Expro Group Holdings N.V.

Q2 | 2023

Highlights

NYSE: **XPRO**

Disclaimer

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that Expro Group Holdings N.V. (the "Company") expects, believes or anticipates will or may occur in the future are forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation include statements, estimates and projections regarding the Company's future business strategy and prospects for growth, cash flows and liquidity, financial strategy, budget, projections, guidance, operating results and environmental, social and governance goals, targets and initiatives. These statements are based on certain assumptions made by the Company based on management's experience, expectations and perception of historical trends, current conditions, anticipated future developments, and other factors believed to be appropriate. Forward-looking statements are not guarantees of performance. Although the Company believes the expectations reflected in its forward-looking statements are reasonable and are based on reasonable assumptions, no assurance can be given that these assumptions are accurate or that any of these expectations will be achieved (in full or at all) or will prove to have been correct. Moreover, such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. Such assumptions, risks and uncertainties include the outcome and results of the integration process associated with the 2021 merger of Frank's International and Expro Group Holdings International Limited, the amount, nature and timing of capital expenditures, the availability and terms of capital, the level of activity in the oil and gas industry, volatility of oil and gas prices, unique risks associated with offshore operations, political, economic and regulatory uncertainties in international operations, the ability to develop new technologies and products, the ability to protect intellectual property rights, the ability to employ and retain skilled and qualified workers, the level of competition in the Company's industry, global or national health concerns, including health epidemics, such as COVID-19 and any variants thereof, the possibility of a swift and material decline in global crude oil demand and crude oil prices for an uncertain period of time, future actions of foreign oil producers such as Saudi Arabia and Russia, the timing, pace and extent of an economic recovery in the United States and elsewhere, inflationary pressures, volatility in the banking sector, the impact of current and future laws, rulings, governmental regulations, accounting standards and statements, and related interpretations, and other guidance. Such assumptions, risks and uncertainties also include the factors discussed or referenced in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the U.S. Securities and Exchange Commission (the "SEC"), as well as other risks and uncertainties set forth from time to time in the reports the Company files with the SEC. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events, historical practice or otherwise, except as required by applicable law, and we caution you not to rely on them unduly.

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

InvestorRelations@expro.com

Downloadable Financials:
Investors.Expro.com

Copyright 2023 Expro. All rights reserved.

Get to Know XPRO

60
COUNTRIES

~7.6K
EMPLOYEES

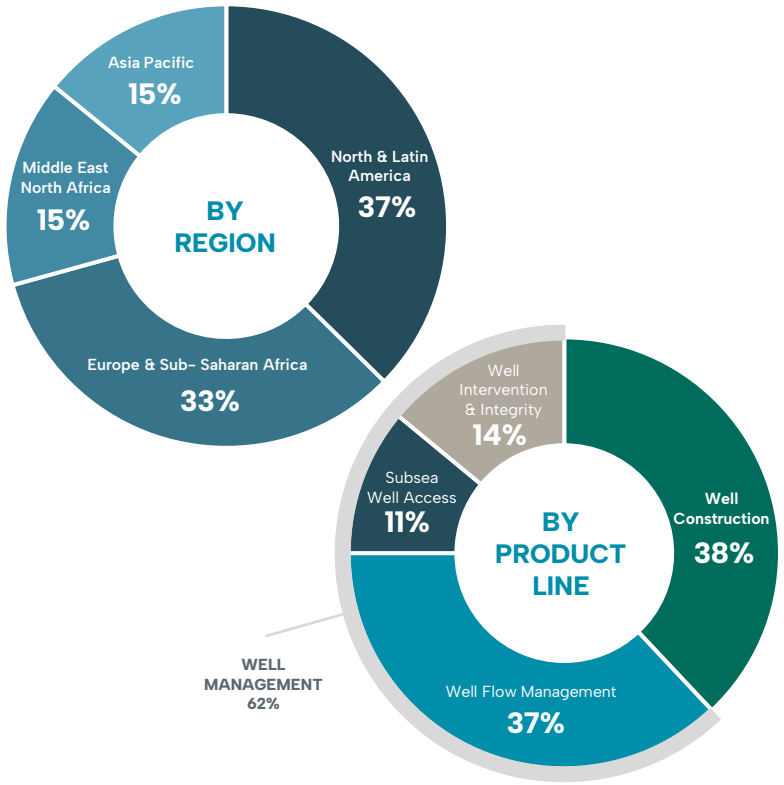
STRONG CASH FLOW OUTLOOK

DEBT FREE BALANCE SHEET
with significant available liquidity

SAFETY & SERVICE QUALITY LEADER

~95%
2022 customer service, quality, and customer job performance rating

TTM REVENUE[3]
$1,422m



~80%
INTERNATIONAL

~70%
OFFSHORE

~7%
U.S. LAND

~$2.4bn
Market Capitalization[1]

~$2.2bn
Enterprise Value[2]

Wall Street Estimates

$292m[4]
2023E Adjusted EBITDA

~7.5x[2,4]
Implied EV/2023E EBITDA

NYSE: **XPRO**

Headquartered in Houston, Texas and domiciled in the Netherlands. Completed reverse merger with Frank's International on October 1, 2021

1) Market capitalization based on approximately 109 million total shares outstanding and an XPRO price per share of ~$22.00
2) Based on no interest-bearing debt and $181 m cash at 06/30/23
3) Trailing twelve months 2023 revenue is based on the trailing twelve months for the quarter ended 06/30/23
4) Average 2023 EBITDA estimates from Goldman Sachs, Barclays, Piper Sandler, Evercore ISI, and Sidoti

Copyright 2023 Expro. All rights reserved.

Our Long-Term Value Creation Strategy

Maximize Expected Multi-Year Upcycle

Well positioned to capture significant upside from international, offshore, and drilling and completions recovery

Maintain Through-cycle Resiliency

Broad portfolio of value-added services and solutions

Global operating footprint

Mix of capex-funded and opex-funded activities

Increase sustainable energy solutions

Increase Margins and Free Cash Flow

Improving business mix

Merger synergies

Recently-deployed technologies

Pricing tailwinds

Focus on Shareholder Returns

Achieve sustainable free cash flow through scale

Accelerate growth through smart, synergies-focused M&A

Maintain low leverage

Return ~1/3 of FCF to shareholders

Performance is a Core Value

People | Partnership | Performance | Planet

Copyright 2023 Expro. All rights reserved.

Q2 2023 Expro Highlights

Revenue was $397m, up 17% quarter-over-quarter and up 27% year-over-year; customer activity levels have continued to improve across all segments and geographies.

Adjusted EBITDA was $72m, up 71% quarter-over-quarter and up 40% year-over-year. Q2 2023 Adjusted EBITDA margin was 18%, or 20% excluding $6m of non-reimbursable NPT (non-productive time) related to the LWI project in APAC.

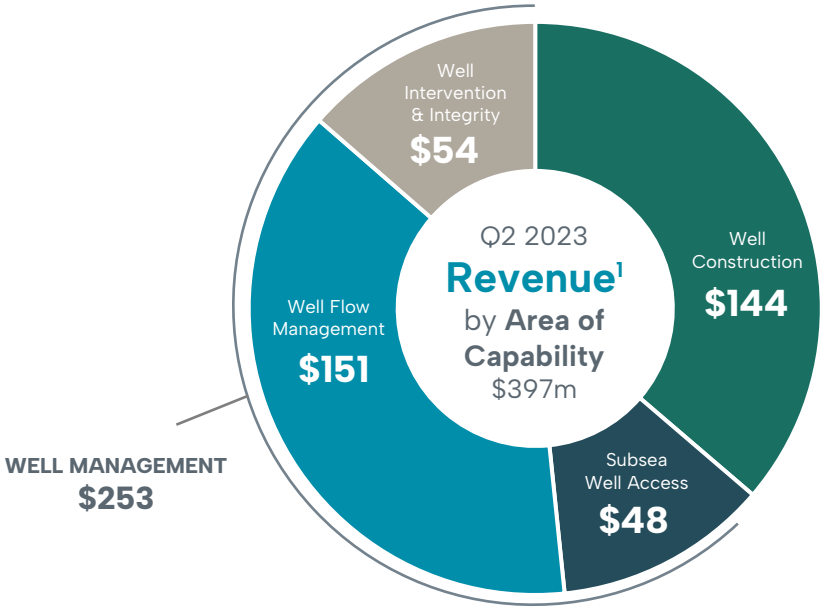
Reaffirming full-year guidance range for revenue, Adjusted EBITDA and Adjusted EBITDA margin of $1,450m to $1,550m, $275m to $325m and Adjusted EBITDA margin of 19-21% revenue.

New contract awards in Q2 2023 of $299m; order backlog at 6/30/23 of approximately $2.3b, up ~18% since 6/30/22.

Copyright 2023 Expro. All rights reserved.

Revenue by Region and Area of Capability





($m)	Q2 2023	Q1 2023	Seq Δ	Q2 2022	Y/Y Δ	Q2 2021	Δ vs 21
NLA	$135	$126	7%	$130	4%	$100	34%
ESSA	$138	$114	21%	$90	53%	$89	55%
MENA	$59	$51	16%	$45	30%	$50	19%
APAC	$65	$49	34%	$48	34%	$45	43%
Total	**$397**	**$339**	**17%**	**$314**	**27%**	**$284**	**40%**

($m)	Q2 2023	Q1 2023	Seq Δ	Q2 2022	Δ 2022	Q2 2021	Δ 2021
Well Construction	$144	$128	12%	$122	18%	$108	33%
Well Management	$253	$211	20%	$192	32%	$176	44%
Total	**$397**	**$339**	**17%**	**$314**	**27%**	**$284**	**40%**

1. All amounts from Q4 2021 are as reported and prior to that are on a pro forma basis for the entire presentation
2. Well Management includes Well Flow Management, Subsea Well Access and Well Intervention and Integrity.
3. Certain totals may not add due to use of rounded numbers.

Copyright 2023 Expro. All rights reserved.

