

May 5, 2026

# Expo Group Holdings N.V.

First Quarter | 2026 Earnings

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## **CORPORATE SPEAKERS:**

**Michael Jardon**  
*Chief Executive Officer*  
**Sergio L. Maiworm**  
*Chief Financial Officer*  
**Dave Wilson**  
*Vice President-Investor Relations*

## **PARTICIPANTS:**

**Caitlin Donohue**  
*Analyst, Goldman Sachs & Co. LLC*  
**Edward Kim**  
*Analyst, Barclays Capital, Inc.*  
**Keith Beckmann**  
*Analyst, PEP Advisory LLC*  
**Joshua Jayne**  
*Analyst, Daniel Energy Partners*  
**Derek Podhaizer**  
*Analyst, Piper Sandler & Co.*

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## **PRESENTATION:**

### **Operator**

*Hello and welcome to the Expro Q1 2026 Earnings Call. My name is Alex, and I'll be coordinating today's call. I'll be conference call coordinator today.*

*I'll now hand it over to Dave Wilson, Vice President of Investor Relations. Please go ahead.*

### **Dave Wilson**

Thank you, operator. Good morning, everyone, and welcome to Expro's first quarter 2026 earnings call. I'm joined today by Mike Jardon, CEO and Sergio Maiworm CFO. Both Mike and Sergio will have some prepared remarks, after which we'll open the call for questions. In association with today's call, we have an accompanying presentation and supplemental financial information on our first quarter results. Both of these are posted on the Expro website [expro.com](http://expro.com) under the Investors section.

Before we begin today's call, I'll remind everyone that some of today's comments may refer to or contain forward-looking statements. Such statements are not guaranteed of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by

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such statements. These statements speak only as of today's date, and the company assumes no responsibility to update such forward-looking statements.

The company has included in its SEC filings, cautionary language identifying important Risk 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 can be obtained under the SEC's website, [sec.gov](http://sec.gov) or on our website, again [expro.com](http://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 measures in our first quarter 2026 earnings release, which was issued this morning and can also be found on our website.

With that said, I'll turn the call over to Mike.

### **Michael Jardon**

Thanks, Dave. Good morning. Good afternoon, everyone, and welcome to Expro's first quarter 2026 earnings call. I'll begin by reviewing the first quarter of 2026 financial results from today's press release. I'll then comment on the overall macro environment, provide some insight into our Middle East and North Africa region. Talk a bit about our exciting news today with our Enhanced Drilling acquisition announcement. Then revisit our outlook for the year ahead. And finally, I will then conclude with some operational highlights for the quarter. Sergio will then provide some further details on our financial performance by geographic region and address the company's ongoing capital allocation framework.

Let's begin on slide 3. During the quarter, the company experienced the usual first quarter seasonality we have in our business. And as a reminder, this seasonality is a result of winter weather in the Northern Hemisphere, which slows offshore activity due to ongoing winter storms and rougher than normal seas.

Additionally, the seasonal dip is also a result of our customers' CapEx and operational spend cycle that tend to be lower at the start of their annual budget cycle. This is generally more typical with our NOC customers.

Additionally, our first quarter results were only marginally impacted by the conflict in Middle East. I am pleased to report that local emergency response plans were implemented quickly, and the efficiency in which these actions were taken [ph] and that (00:03:23) all of our employees still in the region remain safe. I will go into more detail regarding our MENA region in a moment, but from an overall perspective, the disruptions to our Middle East business late in the quarter only had a minor impact on our operational and financial results during the quarter.

For the quarter, the company generated \$368 million of revenue and \$63 million of adjusted EBITDA, representing a 17% margin. Adjusted free cash flow for the quarter was \$3 billion and was affected by changes in working capital, which Sergio will comment more on later in the call.

Now, taking an assessment of the current environment, we, like others, see a global energy market that is increasingly influenced by the heightened geopolitical tensions, commodity price volatility and an expanding focus on long-term energy security. At some point, the uncertainties will subside with the expectations that oil prices will reset and begin to stabilize once these disruptions ease. However, there is still a significant amount of disruption that will continue to have global implications in terms of not only near-term supply and demand dynamics, but also over the medium and longer term as countries and companies around the world look to prioritize energy security and what would be needed to achieve that.

There has been intensified interest in strengthening supply resilience and geographic diversification, trends that could develop and will likely shape industry behavior longer term. It is our fundamental view that the new normal will look different than it did before the Middle East conflict. Many believe it will still take some time before the industry returns to a more normalized state of operations, and we believe that it will be the end of the second quarter before we have a sense of complete clarity. We remain optimistic that resolution of the situation could begin sooner than that, but we'll adapt our operations appropriately.

One industry behavior that we are confident with that we do not believe will change is that of capital discipline. In this light, we see offshore and deepwater developments remaining attractive not only by providing stable, lower risk growth pathways, but also from an energy security standpoint as well. We expect such projects will continue to drive demand for Expro's well construction and well management businesses. Additionally, brownfield optimization continues to see a growing focus as operators look to enhance production from existing assets to reduce capital risk. We believe this industry trend also presents an opportunity for Expro's technologies and services as well.

