reconciliation, including net income (loss) and net cash from operations.

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Get to Know XPRO

~80%
INTERNATIONAL

~70%
OFFSHORE

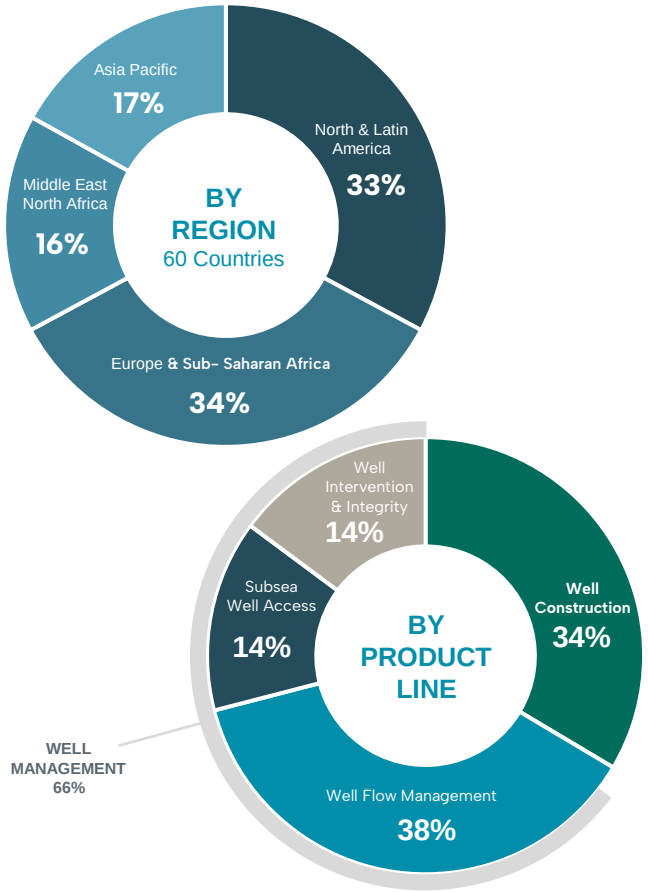
STRONG CASH FLOW OUTLOOK

ZERO NET-DEBT BALANCE SHEET
with significant available liquidity

SAFETY & SERVICE QUALITY LEADER

~95%
2023 customer service, quality, and customer job performance rating

TTM REVENUE[1]
$1,557m



~$2.2bn
Market Capitalization[2]

~$2.1bn
Enterprise Value[3]

Wall Street Estimates

$344m[4]
2024E Adjusted EBITDA

~6.0x[3,4]
Implied EV/2024E EBITDA

NYSE: **XPRO**
Headquartered in Houston, Texas

Note: Certain totals may not add due to use of rounded numbers.
1) Trailing twelve months revenue is based on the trailing twelve months for the quarter ended 03/31/24.
2) Market capitalization based on approximately 110 million total shares outstanding and an XPRO price per share of ~$20.00.
3) Based on $40m interest-bearing debt and $163m cash at 03/31/24.
4) Average 2024 EBITDA estimates from Barclays, Goldman Sachs, JP Morgan, Piper Sandler, and Sidoti.

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Balanced Portfolio of High Value-Added Services

Value-Adding Services Across the Well Lifecycle

Cost-effective, technology-enabled services and solutions for complex well construction, well completions, and lower carbon well production

Market Leadership

We “punch above our weight” because of long-standing customer relationships, technologically differentiated solutions, and superior execution, not because we are the biggest in the business

Global Operating Footprint

Activity in +60 countries, with 80% of revenue from international markets and 70% of revenue related to offshore services

Focused on Expanding Margins and FCF

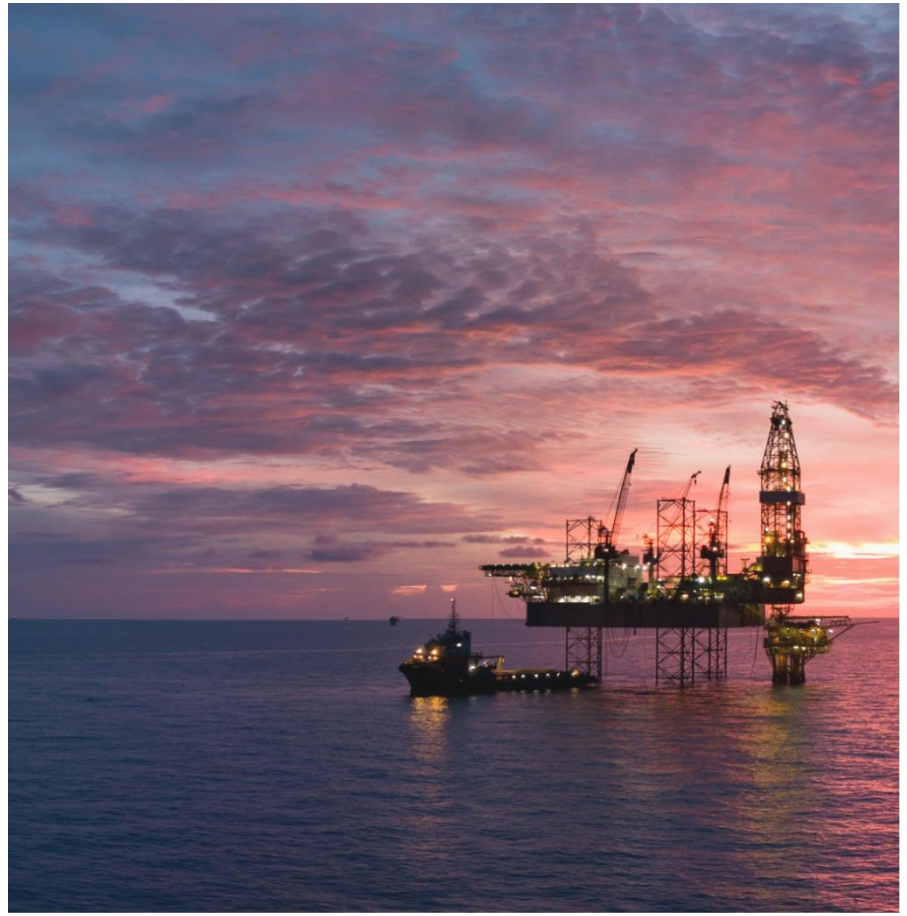
Sustainable free cash flow through cost discipline, additional scale and scale-based economies, and getting more value for the services and solutions we provide

Capital Efficiency

Capital allocation strategy focuses on maximizing utilization of existing assets and growing higher margin, lower capital intensity services and solutions

Strong Financial Profile

Conservative capital structure with a low leverage balance sheet and ample available liquidity; balanced capital allocation framework targets returning 33% of FCF to shareholders



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Q1 2024 Results

Favorable long-term outlook and good business momentum following strong Q1

Company Highlights

Revenue of $383m exceeded guidance range of $365m to $375m, primarily driven by higher revenue in MENA

As expected, revenue declined Q/Q, with lower activity in NLA and ESSA partially offset by higher revenue in MENA; revenue increased 13% YoY, driven by increased activity across geo-markets, a more favorable activity mix, and the acquisition of PRT Offshore.

Adjusted EBITDA declined 20% Q/Q driven by the winter season in the Northern Hemisphere and the budget cycles of our NOC customers. Adjusted EBITDA margin improved Y/Y from 12% in Q1 2023 to 18% in Q1 2024 reflecting activity mix, operating leverage, and lower LWI-related costs.

Announced agreement to acquire Coretrax, a technology leader in performance drilling tools, wellbore cleanup, and well integrity and production optimization solutions.

$231m of new contract awards in Q1; total order book of $2.3bn as of March 31, 2024.



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North and Latin America (NLA)

Regional Highlights



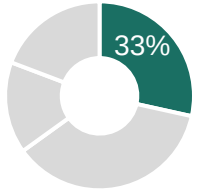
North & Latin America

Q/Q decrease was primarily due to lower well construction revenue in the Gulf of Mexico, including tubular product sales, due to project delays, and in Guyana, due to rig maintenance, partially offset by increased well intervention and integrity revenue in the United States and Brazil and higher well flow management revenue in Colombia.

In Q1 2024, we worked with a major US onshore operator to help optimize critical cementing operations, implementing our Rotating Plug Launcher to facilitate rotation during cementing and provide necessary cement competency and zonal isolation. The operator is now in the process of standardizing these operations across its fleet of contracted rigs.

In each of the US Gulf of Mexico and Argentina, we secured +$20 million contract extensions (respectively for well construction (TRS) and well intervention and integrity (perforating and logging) services), in both cases maintaining and expanding longstanding client partnerships.

NLA Revenue ($m)



$130m

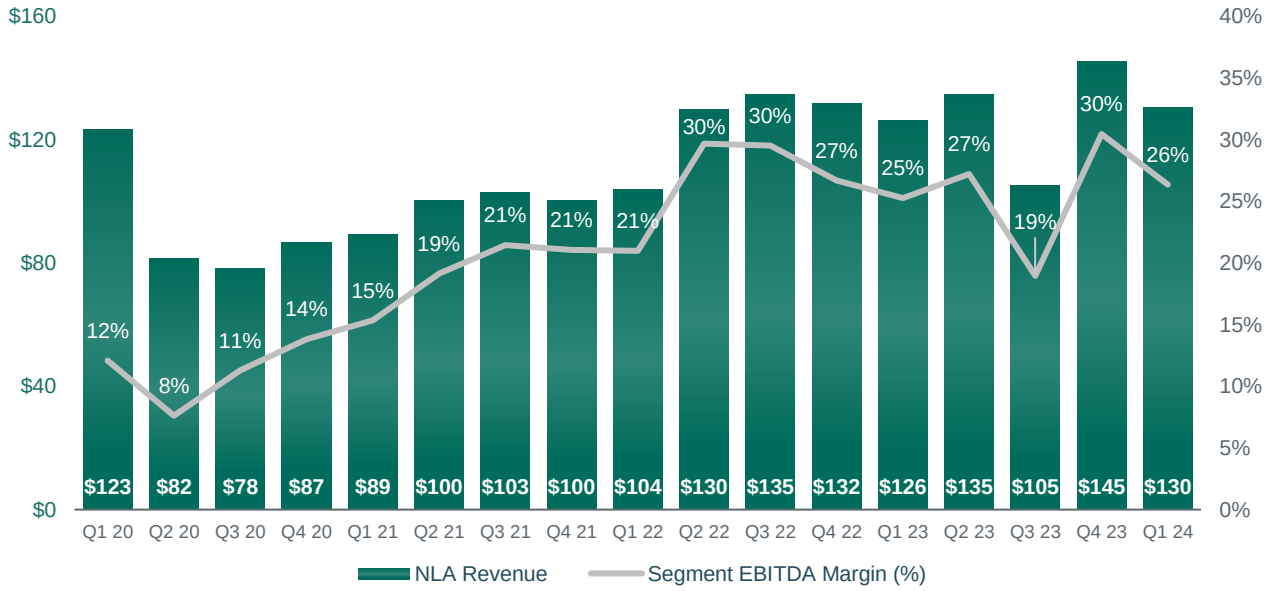
10% Q/Q
3% YoY

NLA Segment EBITDA ($m)[1]

$34m

22% Q/Q
8% YoY

NLA Segment Revenue and Segment EBITDA Margin ($m)



Note: All amounts from Q4 2021 are as reported and prior to that are on a pro forma basis for the entire presentation.
1) Segment EBITDA is defined as Segment Revenue less direct costs and support costs attributable to the segment and excludes transactions not related to the segment's core cash operating activities, corporate costs and certain non-cash items. Segment Margin is defined as Segment EBITDA expressed as a percentage of Revenue.

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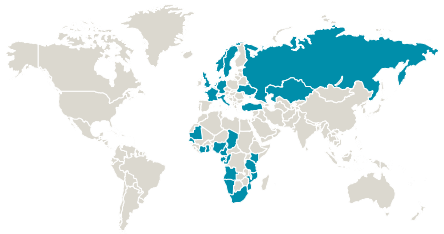
Europe & Sub-Saharan Africa (ESSA)

Regional Highlights



Europe & Sub-Saharan Africa

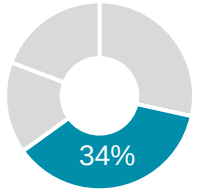
Q/Q decrease in revenues was driven by seasonally lower well construction activity in Europe, lower revenue recognition on our onshore pre-treatment plant project in the Congo, and higher costs related to subsea projects that will be starting in Q2 2024. This was partially offset by higher well flow management and subsea well access revenue in Angola and higher well flow management revenue in Norway and Denmark.

