

REFINITIV

DELTA REPORT

10-Q

WHD - CACTUS, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	780
<div></div> CHANGES	169
<div></div> DELETIONS	289
<div></div> ADDITIONS	322

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023 March 31, 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-38390

Cactus, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

920 Memorial City Way, Suite 300

Houston, Texas

(Address of principal executive offices)

35-2586106

(I.R.S. Employer
Identification No.)

77024

(Zip Code)

(713) 626-8800

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.01	WHD	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 6, 2023 April 30, 2024, the registrant had 65,323,129 65,706,197 shares of Class A common stock, \$0.01 par value per share, and 14,106,469 13,848,630 shares of Class B common stock, \$0.01 par value per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (the "Quarterly Report") contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). When used in this Quarterly Report, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. We caution you that these forward-looking statements are subject to risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended [December 31, 2022](#) [December 31, 2023](#) (our "[2022](#)" "[2023](#)" Annual Report"), the Risk Factors described in "Part II, Item 1A. Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, the Risk Factors described in "Part II, Item 1A. Risk Factors" of this Quarterly Report and other cautionary statements contained herein and in our Exchange Act filings. Forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events. Should one or more of the risks or uncertainties described in our [2022](#) [2023](#) Annual Report or other Exchange Act filings occur, or should underlying assumptions prove incorrect, our actual results could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this Quarterly Report are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this Quarterly Report.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

CACTUS, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

<i>(in thousands, except per share data)</i>	<i>(in thousands, except per share data)</i>	September 30, 2023	December 31, 2022	<i>(in thousands, except per share data)</i>	March 31, 2024	December 31, 2023
Assets	Assets			Assets		
Current assets	Current assets					
Cash and cash equivalents	Cash and cash equivalents	\$ 63,738	\$ 344,527			
Accounts receivable, net of allowance of \$3,187 and \$1,060, respectively		206,251	138,268			
Cash and cash equivalents						
Cash and cash equivalents						
Accounts receivable, net of allowance of \$3,803 and \$3,642, respectively						
Inventories	Inventories	203,517	161,283			
Prepaid expenses and other current assets	Prepaid expenses and other current assets	19,442	10,564			
Total current assets	Total current assets	492,948	654,642			
Property and equipment, net	Property and equipment, net	345,222	129,998			
Operating lease right-of-use assets, net	Operating lease right-of-use assets, net	19,969	23,183			
Intangible assets, net	Intangible assets, net	183,974	—			
Goodwill	Goodwill	200,723	7,824			
Deferred tax asset, net	Deferred tax asset, net	211,535	301,644			
Other noncurrent assets	Other noncurrent assets	9,779	1,605			
Total assets	Total assets	\$1,464,150	\$1,118,896			
Liabilities and Equity	Liabilities and Equity					
Current liabilities	Current liabilities					
Current liabilities						
Current liabilities						
Accounts payable						
Accounts payable						
Accounts payable	Accounts payable	\$ 65,217	\$ 47,776			
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	60,713	30,619			
Earn-out liability	Earn-out liability	18,892	—			
Current portion of liability related to tax receivable agreement	Current portion of liability related to tax receivable agreement	20,855	27,544			

Finance lease obligations, current portion	Finance lease obligations, current portion	7,543	5,933	
Operating lease liabilities, current portion	Operating lease liabilities, current portion	4,147	4,777	
Total current liabilities	Total current liabilities	177,367	116,649	
Deferred tax liability, net	Deferred tax liability, net	1,469	1,966	
Liability related to tax receivable agreement, net of current portion	Liability related to tax receivable agreement, net of current portion	250,256	265,025	
Finance lease obligations, net of current portion	Finance lease obligations, net of current portion	9,239	6,436	
Operating lease liabilities, net of current portion	Operating lease liabilities, net of current portion	15,748	18,375	
Other noncurrent liabilities				
Total liabilities	Total liabilities	454,079	408,451	
Commitments and contingencies	Commitments and contingencies			Commitments and contingencies
Stockholders' equity	Stockholders' equity			
Preferred stock, \$0.01 par value, 10,000 shares authorized, none issued and outstanding	Preferred stock, \$0.01 par value, 10,000 shares authorized, none issued and outstanding	—	—	
Class A common stock, \$0.01 par value, 300,000 shares authorized, 65,323 and 60,903 shares issued and outstanding	Class A common stock, \$0.01 par value, 300,000 shares authorized, 65,323 and 60,903 shares issued and outstanding	654	609	
Class B common stock, \$0.01 par value, 215,000 shares authorized, 14,106 and 14,978 shares issued and outstanding	Class B common stock, \$0.01 par value, 215,000 shares authorized, 14,106 and 14,978 shares issued and outstanding	—	—	
Preferred stock, \$0.01 par value, 10,000 shares authorized, none issued and outstanding				
Preferred stock, \$0.01 par value, 10,000 shares authorized, none issued and outstanding				

Class A common stock, \$0.01 par value, 300,000 shares authorized, 65,518 and 65,409 shares issued and outstanding			
Class B common stock, \$0.01 par value, 215,000 shares authorized, 14,034 and 14,034 shares issued and outstanding			
Additional paid- in capital	Additional paid- in capital	462,302	310,528
Retained earnings	Retained earnings	359,699	261,764
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(1,647)	(984)
Total stockholders' equity attributable to Cactus Inc.	Total stockholders' equity attributable to Cactus Inc.	821,008	571,917
Non-controlling interest	Non-controlling interest	189,063	138,528
Total stockholders' equity	Total stockholders' equity	1,010,071	710,445
Total liabilities and equity	Total liabilities and equity	\$1,464,150	\$1,118,896

The accompanying notes are an integral part of these condensed consolidated financial statements.

CACTUS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended March 31,	
(in thousands, except per share data)		
(in thousands, except per share data)		

(in thousands, except
per share data)

Revenues

Revenues

Revenues

- Product revenue
- Product revenue
- Product revenue
- Rental revenue
- Rental revenue
- Rental revenue
- Field service and other revenue
- Field service and other revenue
- Field service and other revenue
- Total revenues
- Total revenues
- Total revenues

Costs and expenses

Costs and expenses

Costs and expenses

- Cost of product revenue
- Cost of product revenue
- Cost of product revenue
- Cost of rental revenue
- Cost of rental revenue
- Cost of rental revenue
- Cost of field service and other revenue
- Cost of field service and other revenue
- Cost of field service and other revenue
- Selling, general and administrative expenses
- Selling, general and administrative expenses
- Selling, general and administrative expenses
- Change in fair value of earn-out liability
- Change in fair value of earn-out liability
- Change in fair value of earn-out liability
- Total costs and expenses
- Total costs and expenses

Total costs and expenses					
Operating income					
Operating income					
Operating income					
		Three Months Ended		Nine Months Ended	
		September 30,		September 30,	
(in thousands, except per share data)		2023	2022	2023	2022
Revenues					
Product revenue		\$214,295	\$121,782	\$605,698	\$328,054
Rental revenue		28,879	27,105	84,916	73,143
Field service and other revenue		44,696	35,594	131,480	99,398
Total revenues		287,870	184,481	822,094	500,595
Costs and expenses					
Cost of product revenue		123,278	73,747	373,310	203,839
Cost of rental revenue		15,558	16,323	48,538	46,740
Cost of field service and other revenue		36,973	27,145	103,861	78,685
Selling, general and administrative expenses		29,549	15,970	97,519	44,804
Change in fair value of earn-out liability		(5,091)	—	13,053	—
Total costs and expenses		200,267	133,185	636,281	374,068
Operating income		87,603	51,296	185,813	126,527
Interest income (expense), net		(1,372)	1,140	(6,298)	1,344
Interest income, net					
Interest income, net					
Interest income, net					
Other income, net					
Other income, net					
Other income, net	Other income, net	266	1,125	3,804	10
Income before income taxes	Income before income taxes	86,497	53,561	183,319	127,881
Income before income taxes					
Income before income taxes					
Income tax expense					
Income tax expense					
Income tax expense	Income tax expense	18,478	12,041	30,553	23,498
Net income	Net income \$	68,019	\$ 41,520	\$152,766	\$104,383
Net income					
Net income					

Less: net income attributable to non-controlling interest						
Less: net income attributable to non-controlling interest						
Less: net income attributable to non-controlling interest	Less: net income attributable to non-controlling interest	15,439	10,095	32,542	25,198	
Net income attributable to Cactus Inc.	Net income attributable to Cactus Inc.	\$ 52,580	\$ 31,425	\$120,224	\$ 79,185	
Net income attributable to Cactus Inc.						
Net income attributable to Cactus Inc.						
Earnings per Class A share - basic	Earnings per Class A share - basic	\$ 0.81	\$ 0.52	\$ 1.87	\$ 1.32	
Earnings per Class A share - basic						
Earnings per Class A share - basic						
Earnings per Class A share - diluted						
Earnings per Class A share - diluted						
Earnings per Class A share - diluted	Earnings per Class A share - diluted	\$ 0.80	\$ 0.51	\$ 1.82	\$ 1.30	
Weighted average Class A shares outstanding - basic						
Weighted average Class A shares outstanding - basic						
Weighted average Class A shares outstanding - basic	Weighted average Class A shares outstanding - basic	64,879	60,665	64,399	60,164	
Weighted average Class A shares outstanding - diluted	Weighted average Class A shares outstanding - diluted	65,486	61,106	79,632	76,296	
Weighted average Class A shares outstanding - diluted						
Weighted average Class A shares outstanding - diluted						

The accompanying notes are an integral part of these condensed consolidated financial statements.