We still expect activity to strengthen in second half of the year and with Expro's strong offshore and international positioning, along with its production optimization capabilities, I believe the company is well positioned to manage near-term uncertainty and benefit from increased activity in the coming quarters and years. To summarize, Expro maintains a constructive outlook for 2026 and beyond, allowing us to continue supporting customers throughout the full lifecycle of their assets.

Moving to slide 4, which reflects our MENA region. Oftentimes when the MENA region is discussed, the focus is heavily on the Middle East portion, which is certainly understandable. And we have received our fair share of questions related to our exposure to countries in that region. Having lived and worked in that part of the world earlier in my career, I think, it's helpful to give our stakeholders some more clarity on how Expro's exposed in the region. I'll look to address that really in three fundamental ways.

First, for Expro, there's more of a balance between our Middle East and North Africa operations in terms of financial contribution, and there has been no disruption to our

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operations in North Africa. Second, for the countries in the Middle East, while we do have some exposure to countries like Qatar, Kuwait and Iraq, they do not carry as large of a contribution to our revenue or EBITDA generation. The biggest contributor in those regards is Saudi Arabia and to a lesser extent, the Emirates.

And while there were some interruptions in those countries' operations, we have continued to have more normal operational cadence. Third, given the timing of the commencement of the conflict in the Middle East, there was only one month affected during the first quarter, so that to lessen the overall impact.

Now, moving to slide 5. We're very excited to announce Expro's acquisition of Enhanced Drilling. Enhanced Drilling is an industry and technological leader and managed pressure drilling or MPD, really focused in the deepwater offshore operations. For Expro, this acquisition adds a critical technology solution that has proven and is increasingly gaining traction within the industry.

As structured, this acquisition will be immediately accretive to cash flows and EBITDA margins and it adds over \$275 million of order backlog. We see a lot of growth opportunities in the service line going forward, especially as part of the Expro platform. Due to our size and breadth, we are able to bring services and technologies acquired into new markets around the world. We have a proven track record of doing this with our most recent example of Coretrax's acquisition that we completed back in 2024.

Currently, Enhanced Drilling is operating primarily in offshore Norway and in the Gulf of America and we see opportunities in the Caribbean, West Africa, Brazil and Australia where this technology could benefit customers tremendously.

Turning to slide 6. Here's a quick summary of the transaction from a financial perspective. The purchase price is NOK 2 billion, which is currently equating to roughly \$215 million. We expect some final adjustments to the purchase price based upon customary and working capital adjustments as the transaction is finalized and closed. Expro will utilize a combination of cash on hand and borrowings under the revolving credit facility to fund the acquisition. Current projections are for Enhanced Drilling to add more than \$50 million to our annual run rate adjusted EBITDA. Additionally, with adjusted EBITDA margins over 30%, this acquisition will contribute to further EBITDA margin expansion.

Finally, we anticipate that the transaction will close in the third quarter and based upon our understanding at this point, will likely be sometime in the early part of the quarter. The next few slides provide a little bit more detail on Enhanced Drilling and some of its services and offerings along its riser-based and riserless solutions. We have provided these slides for informational purposes.

Now, let's jump ahead to slide number 10. On slide 10, we're providing our 2026 financial guidance based upon what we currently see in the global market. In essence,

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this means no change to our previously established annual guidance for 2026. With the continued global conflicts, uncertainty still exists, which adds to the complexity of providing forward guidance. That said, however, we believe that current industry optimism is tangible, particularly towards the backend of 2026 and especially as we go into 2027 and beyond.

We remain constructive and confident in our second half of 2026 and the associated ramp in revenue and adjusted EBITDA, seeing sequential improvements in each subsequent quarter. With regards to the impact of the Middle East conflict on our future results, assuming a resolution to the Middle East conflict by the end of the second quarter, we would expect the impact on our second quarter results to be in the \$10 million to \$15 million revenue range.

Including the first quarter and projected second quarter impacted the Middle East conflict would equate to approximately 1% of total company revenues for the year. It is also worth noting for the second quarter, those revenue impacts carry elevated decrements for EBITDA calculations. In other words, the impacts are disproportionate on the revenue versus the costs.

Regarding our confidence and the ramp up for the back half of the year, there are a few aspects I'd like to highlight. We see opportunities in our North and Latin America region with Subsea well access and well flow management projects in the Gulf of America, tubular sales and low intervention integrity work in Colombia, all of which should contribute a healthy amount to the projected increases.

In our Middle East and North Africa region, besides assuming a resolution in the Middle East by the end of the second quarter and a return to more normalized activity, we still expect increasing contributions from our North Africa operations, particularly around a sizable production solutions project.

For the back half of the year in our Asia-Pacific region, we see our well construction and well management businesses in Southeast Asia, contributing incrementally more, along with some subsea equipment sales in China. Additionally, we expect incremental contributions from our Coretrax product line across our geographic regions.