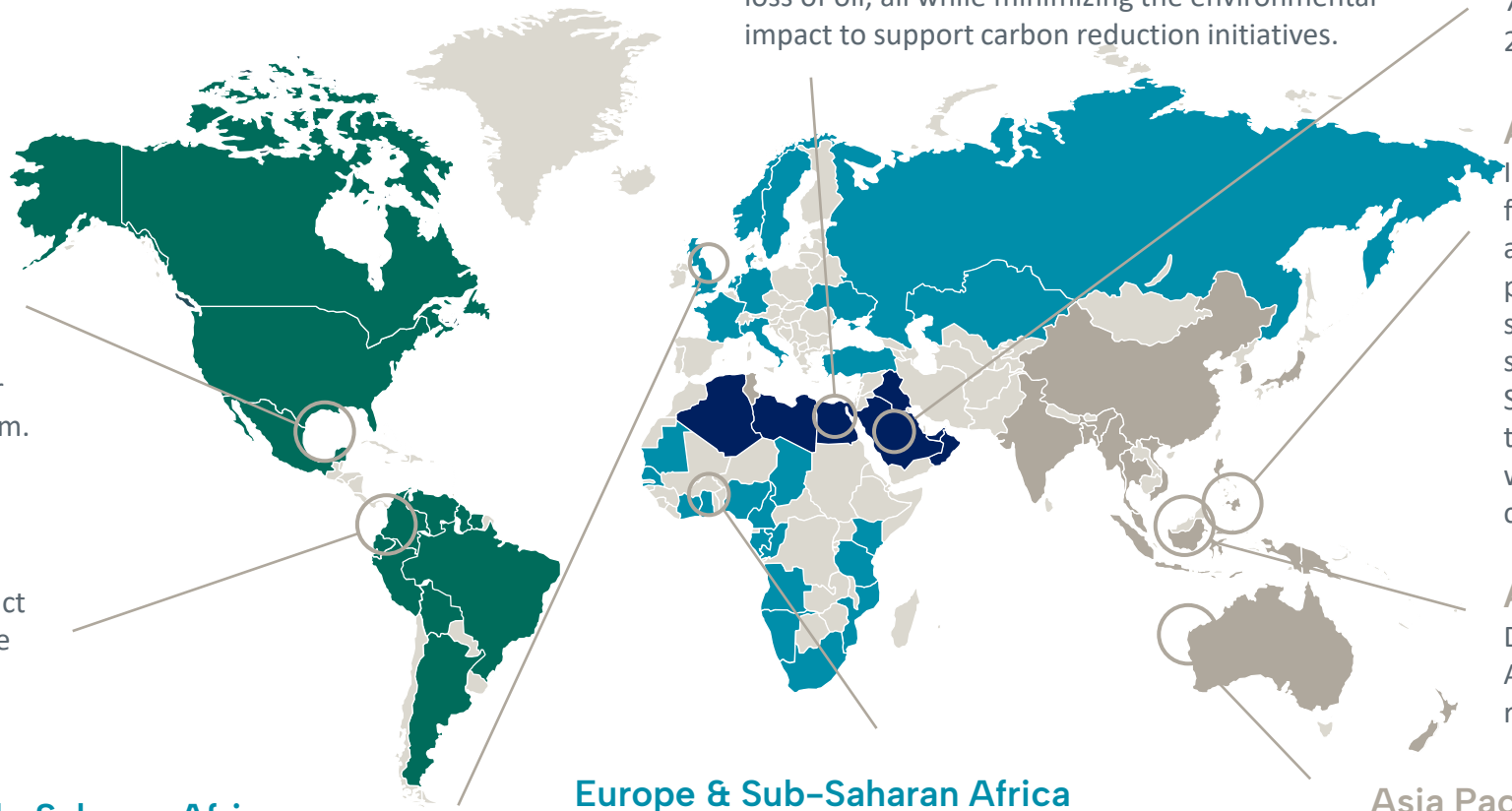
Q2 2023 Regional Highlights

North & Latin America

In the Gulf of Mexico, we provided two High-Tensile, High-Pressure BRUTE® Packer Systems during the toughest weather conditions. This ultimately enabled the operator to finish the completion of the well – an important accomplishment for our BRUTE well isolation system.

North & Latin America

In Colombia, we secured a $16million multiservice contract extension including Cased Hole and Well Test Services as a result of technical evaluation.



Europe & Sub-Saharan Africa

Won a new $20million contract for a well abandonment campaign in the UK. This multi-year contract will utilize Expro's Subsea Well Access technology with a combination of open-water and in-riser applications.

Middle East & North Africa

Expro's production optimization solution improved operational efficiency and made a significantly positive commercial impact by decreasing the loss of oil, all while minimizing the environmental impact to support carbon reduction initiatives.

Europe & Sub-Saharan Africa

In Ghana, we secured a contract extension worth more than $50million to provide subsea packages. We have held this contract since 2012, which is a testament to our leading subsea landing string technology and the excellent service quality delivered by our team.

Middle East & North Africa

In Saudi, we completed first closed loop return in descaling operations. This led to a remarkable increase of 70% in gas production and impressive 240% increase in oil production.

Asia Pacific

In Indonesia, we completed our first semi-submersible exploration and appraisal project with 100% performance score. As part of this successful job, Expro delivered services across three wells for 3" Subsea direct hydraulic, drill stem testing, downhole sampling and well testing delivering value to our customer.

Asia Pacific

Deployed the iCAM®'s Connection Analyzed Make-up System to BSP rigs, an operational first for Brunei

Asia Pacific

Completed five well de-suspension campaign offshore Australia for one of the Super Majors, utilizing our newly-commissioned vessel-deployed light well intervention system

Copyright 2023 Expro. All rights reserved.

Customer and Technology Highlights



First steam for geothermal customer

After construction, test rig up and deployment of geothermal specific well test evaluation spread for a customer in Germany they successfully achieved ‘first steam’. This demonstrates our enhanced offering and capabilities in the geothermal sector and our commitment to a more sustainable and lower carbon future.



Success with Subsea Riserless Well Intervention solution in Australia

We successfully completed a five well de-suspension and manifold de-isolation using our subsea Riserless Well Intervention (RWI) solution. Expro’s operations enabled the production of first gas.



First deployment of electric powered slickline unit in Qatar

This is the first deployment of this unit type within Expro, where the electric powerpack replaces the diesel with no additional deck space required and ultimately supporting our customer on their journey to reducing their greenhouse gas emissions.



Record-breaking operation for digital technology, Centri-FI™ in Brazil

Our team has achieved another record-breaking operation to install a 14” casing string with Centri-FI™ Intelligent command and control solution. We enabled the rack back of 67 stands of pipe offline and set a record running speed, all while minimizing personnel required for the operations and eliminating the need for personnel in the redzone. This was one of the fastest and most efficient 14” jobs in the region to date.



Non intrusive, low carbon footprint testing solution for producing assets in Brunei

A customer approached Expro to assist in acquiring flow data on their mature fields. Expro expediently provided a highly mobile, low footprint solution by combining non intrusive Sonar flow meters and MultiTrace®. The production data provided by Expro is enabling the client to refine their subsurface models, optimize production, and identify and prioritize well remediation activities.

Copyright 2023 Expro. All rights reserved.



Management expects Q3 revenue to reflect ~20% year-on-year growth, with Adjusted EBITDA margin in the 20-22% range



Based on a positive activity outlook, we are maintaining our 2023 guidance, with revenues between $1,450m and $1,550m, Adjusted EBITDA between $275m and $325m and Adjusted EBITDA margin of 19% to 21% revenue

Appendix:

To learn even more about Expro, check out these additional places to get in touch with us.