CACTUS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	(in thousands)	2023	2022	2023	2022
(in thousands)					
(in thousands)					
(in thousands)					
Net income	Net income	\$ 68,019	\$ 41,520	\$152,766	\$104,383
Net income					
Foreign currency translation adjustments	Foreign currency translation adjustments	(670)	(1,219)	(812)	(2,150)
Foreign currency translation adjustments					
Foreign currency translation adjustments					
Comprehensive income					
Comprehensive income					
Comprehensive income	Comprehensive income	\$ 67,349	\$ 40,301	\$151,954	\$102,233
Less: comprehensive income attributable to non-controlling interest	Less: comprehensive income attributable to non-controlling interest	15,319	9,795	32,393	24,673
Less: comprehensive income attributable to non-controlling interest					
Less: comprehensive income attributable to non-controlling interest					
Comprehensive income attributable to Cactus Inc.	Comprehensive income attributable to Cactus Inc.	\$ 52,030	\$ 30,506	\$119,561	\$ 77,560
Comprehensive income attributable to Cactus Inc.					
Comprehensive income attributable to Cactus Inc.					

The accompanying notes are an integral part of these condensed consolidated financial statements.

CACTUS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)

	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interest	Total Equity	Class A	Class B	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interest	Total Equity
(in thousands)	(in thousands)	Shares	Amount	Shares	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interest	Total Equity						
Balance at June 30, 2023		64,609	\$ 647	14,820	\$ —											
(in thousands)																
(in thousands)																
Balance at December 31, 2023																
Balance at December 31, 2023																
Balance at December 31, 2023																
Member distributions	Member distributions	—	—	—	—	—	—	—	(9,214)	(9,214)						

Effect of CC Unit redemptions	714	7	(714)	—	9,753	—	—	(9,760)	—
Member distributions									
Member distributions									
Tax impact of equity transactions	Tax impact of equity transactions	—	—	—	—	2,574	—	—	2,474
Tax impact of equity transactions									
Tax impact of equity transactions									
Equity award vestings									
Other comprehensive loss	Other comprehensive loss	—	—	—	—	—	—	(551)	(670)
Share repurchases									
Stock-based compensation	Stock-based compensation	—	—	—	—	3,769	—	—	4,618
Cash dividends declared (\$0.12 per share)	Cash dividends declared (\$0.12 per share)	—	—	—	—	—	(7,930)	—	(7,930)
Net income	Net income	—	—	—	—	—	52,580	—	68,019
Balance at September 30, 2023		65,323	\$ 654	14,106	\$ —	\$ 462,302	\$359,699	\$ (1,647)	\$ 189,063
Balance at March 31, 2024									
Balance at June 30, 2022		60,613	\$ 606	15,263	\$ —	\$ 304,418	\$212,913	\$ (698)	\$ 126,569
Balance at December 31, 2022									
Balance at December 31, 2022									
Balance at December 31, 2022									
Issuance of common stock									
Member distributions	Member distributions	—	—	—	—	—	—	—	(4,659)
Effect of CW Unit redemptions		104	1	(104)	—	894	—	—	(895)
Tax impact of equity transactions									
Tax impact of equity transactions									
Tax impact of equity transactions	Tax impact of equity transactions	—	—	—	—	(33)	—	—	(33)
Equity award vestings	Equity award vestings	2	—	—	—	5	—	—	(3)
Other comprehensive loss		—	—	—	—	—	—	(919)	(300)
Other comprehensive income									

Stock-based compensation	Stock-based compensation	—	—	—	—	2,414	—	—	604	3,018
Cash dividends declared (\$0.11 per share)	Cash dividends declared (\$0.11 per share)	—	—	—	—	—	(6,787)	—	—	(6,787)
Net income	Net income	—	—	—	—	—	31,425	—	10,095	41,520
Balance at September 30, 2022		60,719	\$ 607	15,159	\$ —	\$ 307,698	\$237,551	\$ (1,617)	\$ 131,411	\$ 675,650
Balance at March 31, 2023										

The accompanying notes are an integral part of these condensed consolidated financial statements.

CACTUS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)

(in thousands)	Class A		Class B		Accumulated					
	Common Stock		Common Stock		Additional Paid-In Capital	Retained Earnings	Other Comprehensive Income (Loss)	Non-controlling Interest	Total Equity	
	Shares	Amount	Shares	Amount						
Balance at December 31, 2022	60,903	\$ 609	14,978	\$ —	\$ 310,528	\$ 261,764	\$ (984)	\$ 138,528	\$ 710,445	
Issuances of common stock	3,352	34	—	—	143,302	—	—	26,033	169,369	
Member distributions	—	—	—	—	—	—	—	(13,926)	(13,926)	
Effect of CC Unit redemptions	872	9	(872)	—	11,773	—	—	(11,782)	—	
Tax impact of equity transactions	—	—	—	—	(10,979)	—	—	16,726	5,747	
Equity award vestings	200	2	—	—	(3,071)	—	—	(1,371)	(4,440)	
Other comprehensive loss	—	—	—	—	—	—	(663)	(149)	(812)	
Share repurchases	(4)	—	—	—	(137)	—	—	(22)	(159)	
Stock-based compensation	—	—	—	—	10,886	—	—	2,484	13,370	
Cash dividends declared (\$0.34 per share)	—	—	—	—	—	(22,289)	—	—	(22,289)	
Net income	—	—	—	—	—	120,224	—	32,542	152,766	
Balance at September 30, 2023	65,323	\$ 654	14,106	\$ —	\$ 462,302	\$ 359,699	\$ (1,647)	\$ 189,063	\$ 1,010,071	
Balance at December 31, 2021	59,035	\$ 590	16,674	\$ —	\$ 289,600	\$ 178,446	\$ 8	\$ 126,389	\$ 595,033	
Member distributions	—	—	—	—	—	—	—	(8,007)	(8,007)	
Effect of CW Unit redemptions	1,515	15	(1,515)	—	12,039	—	—	(12,054)	—	
Tax impact of equity transactions	—	—	—	—	2,931	—	—	—	2,931	
Equity award vestings	169	2	—	—	(3,258)	—	—	(1,238)	(4,494)	
Other comprehensive loss	—	—	—	—	—	—	(1,625)	(525)	(2,150)	
Stock-based compensation	—	—	—	—	6,386	—	—	1,648	8,034	
Cash dividends declared (\$0.33 per share)	—	—	—	—	—	(20,080)	—	—	(20,080)	
Net income	—	—	—	—	—	79,185	—	25,198	104,383	
Balance at September 30, 2022	60,719	\$ 607	15,159	\$ —	\$ 307,698	\$ 237,551	\$ (1,617)	\$ 131,411	\$ 675,650	

The accompanying notes are an integral part of these condensed consolidated financial statements.

CACTUS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(in thousands)	(in thousands)	Nine Months Ended September 30,		(in thousands)	Three Months Ended March 31,	
		2023	2022		2024	2023
Cash flows from operating activities	Cash flows from operating activities			Cash flows from operating activities		
Net income	Net income	\$152,766	\$104,383			
Reconciliation of net income to net cash provided by operating activities:	Reconciliation of net income to net cash provided by operating activities:					
Depreciation and amortization	Depreciation and amortization					
Depreciation and amortization	Depreciation and amortization	50,180	25,991			
Deferred financing cost amortization	Deferred financing cost amortization	4,187	133			
Stock-based compensation	Stock-based compensation	13,526	8,034			
Provision for expected credit losses	Provision for expected credit losses	2,153	224			
Inventory obsolescence	Inventory obsolescence	3,569	1,642			
Gain on disposal of assets	Gain on disposal of assets	(1,999)	(470)			
Deferred income taxes	Deferred income taxes	10,723	19,230			
Change in fair value of earn-out liability	Change in fair value of earn-out liability	12,932	—			
Gain from revaluation of liability related to tax receivable agreement	Gain from revaluation of liability related to tax receivable agreement	(3,683)	(10)			
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:					
Accounts receivable	Accounts receivable	(12,637)	(42,906)			
Accounts receivable	Accounts receivable					
Inventories	Inventories	45,377	(45,545)			
Prepaid expenses and other assets	Prepaid expenses and other assets	(7,321)	(4,265)			
Accounts payable	Accounts payable	2,733	20,537			
Accrued expenses and other liabilities	Accrued expenses and other liabilities	2,986	3,293			

Payments pursuant to tax receivable agreement		(26,890)	(11,666)
Net cash provided by operating activities			
Net cash provided by operating activities			
Net cash provided by operating activities	Net cash provided by operating activities	248,602	78,605
Cash flows from investing activities	Cash flows from investing activities		
Acquisition of a business, net of cash and cash equivalents acquired			
Acquisition of a business, net of cash and cash equivalents acquired			
Acquisition of a business, net of cash and cash equivalents acquired	Acquisition of a business, net of cash and cash equivalents acquired	(616,189)	—
Capital expenditures and other	Capital expenditures and other	(33,400)	(21,197)
Proceeds from sales of assets	Proceeds from sales of assets	4,347	1,701
Net cash used in investing activities	Net cash used in investing activities	(645,242)	(19,496)
Cash flows from financing activities	Cash flows from financing activities		
Proceeds from the issuance of long-term debt	Proceeds from the issuance of long-term debt	155,000	—
Repayments of borrowings of long-term debt		(155,000)	—
Proceeds from the issuance of long-term debt			
Proceeds from the issuance of long-term debt			
Net proceeds from the issuance of Class A common stock			
Net proceeds from the issuance of Class A common stock			
Net proceeds from the issuance of Class A common stock	Net proceeds from the issuance of Class A common stock	169,878	—
Payments of deferred financing costs	Payments of deferred financing costs	(6,857)	(165)
Payments on finance leases	Payments on finance leases	(5,579)	(4,505)

Dividends paid to Class A common stock shareholders	Dividends paid to Class A common stock shareholders	(22,266)	(20,015)
Distributions to members	Distributions to members	(13,926)	(8,007)
Repurchases of shares	Repurchases of shares	(4,599)	(4,495)
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	116,651	(37,187)
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	(800)	(2,968)
Net increase (decrease) in cash and cash equivalents	Net increase (decrease) in cash and cash equivalents	(280,789)	18,954
Cash and cash equivalents, beginning of period	Cash and cash equivalents, beginning of period	344,527	301,669
Cash and cash equivalents, end of period	Cash and cash equivalents, end of period	\$ 63,738	\$ 320,623
Supplemental disclosure of cash flow information	Supplemental disclosure of cash flow information		
Supplemental disclosure of cash flow information			
Net cash paid for income taxes			
Net cash paid for income taxes			
Net cash paid for income taxes	Net cash paid for income taxes	\$ 19,464	\$ 3,762
Cash paid for interest	Cash paid for interest	\$ 5,150	\$ 801
Non-cash investing and financing activities:	Non-cash investing and financing activities:		
Right-of-use assets obtained in exchange for new lease obligations	Right-of-use assets obtained in exchange for new lease obligations	\$ 10,210	\$ 10,707
Right-of-use assets obtained in exchange for new lease obligations			

Right-of-use assets obtained
in exchange for new lease
obligations

Property and equipment in accounts payable	Property and equipment in accounts payable	\$ 1,758	\$ 1,582
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The accompanying notes are an integral part of these condensed consolidated financial statements.