In Europe and Sub-Saharan Africa, while we do not expect much incremental growth in the back half of the year, we still expect operations there to be steady and be a sizable contributor to overall revenue and EBITDA. Finally, as we have mentioned before, we intend to expand our margins this year with the full year benefiting from our Drive 25 initiative and to improve our capital efficiency and wallet share with existing customers.

Before moving on to our customer and technology highlights, I want to revisit a few attributes that we believe set Expro apart. These are included on slide number 11. Due to our breadth of services and technologies across the well lifecycle, we see opportunities to expand our wallet share with existing customers. Expro can leverage our installed base to provide additional services and technologies to customers, which

adds value to their operations, while at the same time helping to expand our underlying margins.

Another thing with we see as distinct is our innovation and technology offerings. They are emblematic of how we see the industry evolving, our technologies, and our ability to address unique customer challenges place Expro as the vendor of choice for many of our customers, and as to the company's relevancy and longevity with those same customers. In addition to our service and technology breadth, we also have geographic breadth.

Our global footprint enables us to leverage services and technologies, whether those are developed internally or acquired through M&A, to be deployed in multi geographies where we operate. For example, as we've mentioned before, our acquisition of Coretrax in 2024, that business was operating in circa 15 countries at the time of the acquisition. But now, we are deploying those technologies across over 31 countries. We plan to use a similar blueprint with the Enhanced Drilling acquisition, both in terms of integration, but also in terms of market expansion.

Now, moving on to our customer technology highlights for the quarter on slide number 12. During the first quarter, Expro continued to demonstrate its innovative technological capabilities with additional deployments and introduction of new technologies into the market. Similar to last quarter, we had several examples to choose from, but only a few to quickly highlight.

In Norway, Expro successfully delivered a world-first fully remote completion joint makeup with a downhole control line and clamp without a single person in the red zone. The combination of these disruptive technologies enhances safety, increases execution and operational efficiency, and delivers consistent and repeatable outcomes.

Another achievement during the quarter was Expro's iTONG offering, reaching a significant industry milestone. We have now successfully run and pulled over 1.2 million feet of casing and tubing in field operations since the technology was first deployed. This achievement underscores the iTONG growing momentum in the market, with an increasing number of clients adopting the technology and experiencing its operational safety and performance advantages.

Also during the first quarter, we launched Solus, a single shear-and-seal valve that replaces conventional two valve subsea well access systems. This technology reduces the complexity, operational risk, time and cost during subsea intervention and decommissioning operations.

The last example I want to highlight is a successful deployment of our MultiTrace gas tracing technology for a customer that enabled accurate flow measurement on a large-diameter flare system. This technology overcomes significant process challenges, caused by the highly transient conditions surrounding the flow of gas and fluctuating gas

consumption. MultiTrace allows accurate measurement of the flare gas in complex conditions, helping operators understand emissions and improve compliance without disrupting operations. At the heart of all these innovation examples, and a common thread with all of them, was the value creation for our customers.

Before turning the call to Sergio, I'd like to briefly revisit Expro's long-term strategic pillars those we focus on to drive value for our shareholders. These are included on slide number 13. Expro's long-term strategy is to build a large, diversified company that has increasing relevancy to our stakeholders, particularly our customers and our shareholders.

Our relevancy to customers is built upon our service offerings, including our innovative technologies, execution capabilities and market leadership positions. For shareholders, we continue to move forward, building a company that is able to generate healthy levels of free cash flow, which will be used to achieve our various capital allocation goals, all of which Sergio will expand on his following comments.

One of the pillars of the strategy that we have talked a lot about is our commitment to improve the company's financial profile. We have seen evidence of this over the last several years, with EBITDA margin expansion and increasing free cash flow generation. These will remain in focus moving forward, and we expect to achieve further improvement through cost efficiencies and reducing our capital intensity. Another pillar and an important component of our strategy is our technology and innovation, and how those are deployed into the market.

We continually develop and deploy new technologies into the market across our global footprint. Our expansive footprint also enables us to internationalize or globalize technologies, particularly those that we acquire through acquisitions that have limited geographic exposure, which leads to another component of our strategy, and that is to grow the company through scalable acquisition like today's Enhanced Drilling announcement.

The company has a strong track record of execution with acquisitions that we have made over the last several years. For these acquisitions and potential ones in the future, Expro looks to add to its services and technology offerings. In general, we seek opportunities with international and offshore exposure that have adjacent product offerings and are accretive to the company's financial position. Again, very characteristic of today's announcement of Enhanced Drilling.

Due to the slate of service offerings across the full well lifecycle, we have multiple avenues to pursue when looking at potential acquisitions. Our focus will continue to be on pursuing those that we believe will increase relevancy with our customers and shareholders.