Expro was also awarded a +$20 million subsea well access (SSTA) contract to support a new development offshore Angola.

Underpinning our expansion into Eastern Europe, we have secured three deepwater contracts for development operations offshore Romania valued at +$10 million. Expro will provide TRS, subsea landing string and cure technology solutions.

Highlighting our focus on sustainable energy solutions, in Q1 2024, Expro was pleased to provide TRS services for a client in France for a pilot program for Green Hydrogen and Chlorine production.

ESSA Revenue ($m)



$122m

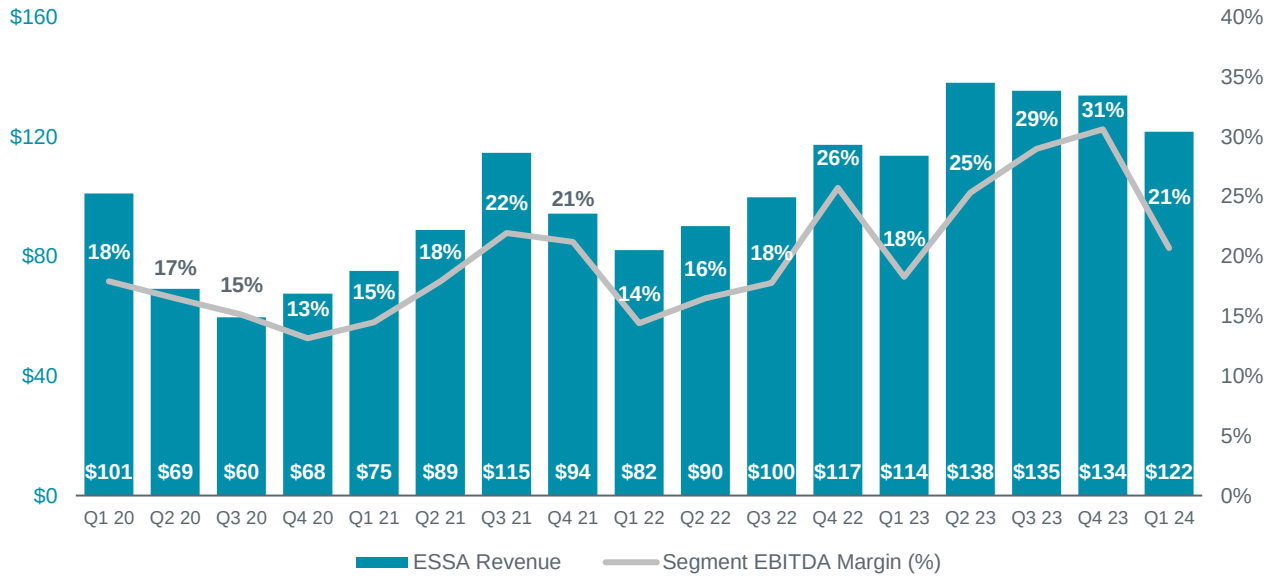
- 9% Q/Q
- 7% YoY

ESSA Segment EBITDA ($m)[1]

$25m

- 39% Q/Q
- 21% YoY

ESSA Segment Revenue and Segment EBITDA Margin ($m)



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Middle East & North Africa (MENA)

Regional Highlights



Middle East & North Africa

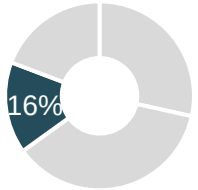
The Q/Q increase in revenue was driven higher well flow management revenue in Algeria and Saudi Arabia, partially offset by lower well construction revenue in Morocco. Increased margin was primarily due to increased activity on higher-margin projects, resulting in a more favorable activity mix.

Expro secured a major contract to provide cementing accessories to an IOC customer for a deepwater development offshore Egypt. The project features our wireless cement heads, marking the initial step in global adoption of our hands-free cementing operations globally.

During Q1, we also successfully started up metering operations for a gas production facility in Iraq to monitor flared gas and help our client achieve its ESG goals. This contract represents the first multi-year contract for this application globally.

In Saudi Arabia, Expro also successfully completed its first live flushing operation at unconventional well sites, utilizing our Solids Management Systems (SMS), requiring collaboration with the client to design the bypass system and deploy automated chokes to avoid human exposure during live flushing and achieving a reduced operating footprint, zero environmental impact, cost savings, and 99.9% efficiency.

MENA Revenue ($m)



$71m

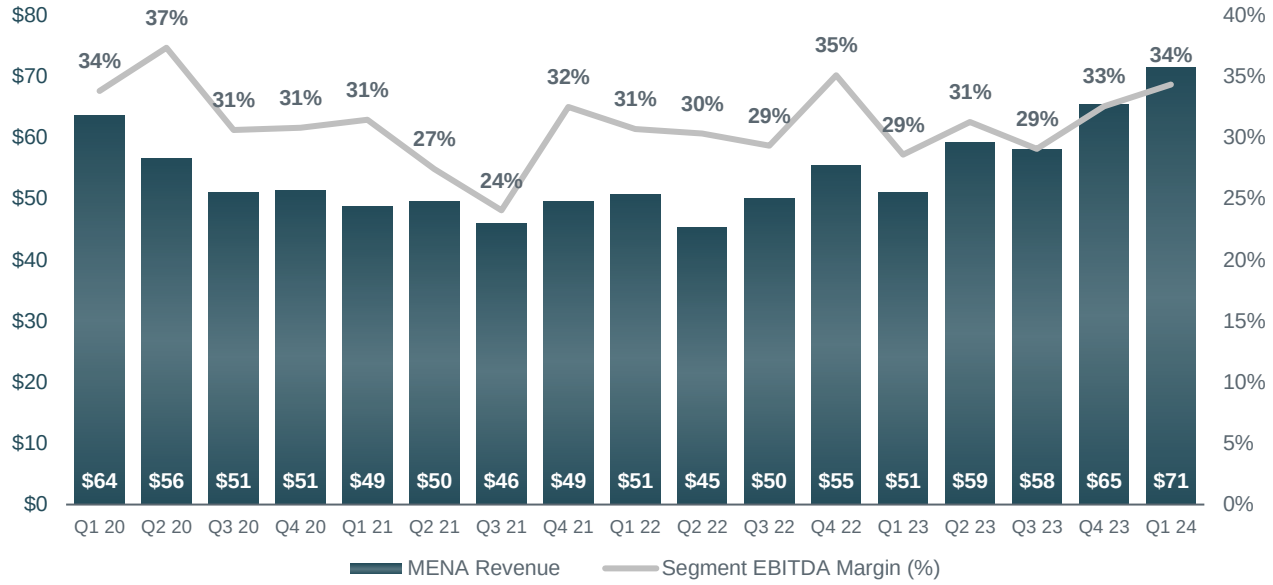
- 9% Q/Q
- 40% YoY

MENA Segment EBITDA ($m)[1]

$25m

- 15% Q/Q
- 68% YoY

MENA Segment Revenue and Segment EBITDA Margin ($m)



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Asia Pacific (APAC)

Regional Highlights



Asia Pacific

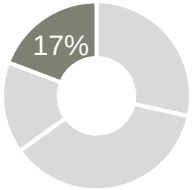
Q/Q revenue decrease was primarily due to lower activity in Malaysia, while the Q/Q increase in Segment EBITDA is attributable primarily to higher margin activity and lower LWI-related costs.

In Malaysia, we successfully completed a CoilHose job for N2 lifting as part of a new technology contract with an additional five wells scheduled for this year. Expro's innovative CoilHose™ Light Well Circulation System ("LWCS") is designed to provide a more efficient and lower operational carbon footprint approach to operations.

Expro has also been awarded a contract to perform the drilling and completion campaign for three wells for Japan's first clean hydrogen production demonstration project.

Expro Brunei is the first BSP contractor company to install a Solar Power System. The final connection to the grid was completed at the end of Q1. The system provides up 80% offset to our overall energy consumption from the grid in Brunei and will save approximately 1900t CO_2e over 20 years.

APAC Revenue ($m)



$60m

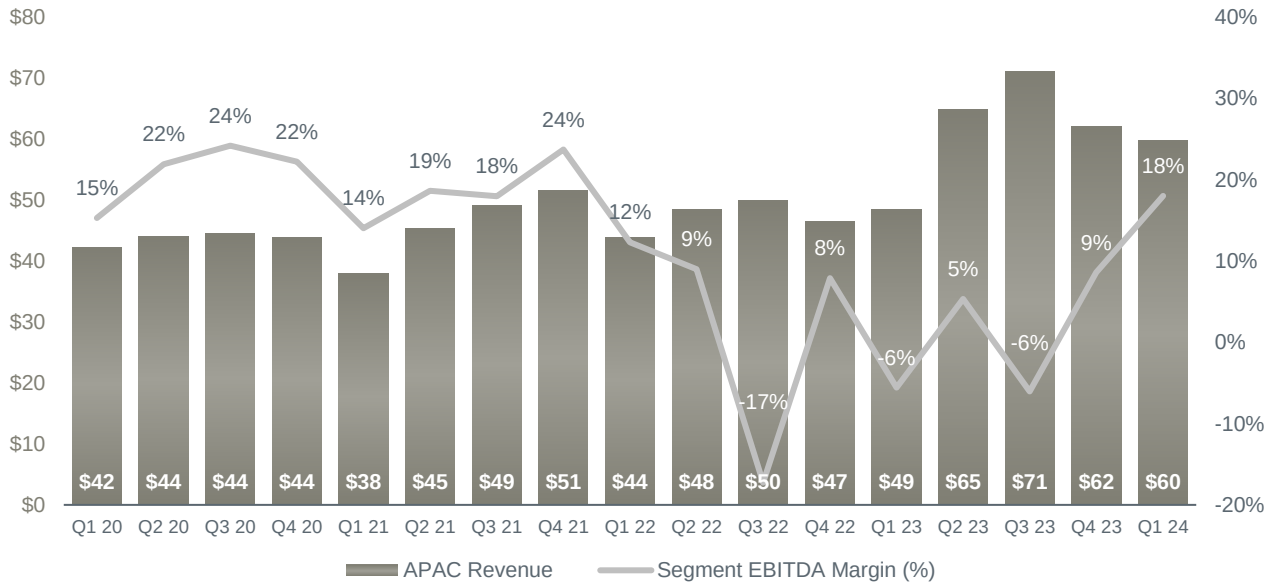
4% Q/Q
24% YoY

APAC Segment EBITDA ($m)[1]

$11m

102% Q/Q

APAC Segment Revenue and Segment EBITDA Margin ($m)[2]



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2) Includes unrecoverable LWI-related costs during Q1, Q2, Q3, Q4 2022 and Q1, Q2, Q3, Q4 2023 of $2m, $4m, $17m , $5m, and $11m, $6m, $15m, $4m, respectively.

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Customer and Technology Highlights

TRS Supports Carbon Storage Development for Japan's First Clean Hydrogen Production Demonstration Project

Expro has secured a new Carbon Capture Utilization and Storage (CCUS) contract with INPEX Corporation for the Kashiwazaki Clean Hydrogen/Ammonia project which is Japan's first clean hydrogen production demonstration project.

The Kashiwazaki Clean Hydrogen/Ammonia project is a key milestone in Japan's energy security journey to help produce clean energy from domestically sourced gas. This will be the country's first project to build an integrated hydrogen and ammonia value chain from production to usage.

Read more here

Our fast-track production facilities support secure energy supplies

Our Congo project to design, construct, operate and maintain a fast-track onshore LNG pre-treatment facility continues to progress with first production scheduled for the first half of 2024.

In Q1, the project team has:

- Surpassed one million manhours LTI free, which is testament to our unwavering commitment to safety and sustainable operations
- Equipment has arrived in country, marking a crucial milestone in our journey towards operational readiness.
- The President of Congo and ENI CEO attended an inaugural ceremony at the site for the opening of the gas line to the offshore vessel where the gas will be converted to LNG.