CACTUS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(in thousands, except per share data, or as otherwise indicated)

1. Preparation of Interim Financial Statements and Other Items

Basis of Presentation

The financial statements presented in this report represent the consolidation of Cactus, Inc. ("Cactus Inc.") and its subsidiaries (the "Company"), including Cactus Companies, LLC ("Cactus Companies"). Cactus Inc. is a holding company whose only material asset is an equity interest consisting of units representing limited liability company interests in Cactus Companies ("CC Units"). Cactus Inc. is the sole managing member of Cactus Companies and operates and controls all of the business and affairs of Cactus Companies and conducts its business through Cactus Companies and its subsidiaries. As a result, Cactus Inc. consolidates the financial results of Cactus Companies and its subsidiaries and reports a non-controlling interest related to the portion of CC Units not owned by Cactus Inc., which reduces net income attributable to holders of Cactus Inc.'s Class A common stock, par value \$0.01 per share ("Class A common stock"). Except as otherwise indicated or required by the context, all references to "Cactus," "we," "us" and "our" refer to Cactus Inc. and its consolidated subsidiaries.

On February 28, 2023, Cactus Inc. through one of its subsidiaries, completed the merger acquisition of the FlexSteel business (the "Merger") through a merger (the "Merger") with HighRidge Resources, Inc. and its subsidiaries ("HighRidge"). On February 27, 2023, in order to facilitate the Merger with HighRidge, an internal reorganization was completed in which Cactus Companies acquired all of the outstanding units representing ownership interests in Cactus Wellhead, LLC ("Cactus LLC"), the operating subsidiary of Cactus Inc. (the "CC Reorganization"). The purpose of the Merger was to effect the acquisition of the operations of FlexSteel Holdings, Inc. and its subsidiaries. FlexSteel Holdings, Inc. was a wholly-owned subsidiary of HighRidge prior to the Merger and was converted into a limited liability company, contributed from HighRidge to Cactus Companies as part of the CC Reorganization and is now named FlexSteel Holdings, LLC ("FlexSteel"). The results of operations of FlexSteel have been reflected in our accompanying condensed consolidated financial statements from the closing date of the acquisition through September 30, 2023. See Note 2 for additional information related to the acquisition.

Following the acquisition of FlexSteel, we now operate in two business segments: Pressure Control and Spoolable Technologies.

The unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Accordingly, these consolidated financial statements do not include all information or notes required by generally accepted accounting principles for annual financial statements and should be read together with our Annual Report on Form 10-K for the year ended December 31, 2022. December 31, 2023.

The consolidated financial statements include all adjustments, which are of a normal recurring nature, unless otherwise disclosed, necessary for a fair statement of the consolidated financial statements for the interim periods. The results of operations for any interim period are not necessarily indicative of the results to be expected for the full year.

Use of Estimates

In preparing our consolidated financial statements in conformity with GAAP, we make numerous estimates and assumptions that affect the accounting for and recognition and disclosure of assets, liabilities, equity, revenues and expenses. We must make these estimates and assumptions because certain information that we use is dependent on future events, cannot be calculated with a high degree of precision from available data or is not otherwise capable of being readily calculated based on accepted methodologies. In some cases, these estimates are particularly difficult to determine, and we must exercise significant judgment. Actual results could differ materially from the estimates and assumptions that we use in the preparation of our consolidated financial statements.

Recent Accounting Pronouncements

Standards Not Yet Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, "Income Taxes (Topic 740)." The amendments in this ASU require entities to disclose on an annual basis specific categories in the income tax rate reconciliation and provide additional disclosures for reconciling items that meet a specified quantitative threshold. Entities will also be required to disclose annually income taxes paid disaggregated by federal, state and foreign taxes and the amount of income taxes paid by individual jurisdictions that meet a five percent or greater threshold of total income taxes paid net of refunds received. The ASU also adds certain disclosures in order to be consistent with U.S. Securities and Exchange Commission rules and removes certain disclosures that no longer are considered cost beneficial.

or relevant. The amendments in this ASU are to be applied on a prospective basis and will be effective for our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, with early adoption permitted. We are currently evaluating the impact the adoption of this new standard will have on our disclosures.

In November 2023, the FASB issued ASU No. 2023-07, "Improvements to Reportable Segment Disclosures (Topic 280)" in order to require disclosure of incremental segment information on an annual and interim basis for all public entities. The ASU expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items and interim disclosures of a reportable segment's profit or loss and assets. The ASU is to be applied retrospectively to all prior periods presented in the financial statements and is effective for our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, with early adoption permitted. We are currently evaluating the impact the adoption of this new standard will have on our segment disclosures.

2. FlexSteel Acquisition

On February 28, 2023 (the "acquisition date"), we completed the acquisition of FlexSteel in accordance with the terms and conditions of the merger agreement dated December 30, 2022. FlexSteel. Including final adjustments for closing working capital, cash on hand and indebtedness adjustments as set forth in the merger agreement, we paid total cash consideration of \$621.5 million. There is also a potential future earn-out payment of up to \$75.0 million to be paid no later than the third quarter of 2024, if certain revenue growth targets are met by FlexSteel. We funded the upfront purchase price using a combination of \$165.6 million of net

proceeds received from the public offering of shares of our Class A common stock completed in January 2023, borrowings under the Amended ABL Credit Facility (as defined in Note 7) totaling \$155.0 million and available cash on hand at the time of closing.

We believe this acquisition enhances Cactus' position as a premier manufacturer and provider of highly engineered equipment to the oil and gas exploration and production ("E&P") industry and provides meaningful growth potential for Cactus. We also believe FlexSteel's products are highly complementary to Cactus' equipment as it expands our exposure to our customers' operations from production trees to transportation of oil, gas and other liquids as well as to additional customers operating in the midstream area. The acquisition is being accounted for using the acquisition method of accounting, with Cactus being treated as the accounting acquirer. Under the acquisition method of accounting, the assets and liabilities are recorded at their respective fair values as of the acquisition date. The transaction was treated as a purchase of stock for United States federal income tax purposes. In connection with the acquisition, we incurred approximately \$7.5 million of transaction costs for the nine months ended September 30, 2023 required to effect the transaction and incurred an additional \$4.4 million in costs related to the reporting of and accounting for the transaction. These fees primarily related to legal, accounting and consulting fees and are included in selling, general and administrative ("SG&A") expenses in the consolidated statements of income.

Purchase Price Consideration

The final purchase price consideration for the acquisition is was \$627.5 million and is summarized as follows:

	Purchase Price Consideration
Cash consideration	\$ 621,505
Add: Contingent consideration ⁽¹⁾	5,960
Fair value of consideration transferred	\$ 627,465

⁽¹⁾ Represents the estimated fair value as of the acquisition date of the earn-out payment of up to \$75 million \$75.0 million of additional cash consideration if certain revenue growth targets are met by FlexSteel. The estimated fair value of the earn-out payment was determined using a Monte Carlo simulation valuation methodology based on probability-weighted performance projections and other inputs, including a discount rate.

Changes in the fair value of the earn-out liability subsequent to the acquisition date are recognized in the consolidated statements of income. As of September 30, 2023 March 31, 2024, the estimated fair value of the earn-out payment increased to \$18.9 million. is \$34.1 million. The increase is based on the revised forecast improvements in FlexSteel's expected revenues for the period January 1, 2023 through June 30, 2024, reflecting improvements in FlexSteel's revenues as compared to projections made at the time of the acquisition. See further discussion of the calculation of fair value of the earn-out liability in Note 12.

Preliminary

Purchase Price Allocation

The following table provides the preliminary final allocation of the purchase price as of the acquisition date. The goodwill reflected below decreased \$0.6 million from the original preliminary purchase price allocation as a result of measurement period adjustments, primarily related to changes in cash consideration upon finalization of the closing net working capital and the

resulting updates to deferred tax liabilities, partially offset by valuation adjustments to inventories and property and equipment. date:

Cash and cash equivalents	\$	5,316
Receivables		57,747 58,002
Inventories		91,746
Prepaid expenses and other current assets		1,283
Property and equipment		208,955 206,928
Operating lease right-of-use assets		1,021
Identifiable intangible assets		200,300
Other noncurrent assets		5,666
Total assets acquired		572,034 570,262
Accounts payable		(14,789) (14,975)
Accrued expenses and other current liabilities		(26,827)
Finance lease obligations		(974)
Operating lease liabilities		(906)
Deferred tax liabilities		(93,972) (94,319)
Total liabilities assumed		(137,468) (138,001)
Net assets acquired		434,566 432,261
Goodwill	\$	192,899 195,204

Assets acquired

The acquisition was accounted for using the acquisition method of accounting, with Cactus being treated as the accounting acquirer. Under the acquisition method of accounting, the assets and liabilities assumed in connection with the acquisition were recorded at their estimated respective fair values. Estimated fair values as of the acquisition date. Fair values were determined by management, based in part on an independent valuation valuations performed by third-party valuation specialists. The valuation methods used to determine the estimated fair value of intangible assets included the excess earnings approach for customer relationships and backlog using customer inputs and contributory charges and the relief from royalty method for tradename and developed technology. Several significant assumptions and estimates were involved in the application of these valuation methods, including forecasted sales volumes and prices, royalty rates, costs to produce, tax rates, capital spending, discount rates, attrition rates and working capital changes. Cash flow forecasts were generally based on FlexSteel's pre-acquisition forecasts. Identifiable intangible assets with finite lives are subject to amortization over their estimated useful lives.