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

### **Sergio Maiworm**

Thank you, Mike, and good morning to everyone on the call. As we reiterated on our last call, Expro's quarterly results reflected normal seasonality we experienced during the first quarter of the calendar year, caused primarily by – as Mike mentioned, the winter weather in the Northern Hemisphere and a slow start to customer spending. Again, this is normal seasonality and expected every year during the first quarter. With this backdrop, the company executed well on its operational and financial results. Both revenue and adjusted EBITDA reflected the relative midpoints of the ranges we previously provided. Specifically to Q1, our adjusted EBITDA was \$63 million with a margin of 17.1%, which is the decline from the previous quarter, but again reflects the seasonality of the first quarter. And we expect sequential improvements for the remaining quarters of the year.

Slide 14 illustrates our annual margin growth for the past few years. Even with these results and noting the ongoing situation in the Middle East and the modest headwinds those have created for us, we remain focused on expanding our margins in 2026, and the drivers of margin expansion for us remain the same. In the near-term, those are reflected on slide 15, and they are the full year impact of our Drive 25 cost efficiency initiative, increasing customer wallet share at higher margins, and to continue to internationalize services and technologies acquired in previous acquisitions, spreading those into new geographic areas.

The Enhanced Drilling acquisition we announced today will further help expand our margins. Not only is the margin in that business already greater than 30%, but the internationalization of that technology will extend our margins even further. In the medium term, we expect to increase our top-line revenue, continue to gain customer wallet share and more fully utilize services and technologies acquired across our geographic areas in order to achieve the next milestone goal of adjusted EBITDA margins greater than 25%. Also acknowledging that possible future M&A may play a factor as well, which we have executed on with today's announcement regarding the Enhanced Drilling acquisition.

We're also keenly focused on cash flow generation, and in Q1, Expro reported quarterly free cash flow generation of \$3 million on an adjusted basis. This was admittedly light based on our own expectations, but was really driven by working capital changes that worked against us this quarter. Those changes were roughly \$20 million more than what we had expected, and was primarily driven by the increase in our accounts receivable

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balance and prepaid amounts included in our other asset balances. This phenomenon is just timing-related. And in fact, subsequent to the quarter-end, we have already seen most of Q1 related collections being received, and we already experienced a significant improvement in our working capital balances.

I personally expect the second quarter to be a very good collections quarter. Considering the already seen improvements in our working capital, our operational outlook, and anticipated CapEx for the year, we still believe we'll generate a good level of adjusted free cash flow this year, in line with our annual guidance.

Now, quickly turning to the liquidity position. We have included this on slide 16. The company closed the quarter with \$517 million in total liquidity. That includes \$171 million in cash on the balance sheet. At quarter-end, we had \$79 million outstanding on our revolving credit facility, which was consistent from the previous quarter, and put the company's net cash position at approximately \$92 million. Now, obviously, with the Enhanced Drilling acquisition, those numbers will change as we are funding the acquisition through a combination of cash on hand and borrowings under the credit facility.

At the end of the day, we're still in a very strong financial position with substantially less than one times net debt to adjusted EBITDA. Having and maintaining a strong balance sheet positions the company well to execute on its other capital allocation priorities. These are highlighted again on slide 17. Our capital allocation framework is designed to maximize long-term value creation. As we have mentioned before, there are four equally important capital deployment priorities.

Invest in the business with CapEx providing organic growth that enhances our core capabilities, improves efficiencies, and or supports technological innovation across our service offerings. As a reminder, the vast majority of our capital expenditures are geared towards specific projects with known return profiles that meet or exceed our standards. I would reiterate these are not speculative investments.

Another capital allocation priority is to deploy capital to inorganic growth. Just like today's announcement through M&A Expro can and has completed acquisitions that add to the company's complement of services across the well lifecycle. Our M&A strategy is focused on opportunities that offer clear industrial logic, scalable technologies and synergies, and the potential to expand our presence in attractive markets. We maintained a highly selective approach when looking at M&A to ensure only the value accretive opportunities are pursued and pursued at the right price.

Another key aspect of our capital allocation framework is a commitment to return cash to shareholders. As we have already stated, during the first quarter, we've repurchased approximately 1.2 million shares for roughly \$20 million. This puts us on a really good path to meet or exceed our current year target of returning at least one-third of free cash flow to shareholders. On the final leg of the stool, in terms of capital allocation, is something that I have already covered, and that is maintaining a strong balance sheet. In doing so, we have the financial flexibility and resilience to act on our other capital allocation priorities. For example, even with an unexpected subpar free cash flow generation during the quarter, we were still able to make significant progress on our share repurchase target for the year and still maintain the company in a healthy net cash position.

This last example also reflects our ability to manage our capital allocation priorities dynamically, with one not dominating the ranking. Along those lines, it's important to note that even in a seasonally weak quarter, we were able to execute across all of these capital allocation priorities recently. We invested organically in our business through CapEx. We return cash to shareholders. We executed on accretive M&A, and we maintained a strong balance sheet.