Second iTong deployment in Norway

iTONG™ Intelligent Autonomous Connections system provides a step change in safety in well construction through the autonomous make-up of connections during tubular running services operations .

In Q1, we saw the second iTONG™ deployment in Norway and we have been awarded a contract to deliver our next system in Ivory Coast.

This well construction safety technology verify connections are made up correctly the first time which results in significant rig efficiency improvement and cost savings to our customers.

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Outlook for 2024 and beyond

Outlook

We reiterate prior guidance and continue to expect 2024 revenues of between $1,600m and $1,700m, a 9% increase year over year (YoY) at the mid-point of guidance.

Adjusted EBITDA is expected to be between $325m and $375m, implying +40% growth YoY (at the mid-point of guidance).

We believe market conditions and backlog support 1% to 2% Adjusted EBITDA Margin expansion relative to Q4 2023 results. Expectations for full year Adjusted EBITDA Margin of 20% to 22% imply 400-600 bps of margin expansion YoY, approximately half of which reflects activity mix, expected net pricing gains and no LWI-related losses, and half of which reflects operating leverage.

Quarterly Outlook

Management expects strong business momentum to continue into Q2 revenue, with expected revenue of $400-$420m, implying Q/Q and Y/Y increases of 7% and 3%, respectively (at the mid-point of guidance).

Q2 2024 Adjusted EBITDA is expected to be $80m to $90m (20% to 21% of revenue).

2024E Financial Outlook[1]

Revenue ($m)

$1,600–$1,700

Adjusted EBITDA ($m)

$325–$375

Adjusted EBITDA Margin (% of revenue)

20%–22%

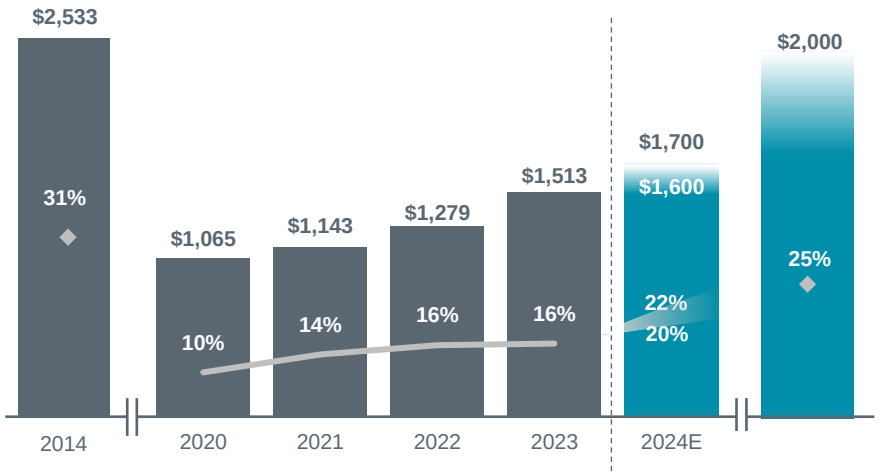
Capital Expenditures (% of revenue)

7%–8%

FCF Margin (% of revenue)[4]

8%–9%

Medium-Term Targets for Revenue and Adjusted EBITDA Margin[2,3]



Targets

$2bn	25%	10%
Revenue	Adjusted EBITDA Margin	FCF Margin

Business Drivers to Achieve Medium-Term Financial Targets

- +10% of organic revenue growth
- Improving activity mix with increased drilling and completions spending by customers
- Operating leverage
- Modest net pricing gains
- Smart, synergies-focused M&A

Note: All amounts from Q4 2021 are as reported and prior to that are on a pro forma basis for the entire presentation.
1) Coretrax assumed to contribute $70-$80 million of revenue at ~30% Adjusted EBITDA Margin to Expro's full year 2024 guidance, beginning Q3 2024. Excludes any revenue or cost impacts related to vessel-deployed LWI services in 2024.
2) Includes unrecoverable LWI-related costs in 2022 and 2023 of $28m and $36m, respectively.
3) Expro and Frank's merger closed October 2021. Comparative information for revenue, direct costs, support costs and contribution has been restated to align legacy Frank's revenue and costs with Expro's definition on a proforma basis.
4) FCF Margin defined as Adjusted Cash Flow from Operations, less capital expenditures, expressed as a percentage of revenue.

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Appendix:

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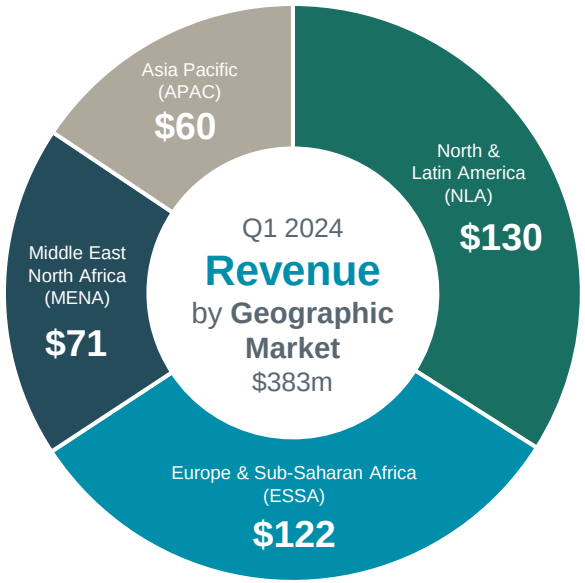
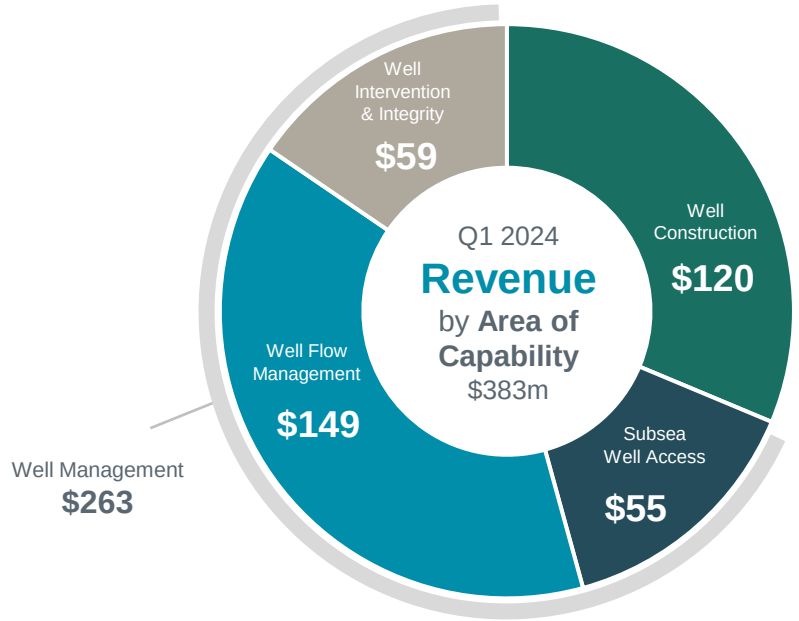
Revenue by Region and Area of Capability





($m)	Q1 2024	Q4 2023	Seq Δ	Q1 2023	Δ 2023	Q1 2022	Δ 2022
NLA	$130	$145	-10%	$126	3%	$104	26%
ESSA	$122	$134	-9%	$114	7%	$82	48%
MENA	$71	$65	9%	$51	40%	$51	41%
APAC	$60	$62	-4%	$49	23%	$44	37%
Total	**$383**	**$407**	**-6%**	**$339**	**13%**	**$280**	**37%**

($m)	Q1 2024	Q4 2023	Seq Δ	Q1 2023	Δ 2023	Q1 2022	Δ 2022
Well Construction	$120	$145	-17%	$128	-6%	$111	8%
Well Management[1]	$263	$261	1%	$211	25%	$169	56%
Total	**$383**	**$407**	**-6%**	**$339**	**13%**	**$280**	**37%**

Note: Certain totals may not add due to use of rounded numbers.
1) Well Management includes Well Flow Management, Subsea Well Access, and Well Intervention and Integrity.

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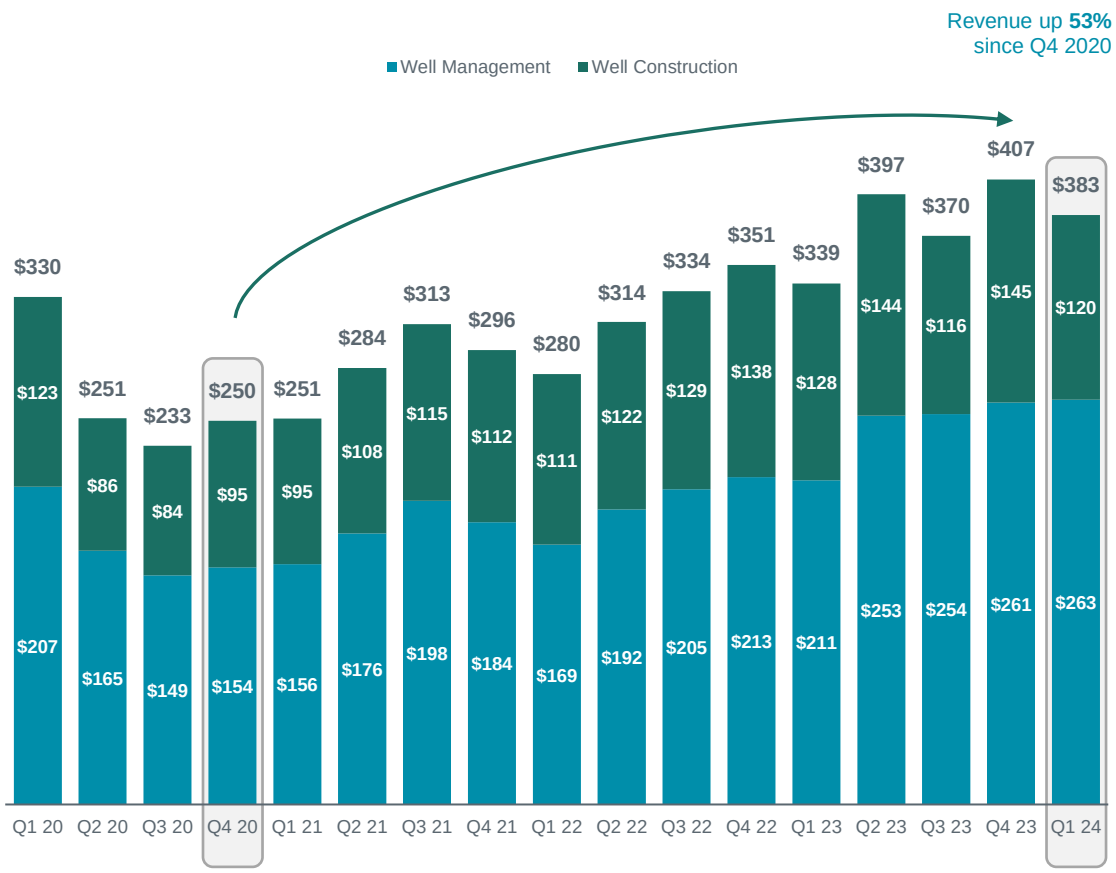
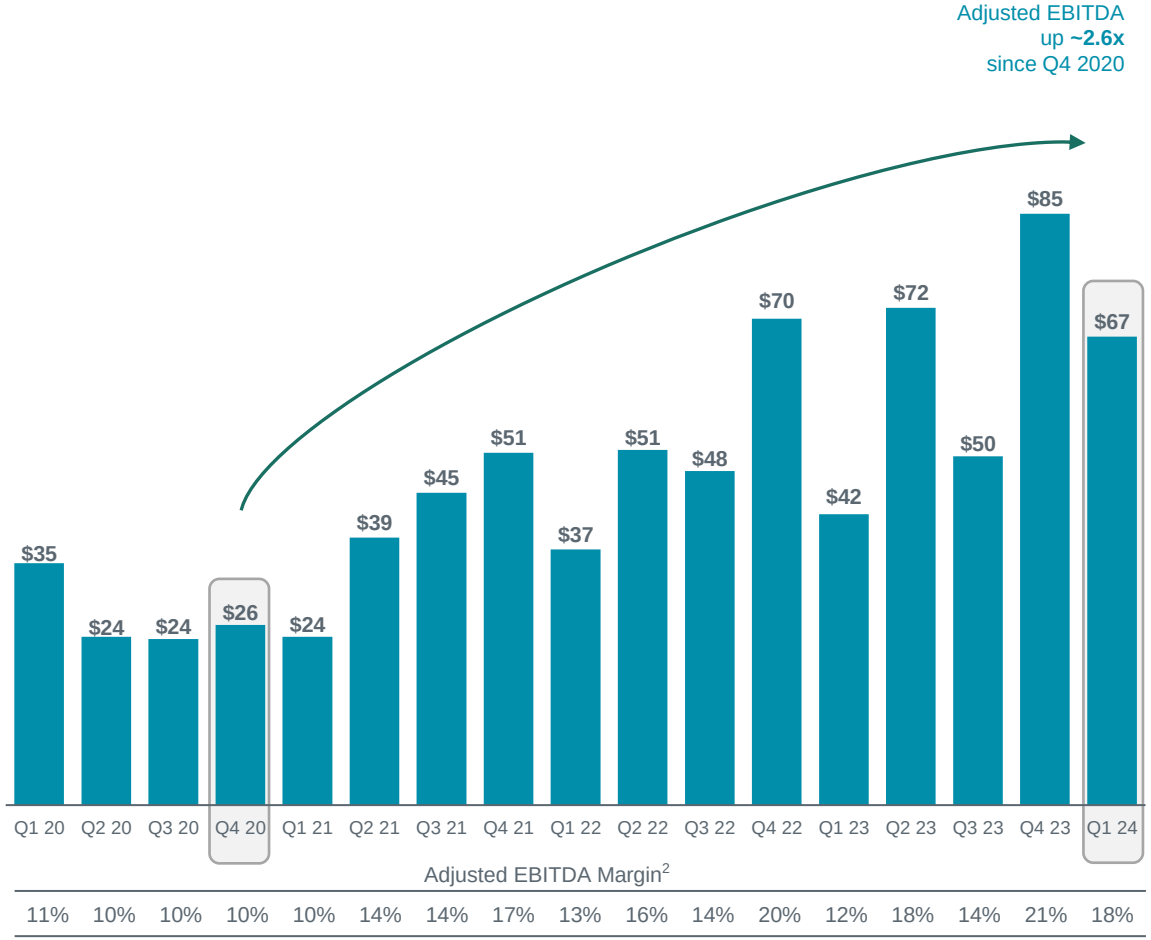
Historical Revenue and Adjusted EBITDA

