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Expo Group Holdings N.V.

Second Quarter 2025 Earnings

CORPORATE SPEAKERS:

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PRESENTATION:

Operator
Hello, everybody. And welcome to the Expro Q2 2025 Earnings Presentation.
(Operator Instructions)
I would now like to hand over to Chad Stephenson, Director of Investor Relations.
Please go ahead.

Chad Stephenson
Welcome to Expro's second quarter 2025 conference call.
I am joined today by Expro's CEO, Mike Jardon and Expro CFO, Sergio Maiworm. First, Mike and Sergio will have some prepared remarks. Then we will open it up for questions.

We have an accompanying presentation on our second quarter results that is posted on the Expro website, expro.com, under the Investors section.

In addition, supplemental financial information for the second quarter results is downloadable on the Expro website, likewise under the Investors section.
I'd like to remind everyone that some of today's comments may refer to or contain forward-looking statements.

Such remarks are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.
Such statements speak only as of today's date. And the company assumes no responsibility to update forward-looking statements as of any future date.
The company has included in its SEC filings cautionary language identifying important factors that could cause actual results to be materially different from those set forth in any forward-looking statements.

A more complete discussion of these risks is included in the company's SEC filings, which may be accessed on the SEC's website, sec.gov, or on our website, again at expro.com.

Please note that any non-GAAP financial measures discussed during this call are defined and reconciled to the most directly comparable GAAP financial measure in our second quarter 2025 earnings release, which can also be found on our website.
With that, I'd like to turn the call over to Mike.

Michael Jardon
Good morning, everyone. I'm happy to welcome Sergio Maiworm, Expro's Chief Financial Officer, to discuss our financial results today. Sergio has more than two decades of experience in financial roles in the energy industry and brings a proven track record of driving financial performance and operational excellence.
I look forward to working closely with Sergio as we continue to advance our strategic initiatives and build on our strong financial foundation.

Now, I'd like to start off by reviewing the second quarter 2025 financial results as summarized in today's earnings press release. I am proud to announce very strong quarterly results. This marks the third sequential record-setting quarterly EBITDA margin and robust Free Cash Flow generation.

I will then discuss the broader evolving macro environment which we believe the underinvestment in traditional hydrocarbons -- in both the international and offshore markets -- supports a positive, multi-year outlook for energy services companies like Expro with technology enabled services supporting the long-cycle development projects.

We will move to our operational highlights for the second quarter, discuss our outlook and then turn the call over to Sergio to share additional financial information.

For a recap of consolidated results and quarterly results by region, I'll direct you to slides 2 through 9 of the presentation we posted to expro.com.

On slide 2… Expro reported an excellent quarter, reporting increased revenue to $423 million, EBITDA growth to $94 million, and an expanded EBITDA margin representing 22% of revenue. Expro also generated a robust $36 million in Free Cash Flow on an adjusted basis, or 9% of Revenue. This marks the third consecutive quarter of financial results above expectations. In fact, Expro has reported financial results above expectations in 6 of the last 7 quarters, evidencing Expro's continued focus on operational execution despite market headwinds. Our second quarter financial results also represent a record-setting second quarter EBITDA margin. Our EBITDA margin ranks among the top in our peer group and is a continuation of a multi-year trend of margin improvement.

Our results demonstrate we're on the right track to deliver robust Free Cash Flow generation to our shareholders and the success of the organic and inorganic investments we have made to drive growth and expand margins. It's also the result of permanent structural cost savings through our Drive25 initiatives, improved business activity mix and operational leverage. Additionally, we are capitalizing and continue to see meaningful benefits on our diverse geographic footprint, which is mainly focused on the international and offshore markets. As discussed in other calls, Expro has very limited exposure in regions such as U.S. land, Mexico and offshore Saudi, markets that will continue to be soft in 2025.

Commercial activity and tenders remain robust in our main markets, with new order awards of $595 million in the second quarter, marking it the second highest quarter of new order intakes in our company's history. These awards were spread across key markets and product lines, highlighting the diversity of our portfolio and setting a new benchmark for our core business performance. Our results and success in the marketplace reflect the confidence our customers have in us, and our focus on safety, service quality, and delivering cost-effective, technology-driven solutions across the well life-cycle.

To highlight the more significant awards, we had contract wins in Guyana covering well construction services with revenues in excess of $120 million; and two contracts in North Africa for gas compression services and production solutions with revenues of approximately $100 million and $60 million, respectively.

Our backlog has increased to approximately $2.3 billion at the end of the second quarter, remaining both healthy and in line with expectations.