Before turning to our segment performance, I do want to reiterate and summarize our financial outlook for 2026. As Mike previously addressed in slide 10. Overall, we remain very optimistic with the industry outlook for the second half of 2026 and beyond. Our current projections assume the adverse impacts of the Middle East conflict recede in the second quarter, with no lasting impacts for the third and fourth quarters. And Mike alluded to several real and live opportunities across the regions that we see, providing tangible sequential increases in the back half of the year, which, when combined with the more favorable working capital changes, will result in more significant free cash flow generation.

Now, I'd like to quickly address our segment performance this quarter. These are covered in slides 18 through 21 in the accompanying presentation. Turning to regional results for North and Latin America, or NLA, first quarter revenue was \$128 million, down just \$2 million quarter-over-quarter, reflecting various puts and takes comprised of lower well flow management revenue in Guyana and reduced well construction revenue in the US and Brazil, partially offset by higher subsea well access revenues in the US and increased well flow management revenue in Mexico.

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Segment EBITDA margin at 20% was down compared to prior quarter at 24%. This decrease was primarily attributable to a less favorable activity mix in the region due to normal seasonality during the quarter. For Europe and Sub-Saharan Africa or ESSA, first quarter revenue was \$114 million, also down just \$2 million on a sequential basis due to lower well flow management revenues in Angola and Bulgaria, and lower subsea well access and well construction revenue in Ghana, partially offset by higher well construction revenue in Ivory Coast. Segment EBITDA margin at 28% was down sequentially, also reflecting an unfavorable product mix relating to a reduction of higher margin projects, given the normal 1Q seasonality.

The Middle East and North Africa region, or MENA, though impacted to some extent by the Middle East conflict that began late in the quarter, still delivered a fairly solid quarter. Revenues of \$82 million were down sequentially from the previous quarter of \$93 million. The decrease in revenue was primarily driven by lower well flow management revenue in Algeria, Saudi Arabia and Iraq, together with reduced well intervention activity in Qatar due to the ongoing conflicts in the Middle East. MENA segment EBITDA margin was 29% of revenues, decreasing from 39% in the prior quarter. The decrease in the segment EBITDA margin is consistent with the decrease in revenues and change in activity mix experienced during the quarter.

Finally, in Asia Pacific or APAC, first quarter revenue was \$44 million, a modest increase of \$1 million sequentially. Here, the increase was a result of the puts and takes relating to higher subsea well access activity in Malaysia and increased Coretrax related activity, partially offset by lower well flow management and subsea well access activity in Australia. Asia-Pacific segment EBITDA margin at 16% of revenues was consistent with the prior quarter.

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

### **Michael Jardon**

Thanks, Sergio. As we conclude our prepared remarks and before opening the call for questions, I'd like to conclude with the following comments. We share the industry's increased optimism over the medium and long-term, though recognizing it has come at a cost both from a financial perspective but also at a human level. I remain confident that the company and that our employees will continue to provide value-added services to our customers, which we intend to translate into value for our shareholders.

As part of that, we continue to demonstrate our ability to execute across multiple capital allocation priorities, and we'll continue to do so in the future. We thank our employees, customers and shareholders for their continued support and look forward to building on

our momentum in the quarters and years ahead. Finally, I look forward to welcoming all the folks at Enhanced Drilling into the Expro family. We're very excited about the opportunities and we can jointly pursue.

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

## **QUESTION & ANSWER:**

### **Operator**

*Thank you. We'll now begin the Q&A session. [Operator Instructions] . Our first question for today comes from Caitlin Donahue of Goldman Sachs. The line is now open. Please go ahead.*

### **Caitlin Donohue**

Good morning, and thank you for taking my questions. Can you walk us through your anticipated growth prospects...

### **Michael Jardon**

Good morning, Caitlin.

### **Caitlin Donohue**

Good morning. Can you walk us through your anticipated growth prospects with the acquisition of Enhanced Drilling just the strategy of how you anticipate to further expand Expro's wallet share in certain geographies of existing services with the portfolio expansion with MPD?

### **Michael Jardon**

No. Caitlin, thank you for the question. And first off, we are so excited about the Enhanced Drilling acquisition. I mean, this is one we've been looking at. We've been working on for a while and we've been able to get this closed out here over the last few weeks. And this really is beyond wallet share expansion for us. This really is a market share expansion opportunity. The technology has tremendous application. It's only an offshore particularly deepwater, allows operators to drill more complex, casing strings and those type things, because it's a dual gradient technology.

So, the predominant deepwater basins are really where this is going to have application. And as we talked about in the earlier and we've highlighted in the press release, today it's really, the market penetration really has been in Norway and in some here in the US Gulf. So, places like Guyana has tremendous application. Brazil, especially with the

subsoil applications. You start to move into West Africa, the Ghana, the Angola, Australia. I mean, this is a tremendously positive advancement for us that really allows us to expand our service offering into much more of the managed pressure drilling services.