Investors.Expro.com

Downloadable Financials

Our ESG report

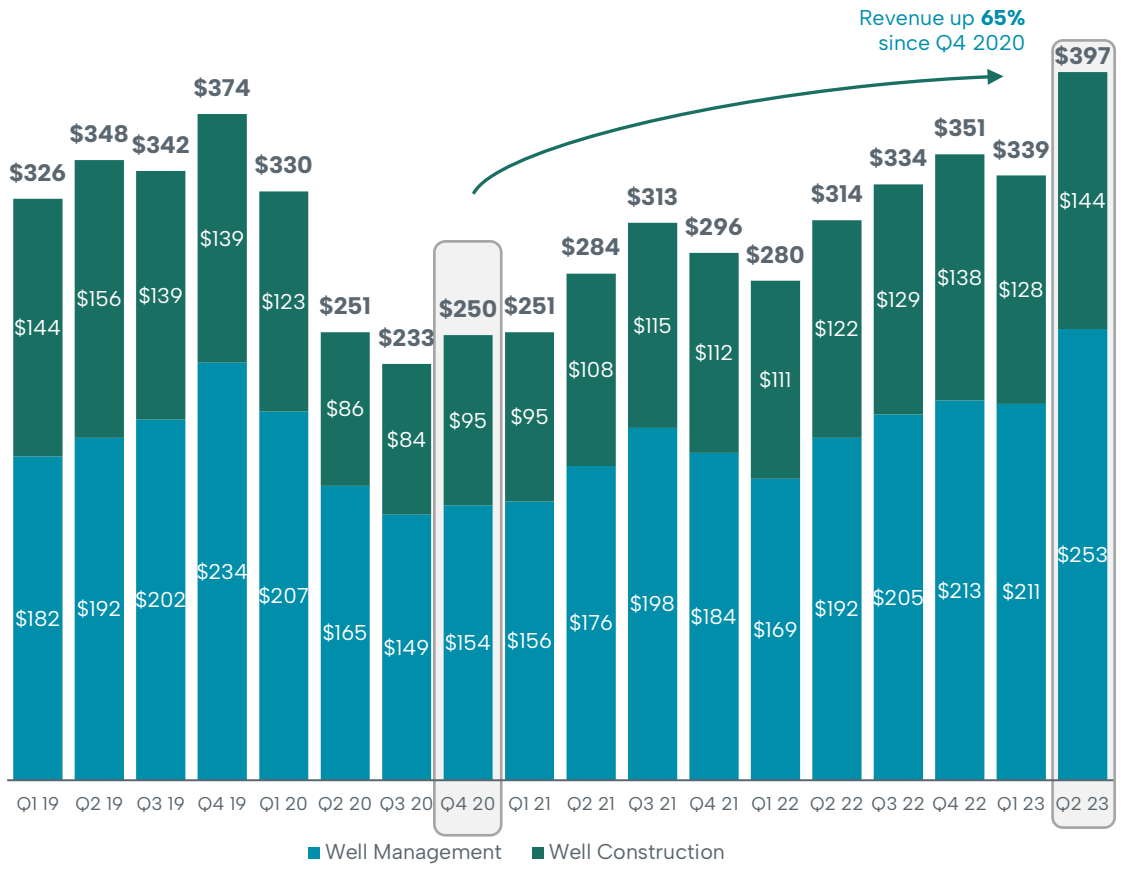
Follow us on

Connect with us on

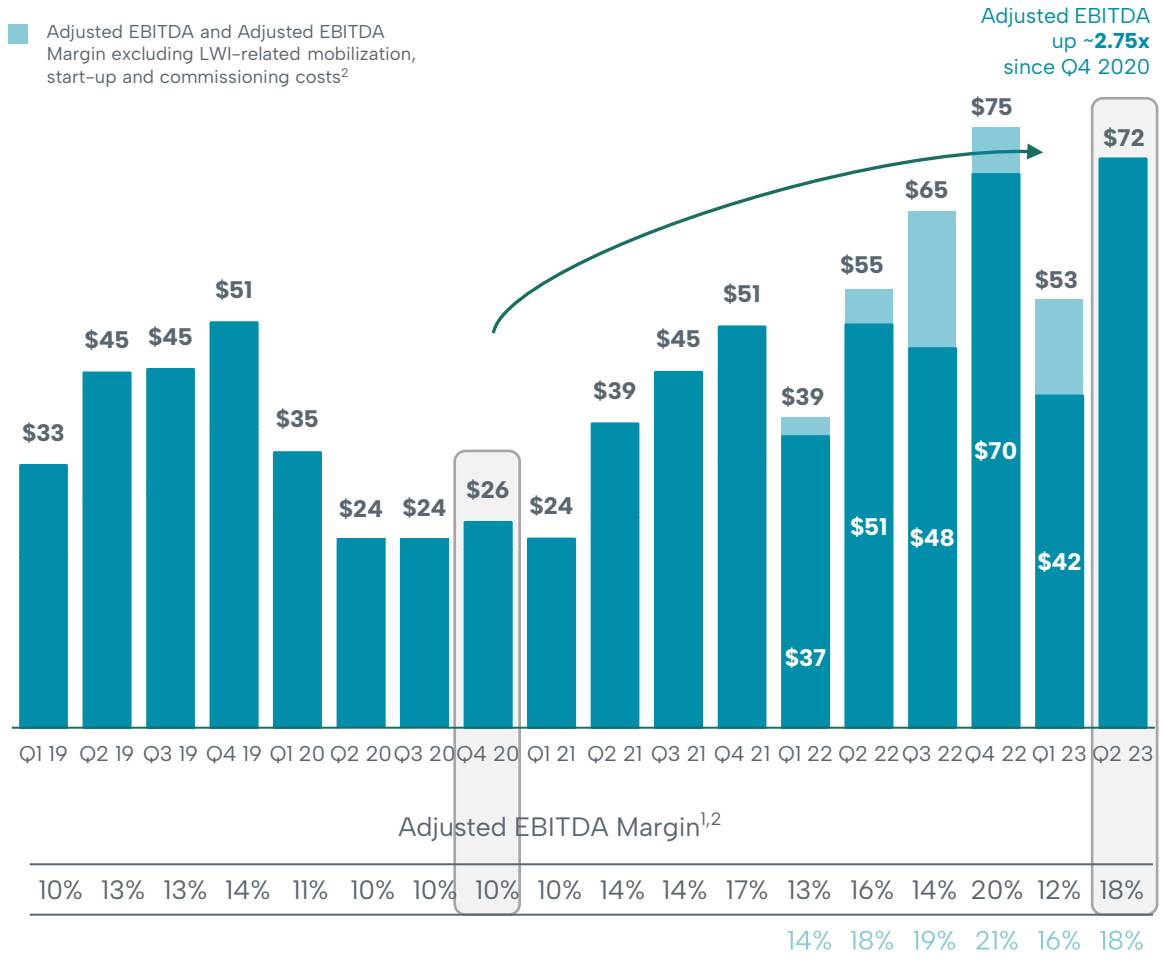
Subscribe to our channel

Historical Revenue and Adjusted EBITDA

Revenue ($m)



Adjusted EBITDA ($m)

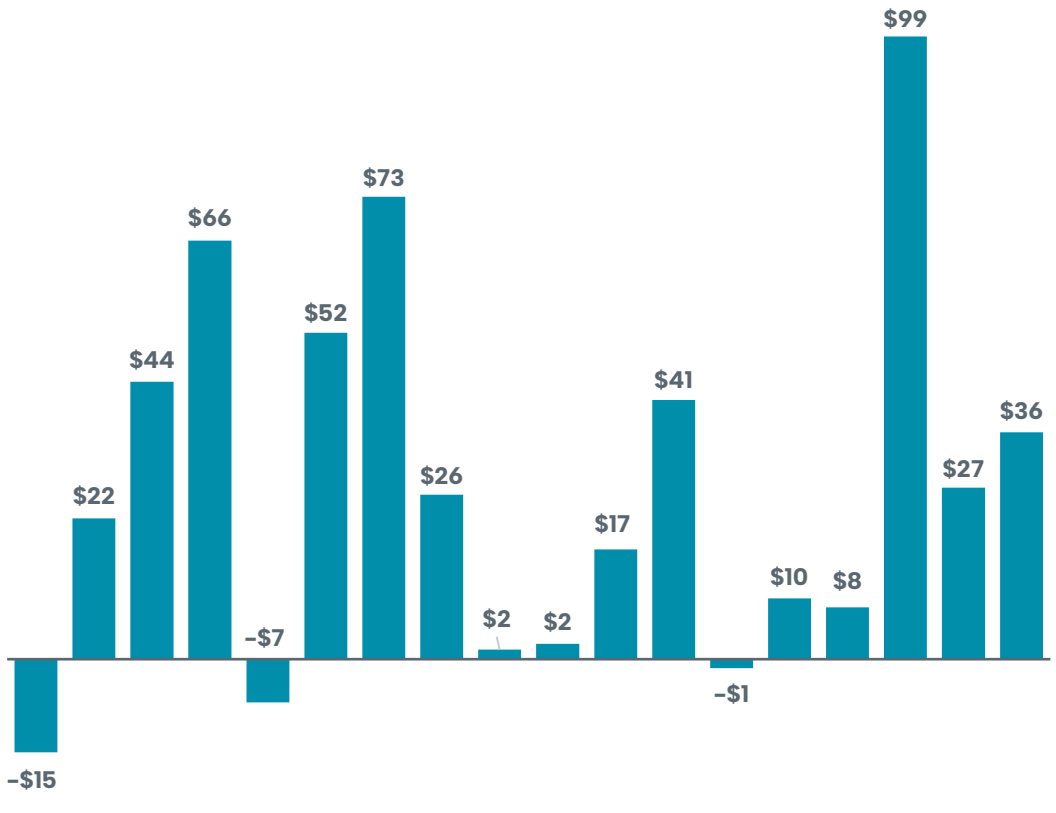


Note: Figures do not assume estimated amounts from synergies; Certain columns and rows may not add due to the use of rounded numbers.
1) Expro defines Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of Revenue.
2) Excluding $2m, $4m, $17m , $5m, and $11m, respectively, of mobilization, start-up and commissioning costs on a large subsea project during Q1, Q2, Q3, Q4 2022 and Q1 2023, Adjusted EBITDA would have been $39m, $55m, $65m, $75m and $53m respectively, and Adjusted EBITDA margin was 14%, 18%, 19%, 21%, and 16% respectively.

Copyright 2023 Expro. All rights reserved.

Historical Adjusted Cash Flow from Operations and Capex

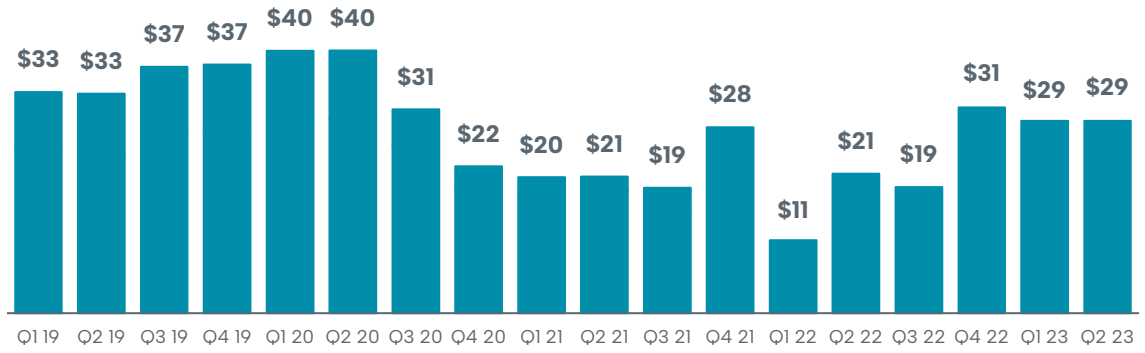
Adjusted Cash Flow from Operations ($m)



Cash Conversion (%)[1]

	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
Quarter	-45%	50%	97%	130%	-20%	213%	306%	100%	7%	6%	39%	81%	-4%	19%	17%	141%	65%	50%
TTM	23%	32%	58%	68%	71%	100%	137%	133%	156%	92%	35%	40%	35%	36%	31%	56%	68%	73%

Capital Expenditures ($m)