Revenue ($m)



Adjusted EBITDA ($m)[1]



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2) Expro defines Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of Revenue.

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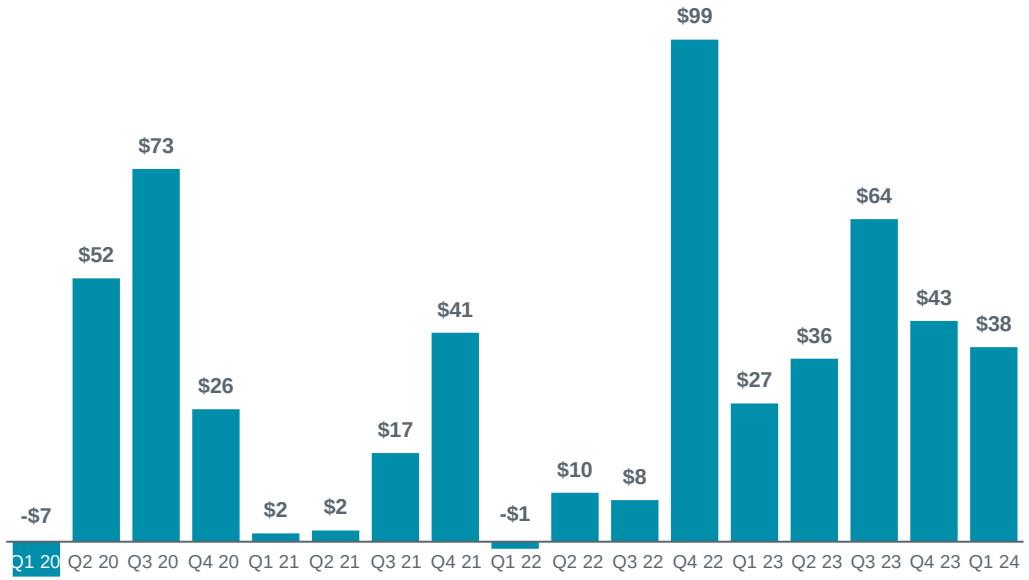
Historical Adjusted Cash Flow from Operations and Capex

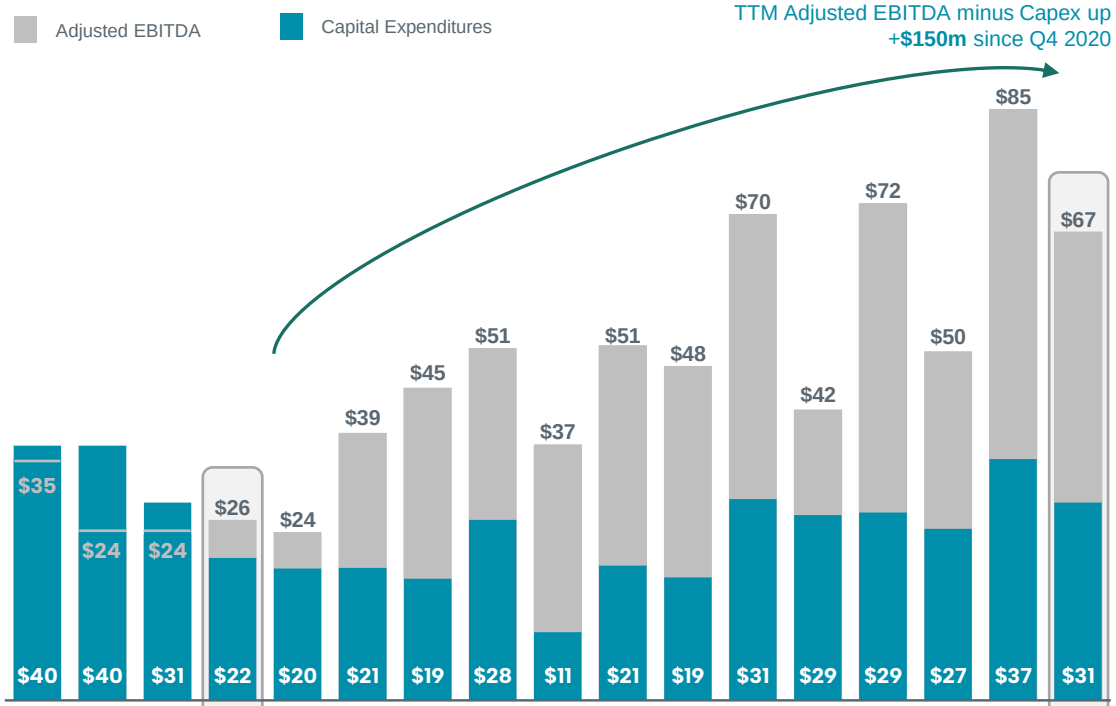
Adjusted Cash Flow from Operations ($m)[1]



Cash Conversion (%)[3]

Quarter	-20%	213%	306%	100%	7%	6%	39%	81%	-4%	19%	17%	141%	65%	50%	126%	51%	57%
TTM	71%	100%	137%	133%	156%	92%	35%	40%	35%	36%	31%	56%	68%	73%	96%	68%	66%

Adjusted EBITDA[2] / Capital Expenditures ($m)



Adjusted EBITDA – Capital Expenditures ($m)

Quarter	($5)	($16)	($7)	$4	$4	$18	$26	$23	$26	$30	$29	$39	$13	$43	$24	$48	$37
TTM	$29	$1	($14)	($24)	($15)	$19	$52	$71	$93	$105	$108	$124	$111	$124	$119	$127	$150

Note: Figures do not assume estimated amounts from synergies; Certain columns and rows may not add due to the use of rounded numbers; All amounts from Q4 2021 are as reported and prior to that are on a pro forma basis for the entire presentation.
1) Adjusted Cash Flow from Operations defined as net cash provided by (used in) operating activities adjusted for cash (received) paid during the period for interest, net, severance and other expense and merger and integration expense.
2) Adjusted EBITDA includes unrecoverable LWI-related costs during Q1, Q2, Q3, Q4 2022 and Q1, Q2, Q3, Q4 2023 of $2m, $4m, $17m , $5m, and $11m, $6m, $15m, $4m, respectively.
3) Expro defines Cash Conversion as Adjusted Cash flow from Operations, expressed as a percentage of Adjusted EBITDA.

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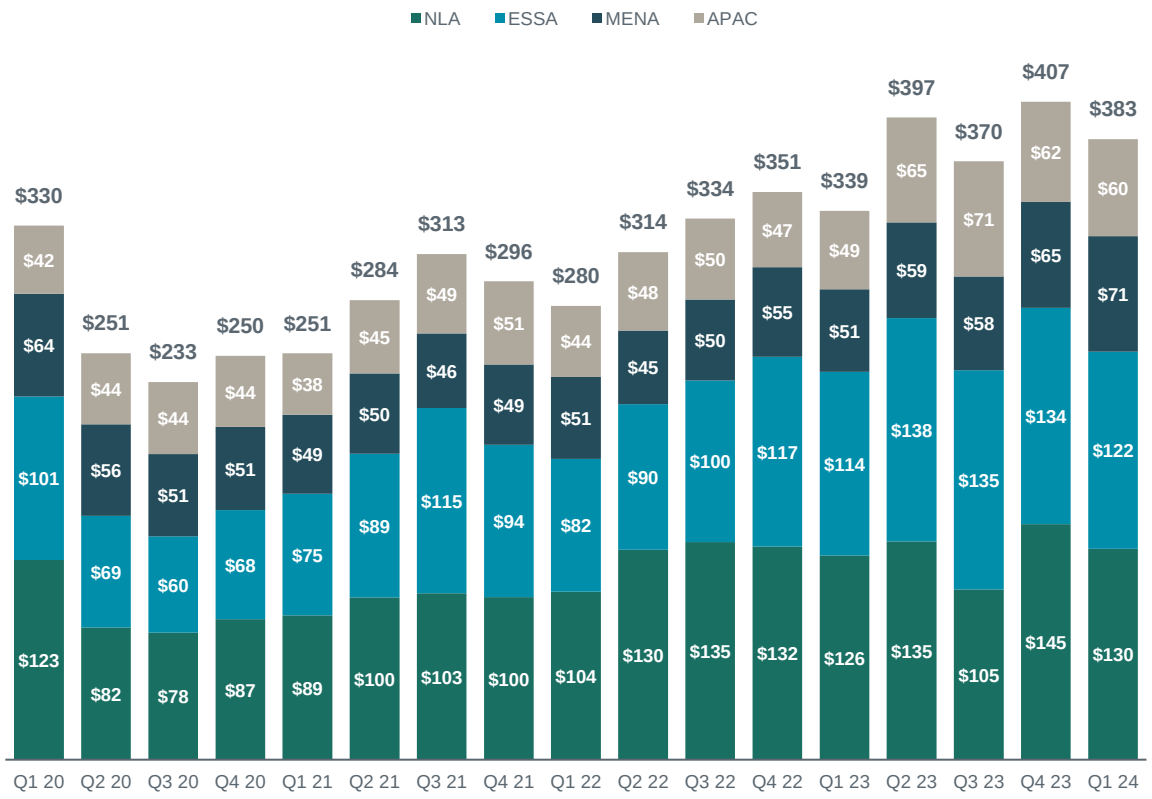
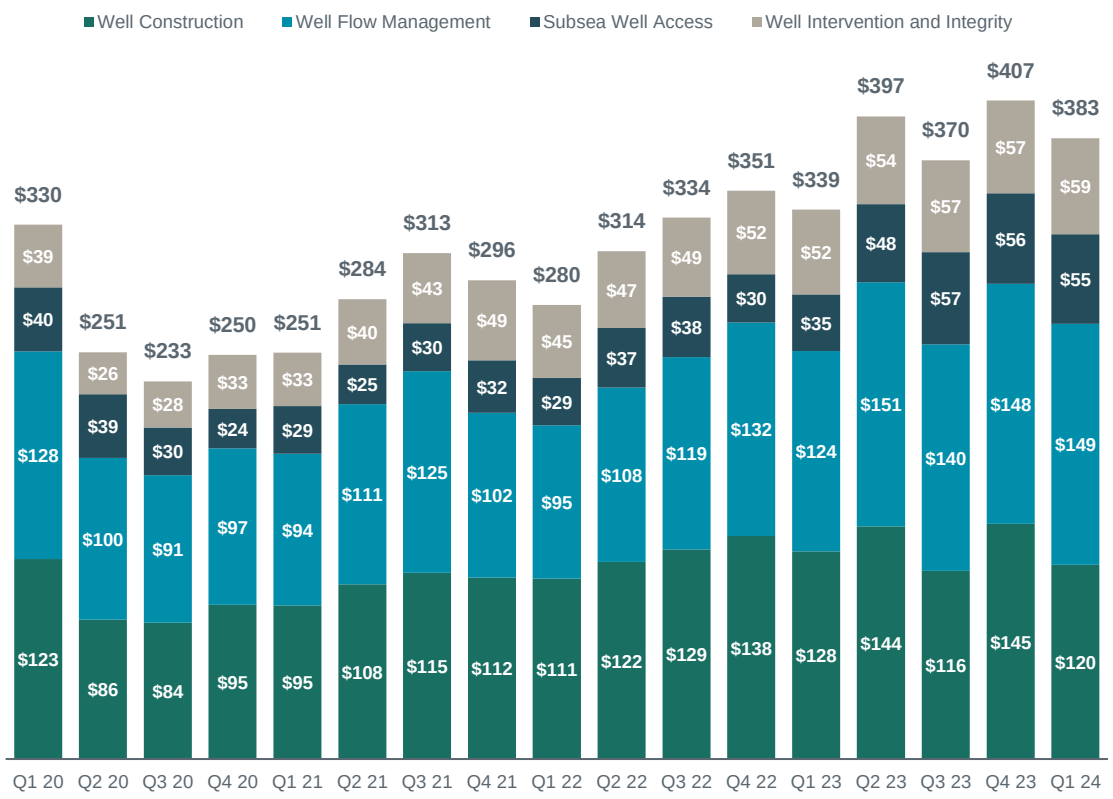
Historical Revenue by Region and Product Line