The fair values determined for accounts receivable, accounts payable and most other current assets and liabilities, other than inventory, were equivalent to the carrying value due to their short-term nature. Acquired inventories are were comprised of raw materials, work-in-progress and finished goods. The preliminary fair value of finished goods was calculated as the estimated selling price, less costs of the selling effort and a reasonable profit allowance relating to the selling effort. The preliminary fair value of work-in-progress was calculated as the estimated selling price, less costs to complete, less costs of the selling effort and a reasonable profit allowance on completion and selling costs. The preliminary fair value of raw materials was determined based on replacement cost which approximates historical carrying value. The preliminary fair value of identifiable fixed assets was calculated using a combination of valuation approaches, but primarily consisted of the cost approach which adjusts estimates of replacement cost for the age, condition and utility of the associated assets.

Goodwill is calculated as the excess of the purchase price over the estimated fair value of net assets acquired and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Among the factors that contributed to a purchase price in excess of the estimated fair value of the net tangible and intangible assets acquired were the acquisition of an assembled workforce, expansion opportunities and other benefits that we believe will result from combining the operations of FlexSteel with ours. Goodwill was further increased by the deferred tax liability associated with the fair market value in excess of the tax basis acquired. The goodwill associated with this transaction has been allocated to our Spoolable Technologies segment.

The purchase price allocation is preliminary and could be revised as a result of additional information obtained regarding assets acquired and liabilities assumed and revisions of preliminary estimates of fair values including, but not limited to, certain tangible assets acquired and liabilities assumed, contractual relationships, intangible assets, certain working capital items, deferred income taxes and residual goodwill. The purchase price allocation will be finalized within the measurement period of up to one year from the acquisition date.

Tax-related impacts

As a result of the transaction, we acquired certain carryforward tax attributes. The Company's current assessment is that some of these attributes should be accounted for as unrecognized tax benefits in the acquisition accounting. The unrecognized tax benefits have been offset by an indemnification asset from the seller of \$5.7 million. The Company continues to evaluate the technical merits of the tax attributes, and the unrecognized tax benefit assessment is subject to change within the measurement period. Subsequent to completion of the acquisition, we determined that we expect to generate sufficient taxable income of the appropriate type to allow for the realization of the deferred tax asset associated with our investment in Cactus Companies and recognized a \$12.1 million tax benefit in the first quarter of 2023 associated with the release of our

valuation allowance previously provided. Additionally, we recognized \$4.3 million of tax expense in the first quarter of 2023 associated with the revaluation of our deferred tax asset as a result of a change in our forecasted state rate primarily due to state impacts of the FlexSteel acquisition.

Pro forma financial information

From acquisition date through September 30, 2023, FlexSteel produced revenue of \$245.8 million and net income of \$34.1 million. The pro forma financial information below represents the combined results of operations for the nine months ended September 30, 2023 and for the three and nine months ended September 30, 2022, as if the acquisition had occurred as of January 1, 2022. The unaudited pro forma combined financial information includes, where applicable, adjustments for additional amortization expense related to the fair value step-up of intangible assets, additional inventory fair value step-up expense, additional depreciation expense associated with adjusting property and equipment to fair value, changes to align accounting policies, decreases in interest expense due to modification of borrowings in conjunction with the acquisition and associated tax-related impacts of adjustments. These pro forma adjustments are based on available information as of the date hereof and upon assumptions that we believe are reasonable to reflect the impact of the FlexSteel acquisition on our historical financial information on a supplemental pro forma basis. Adjustments do not include the elimination of transaction-related costs incurred or any costs related to integration activities, cost savings or synergies that have been or may be achieved by the combined business. The unaudited pro forma financial information is presented for informational purposes only and is neither indicative of the results of operations that would have occurred if the acquisition had taken place at the beginning of the period presented nor indicative of future operating results.

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2023	2022	2022
Revenues	\$ 274,855	\$ 875,473	\$ 765,847	
Net Income attributable to Cactus, Inc.	33,885	132,026	83,224	

	Three Months Ended
	March 31,
	2023
Revenues	\$ 281,784
Net Income attributable to Cactus, Inc.	40,803

3. Accounts Receivable and Allowance for Credit Losses

We extend credit to customers in the normal course of business. Our customers are predominantly oil and gas E&P exploration and production companies located in the U.S. Our receivables are short-term in nature and typically due in 30 to 60 days. We do not accrue interest on delinquent receivables. Accounts receivable includes amounts billed and currently due from customers and unbilled amounts for products delivered and services performed for which billings have not yet been submitted to the customers. Total unbilled revenue included in accounts receivable as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 was \$36.6 million \$31.7 million and \$34.9 million \$26.8 million, respectively.

We maintain an allowance for credit losses to provide for the amount of billed receivables we believe to be at risk of loss. In our determination of the allowance for credit losses, we pool receivables with similar risk characteristics based on customer size, credit ratings, payment history, bankruptcy status and other factors known to us and apply an expected credit loss percentage. The expected credit loss percentage is determined using historical loss data adjusted for current conditions and forecasts of future economic conditions. Accounts deemed uncollectible are applied against the allowance for credit losses. The following is a rollforward of our allowance for credit losses.

	Balance at			Translation	Balance at
	Beginning of	Expense	Write off	Adjustments	End of
	Period				Period
Nine Months Ended September 30, 2023	\$ 1,060	\$ 2,153	\$ (16)	\$ (10)	\$ 3,187
Nine Months Ended September 30, 2022	741	224	(63)	(1)	901

	Balance at			Translation	Balance at
	Beginning of	Expense	Write off	Adjustments	End of
	Period	(Recovery)			Period
Three Months Ended March 31, 2024	\$ 3,642	\$ 162	\$ (1)	\$ —	\$ 3,803
Three Months Ended March 31, 2023	1,060	(376)	(19)	2	667

4. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using standard cost (which approximates average cost). Costs include an application of related material, direct labor, duties, tariffs, freight and overhead costs. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Reserves are made for excess and obsolete items based on a range of factors, including age, usage and technological or market changes that may impact demand for those products. Inventories consist of the following:

		September 30, 2023	December 31, 2022		
		March 31, 2024	March 31, 2024		
Raw materials	Raw materials	\$ 23,144	\$ 3,150		
Work-in-progress	Work-in-progress	11,500	5,444		
Finished goods	Finished goods	168,873	152,689		
		<u>\$203,517</u>	<u>\$161,283</u>		
		<u>\$</u>			

5. Property and Equipment, net

Property and equipment are stated at cost. We manufacture or construct most of our Pressure Control rental equipment assets. During the manufacture of these assets, they are reflected as construction in progress until complete. Property and equipment consists of the following:

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Land	Land	\$ 16,442	\$ 5,302		
Buildings and improvements	Buildings and improvements	131,960	25,480		
Machinery and equipment	Machinery and equipment	127,701	57,883		
Reels and skids	Reels and skids	18,028	—		
Vehicles	Vehicles	35,319	29,045		
Rental equipment	Rental equipment	215,581	194,088		
Furniture and fixtures	Furniture and fixtures	1,905	1,759		
Computers and software	Computers and software	3,889	3,068		
Gross property and equipment	Gross property and equipment	550,825	316,625		
Less: Accumulated depreciation	Less: Accumulated depreciation	(222,998)	(200,573)		
Net property and equipment	Net property and equipment	327,827	116,052		
Construction in progress	Construction in progress	17,395	13,946		
Total property and equipment, net	Total property and equipment, net	<u>\$345,222</u>	<u>\$129,998</u>		

6. Goodwill and Other Intangible Assets

Goodwill represents the excess of purchase price paid over the fair value of the net assets of acquired businesses. Goodwill is not amortized, but we evaluate at least annually whether it is impaired. Goodwill is considered impaired if the carrying amount of the reporting unit exceeds its estimated fair value. We conduct our annual assessment of the recoverability of goodwill as of December 31 of each year and more frequently if events and circumstances indicate that goodwill might be impaired. The change in carrying value of goodwill allocated to our reportable segments during the nine months ended September 30, 2023 was as follows:

	Pressure Control	Spoolable Technologies	Total
Balance at December 31, 2022	\$ 7,824	\$ —	\$ 7,824
FlexSteel acquisition	—	192,899	192,899
Balance at September 30, 2023	<u>\$ 7,824</u>	<u>\$ 192,899</u>	<u>\$ 200,723</u>

The following table presents the detail of acquired intangible assets other than goodwill as of September 30, 2023: assets:

		Accumulated									
		Gross Cost	Amortization	Net Cost							
		March 31, 2024			March 31, 2024			December 31, 2023			
		Gross									
		Cost			Gross Cost	Accumulated Amortization	Net Cost	Gross Cost	Accumulated Amortization	Net Cost	
Customer relationships	Customer relationships	\$ 100,300	\$ (3,901)	\$ 96,399							
Developed technology	Developed technology	77,000	(4,492)	72,508							
Tradename	Tradename	16,000	(933)	15,067							
Backlog	Backlog	7,000	(7,000)	—							
Total	Total	\$ 200,300	\$ (16,326)	\$183,974							

All intangible assets are amortized over their estimated useful lives. The weighted average amortization period for identifiable intangible assets acquired as of March 31, 2024 is 12 years. Amortization expense recognized during the three and nine months ended September 30, 2023 March 31, 2024 was \$4.0 million and \$16.3 million, respectively, and was recorded in SG&A selling, general and administrative expenses in the consolidated statements of income. Estimated future amortization expense is as follows:

Remainder of 2023		\$	3,997
2024			15,987
Remainder of 2024			
2025	2025		15,987
2026	2026		15,987
2027	2027		15,987
2028	2028		15,987
2029			
Thereafter	Thereafter		100,042
Total	Total	<u>\$</u>	<u>183,974</u>

7. Debt

We had no debt outstanding as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. We had \$1.5 million \$1.1 million in letters of credit outstanding and were in compliance with all covenants under the Amended ABL Credit Facility (as defined below) as of September 30, 2023 March 31, 2024.