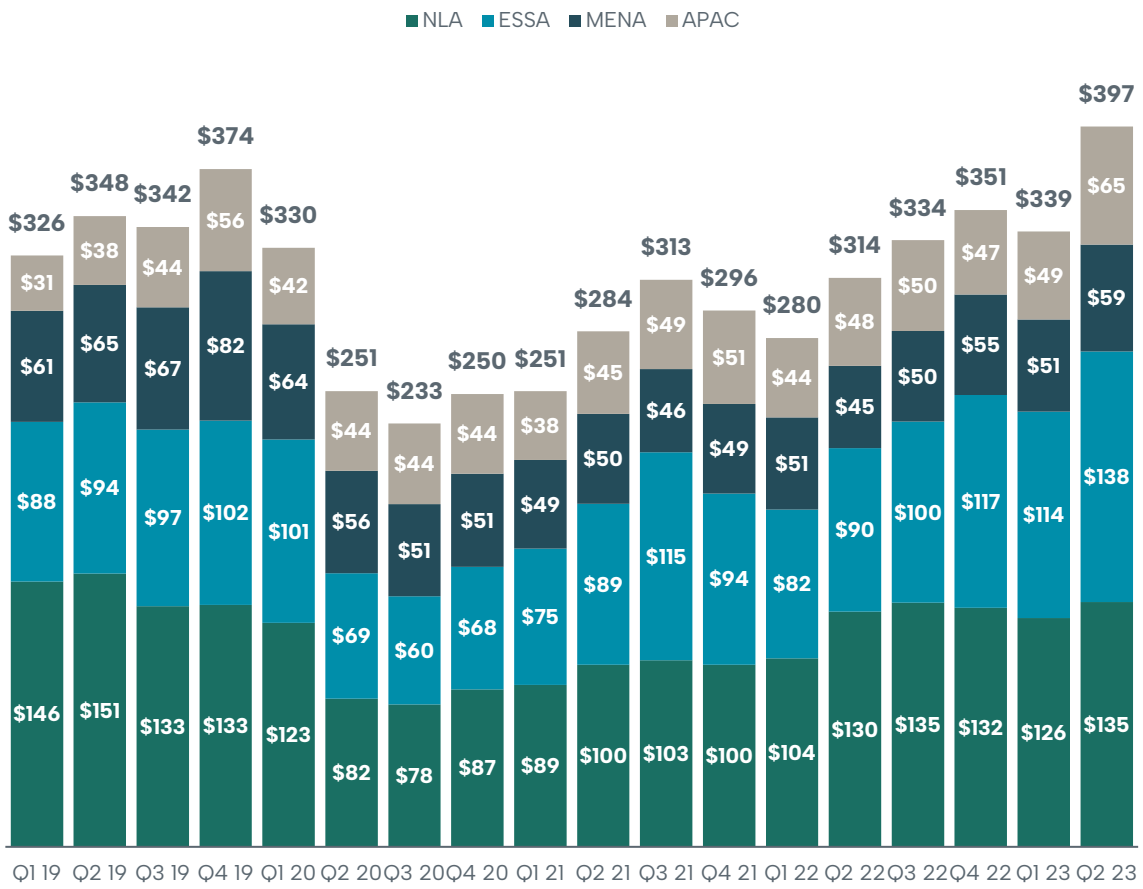


Copyright 2023 Expro. All rights reserved.

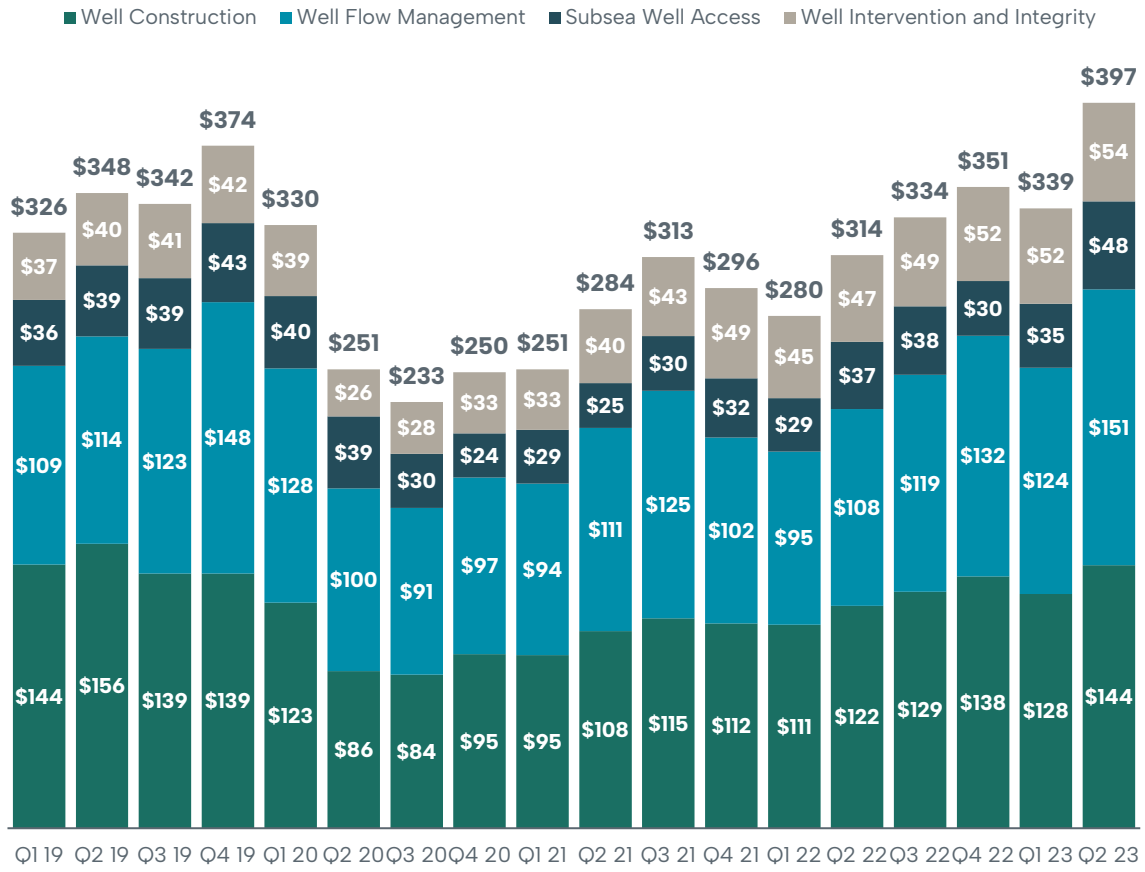
Note: Figures do not assume estimated amounts from synergies; Certain columns and rows may not add due to the use of rounded numbers.
1) Expro defines Cash Conversion as Adjusted Cash flow from Operations, expressed as a percentage of Adjusted EBITDA.

Historical Revenue by Region and Product Line

By Geographical Market ($m)



By Product Line ($m)

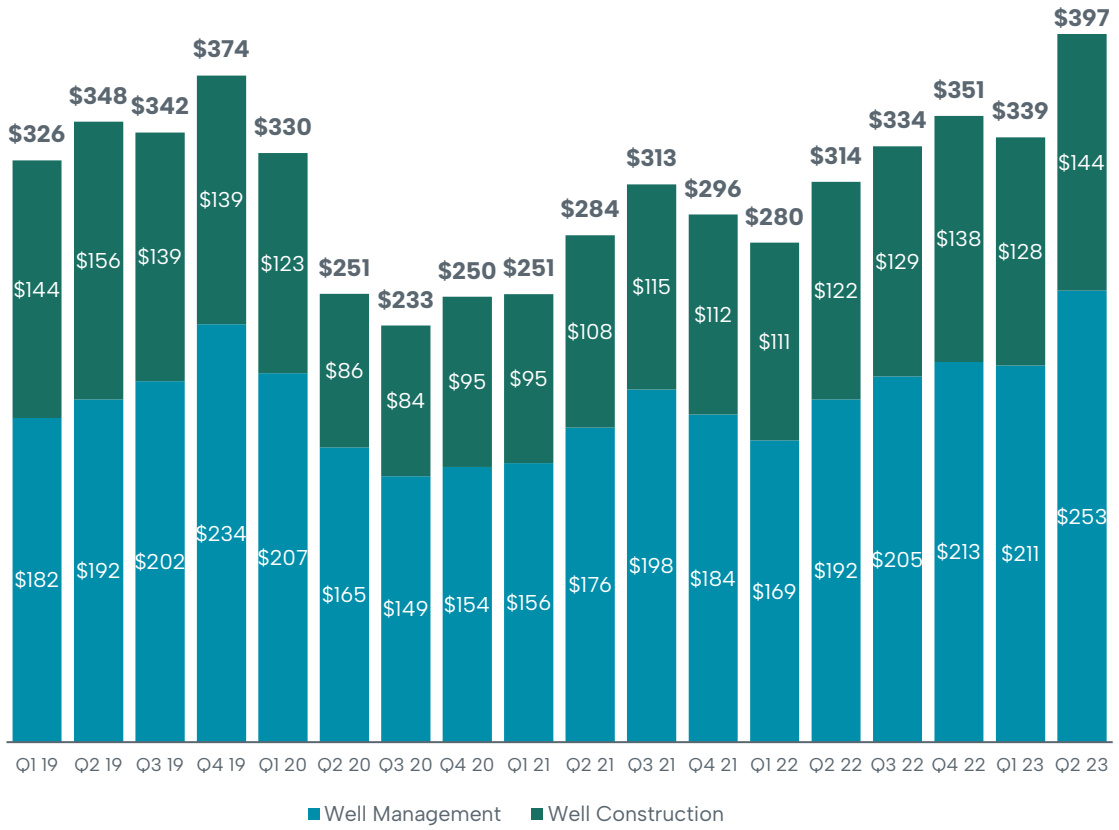


Note: Certain columns and rows may not add due to the use of rounded numbers.
During Q1 2022, certain product offerings were realigned between Well Flow Management and Well Intervention & Integrity, and accordingly comparative information has been reclassified to reflect the current product line groupings.

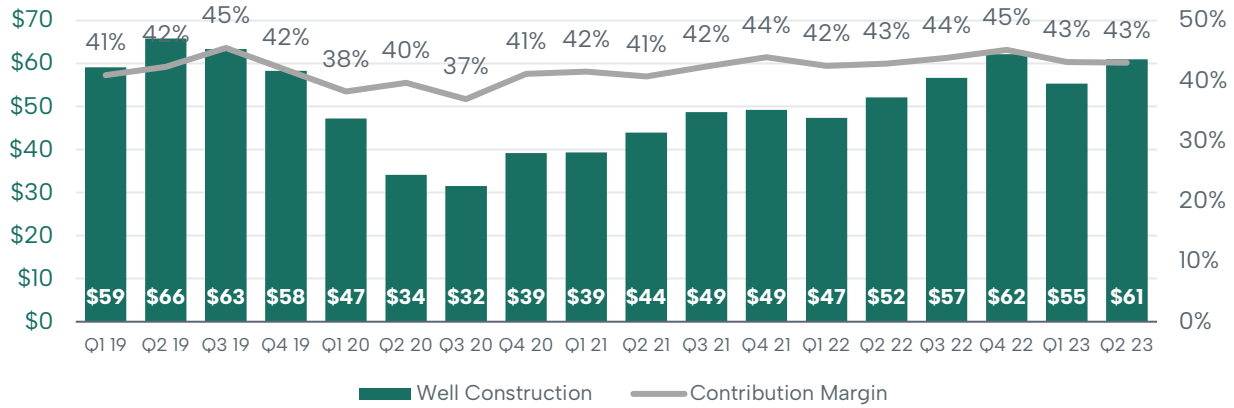
Copyright 2023 Expro. All rights reserved.