All in all, this quarter presented a challenging market backdrop, yet we continued to deliver operationally and financially. From a continuous innovation point, we deployed three new industry-first technologies. Those innovations and industry firsts are a direct result of Expro understanding the challenges our clients face in their operations day in and day out and finding

new creative solutions to address those challenges. This is what we call Innovation with a Purpose. That is how we continue to provide differentiated services to our customers and that is why we continue to get repeat business from our customer base. With that, we continue to drive efficient and safe operations to our customers in every single one of our global operations.

Macro outlook

Turning to the market outlook, the second quarter of 2025 presented a dynamic operating environment, marked by commodity price fluctuations driven by ongoing trade negotiation, OPEC+ productions increases and geopolitical conflicts. As a result, Brent crude traded within a $20/bbl range over this period, peaking at $80/bbl in June.

As geopolitical tensions recede in certain areas, the markets' focus has returned to fundamentals, particularly on supply dynamics and seasonal demand. OPEC+ has accelerated the phase-out of production cuts in a strategy pivot from output restraint to regain market share. Although ongoing increases in production may exert downward pressure on commodity prices, the elimination of OPEC+ voluntary cuts provides more clarity and is anticipated to support longer-term market stability. Barring any significant shifts in the current commodity price range, the industry is expected to demonstrate continued resilience.

Though the market has experienced challenges in the recent quarters, the oil and gas industry demonstrated fortitude and set operational expectations with limited impact on upstream spending in our key geo-markets year-to-date, which highlights the positive within the cycle for Expro.

Despite current customer caution, new project approvals are expected to return to growth in 2026, with offshore approvals accounting for 80% of all 2025 and 2026 sanctioning. This provides plenty of opportunities for growth in Expro's well construction, well flow management and subsea product lines.

With subdued greenfield activity in the current volatility, operators are focusing on optimizing production from existing assets to generate revenue, driving sustained opex spending and subsequent brownfield activity. This strategic focus aligns with Expro's strengths in well intervention, production optimization, and digital services.

Overall, in the current market environment, we will continue to focus on maintaining cost and capital discipline and otherwise controlling what we can control. With disciplined execution, a strong international and offshore presence, and a focus on operational efficiency, Expro remains well positioned to navigate the current market. We expect our differentiated service lines and resilient business model will allow us to continue to expand margins year-over-year.

Stabilizing commodity prices at current levels, steady demand growth and continued project sanctioning will drive demand for Expro's services and solutions. We maintain a positive multi-year perspective on the overall opportunity set and Expro's relative market position.

Moving to our operational performance for the quarter…

Safety and innovation with a purpose are both central to who we are as a company. Just as safety is embedded in everything we do, so too is our drive to innovate with purpose.

In the second quarter, we achieved industry firsts through the deployment of our innovative technologies, each designed to reduce the operational risk and increase efficiencies for our customers, with Artificial Intelligence, Machine Learning, automation and digitalization playing key roles.

First, we introduced the BRUTE® Armor Packer, our most advanced high-pressure, high-tensile packer system. It's built for the extreme conditions of deepwater wells, with a leading differential rating and retrievability that ensures sealing integrity in harsh environments. This allows operators to work more efficiently and with more confidence in the extreme conditions of deepwater wells. We expect customers to rapidly deploy this technology as two super majors have already successfully deployed the system in the Gulf of America.

Second, we completed the first full deployment of Expro's Remote Clamp Installation System, or RCIS. This technology was developed with and partially sponsored by a super major with a focus to provide a unique industry solution that fully automates the installation of control line clamps on the tubing during the completions operations. It eliminates manual steps, speeds up the process, and most importantly, removes people from the redzone.

The RCIS technology was deployed in the North Sea where Expro successfully ran a fully hands-free upper completion and reduced each clamp installation time by approximately two minutes or 50% per clamp. Based on the success of the operation the customer has awarded additional work scope for future deployments of the technology.

And finally, we delivered the world's first fully remote five-plug cementing operation using Expro's Generation-X™ Remote Plug Launcher and SkyHook™ cement-line make-up device. It's designed for safety, control, and field adaptability, removing the need for anyone to enter redzone while giving operators more operational control. The deployment marks a major step forward in the company's expansion of cementing services in the Middle East offshore and reflects the progression of the strategic initiatives for the region.

These are not just technical wins, they are real-world examples of how we bring innovation, efficiency and safety together to move the industry forward. Further, these technologies give

Expro competitive advantages in highly specialized service offerings and create future revenue opportunities by enabling scalable technology applications with improved margins.

We are also demonstrating that innovation can be both effective and efficient, and that focus is evident in our regional activity this quarter.

Beginning with the North and Latin America region, as we anticipated in the first quarter, activity in Brazil and Guyana has remained stable due to the development plans stemming from high volumes of FIDs in recent years. We capitalized on this improving environment as we secured a five-year, multi-rig contract with revenue in excess of $120 million to provide completion and tubular running services in Guyana. We similarly continued to drive activity in Brazil, securing contracts with revenue of more than $50 million across production optimization and well decommissioning related activities, highlighting the breadth of capability across the lifecycle of the well.