By Geographical Market ($m)



By Product Line ($m)



Note: Certain columns and rows may not add due to the use of rounded numbers; All amounts from Q4 2021 are as reported and prior to that are on a pro forma basis for the entire presentation.
During Q1 2022, certain product offerings were realigned between Well Flow Management and Well Intervention & Integrity, and accordingly comparative information has been reclassified to reflect the current product line groupings.

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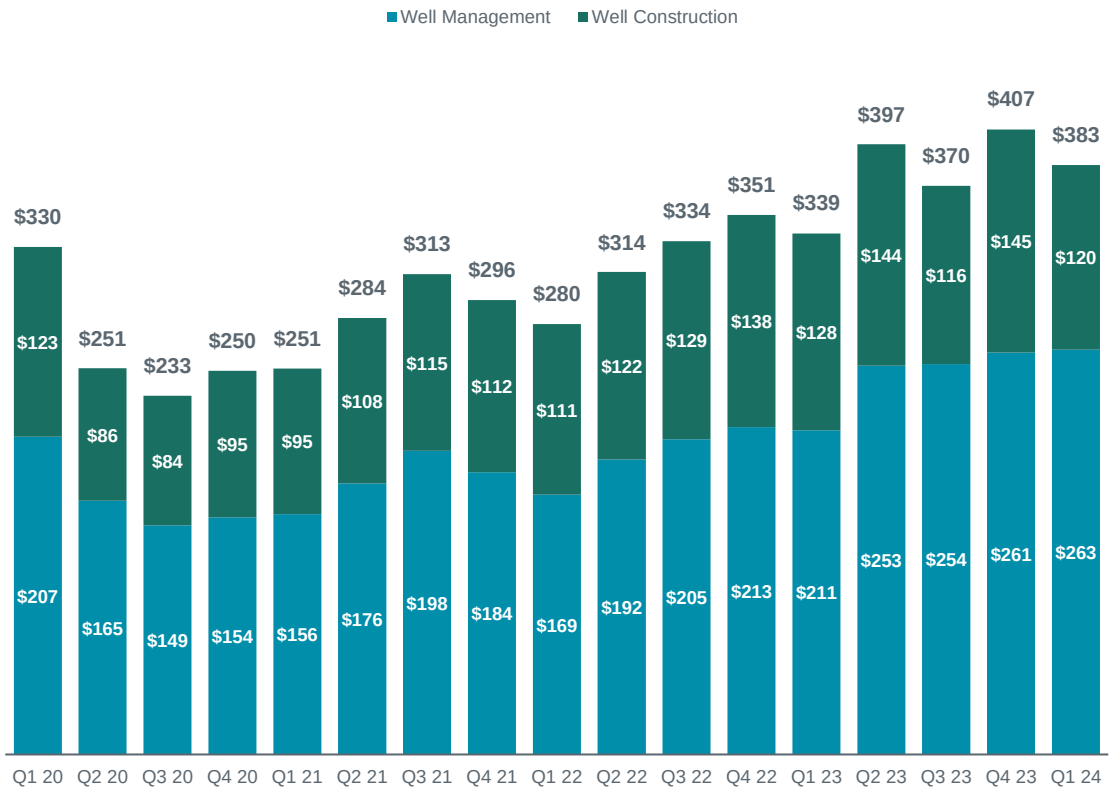
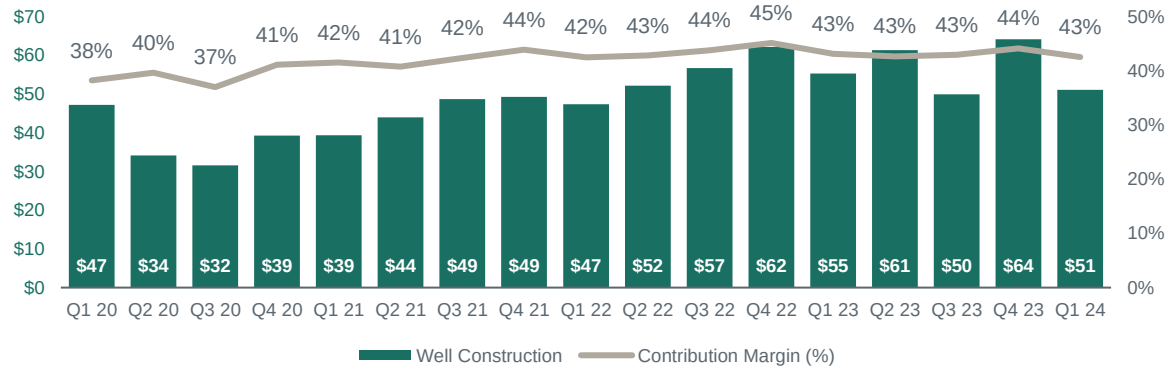
Historical Revenue and Contribution by Areas of Capability

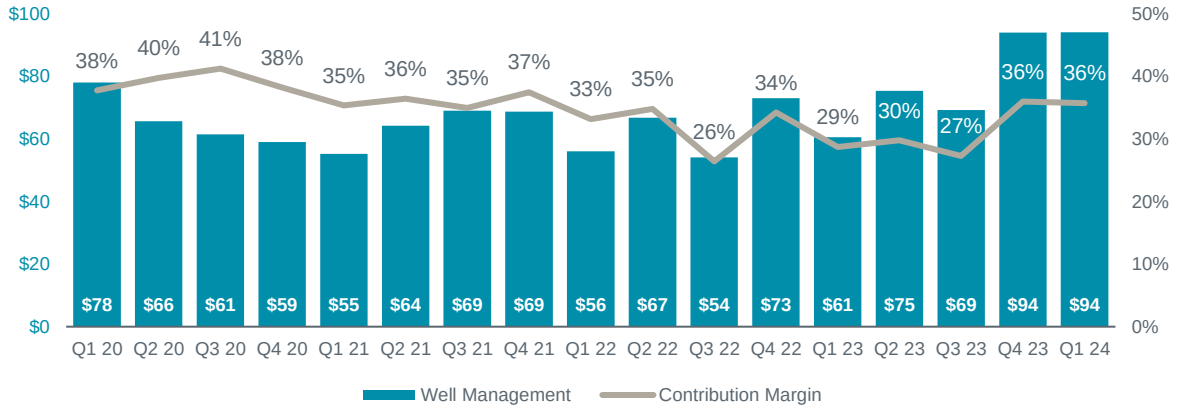
Revenue ($m)



Well Construction ($m)



Well Management ($m)[1]



Note: Contribution is defined as total revenue less cost of revenue excluding depreciation and amortization expense, adjusted for indirect support costs and stock-based compensation expense included in cost of revenue. Comparative information for direct costs, support costs and contribution has been restated to align legacy Frank's direct and geography-based support costs with Expro's definition.

1) Includes unrecoverable LWI-related costs during Q1, Q2, Q3, Q4 2022 and Q1, Q2, Q3, Q4 2023 of $2m, $4m, $17m , $5m, and $11m, $6m, $15m, $4m, respectively.

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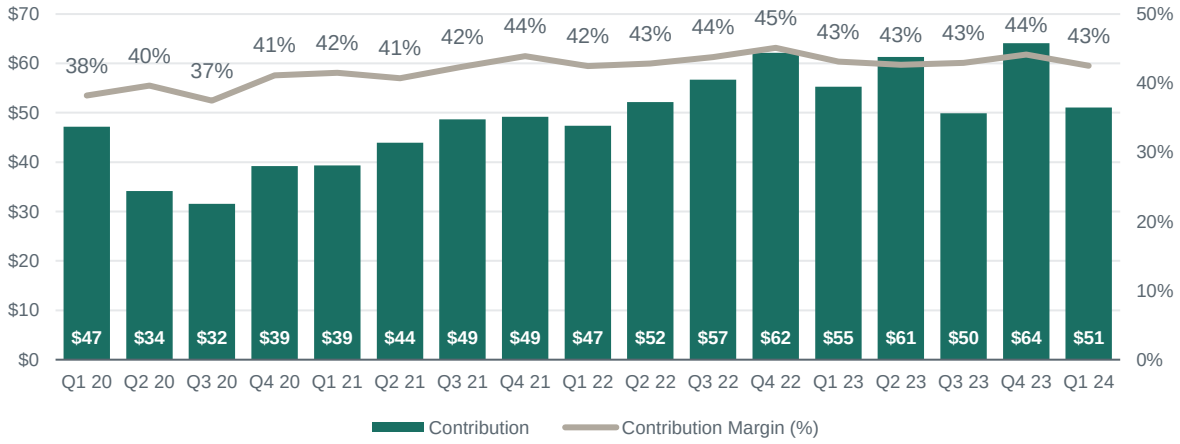
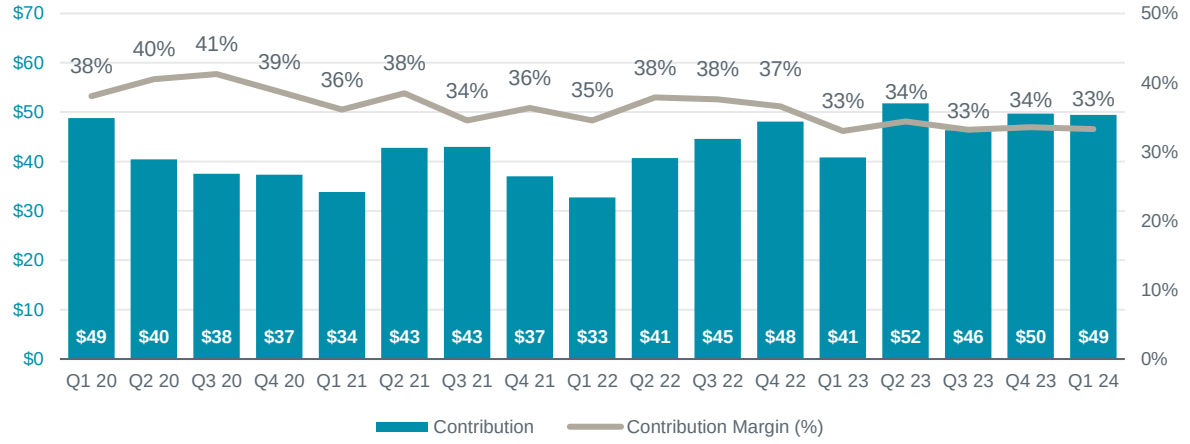
Historical Contribution by Product Line