Historical Revenue and Contribution by Areas of Capability

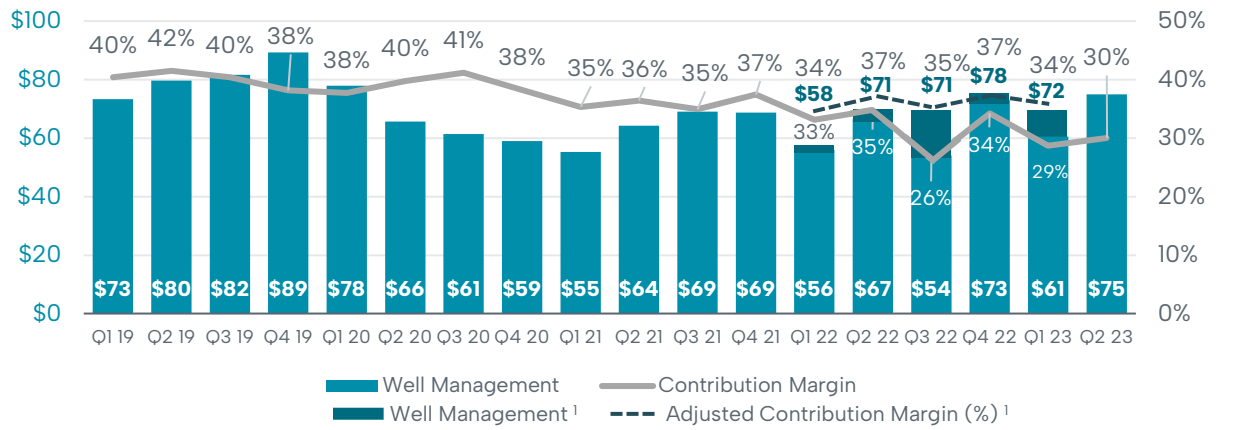
Revenue ($m)



Well Construction ($m)



Well Management ($m)[1]



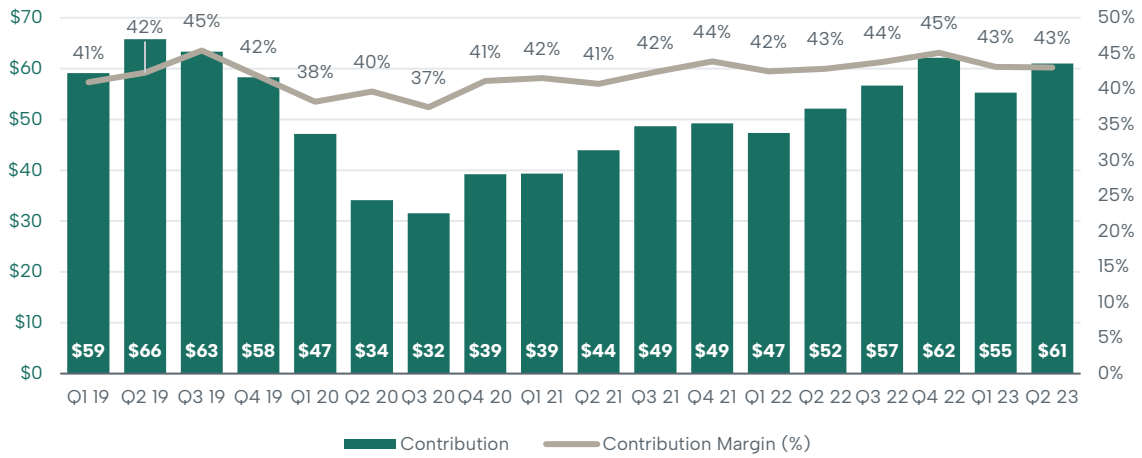
Note: Contribution is defined as total revenue less cost of revenue excluding depreciation and amortization expense, adjusted for indirect support costs and stock-based compensation expense included in cost of revenue. Comparative information for direct costs, support costs and contribution has been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

1) Excluding $2m, $4m, $17m, $5m, and $11m, respectively, of mobilization, start-up and commissioning costs on a large subsea project during Q1 through Q4 2022, and Q1 2023, Contribution Margin was $58m, $71m, $71m, $78m, and $72m, respectively, and Contribution Margin percentage was 34%, 37%, 35%, 37%, and 34%, respectively.

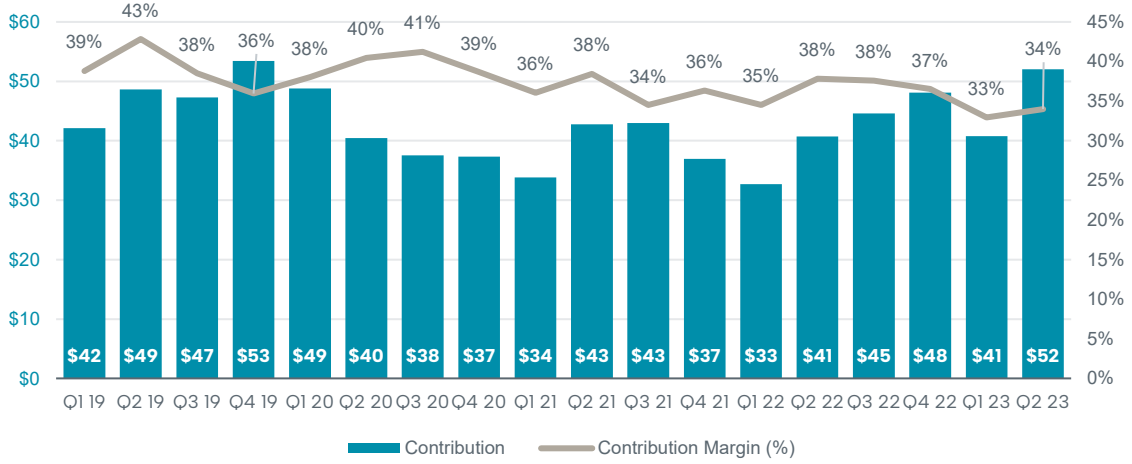
Copyright 2023 Expro. All rights reserved.

Historical Contribution by Product Line

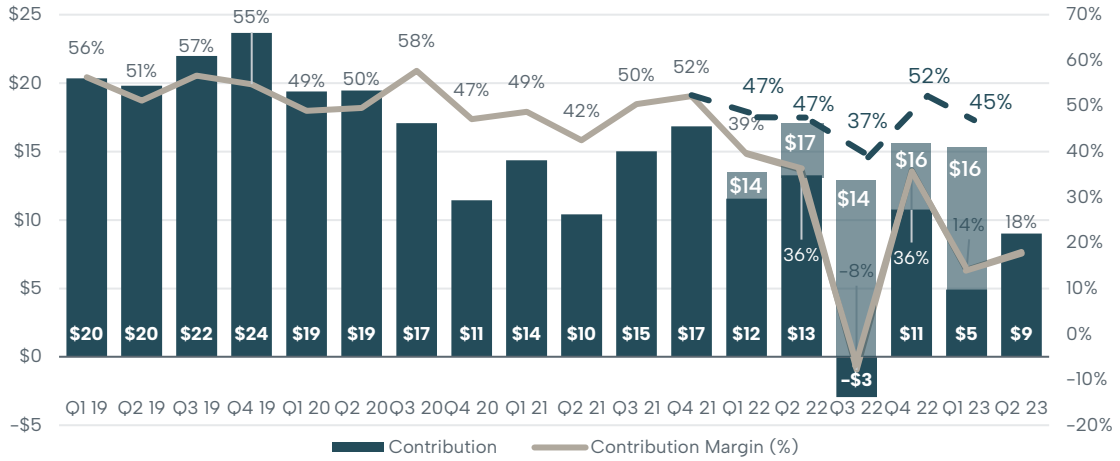
Well Construction ($m)



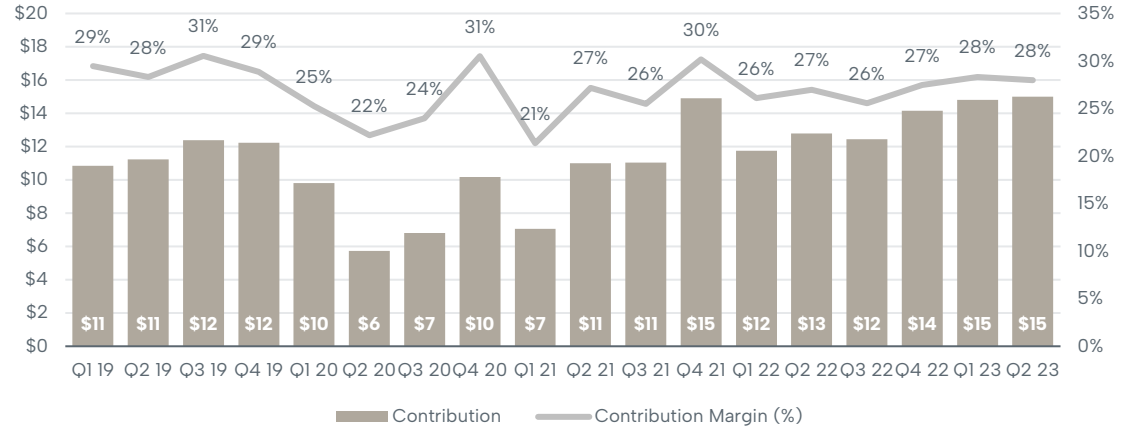
Well Flow Management ($m)