So, the good thing for us is, it's a very similar playbook to how we rolled out the technology from Coretrax. And so, our ability both from an integration standpoint as well as from market penetration standpoint, we think we'll be able to do that. But, I think, over the course of the coming few months, we'll be able to get some good penetration into some of those key geographies and in particular Guyana, to be frank.

### **Caitlin Donohue**

That's helpful. Thank you. And just one more on my end. For the Drive 25 initiatives, bringing down costs over the long-term, it's a continued goal. Can you give some color on the progress there, particularly as now you have this Enhanced Drilling acquisition, some growth that you might now see from the extended portfolio?

### **Sergio L. Maiworm**

Hey, Caitlin. Good morning. This is Sergio. I'm happy to address that. So, I mean, we are continuing with our cost-outs. And we're continuing to make sure that we're getting as efficient as we can as a company. So, this is a bit of an ongoing process, the efficiency gains, et cetera. I would say, from a Drive 25, we've achieved way more than what we had set out to achieve initially. If you remember, at the beginning, we said that we wanted to take out about \$25 million of costs per year. Then, we actually increased that to \$30 million per year. I think, we're close to \$40 million now and a lot of those projects have already been completed.

So, you should see the full impact of that Drive 25 in our 2026 numbers and beyond. So, all of those increased efficiencies, which means that we're taking some of these structural costs out of the system. This is not just we removed a number of people given the level of activity that we have, but then we will have to bring those costs back into the system if activity increases. These are sticky cost removals or meaning, these are structural cost reductions that will give us a lot of operational leverage as we continue to see the market picking up in the second half of 2026 and into 2027, that will allow us to grow the top-line without actually any meaningful increases in our – or any increases to be frank, to our support cost structure. So, that gives us a lot of incremental torque in the business and cash flow generation with that.

**Caitlin Donohue**

That's helpful. Thanks. Congrats again. I'll turn it back.

**Michael Jardon**

Thanks, Caitlin.

**Sergio L. Maiworm**

Thank you.

**Operator:**

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

**Edward Kim**

Hi. Good morning. So, obviously, the world has changed since your last earnings call. Are you seeing any noticeable change in your customer conversations? And if so, any specific products or business lines where you are seeing or where you expect activity to pick up meaningfully as a result of what's taking place over the past two months that's different from your expectations at the very beginning of the year?

**Michael Jardon**

Good morning, Eddie, and thanks for the question. Thanks for joining. I guess, I was just in Asia here recently. And the Asia market is really, there was an awful lot of customer conversation and dialogue around more production-type projects, more OpEx-related type things, kind of incremental oil. So, I think that's, I think, we're going to see that start to strengthen up. But also, quite frankly, both in Asia as well as other customer conversations I've had, there is much more of a situational awareness today around energy security. And I think, it's going to go well beyond the kind of phenomenon we saw in Europe to begin with the Russia-Ukraine conflict, I think are just a lot more situational awareness around that.

So, I think, that's going to translate into especially some of the deepwater basins. Those have got, very efficient breakeven costs at this point in time, I think can help add to energy security. And frankly, that means, what we're going to see is more drilling and completions type activity. And that's really kind of a sweet spot for us today with our well construction product line, with our subsea product line. And that's one of the reasons that I'm so excited about Enhanced Drilling, because – I think you've even heard commentary from the drilling guys here over the course of the last couple of weeks. The second half of 2026, I think, if 60 days ago, we thought it was going to be at X level, I

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think, what we see now globally, it's going to be X plus some margin in the second half of the year.

I think, it's going to kind of step up and ramp up. More drilling activity means more well construction activity, means more completion activity. And I think, we're really well positioned for that. I think, it's just sets up 2027 and beyond to be even more robust.

### **Edward Kim**

Great. That's very helpful color. Thanks, Mike. I'll turn it back.

### **Michael Jardon**

Great, Eddie. Thank you for your time.

### **Operator:**

Thank you. Our next question comes from Keith Beckmann of Pickering Energy Partners. Your line is now open. Please go ahead.

### **Keith Beckmann**

Hey. Thanks for taking my question, guys.

### **Michael Jardon**

Good morning, Keith.

### **Sergio L. Maiworm**

Good morning Keith.

### **Keith Beckmann**

Thanks, guys. I want to say congrats on the acquisition, obviously. MPD [ph] is not bad to get into if the floater (00:40:04) market plays out like we all hope it does. But I wanted to kind of think about the technology side of things given its tech day. So, I was wondering if maybe, given maybe improved 2027 thoughts, maybe, how are you thinking about the timing of potentially rolling out technologies. And if you could just kind of talk through how you plan to capture the value and the deployment of those technologies. Thanks

### **Michael Jardon**

No. Keith, thank you. It's really, so much of our innovation focus and our engineering efforts really today is on creating additional operational efficiency. I mean, the things we've done around Drive 25 and really trying to make sure we have sticky cost

efficiency, cost-out efforts, we're trying to do the same thing from an operational standpoint. We're trying to reduce the number of personnel that are required. We're trying to make things more autonomous, to make things more repeatable and more, just more efficient. And so, some of the technologies I highlighted earlier around our – the remote clamp installation system, it really does that, reduces personnel, makes things more, more efficient.