In August 2018, Cactus LLC entered into a five-year senior secured asset-based revolving credit facility with a syndicate of lenders and JPMorgan Chase Bank, N.A., as administrative agent for such lenders and as an issuing bank and swingline lender (the "ABL Credit Facility"). The ABL Credit Facility was first amended in September 2020 and provided for up to \$75.0 million in revolving commitments. On July 25, 2022, the ABL Credit Facility was amended again for up to \$80.0 million in revolving commitments, up to \$15.0 million of which was available for the issuance of letters of credit.

On February 28, 2023, in connection with the Merger, Cactus Companies assumed the rights and obligations of Cactus LLC as Borrower under the ABL Credit Facility, and the ABL Credit Facility was amended and restated in its entirety (the "Amended ABL Credit Facility"). The Amended ABL Credit Facility provides for a term loan of \$125.0 million and up to \$225.0 million in revolving commitments, of which \$20.0 million is available for the issuance of letters of credit. Subject to certain terms and conditions set forth in the Amended ABL Credit Facility, Cactus Companies may request additional revolving commitments in an amount not to exceed \$50.0 million, for a total of up to \$275.0 million in revolving commitments. The term loan under the Amended ABL Credit Facility was set to mature on February 27, 2026 and any revolving loans under the Amended ABL Credit Facility mature on July 26, 2027. The maximum amount that Cactus Companies may borrow under the Amended ABL Credit Facility is subject to a borrowing base, which is based on a percentage of eligible accounts receivable and eligible inventory, subject to reserves and other adjustments.

We borrowed the full \$125.0 million term loan amount and \$30.0 million as a revolving loan at closing of the Amended ABL Credit Facility to fund a portion of the Merger. The term loan was required to be repaid in regular set amounts starting July 1, 2023 as set forth in the amortization schedule in the Amended ABL Credit Facility and could be prepaid without the payment of any prepayment premium (other than customary breakage costs for Term Benchmark (as defined below) borrowings). We began making discretionary prepayments on the term loan and revolving loan were repaid in April 2023 and continued to make payments until the entire \$155.0 million we borrowed was repaid full in July 2023.

Borrowings under the Amended ABL Credit Facility bear interest at Cactus Companies' option at either (i) the Alternate Base Rate (as defined therein) ("ABR"), or (ii) the Adjusted Term SOFR Rate (as defined therein) ("Term Benchmark"), plus, in

each case, an applicable margin. Letters of credit issued under the Amended ABL Credit Facility accrue fees at a rate equal to the applicable margin for Term Benchmark borrowings. The applicable margin is 2.50% per annum for term loan ABR borrowings and 3.50% per annum for term loan Term Benchmark borrowings. The applicable margin for revolving loan borrowings ranges from 0.0% to 0.5% per annum for revolving loan ABR borrowings and 1.25% to 1.75% per annum for revolving loan Term Benchmark borrowings and, in each case, is based on the average quarterly availability of the revolving loan commitment under the Amended ABL Credit Facility for the immediately preceding fiscal quarter. The unused portion of revolving commitment under the Amended ABL Credit Facility is subject to a commitment fee of 0.25% per annum.

The Amended ABL Credit Facility contains various covenants and restrictive provisions that limit Cactus Companies' and each of its subsidiaries' ability to, among other things, incur additional indebtedness and create liens, make investments or loans, merge or consolidate with other companies, sell assets, make certain restricted payments and distributions, and engage in transactions with affiliates. The obligations under the Amended ABL Credit Facility are guaranteed by certain subsidiaries of Cactus Companies and secured by a security interest in accounts receivable, inventory, equipment and certain other real and personal property assets of Cactus Companies and the guarantors. Until the term loan was paid in full, the Amended ABL Credit Facility required Cactus Companies to maintain a leverage ratio no greater than 2.50 to 1.00 based on the ratio of Total Indebtedness (as defined therein) to EBITDA (as defined therein). The Amended ABL Credit Facility requires Cactus Companies to maintain a minimum fixed charge coverage ratio of 1.00 to 1.00 based on the ratio of EBITDA (as defined therein) minus Unfinanced Capital Expenditures (as defined therein) to Fixed Charges (as defined therein) during certain periods, including when availability under the Amended ABL Credit Facility is under certain levels. If Cactus Companies fails to perform its obligations under the Amended ABL Credit Facility, (i) the revolving commitments under the Amended ABL Credit Facility could be terminated, (ii) any outstanding borrowings under the Amended ABL Credit Facility may be declared immediately due and payable, and (iii) the lenders may commence foreclosure or other actions against the collateral. We were

The Amended ABL Credit Facility was amended in compliance December 2023 to incorporate certain changes related to revised and new definitions associated with all the satisfaction of payment conditions for restricted payments, investments, permitted acquisitions, periodic reporting and asset dispositions. The amendment did not change the ABR, applicable margin rates, commitment fees, the maturity date, borrowing availability or covenants under the Amended ABL Credit Facility as other than timing of September 30, 2023, certain reporting requirements.

8. Revenue

The majority of our revenues are derived from short-term contracts for fixed consideration or in the case of rentals, for a fixed charge per day, plus repairs while the equipment is in use by the customer. Product sales generally do not include right of return or other significant post-delivery obligations. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Revenues are recognized when we satisfy a performance obligation by transferring control of the promised goods or providing services to our customers at a point in time, in an amount specified in the contract with our customer and that reflects the consideration to which we expect to be entitled in exchange for those goods or services. The majority of our contracts with customers contain a single performance obligation to provide agreed upon products or services. For contracts with multiple performance obligations, we allocate revenue to each performance obligation based on its relative standalone selling price. We do not assess whether promised goods or services are performance obligations if they are immaterial in the context of the contract with the customer. We do not incur any material costs of obtaining contracts.

We do not adjust the amount of consideration per the contract for the effects of a significant financing component when we expect, at contract inception, that the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less, which is in substantially all cases. Payment terms and conditions vary, although terms generally include a requirement of payment within 30 to 60 days of invoicing. Revenues are recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities. We treat shipping and handling associated with outbound freight as a fulfillment cost instead of as a separate performance obligation. We recognize the cost for the associated shipping and handling when incurred as an expense in cost of sales.

We disaggregate revenue into three categories: product revenues, rental revenues and field service and other revenues. We have predominately domestic operations with a small amount of sales in Australia, Canada, the Middle East and other international markets. The following table presents our revenues disaggregated by category:

Three Months Ended September 30,		Nine Months Ended September 30,	
2023	2022	2023	2022

Product revenue	\$	214,295	74 %	\$	121,782	66 %	\$	605,698	74 %	\$	328,054	65 %
Rental revenue		28,879	10 %		27,105	15 %		84,916	10 %		73,143	15 %
Field service and other revenue		44,696	16 %		35,594	19 %		131,480	16 %		99,398	20 %
Total revenues	\$	287,870	100 %	\$	184,481	100 %	\$	822,094	100 %	\$	500,595	100 %

	Three Months Ended					
	March 31,					
	2024		2023			
Product revenue	\$	207,511	76 %	\$	159,510	70 %
Rental revenue		23,943	8 %		27,817	12 %
Field service and other revenue		42,669	16 %		41,078	18 %
Total revenues	\$	274,123	100 %	\$	228,405	100 %

At **September 30, 2023** **March 31, 2024**, we had a deferred revenue balance of **\$8.6 million** **\$7.9 million** compared to the **December 31, 2022** **December 31, 2023** balance of **\$1.5 million** **\$8.1 million**. Deferred revenue represents our obligation to transfer products to or perform services for a customer for which we have received cash or billed in advance. The revenue that has been deferred will be recognized upon product delivery or as services are performed. As of **September 30, 2023** **March 31, 2024**, we did not have any contracts with an original length of greater than a year from which revenue is expected to be recognized in the future related to performance obligations that are unsatisfied.

9. Tax Receivable Agreement ("TRA")

In connection with our initial public offering ("IPO") in February 2018, we entered into the TRA which generally provides for payment by Cactus Inc. to certain direct and indirect owners of Cactus LLC (after the CC Reorganization, Cactus Companies) of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax that Cactus Inc. actually realizes or is deemed to realize in certain circumstances. Cactus Inc. will retain the benefit of the remaining 15% of these net cash savings.

The TRA liability is calculated by determining the tax basis subject to the TRA ("tax basis") and applying a blended tax rate to the basis differences and calculating the resulting iterative impact. The blended tax rate consists of the U.S. federal income tax rate and an assumed combined state and local income tax rate driven by the apportionment factors applicable to each state. Subsequent changes to the measurement of the TRA liability are recognized in the statements of income as a component of other expense, net. **After finalizing its 2022 federal tax return in September 2023, Cactus Inc. made a \$26.9 million TRA payment, which is equal to 85% of the \$31.6 million 2022 tax benefit resulting from the exchange of CC Units for shares of Class A common stock. In September 2022, Cactus Inc. made an \$11.7 million TRA payment based on its 2021 federal tax return.** As of **September 30, 2023** **March 31, 2024**, the total liability from the TRA was **\$271.1 million** **\$270.9 million** with \$20.9 million reflected in current liabilities based on the expected timing of our next payment. The payments under the TRA will not be conditional on a holder of rights under the TRA having a continued ownership interest in either Cactus Companies or Cactus Inc.