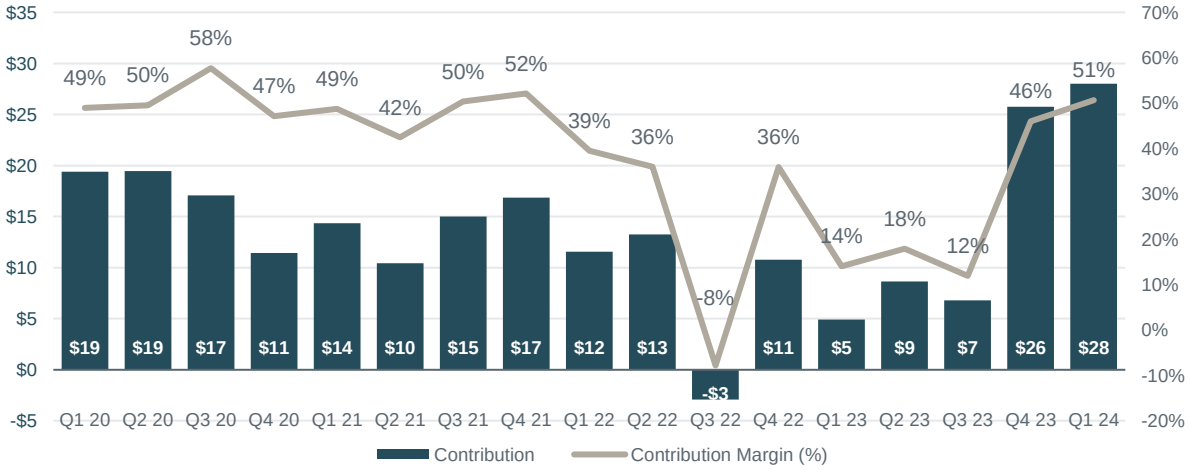
Well Construction ($m)



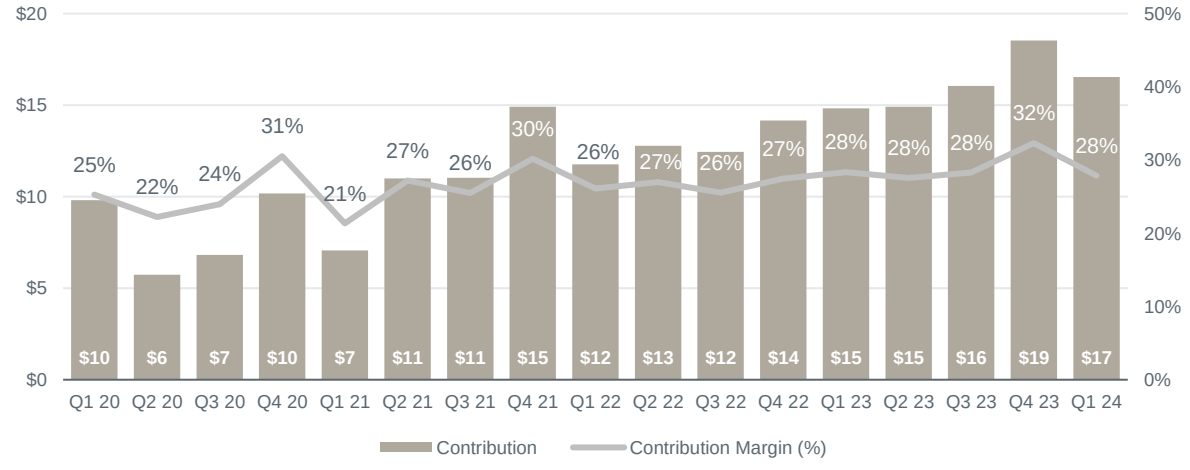
Well Flow Management ($m)



Subsea Well Access ($m)[1]



Well Intervention & Integrity ($m)



Note: Contribution margin is defined as product line revenue less direct costs attributed able to the product line and excludes transactions not related to the segment's core cash operating activities, corporate costs and certain non-cash items. Segment Margin is defined as product line margin expressed as a percentage of revenue; All amounts from Q4 2021 are as reported and prior to that are on a pro forma basis for the entire presentation.

1) Includes unrecoverable LWI-related costs during Q1, Q2, Q3, Q4 2022 and Q1, Q2, Q3, Q4 2023 of $2m, $4m, $17m , $5m, and $11m, $6m, $15m, $4m, respectively.

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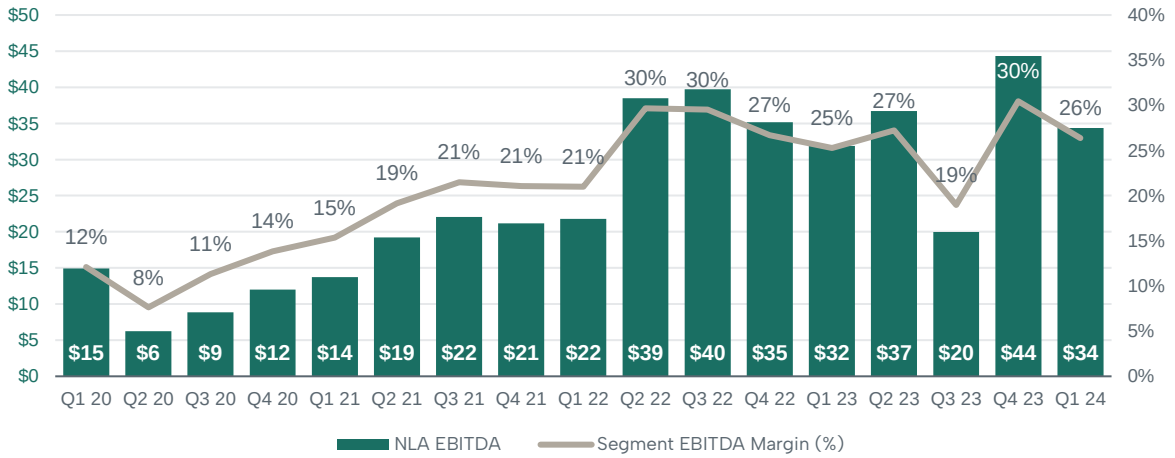
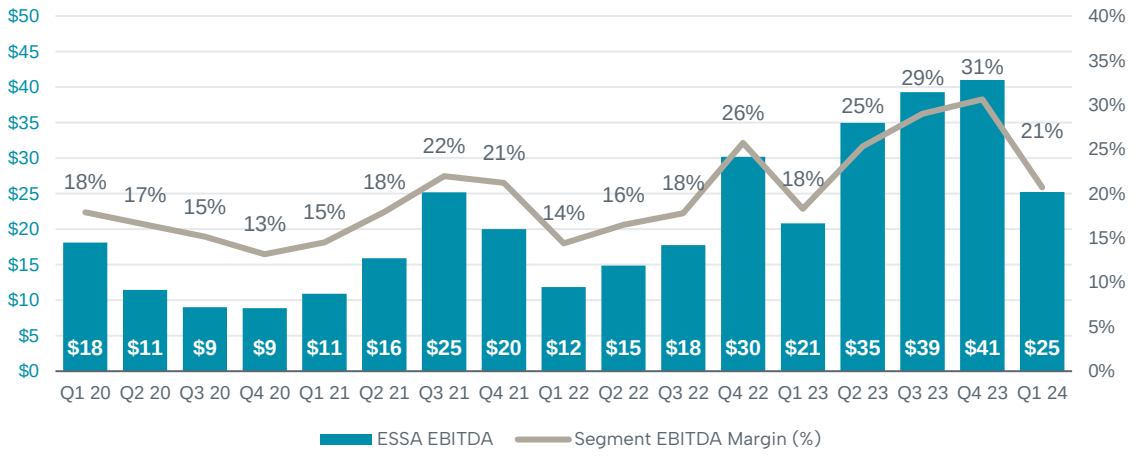
Historical Segment EBITDA by Region

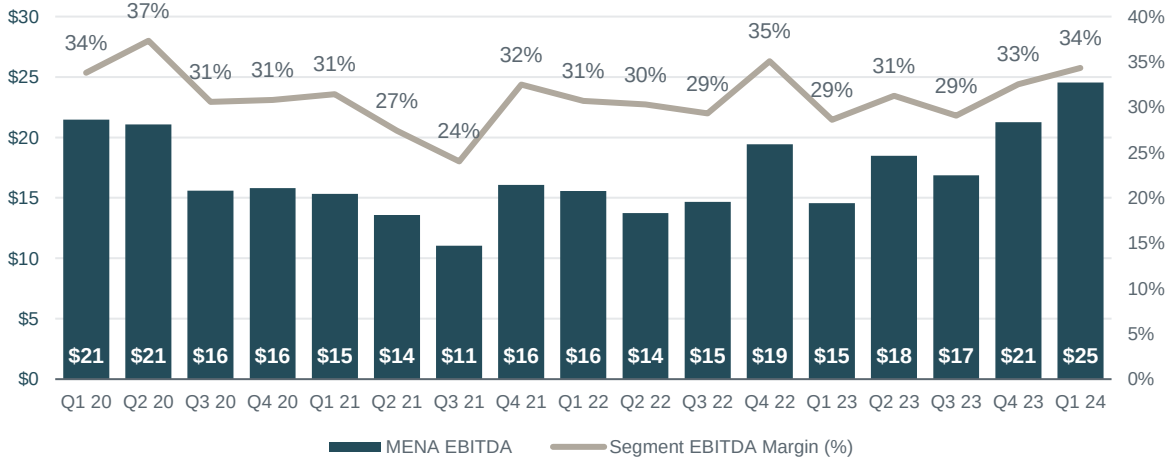
North & Latin America ($m)



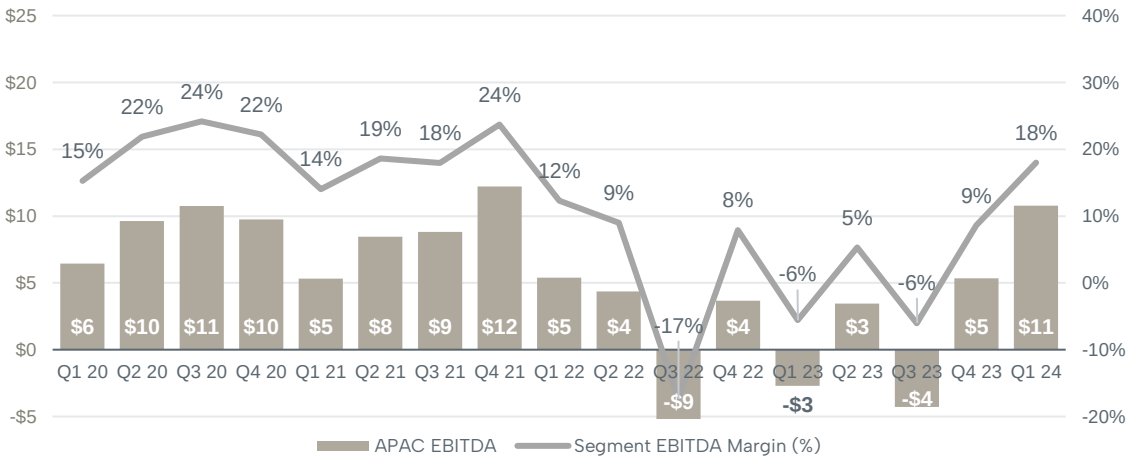
Europe & Sub-Saharan Africa ($m)



Middle East & North Africa ($m)



Asia Pacific ($m)[1]



Note: Segment EBITDA is defined as Segment Revenue less direct costs and support costs attributable to the segment and excludes transactions not related to the segment's core cash operating activities, corporate costs and certain non-cash items. Segment Margin is defined as Segment EBITDA expressed as a percentage of revenue; All amounts from Q4 2021 are as reported and prior to that are on a pro forma basis for the entire presentation.