And as referenced in our July 14th press release, Expro secured a significant three-year contract award with Woodside Energy to support the Trion deepwater oil and gas development offshore Mexico. This project marks Mexico's first deepwater field development and underscores our long-standing partnership with Woodside and the trust they have placed in Expro. We will provide TRS and cementing services, with a focus to optimize well performance, drive cost-efficiencies, and enhance operational reliability throughout the project lifecycle.

Moving to Europe and Sub-Saharan Africa, we successfully completed a multi-well campaign for a major operator in Angola, conducting 11 clean-up and 12 well intervention operations over ~5,000 man hours with a 98% job performance rating.

In the UK North Sea, our 30-year partnership with a major operator remains strong as we recently secured a three-year contract extension with revenue of approximately $30 million for well intervention, well services, and well testing operations. This is testament to our exceptional service delivery and strong client relationships.

In North Africa, we have further expanded our production optimization business. We secured a significant seven-year, approximately $100 million contract to deliver a gas compression system on low pressure gas wells and in order to maintain throughput at the processing facility. Additionally, as a result of the high service quality delivered to the customer, the team secured a six-month contract extension with revenue of approximately $60 million for early production facilities and gas compression services.

Shifting focus to Asia Pacific, particularly Indonesia, we won four contracts from a single customer, with revenue totalling approximately $15 million. This cover well intervention and integrity services, which play a critical role in brownfield production optimization by enhancing reservoir access, restoring well integrity, and maximizing hydrocarbon recovery. These new

awards demonstrate the ongoing strategic focus on production optimization in these mature basins.

And finally, in Australia, within TRS, Expro performed the first rigless conductor driving operation on a customer's platform in over a decade underscoring our commitment to reintroducing and delivering solutions to the region. The team successfully completed a six-slot conductor installation safely and ahead of schedule.

Before we move to our financial performance, I will comment on the guidance for the full year 2025 that was included in our earnings press release.

The macro environment has created challenges for the entire industry and we also see that several pockets in the market are softening and will remain challenging for the next 12 to 18 months. We are still assessing what that means to Expro in 2026; however, we firmly believe the international and offshore segments of the market will generally perform better than other segments. Those are markets with longer duration development plans and primarily dominated by the super majors, large IOC's and the NOC's. Those customers are less susceptible to short-term market volatility and tend to focus more on the longer-term fundamentals of their business. If we combine our presence weighted to the international and offshore markets with our strong relationships with customers, leading market positions in key services, we still see relative stability and a relatively constructive outlook for the business.

In the near term, for 2025 we are reaffirming our full-year outlook and as stated on the Q1 earnings call, we continue to expect at least mid-single digit revenue growth in the second half of 2025 compared to the first half of the year. This is supported by our line-of-sight in the customer scheduled activities and delivery of products and services for the next two quarters; more specifically, we are not relying on binary outcomes of large individual projects to meet our guidance.

Our anticipated annual revenue is circa $1.7bn and EBITDA of at least $350 million. We continue to anticipate our free cash flow, on an adjusted basis, to be approximately 7% of revenues for the full-year 2025, despite the definitional change we announced this morning in the earnings release. Sergio will go into more detail on that shortly. Consistent with historical trends we expect the Free Cash Flow generation to be more weighted to the second half of the year.

Overall, we have seen customers prioritize key projects and it is expected that our customers' upstream investments will be largely unaffected by short-term commodity price movements through 2025, and several of our geo-markets are proving to be more resilient than the current markets' perception.

- In our NLA region, activity should be stable in Brazil and Guyana as a result of a continuation of existing development plans. In the Gulf of America, we anticipate steady to slightly increasing activity in the second half of 2025. Similarly, we see growth from LATAM counties such as Brazil, and Colombia. Overall, for the second half of the year, we anticipate NLA revenue to demonstrate growth over the first half of the year.

- In ESSA, the outlook is constructive for the North Sea and parts of Europe with a stable outlook on revenue and improving margins based on activity mix in the region for the remainder of the year.

- In Middle East and North Africa, we are expecting stability between Saudi Arabia and Algeria, two of our largest markets in the region. And as a reminder, in Saudi, our business is levered to onshore and unconventional gas more so than offshore oil. In Algeria, our business is levered to production optimization activity which provides more predictability.

- In Asia Pacific, for the remainder of 2025, we are expecting an increase in activity for Southeast Asia, specifically in Indonesia, Brunei and Thailand, related to well construction and well intervention. Additionally, in Australia, we see incremental activity in subsea well access related to project timing and the onshore Coretrax expandable business. For these reasons, we believe the region will see revenue growth with improved margins in the second half of 2025 compared to the first half of the year.