The term of the TRA commenced upon completion of our IPO and will continue until all tax benefits that are subject to the TRA have been utilized or expired, unless we exercise our right to terminate the TRA. If we elect to terminate the TRA early (or it is terminated early due to certain mergers, asset sales, other forms of business combinations or other changes of control), our obligations under the TRA would accelerate and we would be required to make an immediate payment equal to the present value of the anticipated future payments to be made by us under the TRA and such payment is expected to be substantial. The calculation of anticipated future payments will be based upon certain assumptions and deemed events set forth in the TRA, including the assumptions that (i) we have sufficient taxable income to fully utilize the tax benefits covered by the TRA and (ii) any CC Units (other than those held by Cactus Inc.) outstanding on the termination date are deemed to be redeemed on the termination date. Any early termination payment may be made significantly in advance of the actual realization, if any, of the future tax benefits to which the termination payment relates.

We may elect to defer payments due under the TRA if we do not have available cash to satisfy our payment obligations under the TRA. Any such deferred payments under the TRA generally will accrue interest from the due date for such payment until the payment date.

In March of 2024, the TRA was amended to replace all references to one year LIBOR with references to the 12-month term SOFR published by CME Group Benchmark Administration Limited plus 71.513 basis points. Additionally, all references to Cactus LLC were replaced with references to Cactus Companies as described in the CC Reorganization. The foregoing description of the TRA Amendment is a summary of the material terms of the TRA Amendment, does not purport to be complete and is qualified in its entirety by reference to the complete text of the TRA Amendment, a copy of which is filed as an Exhibit to this Quarterly Report and is incorporated herein by reference.

10. Equity

As of **September 30, 2023** **March 31, 2024**, Cactus Inc. owned **82.2%** **82.4%** of Cactus Companies as compared to **80.3%** **82.3%** of Cactus **LLC (prior to the CC Reorganization)** Companies as of **December 31, 2022** **December 31, 2023**. As of **September 30, 2023** **March 31, 2024**, Cactus Inc. had outstanding **65.3 million** **65.5 million** shares of Class A common stock (representing **82.2%** **82.4%** of the total voting power) and **14.1 million** **14.0 million** shares of Class B common stock (representing **17.8%** **17.6%** of the total voting power).

Equity Offering

In January 2023, Cactus Inc. completed an underwritten offering of 3,224,300 shares of Class A common stock at a price to the underwriters of \$51.36 per share for net proceeds of \$165.6 million (net of \$6.9 million of underwriting discounts and commissions). In addition to the underwriting discounts and commissions, approximately \$2.2 million of costs directly associated with the stock issuance were recorded as a reduction to additional paid-in capital.

FlexSteel Acquisition

In conjunction with the FlexSteel acquisition, a restricted stock award of 128,150 shares of Class A common stock was issued under the Company's long-term incentive plan to a key employee in exchange for cash consideration of \$6.5 million. The shares

are were restricted from sale or trading and are were subject to vesting requirements for one year from grant date. If The agreement included a guaranteed provision whereby if the fair market value of the restricted shares is was below the purchase price upon vesting, Cactus will would compensate the key employee for the difference in price plus a gross-up for taxes. We are accounting for this The restricted stock award early vested in October 2023 when the employee separated from the Company. The guaranteed payment as stock compensation provision was not triggered when the shares vested; therefore no cash payment was required or made in accordance with liability classification and remeasure the liability to fair value at each reporting period. Compensation cost is being recognized ratably over the one-year vesting period. The liability balance is \$0.7 million as terms of September 30, 2023 and is included in accrued expenses and other current liabilities in the consolidated balance sheets. We recognized \$0.2 million of compensation expense in SG&A in the consolidated statements of income during the nine months ended September 30, 2023, this award.

CC Reorganization

As part of the CC Reorganization in connection with the acquisition of FlexSteel, Cactus Companies acquired all of the outstanding units representing limited liability company interests of Cactus LLC ("CW" ("CW Units") in exchange for an equal number of CC Units issued to each of the previous owners of CW Units other than Cactus Inc. (the "CW Unit Holders"). Upon the completion of the CC Reorganization, CW Unit Holders ceased to be holders of CW Units and, instead, became holders of a number of CC Units equal to the number of CW Units such CW Unit Holders held immediately prior to the completion of the CC Reorganization. After the CC Reorganization, we refer to the owners of CC Units, other than Cactus Inc. (along with their permitted transferees), as "CC Unit Holders." Following the completion of the CC Reorganization, CC Unit Holders own one share of our Class B Common Stock for each CC Unit such CC Unit Holder owns.

In connection with the CC Reorganization, Cactus Inc. and the owners of CC Units entered into the Amended and Restated Limited Liability Company Operating Agreement of Cactus Companies (the "Cactus Companies LLC Agreement"), which contains substantially the same terms and conditions as the Second Amended and Restated Limited Liability Company Operating Agreement of Cactus LLC (the "Cactus Wellhead LLC Agreement"), which was the limited liability company operating agreement of Cactus LLC prior to the CC Reorganization. Cactus Inc. was responsible for all operational, management and administrative decisions relating to Cactus LLC's business for the period from completion of our IPO until the CC Reorganization and relating to Cactus Companies' business for periods after the CC Reorganization. Pursuant to the Cactus Companies LLC Agreement, each holder of CC Units has, subject to certain limitations, the right to cause Cactus Companies to acquire all or at least a minimum portion of its CC Units for, at Cactus Companies' election, (x) shares of our Class A common stock at a redemption ratio of one share of Class A common stock for each CC Unit redeemed, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions, or (y) an equivalent amount of cash. Alternatively, upon the exercise of such redemption right, Cactus Inc. (instead of Cactus Companies) has the right to acquire each tendered CC Unit directly from the exchanging CC Unit Holder for, at its election, (x) one share of Class A common stock, subject to conversion rate adjustments for stock splits, stock dividends and reclassifications and other similar transactions, or (y) an equivalent amount of cash. In connection with any redemption of CC Units pursuant to such redemption right or our alternative right to acquire each tendered CC Unit, the corresponding number of shares of Class B common stock would be canceled.

Redemptions of CC Units

Pursuant to the Cactus Companies LLC Agreement, holders of CC Units are entitled to redeem their CC Units, which results in additional Class A common stock outstanding. Since our IPO in February 2018, an aggregate of 46.5 million of CC Units (including CW Units prior to the CC Reorganization) and a corresponding number of shares of Class B common stock have been redeemed in exchange for shares of Class A common stock.

During the nine three months ended September 30, 2023, 0.9 million March 31, 2024 and 2023, there were no redemptions of CC Units together with a corresponding number of shares of Class B common stock, were redeemed in exchange for Class A common stock in accordance with the Cactus Companies LLC Agreement. During the nine months ended September 30, 2022, 1.5 million (or CW Units together with a corresponding number of shares of Class B common stock, were redeemed in exchange for Class A common stock in accordance with prior to the Cactus Wellhead LLC Agreement. There was no change in the combined number of Cactus Inc. voting shares outstanding as a result of the redemptions, CC Reorganization).

Dividends

Aggregate cash dividends of \$0.34 \$0.12 and \$0.11 per share of Class A common stock were declared during the nine three months ended September 30, 2023 totaled \$22.3 million compared to \$0.33 per share of Class A common stock March 31, 2024 and \$20.1 million during the nine months ended September 30, 2022, 2023 totaling \$8.0 million and \$7.1 million, respectively. Cash dividends paid during the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 totaled \$22.3 million \$8.1 million and \$20.0 million \$7.4 million, respectively. Dividends accrue on unvested equity-based awards on the date of record and are paid upon vesting. Dividends are not paid to our Class B common stockholders; however, a corresponding distribution up to the same

amount per share as our Class A common stockholders is paid to the owners of CC Units other than Cactus Inc. for any dividends declared on our Class A common stock. See further discussion of the distributions below under "Member Distributions."

Share Repurchase Program

On June 6, 2023, our board of directors authorized the Company to repurchase shares of its Class A common stock for an aggregate purchase price of up to \$150 million. Under our share repurchase program, shares may be repurchased from time to time in open market transactions or block trades, in privately negotiated transactions or any other method permitted under U.S. securities laws, rules and regulations. The repurchase program does not obligate the Company to purchase any particular amount of shares, and the repurchase program may be suspended or discontinued at any time at the Company's discretion. During the nine three months ended September 30, 2023 March 31, 2024, the Company purchased and retired 4,007 86,599 shares of Class A common stock for \$0.2 \$3.4 million, or \$39.69 \$38.92 average price per share excluding commissions, under the share repurchase program. As of September 30, 2023 March 31, 2024, \$149.8 \$146.3 million remained authorized for future repurchases of Class A common stock under the program.

Member Distributions

Distributions made by Cactus Companies are generally required to be made pro rata among all its members. For the nine three months ended September 30, 2023 March 31, 2024, Cactus Companies distributed \$63.1 million \$7.8 million to Cactus Inc. to fund its dividend TRA and estimated tax payments and made pro rata distributions to the other members totaling \$13.9 million \$1.7 million over the same period. During the nine three months ended September 30, 2022 March 31, 2023, Cactus Companies distributed \$31.7 million \$7.1 million to Cactus Inc. to fund its dividend TRA and estimated payments and made pro rata distributions to the other members totaling \$8.0 million \$1.6 million.

Limitation of Members' Liability

Under the terms of the Cactus Companies LLC Agreement, the members of Cactus Companies are not obligated for debt, liabilities, contracts or other obligations of Cactus Companies. Profits and losses are allocated to members as defined in the Cactus Companies LLC Agreement.

11. Commitments and Contingencies

We are involved in various disputes arising in the ordinary course of business. Management does not believe the outcome of these disputes will have a material adverse effect on our consolidated financial position or consolidated results of operations.