1) Includes unrecoverable LWI-related costs during Q1, Q2, Q3, Q4 2022 and Q1, Q2, Q3, Q4 2023 of $2m, $4m, $17m , $5m, and $11m, $6m, $15m, $4m, respectively.

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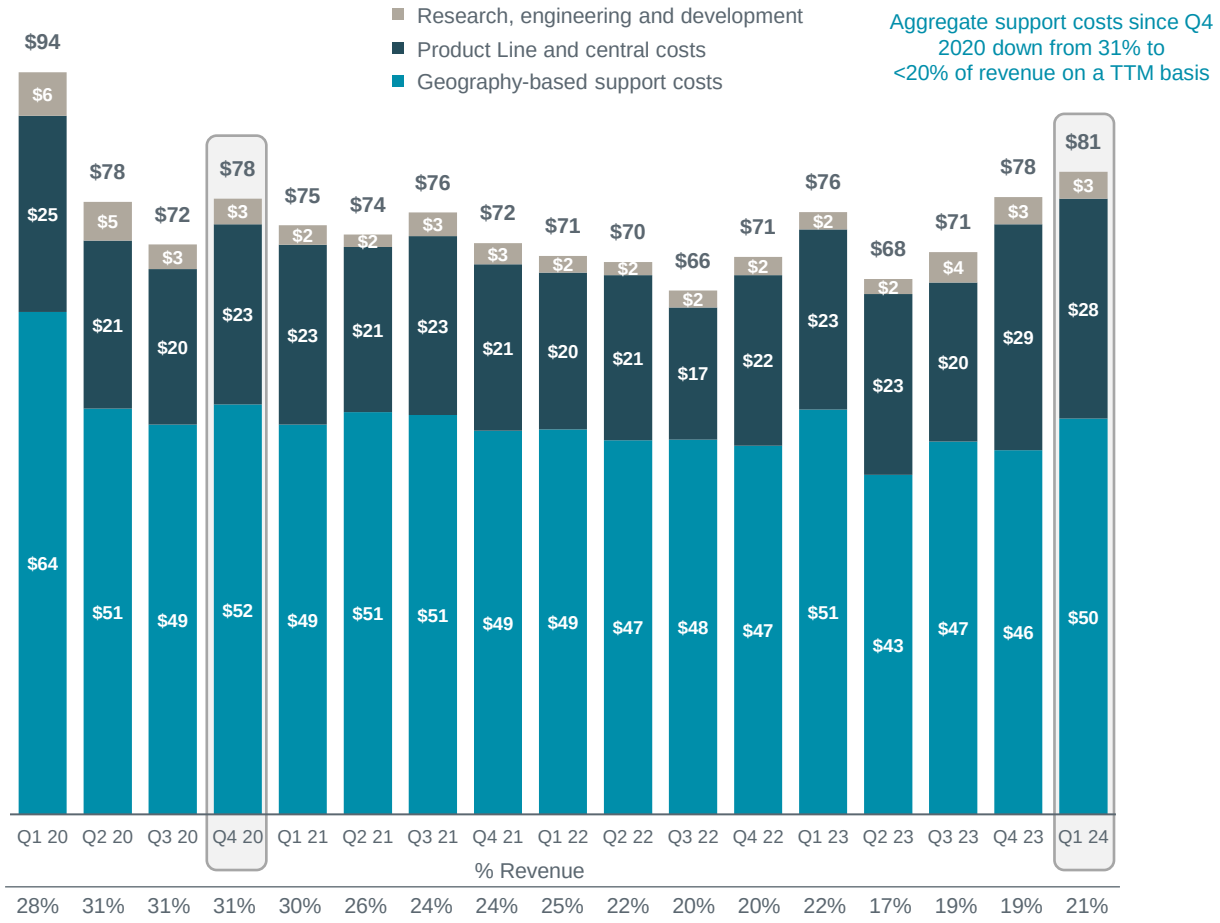
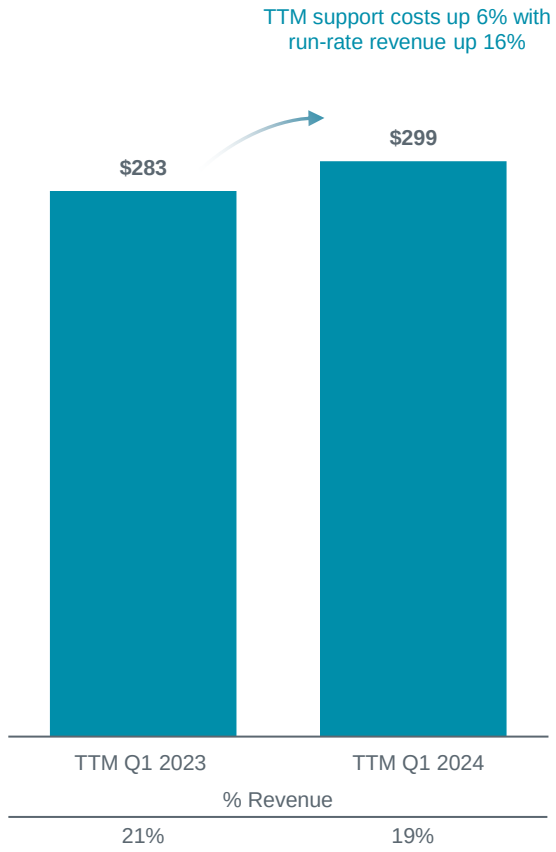
Historical Support Costs

Historical Support Costs ($m)



Trailing Twelve Months Support Costs ($m)



Note: Certain columns and rows may not add due to the use of rounded numbers.
1) Comparative information for direct costs, support costs and contribution has been restated to align legacy Frank's direct and geography-based support costs with Expro's definition on a proforma basis.

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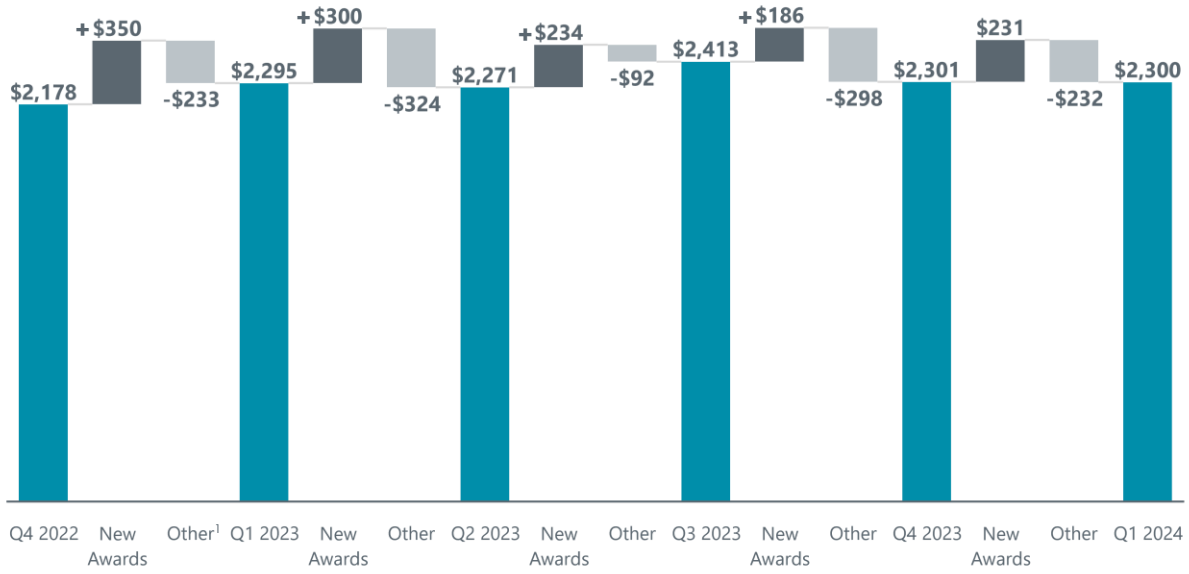
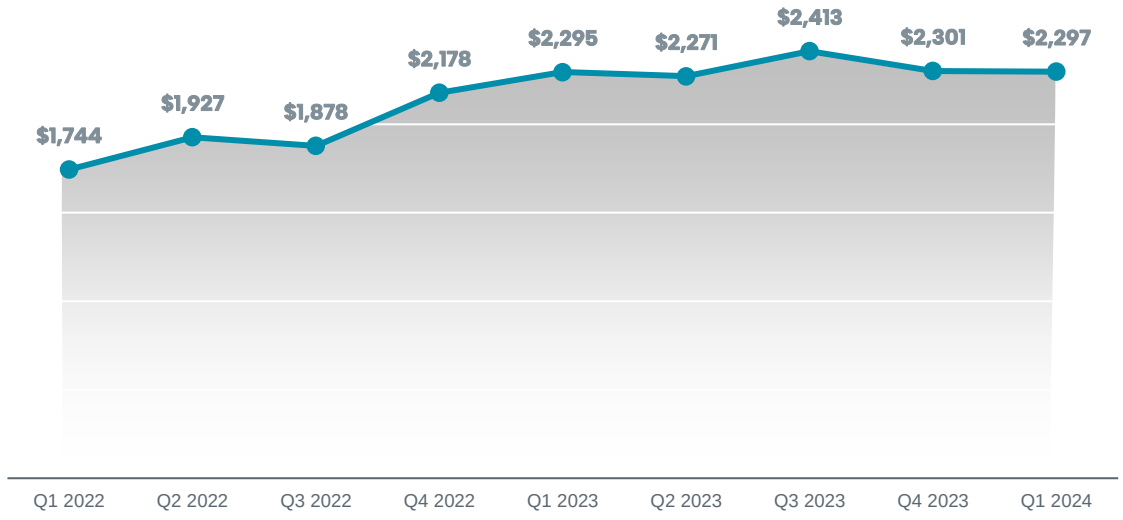
Order Backlog

Q/Q Change in Order Backlog ($m)



Order Backlog at Quarter End ($m)



1) "Other" includes revenue from backlog and re-estimations.

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Non-GAAP Reconciliations

($ in millions)