With that, I'll turn the call over to Sergio to review our financial results in detail.

Sergio Maiworm
Thank you, Mike, and good morning to everyone on the call.

First of all, it's a great pleasure to be here. I'm very excited to have joined Expro and I wanted to take a brief moment to thank every Expro team member for the warm welcome that I received from all parts of the organization and from every Region and Product Line.

Tomorrow marks my first 30 days with Expro, and I wanted to share some initial observations. As Mike noted, we reported very strong financial results in the second quarter. And this wasn't an isolated occurrence. The team has been consistently delivering results above expectations. That is due to the talent and dedication of our almost 9 thousand co-workers in all parts of the globe. And that is my first observation. The quality and passion of the team to solve our customers' most complex challenges.

My second observation is the depth of our conversations with our customers. That understanding of our customers' needs and our passion to provide solutions that lead to our

Innovation with a Purpose DNA. And that innovation mindset materializes in every way possible. From the new AI-driven tool to utilizing day-to-day creativity to improve processes.

These were my own initial observations, but they were somewhat confirmed by many of my former peers and colleagues in upstream companies that reached out to me to praise Expro and the team.

Moving on to the quarterly results, we reported revenue of $423 million for the second quarter as compared to the guidance range of $400 to $410 million.

Revenue was up $32 million, or ~8%, relative to the first quarter of 2025, reflecting a seasonal recovery in the northern hemisphere and increased activity globally, more specifically in ESSA.

EBITDA for the second quarter was $94 million, where guidance was between $80 to $90 million. This quarter's EBITDA represents a sequential increase of approximately $18 million, or 24% relative to the first quarter of 2025.

EBITDA margin for the second quarter was 22% and was up ~200 basis points quarter-over-quarter. Similarly, as compared to Q2 last year, EBITDA margin increased ~200 basis points as well.

As Mike noted, Q2 2025 was the best EBITDA margin quarterly result in the Company's history, and builds on Expro's established track record of margin expansion.

We also generated over $36 million of Free Cash Flow, on an adjusted basis, in the second quarter and repurchased $5 million of shares in the open market. We are extremely proud of the cash flow performance of the company for the quarter and will remain focused on improving the capital efficiency of the business.

To expand on this morning's earnings release I'd like to take a moment to discuss Free Cash Flow and Share Buybacks. Generating significant Free Cash Flow and growing our Free Cash Flow is of the utmost importance to us. Therefore, we have taken another look at our own Free Cash Flow definition and decided to make it more aligned with industry peers.

Beginning in the current period, Q2 2025, and going forward, Free Cash Flow will be our reported CFFO minus Capex, both numbers straight from our Statement of Cash Flows. We also intend to further adjust it for truly one-time items (either positive or negative) to come up with an Adjusted Free Cash flow that is more reflective of the "steady state" business performance and, therefore, better aligned with corporate finance principles. Those adjustments will also be very transparent and sourced straight from the Income Statement on a quarterly and year-to-date basis. We intend to report both Free Cash Flow and Adjusted Free Cash Flow with their

respective reconciliations. With that said, we will mainly refer to the Adjusted number, as we believe it better represents the operational performance of the company.

On share buybacks, we remain committed to repurchasing the same one-third of free cash flow, or circa $40 million, as previously guided. The previous guidance was framed in the form of percentages, but given the changes in definition of Free Cash Flow, we concluded that it would be clearer to guide the dollar amount, but nothing has changed in that regard. Year to date, Expro has repurchased $15 million in stock, with $5 million in the second quarter. We still have approximately $61 million available under the current $100 million authorization and expect to catch-up to our annual repurchases in the second half of the year.

As Mike mentioned before, we are reaffirming our annual financial guidance, with revenues of circa $1.7 billion and EBITDA of at least $350 million. Our general expectation of the revenue progression is that third quarter will be flat-ish relative to the second quarter, with expected revenue growth in the fourth quarter. We expect Free Cash Flow, as adjusted, to be plus or minus $110 million for the full year.

We acknowledge there is an element of market uncertainty, but based on the team's ongoing dialogue with customers, we expect the demand for Expro's services to continue as guided, with line of sight on projects in 2025, particularly in international and offshore markets. In other words, our guided numbers represent our best view of the business performance today and have both downside risks and upside opportunities.

As it relates to the second half of the year, we expect our results to reflect a moderate increase in activity across NLA and APAC, while the MENA and ESSA regions are expected to be relatively stable.

As we've highlighted, we continue to optimize costs and streamline processes through our Drive25 operating efficiency campaign. With that, if operators' plans change, we expect to adjust costs and capex accordingly to preserve our ability to generate Free Cash Flow and maintain our commitments to share buybacks.