Our iTONG technology allows us to reduce the number of personnel, reduce personnel in the red zone. And we're trying to do the same thing with our well flow management or well testing operations as well. We're moving to more automation. You are talking about a technology that's been in the industry for 70 years. We've been doing it for 50-plus. And we're actually bringing some efficiency to it. We're reducing the number of personnel that are required and that brings that makes more efficient operations. But frankly also helps us with being able to redeploy those personnel to other operations. So, it's really kind of that same mantra of efficiency, both from a cost standpoint, but also from an innovation engineering technology deployment standpoint as well.

### **Keith Beckmann**

Awesome. That's really helpful. I appreciate it. And then, the second question that I wanted to ask was just around slight Middle East headwinds in 1Q 2Q. But really the thing that I wanted to hit on was, how do you expect that you guys could potentially participate in a recovery once the conflicts essentially over? Are there ways that you've identified or you think in particular you could try to capitalize on potentially in the events that the Middle East needs to start producing a lot more?

### **Michael Jardon**

Yeah. I mean, we've had a lot of conversations around the Middle East. Several of us internally have lived and worked in the Middle East early in our careers. And I think, what we're going to see is we're probably going to observe a different customer and operating dynamic in the Middle East than what we have historically. I think, we saw that starting with the Emirates now announcing that they're going to exit from OPEC. They've already been kind of not staying consistent with their production quotas and those kind of things.

I think, we're going to see much more of a drive for enhanced production, enhance operations out of the Middle East. So, I think, that's going to allow us to participate, because an awful lot of that is going to be around drilling and completions. And especially on the drilling side for our well construction portfolio, we think that's something we can continue to expand in that marketplace. Philosophically, I mean, right

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now our assumptions are that, we've come back to kind of more of a normalcy in terms of security and those kind of things in the Middle East here in the second quarter.

I think, we're going to have to see how that plays out. It seems to be, we get one message in the morning and then we get a different message in the afternoon with how things are progressing from a geopolitical standpoint, from the Middle East. So, we'll continue to be flexible and adaptable with our business and our operations.

Short-term, we'll see how that plays out. I do think medium and long-term – the reservoirs are so prolific in the Middle East, they're going to have to play a really strong role in future global production. So, I think, it'll be tremendous in the medium and long-term. We'll just have to kind of see what this choppiness, how that plays out here in the coming weeks and months. And hopefully we're not talking quarters.

### **Michael Jardon**

Thanks, Keith.

### **Sergio L. Maiworm**

Thanks, Keith.

### **Operator**

Thank you. Our next question comes from Josh Jayne of Daniel Energy Partners. Your line is now open. Please go ahead.

### **Joshua Jayne**

Good morning. Thanks for taking my questions. You highlighted no logistical issues today as a result of the conflict, but maybe you could just go into a bit more detail on how you're positioning yourself to not be impacted in the event that this goes longer than we all think it may?

### **Michael Jardon**

Yeah. Josh, good morning and thanks for joining us. I think, today especially for our activity in the Middle East, the vast majority of our revenue and our service intensity comes from services. It doesn't come from product sales. So, we're less dependent upon, the ability to transport equipment and gear into the region. So, in the short-term hasn't had a significant effect on us. But frankly, we go beyond, weeks and months and we start talking about quarters of conflict. It will become a little bit more of a constraint for us just because we actually have to build a ship in M&S supplies for maintenance

and those type things, those tend to be smaller volume, smaller items that can come in via land. They can come in via air.

So, right now we just don't see a significant impact in it. But, if this goes on for an extended period of time and frankly, I personally don't see anything, it makes me think that this is going to go on for an extended period of time, we could get to the point where we'd have an impact. But today, it's just not because of the makeup of our business and our activity in the Middle East, much more service related. Just not having a tremendous influence today.

### **Joshua Jayne**

Okay. Thanks for that. And then, I just wanted to touch on the acquisition one more time. You talked about expanding it geographically as it's obviously relatively well concentrated today. You mentioned Guyana as an opportunity, for example, maybe just could you go into a bit more detail on how long once, how long it may take once you're fully on board? Do you think it takes to really start to see diversification in the business and just how you're thinking through that a bit more would be great?

### **Michael Jardon**

No. I mean – Josh, it's another – it's a good question. I appreciate you following up. I mean, this is one where, the playbook that we've gone through for Coretrax is we've been very intentional on, we're going to go to country A first. We're going to go to country B, second, we're going to go to country C third. We did it in a very specific order because we wanted to maximize the market penetration. We want to maximize the pricing. And we'll go through that same type of process with Enhanced Drilling. The good thing here is from a technology standpoint, this is so critical and really bring so much value to the operators that it, almost sells itself. I think part of the challenge and part of why that management team is so excited to be part of a bigger platform is, we've got more channels, we've got more customer engagements, we've got more opportunities to do that. So, I think, one of our – and I don't want to call a limitation, but I think one of our throttling mechanisms here is going to be really our ability to, from a CapEx standpoint to deliver additional incremental systems. We've got a certain number in flight right now and we'll have to go through and re-evaluate which markets we think we can get penetration in.