Subsea Well Access ($m)[1]



Well Intervention & Integrity ($m)



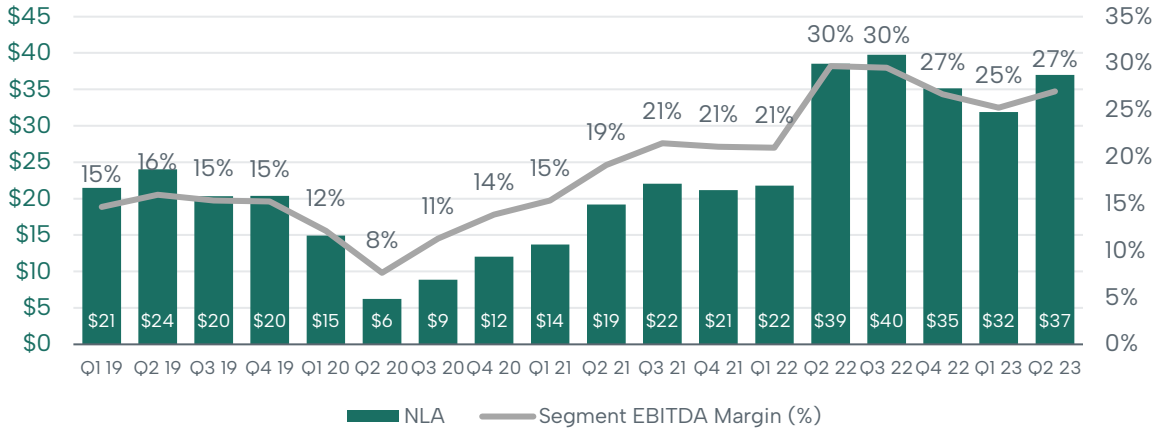
Note: Contribution margin is defined as product line revenue less direct costs attributed able to the product line and excludes transactions not related to the segment's core cash operating activities, corporate costs and certain non-cash items. Segment Margin is defined as product line margin expressed as a percentage of revenue.

1. Subsea Well Access Contribution for Q1, Q2, Q3, Q4 2022, and Q1 2023 was $12m, $13m, ($3m), $11m, and $5m respectively. Excluding the impact of start-up and commissioning costs on a large subsea project, adjusted APAC Segment EBITDA was $14m, $17m, $14m $16m, and $16 respectively.

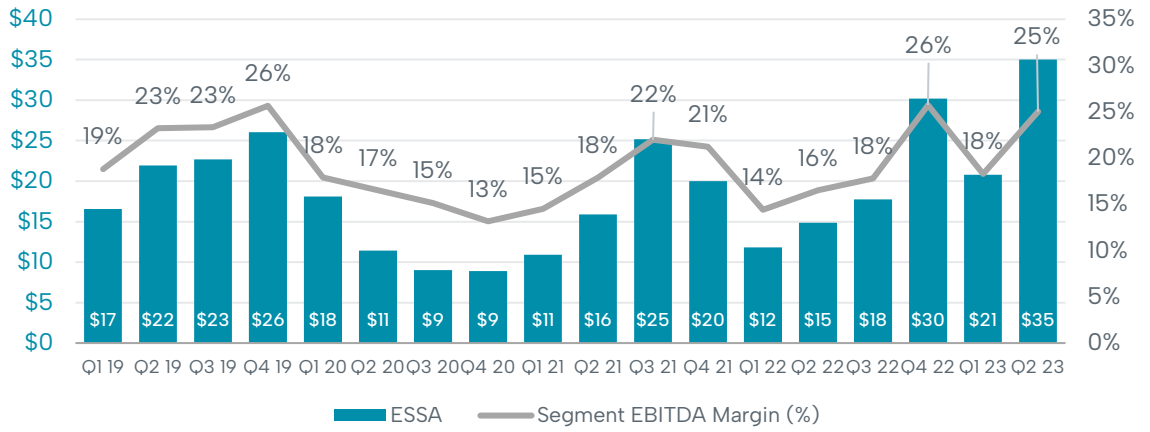
Copyright 2023 Expro. All rights reserved.

Historical Segment EBITDA by Region

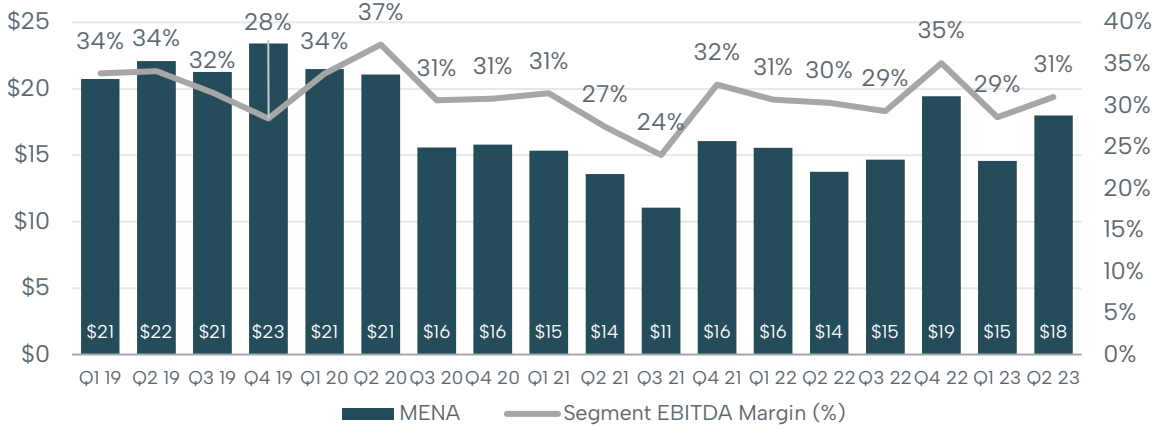
North & Latin America ($m)



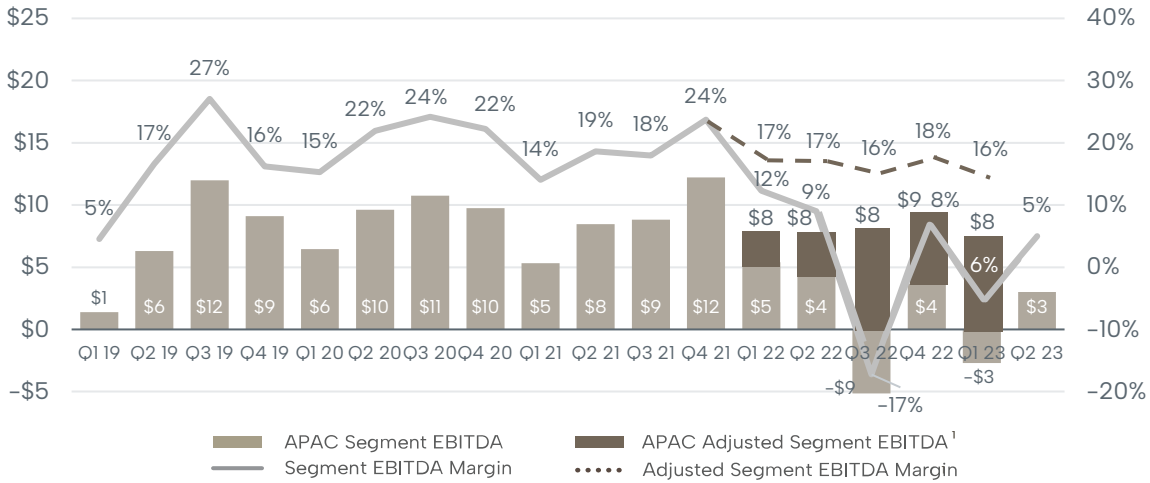
Europe & Sub-Saharan Africa ($m)



Middle East & North Africa ($m)



Asia Pacific ($m)[1]



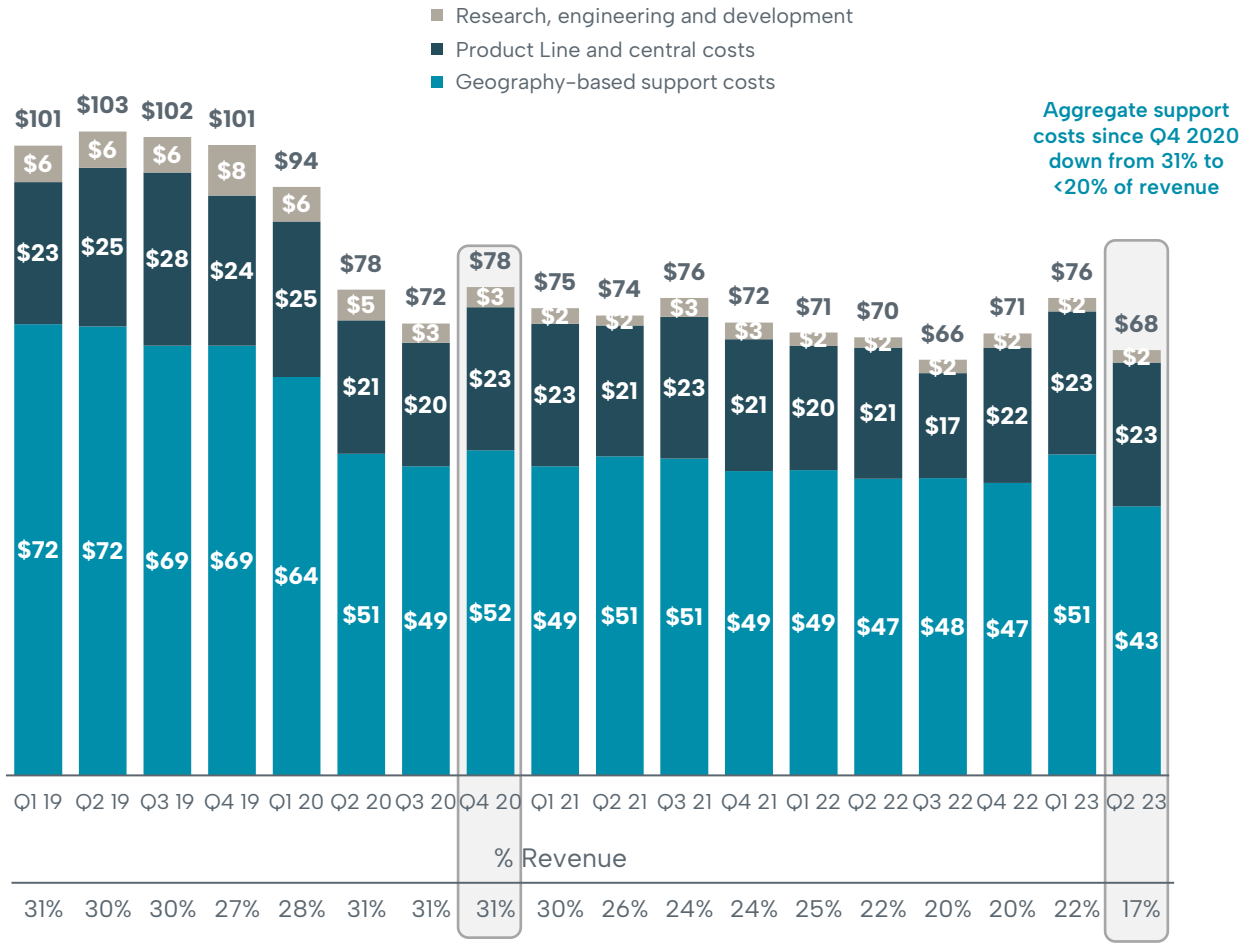
Note: Segment EBITDA is defined as Segment Revenue less direct costs and support costs attributable to the segment and excludes transactions not related to the segment's core cash operating activities, corporate costs and certain non-cash items. Segment Margin is defined as Segment EBITDA expressed as a percentage of Revenue.