My general philosophy around guidance is that no one benefits from aggressive targets. It often leads to future disappointments. But I'm not a sandbagger either. Neither one of those extremes create credibility in my opinion. My belief is that credibility is built around having an honest view of the business, the associated downsides and upsides, and ultimately working tirelessly to execute it on the operational front to meet or exceed those expectations. And do that consistently. I believe our guidance reflects that philosophy.

Turning to regional results, for **North and Latin America**, or NLA, second quarter revenue was $143 million, or up $8 million quarter-over-quarter, reflecting higher activity in well construction, while well flow management activity was down in Mexico and Brazil.

Note that revenue generated from the U.S. land and Mexico markets was about 4% and 2% of consolidated 2024 annual revenue, respectively, and continues to be a small part of the global Expro business.

For **Europe and Sub-Saharan Africa**, or ESSA, second quarter revenue increased $20 million to $132 million sequentially, primarily driven by activity in the North Sea from well flow management and subsea well access, and activity in Angola from well flow management and well construction product lines.

Segment EBITDA margin, at 30%, was up 400 basis points sequentially, reflecting higher activity and a favorable product mix.

The **Middle East and North Africa**, or MENA, delivered another solid quarter but slightly lower as compared to Q1 with revenue at $91 million driven by lower well construction revenue in Saudi Arabia and the UAE, partially offset by well flow management revenue in North Africa.

MENA Segment EBITDA margin was 36% of revenues, a decrease of ~70 basis points from the prior quarter reflecting the lower well construction activity.

Finally, in **Asia-Pacific**, or APAC, second quarter revenue was $57 million, an increase of $6 million relative to the first quarter, primarily reflecting the higher well flow management activity in Malaysia, Indonesia, and Brunei.

Asia-Pacific Segment EBITDA margin at 26% of revenues, increased ~500 basis points from the prior quarter reflecting increased activity and mix.

To provide an update on the Drive25 initiative, Expro is well into the implementation phase of this cost optimization program. On the Q1 earnings conference call, Expro announced an updated target of $30 million in run-rate cost savings. We continue to anticipate capturing at least 50% of the run-rate target during the current year.

Turning to liquidity, Expro had total available liquidity at the end of Q2 of approximately $343 million, with available cash and cash equivalents, of approximately $207 million, and availability under our revolving credit facility of approximately $136 million.

Subsequent to the June 30th quarter-end, Expro entered into an amended credit facility to, among other things, extend the maturity and increase the bank commitments. The new facility has a 4-year maturity and matures July of 2029. Additionally, it increases the total RCF commitments from $340 million to $400 million. Concurrently, we entered into a $100 million 364-day bridge facility. In aggregate, these facilities provide up to $500 million in available

liquidity, further strengthening our balance sheet and providing plenty of flexibility to execute on future M&A opportunities while continuing to return capital to shareholders.

With that, I'll turn the call back to Mike for a few closing comments.

Michael Jardon
Thank you, Sergio.

We believe Expro is positioned well, with our market leading core product lines and good exposure to international and offshore markets that will support the ongoing activity, not only for the remainder of 2025, but for a multi-year growth cycle, expected to start in the back half of 2026. We will continue to focus on Free Cash Flow generation by continuing to expand our EBITDA margins and looking for ways of reducing the capital intensity of our business.

We work hard every day to continue to earn our customers' trust, create value for our shareholders and deliver solid financial results every quarter. Despite the uncertain market backdrop, we continue to focus on what we can control, while being ready for every scenario. That being said, we remain confident that our main international and offshore markets will perform better than other sectors. With our strong balance sheet and liquidity positions Expro is equipped to manage anticipated market fluctuations and deliver sustainable Free Cash Flow and value to its stakeholders.

With that, we can open up the call for questions.

QUESTION & ANSWER:

Operator
Thank you. [Operator Instructions] First question comes from David Smith with Pickering Energy Partners. Your line is open. Please go ahead.

David Smith
Hey. Good morning. Thanks for taking my question and congratulations on a very strong quarter.

Michael Jardon
Good morning, David. Thank you for joining us. Appreciate it.

David Smith

I wanted to say also just really impressive Q2 orders. And I wanted to ask if that was mostly timing, just large multiyear projects coincidentally booking in the quarter? Or good commercial discussions suggest 2025 orders that could be up 20% or more versus 2024?

Mike Jardon
Yeah. I mean, David, it really – it's really kind of all of the above. I mean, a number of those were contract awards we had in places like Guyana or in North Africa, that were – there were more contract renewals, contract extensions, those type of things. It really was just kind of the timing of it. We continue to see a robust level of bidding and tendering activity. And that just kind of translate into a strong quarter of order intakes.