So, it's going to be the deepwater basins. We're going to focus in those. It brings efficiency. It brings additional safety. And frankly, I think, brings could potentially bring an overall cost reduction element to the operators as they can start to change some of their casing designs. I think that brings some tremendous flexibility. So, long answer.

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Lots of things to say there. But, I think, it's part of what you'll really be able to hear from us, over the course of the next, few months as we start to move that thing forward, get it closed, and then being able to really start to action, implement it, you'll hear a lot more about our plans and some of those things.

### **Joshua Jayne**

Great. Thanks for taking my questions.

### **Michael Jardon**

Thanks, Josh.

### **Sergio L. Maiworm**

Thanks, Josh.

### **Operator**

Thank you. Our next question comes from Derek Podhaizer of Piper Sandler. Your line is now open. Please go ahead.

### **Derek Podhaizer**

Hey, good morning guys. Sorry if I missed this before. I jumped on a little late here, but hoping to get some more color around the 2Q guidance. Just trying to think through it. We obviously get these, the seasonal rebound, some margin expansion. But then trying the interplay of the \$10 million to \$15 million impact from the current Middle East conflict, you said that's going to come with fairly high decrementals, but just also just trying to think of the shape of the recovery as you maintain the full year guide and the big, the sharp step-up in the second half of the year. So, maybe just some help on second quarter would be great.

### **Sergio L. Maiworm**

Hey, Derek. Yeah. This is Sergio. Happy to answer those. So, I mean, as we've mentioned before, even before the conflict began and now it's even more so, this is going to be a stair step type of results, right. So, second quarter results are going to be higher than first, and third going to be higher than second and et cetera. So, that is the shape of kind of how we should think about kind of revenues and EBITDA and cash flow generation throughout the year. So, just kind of – just using that as a starting point, as we talked about, second quarter will have about \$10 million or \$15 million impact on our revenue generation in the Middle East, because of the conflict that comes with pretty high decremental. So, you shouldn't assume that there's a pretty significant EBITDA deficiency on that as well.

So, if you think more about a little bit of the third quarter as a bit of the fulcrum here. So, if you think there's so much kind of EBITDA and cash flow that we need to generate throughout the rest of the year, and assuming that second quarter is going to be better than first, but not quite as high as the third. So, that kind of gives you a little bit of that shape of the recovery there, if that helps you.

### **Derek Podhaizer**

It does. No, I appreciate that. And then, maybe just a bit of a holistic question, just given the Enhanced Drilling acquisition, which was pretty accretive, but just thinking about consolidation in the offshore space, we've seen it on the floater side, we've seen it with support vessels, decommissioning, P&A obviously Enhanced Drilling with you guys more through a technology lens. But just given we're entering this what appears like a multi-year up cycle and offshore, what else could we expect from the markets from a consolidation lens to keep up with the demand of these upstream customers that are about to deploy multi-year development projects? Just maybe some thoughts around what you could see when we look out over the next few years from the consolidation standpoint?

### **Michael Jardon**

Yeah. Derek, it's Mike, and thanks for the question. I think, you're asking the really the really key important element there. And for us, we're more relevant today post the Enhanced Drilling acquisition than we were yesterday. We need to continue to become more relevant to our customers. And if we're more relevant to our customers, I know we can be more relevant to investors. I think, we need to continue to have consolidation in the market. I think especially, offshore, international, type areas. I think, we need to continue to start to try to see that. We're active in it every day of the week.

This is another acquisition. I think, some of you heard me before that I really like the – my seven-year-old grandson math that this is another one of those. My seven-year-old grandson can do the math to figure out this one's accretive. So, we continue to look for those kind of opportunities. We continue to try to do things that that help us be more relevant for our customers. I'm going to be particularly excited to talk to customers about Enhanced Drilling, because I think it's going to be like some of the other acquisitions we've made. It's going to make perfect sense to them. Why? Why that brand under the Expro umbrella is really going to make a lot of sense.

So, we continue to be active in it. We continue to -- we're not just trying to become big for bigger sake, but we're trying to become more relevant to our customers. And I think that's where we'll continue to have our efforts. Some of this can be technology focused.

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Some of it's going to be market expansion focus. Some of it's going to be geographic expansion. It's all those kind of things that we continue to really put a lot of emphasis on internally.

### **Derek Podhaizer**

Great. Appreciate all the color. I'll turn it back.

### **Michael Jardon**

Thanks, Derek. Appreciate your time.

### **Sergio L. Maiworm**

Thanks, Derek.

### **Operator**

Thank you. At this time, we currently have no further questions. Therefore, that concludes today's conference call. Thank you all for joining. You may now disconnect your lines.