12. Fair Value Measurements

Authoritative guidance on fair value measurements provides a framework for measuring fair value and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value, giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs), observable inputs other than quoted prices in active markets (Level 2 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The carrying value of cash and cash equivalents, receivables, accounts payable and accrued expenses approximates fair value based on the short-term nature of these accounts.

The following table sets forth our liabilities that are measured at fair value on a recurring basis by level within At March 31, 2024, due to the fair value hierarchy:

	Fair Value at September 30, 2023			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Earn-out liability	\$ —	\$ —	\$ 18,892	\$ 18,892
Put option liability	—	—	777	777

The short-term nature of this account, the earn-out liability related to the FlexSteel acquisition (see Note 2) is was determined based on the estimated future payments, utilizing projections for the second quarter of 2024. At December 31, 2023, the earn-out liability was measured at a fair value of \$20.8 million using Level 3 unobservable inputs at the end of each reporting period with changes in its estimated fair value recorded in earnings until the liability is settled, inputs. The fair value is at December 31, 2023 was determined based on the evaluation of the probability and amount of earn-out that may be achieved based on expected future performance of FlexSteel using a Monte Carlo simulation model. The Monte Carlo simulation model uses assumptions including revenue volatilities, risk free rates, credit discount rates and revenue discount rates. Significant changes in any of those assumptions could have a material effect on the estimated fair value of the earn-out payment. The following table

sets forth the range of inputs for the significant assumptions utilized to determine the fair value of the earn-out payment as of September 30, 2023 December 31, 2023:

	September 30, 2023		
Risk-free interest rate	5.60%	to	5.63%
Expected revenue volatility	25.20%		
Revenue discount rate	10.88%	to	10.92%

Credit discount rate	10.90%	to	11.00%
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The put option liability represents the guaranteed payment on restricted stock purchased in conjunction with the FlexSteel acquisition (see Note 10). This liability is measured at fair value at the end of each reporting period until the liability is settled with changes in fair value from grant date recognized ratably over the one-year vesting period. The fair value is determined using the Black-Scholes option pricing method that utilizes a selected volatility calculated based on weighting historical and implied volatility indications. As the selected volatility involves judgement and is a significant input to estimating the fair value of the put option, it is classified as a Level 3 input. Significant changes in the volatility could have a material effect on the estimated fair value of the put option liability. The following table sets forth the inputs for the significant assumptions utilized to determine the fair value of the put option liability as of September 30, 2023:

	September 30, 2023		
Risk-free interest rate	5.46%		
Expected volatility	39.27%		
Dividend yield	0.95%		

	December 31, 2023		
Risk-free interest rate	5.40%	to	5.63%
Expected revenue volatility	21.70%		
Revenue discount rate	10.02%	to	10.23%
Credit discount rate	9.85%		

The following table presents a summary of the changes in fair value of our liabilities measured using Level 3 inputs:

	Earn-out		Put Option	
Opening Balance	\$	5,960	\$	510
Changes in fair value ⁽¹⁾		12,932		267
Balance at September 30, 2023	\$	18,892	\$	777

⁽¹⁾ We recognized \$12.9 million of remeasurement expense associated with the change in the fair value of the earn-out liability during the nine months ended September 30, 2023. During the three months ended March 31, 2023, a \$0.1 million gain was recognized in other income, net in the consolidated statements of operations. After the first quarter of 2023, the change in fair value of the earn-out liability is being presented separately as a component of operating income with \$13.1 million of expense recognized during the six months ended September 30, 2023. For the put option liability, we recognized \$0.2 million of expense associated with the change in fair value in SG&A in the consolidated statements of income during the nine months ended September 30, 2023.

	Earn-out	
Opening Balance	\$	5,960
Changes in fair value		14,850
Balance at December 31, 2023	\$	20,810

The fair value of our foreign currency forwards was less than \$0.1 million as of September 30, 2023 March 31, 2024 and was determined using market observable inputs including forward and spot prices (Level 2 inputs).

13. Segment Reporting

Prior to the acquisition of FlexSteel, we operated We operate in a single segment which reflected how our business was managed and the nature of our products and services. Upon completion of the acquisition, we re-evaluated our reportable segments and now report two business segments. Our business segments that offer different products and services and correspond to the manner in which our chief operating decision maker reviews and evaluates operating performance to make decisions about resources to be allocated to each segment.

Our reporting segments are:

- Pressure Control – engaged in the design, manufacture, sale, installation and service of wellhead and pressure control equipment utilized during the drilling, completion and production phases of oil and gas wells.
- Spoolable Technologies – engaged in the design, manufacture, sale, installation, service and associated rental of onshore spoolable pipe technologies utilized for production, gathering and takeaway transportation of oil, gas or other liquids.

Financial information by business segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 is summarized below.

Three Months Ended September 30,		Nine Months Ended September 30,	
2023	2022	2023	2022

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024	2024	2024	2024
Revenue:					
Revenue:					
Revenue:	Revenue:				
Pressure Control	Pressure Control	\$ 182,484	\$ 184,481	\$ 576,273	\$ 500,595
Pressure Control					
Pressure Control					
Spoolable Technologies					
Spoolable Technologies					
Spoolable Technologies	Spoolable Technologies	105,386	—	245,821	—
Total revenues	Total revenues	287,870	184,481	822,094	500,595
Total revenues					
Total revenues					
Operating income:	Operating income:				
Pressure Control ⁽¹⁾		47,830	51,296	151,809	126,527
Operating income:					
Operating income:					
Pressure Control					
Pressure Control					
Pressure Control					
Spoolable Technologies	Spoolable Technologies	39,773	—	34,004	—
Spoolable Technologies					
Spoolable Technologies					
Total segment operating income					
Total segment operating income					
Total segment operating income					
Corporate and other expenses ⁽¹⁾					
Corporate and other expenses ⁽¹⁾					
Corporate and other expenses ⁽¹⁾					
Total operating income	Total operating income	87,603	51,296	185,813	126,527
Interest income (expense), net		(1,372)	1,140	(6,298)	1,344
Total operating income					
Total operating income					
Interest income, net					
Interest income, net					
Interest income, net					
Other income, net					
Other income, net					
Other income, net	Other income, net	266	1,125	3,804	10

Income before income taxes	Income before income taxes	\$ 86,497	\$ 53,561	\$ 183,319	\$ 127,881
Income before income taxes					
Income before income taxes					

(1) Includes corporate and other costs not directly attributable to our reporting segments, such as corporate executive management and other administrative functions. These costs were previously included in the Pressure Control segment. The information for the three months ended March 31, 2023 has been recast to align with the presentation for the three months ended March 31, 2024.

14. Earnings per Share

Basic earnings per share of Class A common stock is calculated by dividing the net income attributable to Cactus Inc. during the period by the weighted average number of shares of Class A common stock outstanding during the same period. Diluted earnings per share of Class A common stock is calculated by dividing the net income attributable to Cactus Inc. during that period by the weighted average number of common shares outstanding assuming all potentially dilutive shares were issued.

We use the if-converted method to determine the potential dilutive effect of outstanding CC Units (and and corresponding shares of outstanding Class B common stock), stock. We use the treasury stock method to determine the potential dilutive effect of unvested restricted stock units stock-based compensation awards assuming that the proceeds will be used to purchase shares of Class A common stock. For our unvested performance stock and units, we first apply the criteria for contingently issuable share method to determine shares before determining the potential dilutive effect of unvested performance using the treasury stock units, method.

The following table summarizes the basic and diluted earnings per share calculations:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Numerator:	Numerator:				
Numerator:					
Numerator:					
Net income attributable to Cactus Inc.—basic					
Net income attributable to Cactus Inc.—basic					
Net income attributable to Cactus Inc.—basic	Net income attributable to Cactus Inc.—basic	\$ 52,580	\$ 31,425	\$ 120,224	\$ 79,185
Net income attributable to non-controlling interest (1)	Net income attributable to non-controlling interest (1)	—	—	24,874	19,686
Net income attributable to non-controlling interest (1)					
Net income attributable to non-controlling interest (1)					
Net income attributable to Cactus Inc.—diluted (1)					
Net income attributable to Cactus Inc.—diluted (1)					
Net income attributable to Cactus Inc.—diluted (1)	Net income attributable to Cactus Inc.—diluted (1)	\$ 52,580	\$ 31,425	\$ 145,098	\$ 98,871
Denominator:	Denominator:				
Denominator:					
Denominator:					
Weighted average Class A shares outstanding—basic	Weighted average Class A shares outstanding—basic	64,879	60,665	64,399	60,164
Effect of dilutive shares (2)		607	441	15,233	16,132
Weighted average Class A shares outstanding—diluted (2)		65,486	61,106	79,632	76,296
Weighted average Class A shares outstanding—basic					
Weighted average Class A shares outstanding—basic					
Effect of dilutive shares					
Effect of dilutive shares					
Effect of dilutive shares					
Weighted average Class A shares outstanding—diluted					
Weighted average Class A shares outstanding—diluted					
Weighted average Class A shares outstanding—diluted					
Earnings per Class A share—basic	Earnings per Class A share—basic	\$ 0.81	\$ 0.52	\$ 1.87	\$ 1.32
Earnings per Class A share—diluted (1)(2)		\$ 0.80	\$ 0.51	\$ 1.82	\$ 1.30
Earnings per Class A share—basic					
Earnings per Class A share—basic					
Earnings per Class A share—diluted (1)					

Earnings per Class A share—diluted ⁽¹⁾

Earnings per Class A share—diluted ⁽¹⁾

- (1) The numerator is adjusted in the calculation of diluted earnings per share under the if-converted method to include net income attributable to the non-controlling interest calculated as its pre-tax income adjusted for a corporate effective tax rate of 26.0% for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **25.0%** for the **nine months ended September 30, 2022**.
- (2) Diluted earnings per share **24.5%** for the three months ended **September 30, 2023** and **2022** excludes **14.6 million** and **15.2 million**, respectively, of weighted average shares of Class B common stock as the effect would be anti-dilutive. **March 31, 2023**.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Except as otherwise indicated or required by the context, all references in this Quarterly Report to the "Company," "Cactus," "we," "us" and "our" refer to Cactus, Inc. ("Cactus Inc.") and its consolidated subsidiaries, unless we state otherwise or the context otherwise requires. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes. The following discussion contains "forward-looking statements" that reflect our plans, estimates, beliefs and expected performance. Our actual results may differ materially from those anticipated as discussed in these forward-looking statements as a result of a variety of risks and uncertainties, which are difficult to predict, including those described above in "Cautionary Note Regarding Forward-Looking Statements," and in the risk factors included in "Part I, Item 1A. Risk Factors" in our **2022 2023 Annual Report**, in "Part II, Item 1A. Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended **March 31, 2023** and in "Part II, Item 1A. Risk Factors" of this Quarterly Report. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur. We assume no obligation to update any of these forward-looking statements except as otherwise required by law.