David Smith
Great. Appreciate that. And I know it's early to talk about 2026, but conceptually – and just following on from Sergio's prepared remarks. If activity growth were to flatten or stall, can you talk about opportunities you're seeing maybe for improved free cash flow conversion compared to historical the last few years? Maybe if there's flexibility for the CapEx spend, potential thoughts on working capital improvement, maybe fewer merger integration and severance charges?

Mike Jardon
Yeah. It's a really good question. I guess, how I would kind of decouple that is, number one, I think we've continued to demonstrate, as we've been saying all year, even if 2025 is in a flattish kind of year-on-year top line, we're still going to expand margins in 2025. That's a combination of our own internal engineering efforts. We've launched a number of new technologies that we're starting to get good market penetration. We've continued to realize the synergies both from a cost standpoint as well as from the revenue standpoint of some of the recent acquisitions we've made.

And then fundamentally, we kicked off a cost efficiency exercise last summer, in the summer of 2024, that – really was timely. I wish I could say that we anticipated we were going to see things like Liberation Day in April of this year and those type of things, but obviously, we didn't. But it really was kind of our focus on continuous improvement and really focusing on taking costs out, driving efficiency. So we're seeing some benefits from that.

We've said here that we'll exit this year with $30 million of run rate cost savings. About half of that we'll see in the 2025 numbers. So it really is kind of all of those type things. We can and will flex CapEx spend to some degree. As a reminder, we don't spend CapEx dollars speculatively. We spend CapEx dollars based upon projects. So all those things will kind of help flex us into that. But fundamentally, our continued focus on margin expansion is paramount to us, at the same time, expanding our free cash flow generation. So these things kind of all line up together and they're all being choreographed very intentionally and very purposefully.

Sergio, you want to comment anything that I missed? Feel free.

Sergio L. Maiworm
No, Mike, that's it. Dave, as you mentioned, the focus is generating an increase in the free cash flow generation of the business. I think there are many levers, and Mike already touched on all of them, but expanding the margins further and perhaps flexing the capital intensity of the business, those are the main drivers that we see at this point.

David Smith
Really appreciate all the color. Thank you. I'll turn it back.

Mike Jardon
Sounds good. Thank you, David.

Operator
We now turn to Ati Modak with Goldman Sachs. Your line is open. Please go ahead.

Atidrip Modak
Hey, guys. Good morning. Thanks for taking the question. I guess, Sergio and Mike, on the quarterly EBITDA margin cadence, is there anything that you can provide us in terms of how to think about the segments for the remainder of the year?

Michael Jardon
Yeah. So Ati, thanks for joining us. I mean, it's – we always kind of start off – Q1 of the year is always – that's always going to be our lightest quarter. We're particularly affected by the Northern Hemisphere kind of winter season. That's always – especially in the North Sea, that's always going to be a little bit of softness. And historically, our NOC customers tend to be kind of slower out of the gate. So Q1 is always kind of like that.

We did have a – we had a solid revenue quarter here in the second quarter, and we're able to translate that through to a really good fall through. Fundamentally, we're – we still anticipate, and I'd be very disappointed if we don't expand margins in 2025 versus 2024. And we don't see anything right now that would give us a particular pause for that.

So Q2 is just a solid execution quarter. It wasn't like we had some particular one-offs or those kind of things that help prop up margins. It was just a really solid execution quarter. And based on a tremendous amount of customer dialogue that we've had here, we still see the second half of the year playing out as we've anticipated. That's why we try to give a roughly $1.7 billion outlook for the second half of – or for the total year. That's really based on that customer feedback.

So right now, I wouldn't anticipate anything changing from a margin standpoint beyond that.

Atidrip Modak
That's very helpful, Mike. And then it seems like M&A in the market is heating up. I know we've spoken about this a few times before, but I'm just curious if you're seeing anything that is – that would suggest increased opportunities or any thoughts you can provide there?

Mike Jardon
Yeah. I mean we continue to be very, very active out there to look at M&A opportunities. We are – obviously, we've had good success in looking at things that are accretive, and looking at things that help us improve our relevancy and help us expand our portfolio.

We've got a really, really good playbook of how to conduct diligence and how to execute on M&A, and how to bring them in, and more importantly, how to do proper integration. And it's really key to be able to drive synergies and those type of things.

So yes, there are things that we continue to look at out there that make sense. And quite frankly, there's a lot of what I refer to as dislocated assets, so to speak, that don't have a really good home. And I think we've been able to demonstrate a good track record of being able to bring those in-house and really leverage it from a synergy standpoint, leverage it from a customer relationship standpoint. So it's something we continue to be able to focus on and hope to continue to be able to execute on some of those.

Atidrip Modak
Thanks, Mike. Appreciate that.

Michael Jardon
Great. Thanks, Ati. Appreciate it

Operator
Our next question comes from Eddie Kim with Barclays. Your line is open. Please go ahead.