	Three Months Ended																	TTM Q1 2024
	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	
Adjusted EBITDA [1]	**$ 35**	**$ 24**	**$ 24**	**$ 26**	**$ 24**	**$ 39**	**$ 45**	**$ 51**	**$ 37**	**$ 51**	**$ 48**	**$ 70**	**$ 42**	**$ 72**	**$ 50**	**$ 85**	**$ 67**	**$ 274**
Depreciation, amortization and impairment expenses	(403)	(44)	(43)	(58)	(44)	(40)	(40)	(44)	(35)	(35)	(35)	(35)	(35)	(37)	(37)	(63)	(40)	(178)
Severance and other expense	(2)	(10)	(8)	(5)	(1)	(2)	(4)	(2)	(1)	(1)	(3)	(2)	(1)	(3)	(2)	(9)	(5)	(19)
Stock based compensation expense	(2)	(4)	(3)	(3)	(3)	(3)	(3)	(54)	(6)	(4)	(5)	(4)	(4)	(6)	(5)	(5)	(5)	(20)
Other income (expense) and exceptional items [2]	(1)	(0)	1	13	(11)	(7)	(11)	(25)	(4)	(2)	(1)	(4)	(3)	(3)	(2)	(1)	(2)	(7)
Interest and finance expense, net	4	(0)	(5)	(4)	(2)	(2)	1	(6)	0	2	2	(3)	(1)	(0)	(0)	(2)	(3)	(6)
Foreign exchange gain (losses)	(7)	1	(1)	4	(4)	2	(5)	(3)	3	(5)	(8)	2	1	(1)	(4)	(5)	(3)	(13)
Income tax (expense) benefit	25	(14)	(7)	3	(4)	(8)	(9)	(8)	(5)	(10)	(15)	(12)	(5)	(13)	(13)	(13)	(12)	(52)
Net income (loss)	**(351)**	**(46)**	**(41)**	**(24)**	**(44)**	**(21)**	**(27)**	**(91)**	**(11)**	**(4)**	(18)	13	(6)	9	(14)	(12)	(3)	(20)
Net income (loss)	**(351)**	**(46)**	**(41)**	**(24)**	**(44)**	**(21)**	**(27)**	**(91)**	**(11)**	**(4)**	(18)	13	(6)	9	(14)	(12)	(3)	(20)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:																		
Impairment expenses	353	-	0	12	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization expenses	50	44	43	46	44	40	40	44	35	35	35	35	35	37	37	63	40	178
Gain on disposal of assets	-	-	-	(10)	-	-	-	(1)	0	-	-	-	-	-	-	-	-	-
Equity share of income from joint ventures, net of dividends and margin eliminations	(4)	(2)	(1)	(2)	(4)	(4)	(2)	(2)	(4)	1	(4)	(1)	(2)	0	1	1	(5)	(3)
Income and deferred tax movements, net	(15)	(3)	(5)	(2)	(1)	(9)	5	1	(3)	2	10	0	(1)	(3)	0	2	0	(0)
Debt issuance costs	-	-	-	-	-	-	-	5	0	-	-	-	-	-	-	-	-	-
Unrealized foreign exchange	(3)	1	2	2	1	(0)	0	0	(3)	5	4	(0)	(2)	(0)	4	4	1	8
Stock based compensation expense	2	4	3	3	3	3	3	54	6	4	5	4	4	6	5	5	5	20
Increase/(Decrease) in net working capital [3]	(42)	46	63	(4)	(2)	(15)	(12)	10	(32)	(37)	(29)	46	(3)	(24)	28	(26)	(7)	(29)
Other [4]	(4)	(1)	(3)	(0)	(2)	(2)	(5)	(5)	(2)	(4)	(4)	(3)	(3)	(0)	(2)	(4)	(2)	(8)
Net cash provided by (used in) operating activities	**$ (13)**	**$ 42**	**$ 61**	**$ 21**	**$ (6)**	**$ (8)**	**$ 2**	**$ 16**	**$ (14)**	**$ 2**	**$ (1)**	**$ 93**	**$ 21**	**$ 25**	**$ 59**	**$ 33**	**$ 30**	**$ 147**
Cash paid during the period for interest, net	1	1	2	(0)	1	1	1	1	1	1	1	1	1	(0)	1	1	3	4
Cash paid during the period for severance and other expenses	5	9	11	5	2	3	5	2	0	1	3	1	3	2	2	6	3	13
Cash paid during the period for merger & integration expenses	-	-	-	-	5	6	9	22	12	6	6	4	2	9	2	4	2	17
Adjusted Cash Flow from Operations[5]	**$ (7)**	**$ 52**	**$ 73**	**$ 26**	**$ 2**	**$ 2**	**$ 17**	**$ 41**	**$ (1)**	**$ 10**	**$ 8**	**$ 99**	**$ 27**	**$ 36**	**$ 64**	**$ 43**	**$ 38**	**$ 181**
Cash Conversion % (Adjusted Cash Flow from Operations/Adjusted EBITDA)	**-20%**	**213%**	**306%**	**100%**	**7%**	**6%**	**39%**	**81%**	**-4%**	**19%**	**17%**	**141%**	**65%**	**50%**	**126%**	**51%**	**57%**	**66%**

Note: All amounts from Q4 2021 are as reported and prior to that are on a pro forma basis for the entire presentation.

1) Adjusted EBITDA (A-EBITDA) is defined as net income (loss) adjusted for Income tax (expense) benefit, interest and finance expenses, severance and other expenses, other income (expense) and exceptional items, stock-based compensation expenses, depreciation, amortization and impairments and foreign exchange gains (losses). A-EBITDA in a non-GAAP measure and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP.

2) Other income (expense) and exceptional represents unusual or infrequently occurring transactions which do not provide a useful measure of the underlying operating performance of the business. Q4 2020 and Q4 2021 includes gain of $10 million and $1 million, respectively, on disposal of assets. Q4 2020, Q1 2021, Q2 2021, Q3 2021, Q4 2021, Q1 2022, Q2 2022, Q3 2022, Q4 2022, Q1 2023, Q2 2023, Q3 2023, Q4 2023 and Q1 2024 includes $3m, $12m, $7m, $12m, $28m, $5m, $2m, $2m, $5m, $2m, $1m, $1m, $5m and $2m of merger & integration related expenses, respectively.

3) Represents movements in accounts receivables, inventories, accounts payable and other assets and liabilities.

4) Others primarily includes net movements in right of use assets and liabilities and movements in pension liabilities.

5) Adjusted Cash Flow from Operations is net cash provided by operating activities adjusted for cash paid during the period for interest, net, severance and other expenses and merger & integration expenses.

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Non-GAAP Reconciliations (*continued*)

($ in millions)

	Three Months Ended																TTM
	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	
Total revenue	**$ 330**	**$ 251**	**$ 233**	**$ 250**	**$ 251**	**$ 284**	**$ 313**	**$ 296**	**$ 280**	**$ 314**	**$ 334**	**$ 351**	**$ 339**	**$ 397**	**$ 370**	**$ 407**	**$ 383**	**$1,557**
Less: Cost of revenue, excluding depreciation and amortization	(280)	(221)	(206)	(224)	(221)	(240)	(261)	(252)	(240)	(257)	(284)	(278)	(290)	(319)	(316)	(317)	(308)	(1,260)
Less: Depreciation and amortization related to cost of revenue	(50)	(43)	(43)	(45)	(43)	(40)	(39)	(44)	(35)	(35)	(35)	(34)	(35)	(37)	(37)	(63)	(40)	(177)
Gross Profit	**0**	**(14)**	**(16)**	**(19)**	**(13)**	**4**	**13**	**(1)**	**6**	**22**	**16**	**39**	**15**	**41**	**17**	**27**	**35**	**120**
Add: Indirect costs included in cost of sales	81	67	62	68	63	63	65	62	61	60	58	60	65	57	63	66	68	255
Add: Stock based compensation expense & others	(7)	4	4	4	1	2	1	12	2	2	2	1	1	2	2	2	2	7
Add: Depreciation and amortization related to cost of revenue	50	43	43	45	43	40	39	44	35	35	35	34	35	37	37	63	40	177
Contribution [1]	**125**	**100**	**93**	**98**	**94**	**108**	**118**	**118**	**103**	**119**	**111**	**135**	**116**	**137**	**119**	**158**	**145**	**559**
Gross Margin	**0%**	**(5%)**	**(7%)**	**(8%)**	**(5%)**	**1%**	**4%**	**0%**	**2%**	**7%**	**5%**	**11%**	**4%**	**10%**	**5%**	**7%**	**9%**	**8%**
Contribution margin [2]	**38%**	**40%**	**40%**	**39%**	**38%**	**38%**	**38%**	**40%**	**37%**	**38%**	**33%**	**39%**	**34%**	**34%**	**32%**	**39%**	**38%**	**36%**

Note: Certain columns and rows may not add due to the use of rounded numbers.
1) Contribution is defined as total revenue less cost of revenue excluding depreciation and amortization expense, adjusted for indirect support costs and stock-based compensation expense included in cost of revenue.
2) Contribution margin is defined as contribution as a percentage of revenue.

	Three Months Ended																TTM
	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	
Cost of revenue, excluding depreciation and amortization	**$ 280**	**$ 221**	**$ 206**	**$ 224**	**$ 221**	**$ 240**	**$ 261**	**$ 252**	**$ 240**	**$ 257**	**$ 284**	**$ 278**	**$ 290**	**$ 319**	**$ 316**	**$ 317**	**$ 308**	**$ 1,260**
Stock based compensation expense & others	7	(4)	(4)	(4)	(1)	(2)	(1)	(12)	(2)	(2)	(2)	(1)	(1)	(2)	(2)	(2)	(2)	(7)
Direct costs (excluding depreciation and amortization) [1]	(205)	(151)	(140)	(152)	(157)	(176)	(195)	(178)	(177)	(195)	(223)	(216)	(223)	(260)	(251)	(249)	(238)	(998)
Indirect costs included in cost of sales	**81**	**67**	**62**	**68**	**63**	**63**	**65**	**62**	**61**	**60**	**58**	**60**	**65**	**57**	**63**	**66**	**68**	**255**
General and administrative, (excluding depreciation and amortization expense, foreign exchange, and other non-routine costs)	13	11	10	10	11	11	12	10	10	10	8	10	12	11	8	12	13	44
Total support costs [2]	**$ 94**	**$ 78**	**$ 72**	**$ 78**	**$ 75**	**$ 74**	**$ 76**	**$ 72**	**$ 71**	**$ 70**	**$ 66**	**$ 71**	**$ 76**	**$ 68**	**$ 71**	**$ 78**	**$ 81**	**$ 299**
Support costs as a percentage of revenue	**28%**	**31%**	**31%**	**31%**	**30%**	**26%**	**24%**	**24%**	**25%**	**22%**	**20%**	**20%**	**22%**	**17%**	**19%**	**19%**	**21%**	**19%**

Note: Certain columns and rows may not add due to the use of rounded numbers; All amounts from Q4 2021 are as reported and prior to that are on a pro forma basis for the entire presentation.
1) Direct Costs include personnel costs, sub-contractor costs, equipment costs, repairs and maintenance, facilities, and other costs directly incurred to generate revenue.
2) Support costs includes indirect costs attributable to support the activities of the operating segments, research and engineering expenses and product line management costs included in Cost of revenue, excluding depreciation and amortization expense, and General and administrative expenses representing costs of running our corporate head office and other central functions including logistics, sales and marketing and health and safety and does not include foreign exchange gains or losses and other non-routine expenses.

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Non-GAAP Reconciliations (continued)

Reconciliation of Adjusted Net Income (Loss)

($ in millions, except per share amounts)

	Three Months Ended									
	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Net Income (loss)	**$ (91)**	**$ (11)**	**$ (4)**	**$ (18)**	**$ 13**	**$ (6)**	**$ 9**	**$ (14)**	**$ (12)**	**$ (3)**
Adjustments:										
Merger and integration expense	28	5	2	2	5	2	1	1	5	2
Severance and other expense	2	1	1	3	2	1	3	2	9	5
New facility expense	5	-	-	-	-	-	-	-	-	-
Stock-based compensation expense	54	6	4	5	4	4	6	5	5	5
Gain on disposal of assets	(1)	-	-	-	-	-	-	-	-	-
Total adjustments, before taxes	88	12	7	10	11	7	10	8	19	12
Tax benefit	(0)	(0)	(0)	(0)	(0)	(0)	-	-	-	(0)
Total adjustments, net of taxes	88	12	7	10	11	7	10	8	19	12
Adjusted net income (loss) attributable to company	**(4)**	**1**	**3**	**(8)**	**24**	**1**	**19**	**(6)**	**7**	**10**

Reconciliation of Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share

	Three Months Ended									
	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Net Income (loss)	**$ (0.84)**	**$ (0.10)**	**$ (0.04)**	**$ (0.16)**	**$ 0.12**	**$ (0.06)**	**$ 0.08**	**$ (0.13)**	**$ (0.11)**	**$ (0.02)**
Adjustments:										
Merger and integration expense	0.26	0.04	0.02	0.01	0.05	0.02	0.01	0.01	0.05	0.02
Severance and other expense	0.02	0.01	0.01	0.03	0.02	0.01	0.02	0.02	0.08	0.05
New facility expense	0.04	-	-	-	-	-	-	-	-	-
Stock-based compensation expense	0.50	0.06	0.04	0.04	0.03	0.04	0.05	0.05	0.04	0.05
Gain on disposal of assets	(0.01)	-	-	-	-	-	-	-	-	-
Total adjustments, before taxes	0.81	0.11	0.07	0.09	0.10	0.07	0.09	0.07	0.17	0.11
Tax benefit	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	-	-	(0.00)
Total adjustments, net of taxes	0.80	0.11	0.06	0.09	0.10	0.07	0.09	0.07	0.17	0.11
Adjusted net income (loss) attributable to company	**(0.03)**	**0.01**	**0.02**	**(0.07)**	**0.22**	**0.01**	**0.17**	**(0.06)**	**0.06**	**0.09**
As reported diluted weighted average common shares outstanding	109,119,301	109,266,988	109,582,086	108,708,651	109,348,871	108,854,709	109,381,977	108,777,429	110,325,863	110,176,460

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