1. APAC Segment EBITDA for Q1, Q2, Q3, Q4 2022, and Q1 2023 was $5m, $4m, ($9m), $4m, and ($3m), respectively. Excluding the impact of mobilization, start-up and commissioning costs on a large subsea project, adjusted APAC Segment EBITDA was $8m, $8m, $8m, $9m, and $8m, respectively.

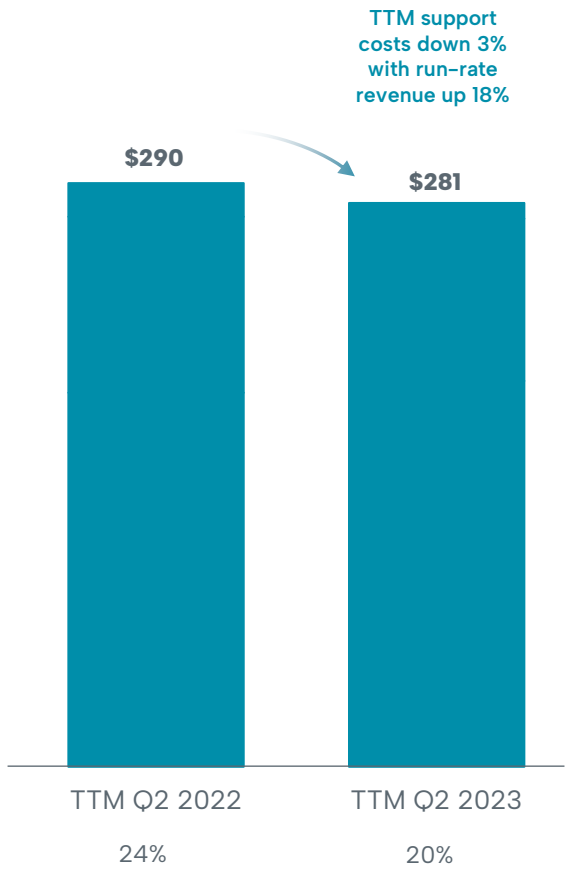
Copyright 2023 Expro. All rights reserved.

Historical Support Costs

Historical Support Costs ($m)



Trailing Twelve Months Support Costs ($m)

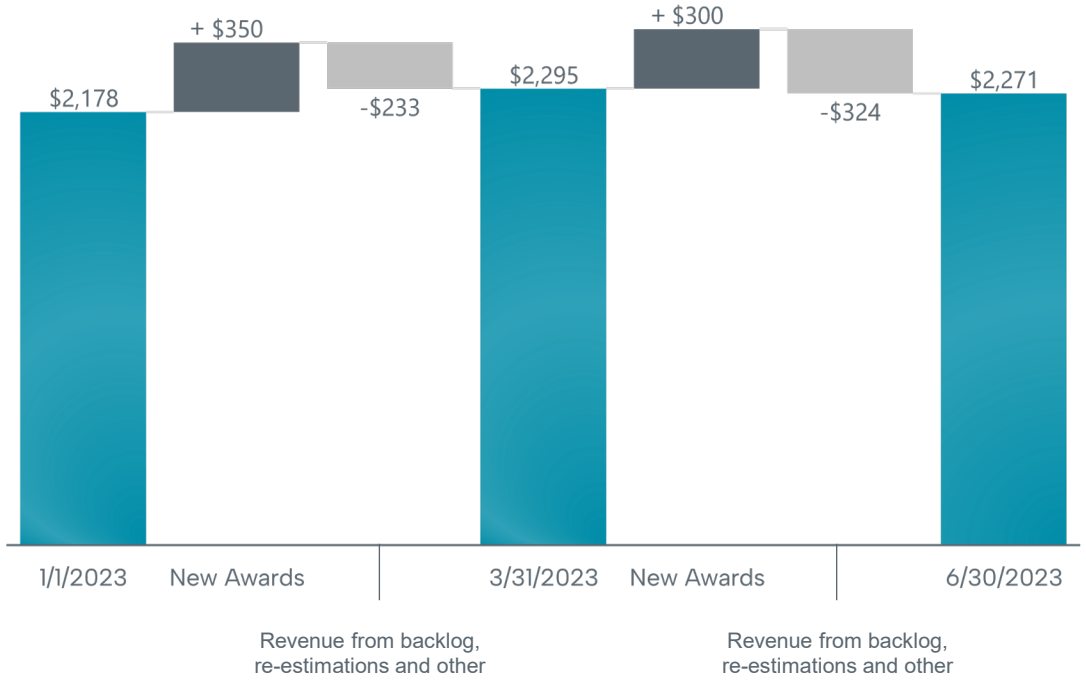


Note: Certain columns and rows may not add due to the use of rounded numbers.
1) Comparative information for direct costs, support costs and contribution has been restated to align legacy Frank's direct and geography-based support costs with Expro's definition.

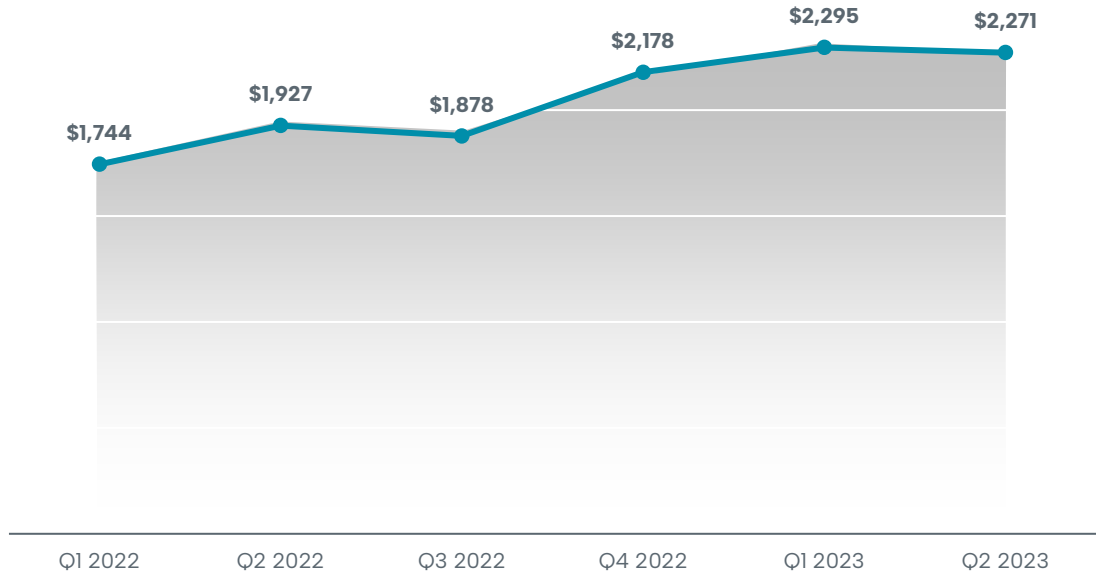
Copyright 2023 Expro. All rights reserved.

Order Backlog

Q/Q Change in Order Backlog ($m)



Order Backlog at Quarter End ($m)



Copyright 2023 Expro. All rights reserved.

Non-GAAP Reconciliations

($ in millions)