Eddie Kim
Hi. Good morning. I apologize in advance, but I have to ask the offshore rig white space question. It's been a theme, as you well know, for over a year now. But the reason I ask is more recently, we started to hear more mentions of it from the larger service companies, and actually another offshore company recently lowered their ROV utilization expectations for the full year. So it seems like we're starting to see some expected impact of this in the second half of the year from companies that are not offshore drillers. So all that to ask, is there any part of your business where you expect to see some impact from offshore rig white space in the second half? Just any thoughts around that would be great.

Michael Jardon

No. Eddie, it's a good question. I can say it's something we continue to – and as I alluded to when I was responding to an earlier question, we've had a tremendous amount of customer engagement to really look at how the rest of the year is going to shape up, and literally down to the point where we're sitting down with customers, we're looking at what are their drilling programs, what their completion programs. And we're going to drill well X, and then when are we going to complete it, kind of translate that into next activity set for us.

So yes, there's some puts and takes of rigs going on maintenance or those type of things. We've really tried to layer that into what our forecast looks like in the second half of the year. And that's why we've been able to stand up and say with the best information we have today is we still think we're going to be in that $1.7 billion zip code, and $350 million plus EBITDA range.

The area that I'm seeing more, it's a bit of an interesting phenomenon that we're seeing right now, is really around the more of the short cycle activity, more of the intervention activity, more of the OpEx-related activity. That's one that – in my 30-plus years, that normally is the one that gets flexed up. And right now, we're seeing customers be, I think, particularly cautious around that. So that's one that we're kind of continuing to monitor that and trying to better understand kind of what the customer plans are there. But fundamentally, Eddie, our forecasting and our outlook for has really been based upon a very detailed customer engagement, almost a bottoms up, rig by rig, completion by completion type of analysis.

Eddie Kim
Got it. That's very helpful. There was one blemish in the quarter. And obviously, you guys posted very strong results, but if there's one blemish, it was in the subsea well access segment where your revenue declined 16% sequentially after kind of a similar double-digit decline in the first quarter. In your release, you mentioned lower subsea well access revenue in Malaysia. But could you provide some more color on the recent softness in this segment? And is that likely to sort of remain stable at these levels in the back half of the year? Or should we expect a rebound from second quarter levels?

Michael Jardon
Yeah. I mean it's a – I wouldn't say it's a one-off, but it's not something we anticipate to be sustained. We think that fourth quarter will be particularly strong in that aspect. We did have – in 2024, we did have some subsea projects that delivered more from an equipment standpoint. And you saw we referred to some of the activity in Angola. We had a lot of operational execution that was strong revenue generation at this point in time. So not something that gives me a particular pause. It was just really kind of project timing and those type of things right now, Eddie.

Eddie Kim
Understood. Thank you very much. I'll turn it back.

Michael Jardon
Okay. Thanks, Eddie.

Operator
We now turn to Derek Podhaizer with Piper Sandler. Your line is open. Please go ahead.

Derek Podhaizer
Hey. Good morning. Just maybe I want to ask a question on the Middle East segment. Obviously, revenues came down a little bit, margins down a touch even though margins are still up historically at a nice level here. But maybe just help me understand some of the puts and takes within the region, maybe some of the spots – soft spots versus the strong spots, why we see a 60% decremental here? Just maybe further help and color around what are the moving pieces within the middle – your MENA region.

Michael Jardon
Yeah. I mean it was – let's remind ourselves that MENA is the most profitable geography we have. It's got very strong levels of activity. So really strong, very strong margin delivery there. Up just slightly because of project timing in there. We're really driven by Saudi and by Algeria.

And just to reiterate what I said in my prepared remarks, it's Saudi for us really is unconventional gas on land and that continues to be robust. I think especially in Saudi if you go back to the administration's visit into the Middle East a couple of months ago, an awful lot of discussion around data centers and AI and those type things. And natural gas is going to be the feedstock for power generation in the Middle East and in Saudi in particular. That's why there's such a strong focus from Aramco on continuing to expand their gas production capabilities, and we're really well positioned to be able to capitalize on that.

And then, of course, activity in Algeria, which is very robust for us, is much more around production optimization, compression, those type things and just really, really solid projects. So MENA is one that it just continues to deliver at a really, really high level and being off very slightly on a quarter-on-quarter margin standpoint, is not something that we're particularly concerned about at all.

Derek Podhaizer
Yeah. I just was curious. And then just my second question, it was nice to see three quarters of shareholder returns here on the buyback. Maybe just your latest thoughts on how we should think about cadence or percentage of free cash flow or even potentially a dividend coming into the picture?

Sergio L. Maiworm
Hey, Derek, this is Sergio. Yeah, so I think we communicated that through our press release and in our prepared remarks. We expect to repurchase roughly $40 million in stock this year. We've

done already $15 million in the first half of the year. Mike alluded to some of this in his prepared remarks and saying that free cash flow generation tends to be kind of weighted towards the back half of the year. And as that being the case, we expect to accelerate those repurchases in the second half here.

So I think to us, a strong free cash flow generation and returning capital to shareholders, these are things that are very important to us, and we're going to continue to do that. So that should be a feature of Expro in 2025 and beyond.

Derek Podhaizer
Also on dividend?

Sergio L. Maiworm
I mean, as of now, we still think that share repurchases are the best avenue to return capital to shareholders, but we're continuously evaluating what that means. And if things change in the future, we'll pivot as well. But as of now, share repurchase, we still think it's the best avenue for us to return capital to shareholders.

Michael Jardon
And I think it's really...and Derek, it's an ongoing discussion we have with the board. That's clearly a board-level type decision. But what I will say is that I think this is – as a company, I think anybody generally needs to get to the point where they're not roughly a third of free cash flow return. They're getting into that 40%, 50%, 60% range. I think when you can get to that and you have visibility for an extended period of time, that's when it starts to make good sense strategically to look at dividends.

So I think it's why we have so much focus on free cash flow generation is for us to get to that point where we can start to expand that percentage, and we're going to return, and then start to change what the mix of that is, whether it's continues to be share repurchases or it's a balance between that and dividends. That's very much what we're focused on. And that's why free cash flow generation becomes such a key driver for that.

Derek Podhaizer
Thank you.

Operator
We now turn to Josh Jayne with Daniel Energy Partners. Your line is open. Please go ahead.

Josh Jayne
Thanks. Good morning. First question, Mike, in your prepared remarks, you highlighted a lot of the volatility that we've seen in crude over the course of Q2. Could you just speak to the – how would you characterize the overall sense of urgency of your customer base today? Obviously, some nice contract wins and backlog adds this quarter. But maybe just given the volatility that we've seen, conversations today versus where we were 90 days ago, do customers have, I guess, more comfort with where we sit today just from a macro standpoint?

Michael Jardon
Josh, thanks for joining. It's a great question. I can tell you that my – so my view today is, I think, especially for the deepwater and the ultra-deepwater projects. And frankly, that's – we're very heavily tied to that type of activity. Our customers are very much – they're in execution, implementation phase. They're focused on those type things. So that sentiment hasn't changed.

We're going to have to start kind of translating that into what's it going to look like from an activity set for 2026. I think the ongoing projects we have will continue to be executed and implemented. We've all observed that the pace of new FID approval for deepwater and ultra-deepwater has moderated a little bit here. But I think we'll continue to start to see how that plays out.

And it's more – I alluded to it earlier, it's more the kind of some of the short-cycle activity right now that I'm just seeing more caution from customers. They're not going out and pursuing some of those incremental oil production opportunities today that we normally would observe. I think part of it's because they too are trying to understand what's going to happen with commodity prices, what's the continued behavior going to be from OPEC+, what's the geopolitical situation going to be? So I think there's just caution on anything new, but kind of a conviction on continuing to execute on things that are more existing is how I'd frame it.

Josh Jayne
Okay. Thanks. And then one for Sergio. First conference call in the seat. Maybe you could just – maybe just give you the opportunity to expand on how you see the world from a financing perspective. You guys just closed a new credit agreement. And also just broadly, how you see Expro's opportunity set to maximize shareholder value over the next couple of years? I know you answered questions about the buyback and the dividend, but maybe just talk through your – just how you view the importance of free cash flow conversion and its use going forward? Thanks.

Sergio L. Maiworm
Yeah. I appreciate that, and thanks for that. So, no, you're absolutely right. I think the focus of the organization is to continue to increase that free cash flow conversion. There are obviously several avenues to get there, and we intend to attack all of them. And that – as Mike said before, that has continued to expand on our EBITDA margins. That is to continue to look for opportunities to be more effective on our capital deployment. There are ways of actually collecting from our customers a little faster. So there's a lot of ways, and I'm going to be heavily focused on doing all of those things.

Look, Expro is a fantastic organization, right. So in the spirit of great companies wanting to be even better, that's part of what I'm going to try to help the organization turn over every rock, looking for things with a fresh perspective, looking for ways for us to continue to fine-tune our strategic objectives, looking for accretive acquisitions and so on.

So I think the company is in great shape. The execution – the operational execution of the business is fantastic. So I'm just going to be looking to help the company get even better than what it is already today.

Josh Jayne
Thanks. I'll turn it back.

Michael Jardon
Thanks, Josh.

Sergio L. Maiworm
Thank you, Josh.

Operator
Ladies and gentlemen, we have no further questions. So this concludes our Q&A and today's conference call. We'd like to thank you for your participation. You may now disconnect your lines.