	Three Months Ended																		TTM Q2 2023
	31-Mar-19	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23	
Adjusted EBITDA [1]	$ 33	$ 45	$ 45	$ 51	$ 35	$ 24	$ 24	$ 26	$ 24	$ 39	$ 45	$ 51	$ 37	$ 51	$ 48	$ 70	$ 42	$ 72	$ 232
Depreciation, amortization and impairment expenses	(56)	(56)	(58)	(248)	(403)	(44)	(43)	(58)	(44)	(40)	(40)	(44)	(35)	(35)	(35)	(35)	(35)	(37)	(141)
Severance and other expense	(1)	(1)	(2)	(10)	(2)	(10)	(8)	(5)	(1)	(2)	(4)	(2)	(1)	(1)	(3)	(2)	(1)	(3)	(9)
Stock based compensation expense	(3)	(3)	(3)	(3)	(2)	(4)	(3)	(3)	(3)	(3)	(3)	(54)	(6)	(4)	(5)	(4)	(4)	(6)	(18)
Other income (expense) and exceptional items [2]	(3)	(0)	3	(1)	(1)	(0)	1	13	(11)	(7)	(11)	(25)	(4)	(2)	(1)	(4)	(3)	(3)	(11)
Interest and finance expense, net	(1)	2	2	(5)	4	(0)	(5)	(4)	(2)	(2)	1	(6)	0	2	2	(3)	(1)	(0)	(3)
Foreign exchange gain (losses)	(1)	(1)	(5)	0	(7)	1	(1)	4	(4)	2	(5)	(3)	3	(5)	(8)	2	1	(1)	(6)
Income tax (expense) benefit	(12)	(1)	(12)	2	25	(14)	(7)	3	(4)	(8)	(9)	(8)	(5)	(10)	(15)	(12)	(5)	(13)	(45)
Net income (loss)	**(44)**	**(15)**	**(29)**	**(214)**	**(351)**	**(46)**	**(41)**	**(24)**	**(44)**	**(21)**	**(27)**	**(91)**	**(11)**	**(4)**	(18)	13	(6)	9	**(2)**
Net income (loss)	**(44)**	**(15)**	**(29)**	**(214)**	**(351)**	**(46)**	**(41)**	**(24)**	**(44)**	**(21)**	**(27)**	**(91)**	**(11)**	**(4)**	(18)	13	(6)	9	**(2)**
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:																			
Impairment expenses	0	(0)	4	197	353	–	0	12	0	–	–	–	–	–	–	–	–	–	–
Depreciation and amortization expenses	56	56	53	52	50	44	43	46	44	40	40	44	35	35	35	35	35	37	141
Gain on disposal of assets	–	–	–	–	–	–	–	(10)	–	–	–	(1)	0	–	–	–	–	–	–
Equity share of income from joint ventures, net of dividends and margin eliminations	(2)	(2)	(2)	3	(4)	(2)	(1)	(2)	(4)	(4)	(2)	(2)	(4)	1	(4)	(1)	(2)	0	(7)
Income and deferred tax movements, net	3	(12)	5	(10)	(15)	(3)	(5)	(2)	(1)	(9)	5	1	(3)	2	10	0	(1)	(3)	6
Debt issuance costs	–	–	–	–	–	–	–	–	–	–	–	5	0	–	–	–	–	–	–
Unrealized foreign exchange	0	(0)	1	(0)	(3)	1	2	2	1	(0)	0	0	(3)	5	4	(0)	(2)	(0)	2
Stock based compensation expense	3	3	3	3	2	4	3	3	3	3	3	54	6	4	5	4	4	6	18
Increase/(Decrease) in net working capital [3]	(34)	(8)	9	29	(42)	46	63	(4)	(2)	(15)	(12)	10	(32)	(37)	(29)	46	(3)	(24)	(11)
Other [4]	1	(1)	(2)	4	(4)	(1)	(3)	(0)	(2)	(2)	(5)	(5)	(2)	(4)	(4)	(3)	(3)	(0)	(9)
Net cash provided by (used in) operating activities	$ (17)	$ 20	$ 41	$ 63	$ (13)	$ 42	$ 61	$ 21	$ (6)	$ (8)	$ 2	$ 16	$ (14)	$ 2	$ (1)	$ 93	$ 21	$ 25	$ 139
Cash paid during the period for interest, net	0	1	1	1	1	1	2	(0)	1	1	1	1	1	1	1	1	1	(0)	2
Cash paid during the period for severance and other expenses	2	1	2	3	5	9	11	5	2	3	5	2	0	1	3	1	3	2	8
Cash paid during the period for merger & integration expenses	–	–	–	–	–	–	–	–	5	6	9	22	12	6	6	4	2	9	21
Adjusted Cash Flow from Operations[5]	$ (15)	$ 22	$ 44	$ 66	$ (7)	$ 52	$ 73	$ 26	$ 2	$ 2	$ 17	$ 41	$ (1)	$ 10	$ 8	$ 99	$ 27	$ 36	$ 170
Cash Conversion % (Adjusted Cash Flow from Operations/Adjusted EBITDA)	**-45%**	**50%**	**97%**	**130%**	**-20%**	**213%**	**306%**	**100%**	**7%**	**6%**	**39%**	**81%**	**-4%**	**19%**	**17%**	**141%**	**65%**	**50%**	**73%**

1. Adjusted EBITDA (A-EBITDA) is defined as net income (loss) adjusted for Income tax (expense) benefit, interest and finance expenses, severance and other expenses, other income (expense) and exceptional items, stock based compensation expenses, depreciation, amortization and impairments and foreign exchange gains (losses). A-EBITDA in a non-GAAP measure and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP.
2. Other income (expense) and exceptional represents unusual or infrequently occurring transactions which do not provide a useful measure of the underlying operating performance of the business. Q4 2020 and Q4 2021 includes gain of $10 million and $1 million, respectively, on disposal of assets. Q4 2020, Q1 2021, Q2 2021, Q3 2021, Q4 2021, Q1 2022, Q2 2022, Q3 2022, Q4 2022, Q1 2023 and Q2 2023includes $3m, $12m, $7m, $12m, $28m, $5m, $2m, $2m, $5m, $2m and $1m of merger & integration related expenses, respectively.
3. Represents movements in accounts receivables, inventories, accounts payable and other assets and liabilities.
4. Others primarily includes net movements in right of use assets and liabilities and movements in pension liabilities.
5. Adjusted Cash Flow from Operations is net cash provided by operating activities adjusted for cash paid during the period for interest, net, severance and other expenses and merger & integration expenses.

Copyright 2023 Expro. All rights reserved.

Non-GAAP Reconciliations (*continued*)

($ in millions)	Three Months Ended																	TTM
	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	
Total revenue	$ 326	$ 348	$ 342	$ 374	$ 330	$ 251	$ 233	$ 250	$ 251	$ 284	$ 313	$ 296	$ 280	$ 314	$ 334	$ 351	$ 339	$ 397	$ 1,422
Cost of revenue, excluding depreciation and amortization	(287)	(290)	(285)	(317)	(280)	(221)	(206)	(224)	(221)	(240)	(261)	(252)	(240)	(257)	(284)	(278)	(290)	(319)	(1,170)
Indirect costs included in cost of sales	89	87	90	89	81	67	62	68	63	63	65	62	61	60	58	60	65	57	240
Stock based compensation expense & others	5	0	(2)	2	(7)	4	4	4	1	2	1	12	2	2	2	1	1	2	7
Direct costs (excluding depreciation and amortization)	(193)	(202)	(197)	(226)	(205)	(151)	(140)	(152)	(157)	(176)	(195)	(178)	(177)	(195)	(223)	(216)	(223)	(260)	(923)
Contribution [1]	132	146	145	148	125	100	93	98	94	108	118	118	103	119	111	135	116	137	499
Contribution margin [2]	41%	42%	42%	40%	38%	40%	40%	39%	38%	38%	38%	40%	37%	38%	33%	39%	34%	34%	35%

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

	Three Months Ended																	TTM
	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	
Cost of revenue, excluding depreciation and amortization	$ 287	$ 290	$ 285	$ 317	$ 280	$ 221	$ 206	$ 224	$ 221	$ 240	$ 261	$ 252	$ 240	$ 257	$ 284	$ 278	$ 290	$ 319	$ 1,170
Stock based compensation expense & others	(5)	(0)	2	(2)	7	(4)	(4)	(4)	(1)	(2)	(1)	(12)	(2)	(2)	(2)	(1)	(1)	(2)	(7)
Direct costs (excluding depreciation and amortization)	(193)	(202)	(197)	(226)	(205)	(151)	(140)	(152)	(157)	(176)	(195)	(178)	(177)	(195)	(223)	(216)	(223)	(260)	(923)
Indirect costs included in cost of sales	89	87	90	89	81	67	62	68	63	63	65	62	61	60	58	60	65	57	240
General and administrative, (excluding depreciation and amortization expense, foreign exchange, and other non-routine costs)	12	15	12	12	13	11	10	10	11	11	12	10	10	10	8	10	12	11	41
Total support costs	$ 101	$ 103	$ 102	$ 101	$ 94	$ 78	$ 72	$ 78	$ 75	$ 74	$ 76	$ 72	$ 71	$ 70	$ 66	$ 71	$ 76	$ 68	281
Support costs as a percentage of revenue	31%	30%	30%	27%	28%	31%	31%	31%	30%	26%	24%	24%	25%	22%	20%	20%	22%	17%	20%

Notes:
1) Support costs includes indirect costs attributable to support the activities of the operating segments, research and engineering expenses and product line management costs included in Cost of revenue, excluding depreciation and amortization expense, and General and administrative expenses representing costs of running our corporate head office and other central functions including logistics, sales and marketing and health and safety and does not include foreign exchange gains or losses and other non-routine expenses.
2) Direct Costs include personnel costs, sub-contractor costs, equipment costs, repairs and maintenance, facilities, and other costs directly incurred to generate revenue.
3) Certain columns and rows may not add due to the use of rounded numbers.

Copyright 2023 Expro. All rights reserved.

Non-GAAP Reconciliations (*continued*)

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

($ in millions, except per share amounts)

	Three Months Ended						
	31-Dec-21	31-Mar-22	30-Jun-22	30-Sept-22	31-Dec-22	31-Mar-23	30-Jun-23
Net Income (loss)	**$ (91)**	**$ (11)**	**$ (4)**	**$ (18)**	**$ 13**	**$ (6)**	**$ 9**
Adjustments:							
Merger and integration expense	28	5	2	2	5	2	1
Severance and other expense	2	1	1	3	2	1	3
New facility expense	5	–	–	–	–	–	–
Stock-based compensation expense	54	6	4	5	4	4	6
Gain on disposal of assets	(1)	–	–	–	–	–	–
Total adjustments, before taxes	88	12	7	10	11	7	10
Tax benefit	(0)	(0)	(0)	(0)	(0)	(0)	–
Total adjustments, net of taxes	88	12	7	10	11	7	10
Adjusted net income (loss) attributable to company	**(4)**	**1**	**3**	**(8)**	**24**	**1**	**19**
As reported diluted weighted average common shares outstanding	109,119,301	109,266,988	109,582,086	108,708,651	109,348,871	108,854,709	109,381,977
As reported net income (loss) per diluted share	**$ (0.84)**	**$ (0.10)**	**$ (0.04)**	**$ (0.16)**	**$ 0.12**	**$ (0.06)**	**$ 0.08**
Adjusted net income (loss) per diluted share	**$ (0.03)**	**$ 0.01**	**$ 0.02**	**$ (0.07)**	**$ 0.22**	**$ 0.01**	**$ 0.17**

Copyright 2023 Expro. All rights reserved.