Executive Summary

Cactus is an equipment solutions provider primarily for onshore oil and gas markets. Founded in 2011 by a management group that previously operated two of the largest wellhead providers at the time, Cactus has rapidly grown to be a leading provider of wellhead solutions to the U.S. onshore market. On February 28, 2023, Cactus acquired FlexSteel, which similarly grew from its founding in 2003 to its current status as a leading provider of spoolable pipe technologies primarily to the U.S. onshore market.

Including final adjustments for closing working capital, cash on hand and indebtedness as set forth in the merger agreement, we paid total cash consideration of approximately \$621.5 million for the FlexSteel acquisition. Additionally, there is a potential future earn-out payment of up to \$75 million to be paid no later than the third quarter of 2024 if certain revenue growth targets are met by FlexSteel. We believe this acquisition enhances our position as a premier manufacturer and provider of highly engineered equipment to the **exploration and production ("E&P &P")** industry and should provide meaningful growth potential. We further believe FlexSteel's products are highly complementary to Cactus' equipment as it expands our exposure to our customers' operations from production trees to transportation of oil, gas and other liquids as well as to additional customers operating in the midstream area.

Demand for our products and services depends primarily upon oil and gas industry activity levels, including the number of active drilling rigs, the number of wells being drilled, the number of wells being completed, and the volume of newly producing wells, among other factors.

Revenues

Our revenues are derived from three sources: products, rentals, and field service and other. Product revenues are derived from the sale of wellhead systems, production trees and spoolable pipe and fittings. Rental revenues are primarily derived from the rental of equipment used during the completion process, the repair of such equipment and the rental of equipment or tools used to install wellhead equipment or spoolable pipe. Field service and other revenues are primarily earned when we provide installation and other field services for both product sales and equipment rental.

During the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, we derived **74%** **76%** of total revenues from the sale of our products, **10%** **8%** of total revenues from rental and 16% of total revenues from field service and other. During the **nine** **three** months ended **September 30, 2022** **March 31, 2023**, we derived **65%** **70%** of total revenues from the sale of our products, **15%** **12%** of total revenues from rental and **20%** **18%** of total revenues from field service and other. We have predominantly domestic operations with more limited operations in Australia, Canada, and the Middle East as well as sales in other international markets.

Following the acquisition of FlexSteel, we now **We** operate in two business segments consisting of the Pressure Control segment and the Spoolable Technologies segment.

Pressure Control

The Pressure Control segment designs, manufactures, sells and rents a range of wellhead and pressure control equipment under the Cactus Wellhead brand. Products are sold and rented principally for onshore unconventional oil and gas wells and are utilized during the drilling, completion and production phases of our customers' wells. In addition, we provide field services for all of our products and rental items to assist with the installation, maintenance and handling of the equipment.

We operate through service centers in the United States, which are strategically located in the key oil and gas producing regions, and in **Eastern** Australia. These service centers support our field services and provide equipment assembly and repair services. We also provide rental and service operations in the Kingdom of Saudi Arabia. Pressure

Control manufacturing and production facilities are located in Bossier City, Louisiana and Suzhou, China.

Demand for our product sales in the Pressure Control segment are driven primarily by the number of new wells drilled, as each new well requires a wellhead and, after the completion phase, a production tree. Demand for our rental items is driven primarily by the number of well completions as we rent frac trees to oil and gas operators to assist in hydraulic fracturing. Rental demand is also driven to a lesser extent by drilling activity as we rent tools used in the installation of wellheads. Field service and other revenues are closely correlated with revenues from product sales and rentals, as items sold or rented almost always have an associated service component.

Spoolable Technologies

The Spoolable Technologies segment designs, manufactures, and sells spoolable pipe and associated end fittings under the FlexSteel brand. Our customers use these products primarily as production, gathering and takeaway pipelines to transport oil, gas or other liquids. In addition, we also provide field services and rental items to assist our customers with the installation of these products. We support our field service operations through service centers and pipe yards located in oil and gas regions throughout the United States and Western Canada. Our manufacturing facility is located in Baytown, Texas.

Demand for our product sales in the Spoolable Technologies segment are driven primarily by the number of wells being placed into production after the completions phase as customers use our spoolable pipe and associated fittings to bring wells more rapidly onto production. Rental and field service and other revenues are closely correlated with revenues from product sales, as items sold usually have an associated rental and service component.

Recent Developments and Trends

FlexSteel Acquisition

As previously discussed, we completed the acquisition of FlexSteel on February 28, 2023. The results of operations of FlexSteel have been reflected in our accompanying condensed consolidated financial statements from the closing date of the **acquisition through September 30, 2023**. See Note 2 to the unaudited condensed consolidated financial statements for additional information related to the acquisition.

Oil and Natural Gas Prices

The following table summarizes average oil and natural gas prices in North America over the indicated periods as well as industry activity levels as reflected by the average number of active onshore drilling rigs during the same periods.

		Three Months Ended		Nine Months Ended	
		September 30, 2023	June 30, 2023	September 30, 2023	September 30, 2022
		Three Months Ended			
		Three Months Ended			
		Three Months Ended			
		March 31, 2024			
		March 31, 2024			
		March 31, 2024			
WTI Oil Price (\$/bbl) ⁽¹⁾					
WTI Oil Price (\$/bbl) ⁽¹⁾					
WTI Oil Price (\$/bbl) ⁽¹⁾	WTI Oil Price (\$/bbl) ⁽¹⁾	\$ 82.25	\$ 73.54	\$ 77.27	\$ 98.96
Natural Gas Price (\$/MMBtu) ⁽²⁾	Natural Gas Price (\$/MMBtu) ⁽²⁾	\$ 2.59	\$ 2.16	\$ 2.46	\$ 6.74
Natural Gas Price (\$/MMBtu) ⁽²⁾					
Natural Gas Price (\$/MMBtu) ⁽²⁾					
U.S. Land Drilling Rigs ⁽³⁾	U.S. Land Drilling Rigs ⁽³⁾	627	698	689	688
U.S. Land Drilling Rigs ⁽³⁾					
U.S. Land Drilling Rigs ⁽³⁾					

⁽¹⁾ EIA Cushing, OK WTI ("West Texas Intermediate") spot price.

⁽²⁾ EIA Henry Hub Natural Gas spot price per million British Thermal Unit ("MMBtu").

⁽³⁾ Baker Hughes.

As expected, in the first quarter of 2024, U.S. land drilling and completion activity levels declined were flat compared to the fourth quarter of 2023 and down approximately 10% from the 2023 full year average. Average oil prices also remained flat in the third first quarter of 2023. The average number 2024 compared to the fourth quarter of U.S. land drilling rigs decreased by 17% 2023 as prices remain elevated due to geopolitical risk concerns and continued strong global demand. Natural gas prices declined 22% in

the first quarter of 2024 from the fourth quarter of 2022 with most of the reductions occurring in the third quarter of 2023. Oil prices rose 12% in the third quarter compared to the second quarter of 2023, as global oil demand remained continued strong production and concerns regarding tightening supply emerged due warmer weather have led to continued OPEC+ production cuts. U.S. storage levels well above five-year average levels, despite announced activity reductions and curtailments from several U.S. gas producers. The recent conflict ongoing conflicts in Ukraine and the Middle East have led to heightened commodity volatility and increased risk to our global supply chain. In recent weeks, risk of a broader Middle East conflict has resulted increased, which could have broad impacts on the global economy and our business.

Pillar Two Framework

The Organization for Economic Cooperation and Development ("OECD") enacted rules ("Pillar Two") for a new, global minimum tax of at least 15% on income arising in some volatility in oil prices due to concerns regarding low-tax jurisdictions. We are currently evaluating the potential impact this new legislation will have on global oil supplies. Natural gas prices have also risen since our consolidated financial statements; however, based on current enacted Legislation, Management anticipates the second quarter impact of 2023 primarily due Pillar Two to declining drilling activity and moderating storage surplus.

Barring any significant developments in be immaterial to the Middle East, we believe oil and natural gas activity levels in the fourth quarter of 2023 will display a modest recovery compared with the third quarter. Company for 2024.

Critical Accounting Policies and Estimates

A discussion of our critical accounting policies and estimates is contained in our 2022 2023 Annual Report on Form 10-K. There have not been any changes in our critical accounting policies since December 31, 2022 other than the following additional critical accounting estimate.

Determination of Fair Value in Business Combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets acquired and liabilities assumed at their respective fair valuesDecember 31, 2023. The determination of fair value requires the use of significant estimates and assumptions, and in making these determinations, management uses all available information. If necessary, we have up to one year after the acquisition closing date to finalize these fair value determinations under the applicable GAAP. For tangible and identifiable intangible assets acquired in a business combination, the determination of fair value utilizes several valuation methodologies including discounted cash flows which has assumptions with respect to the timing and amount of future revenue and expenses associated with an asset. The assumptions made in performing these valuations include, but are not limited to, discount rates, future revenues and operating costs, projections of capital costs, and other assumptions believed to be consistent with those used by principal market participants. Due to the specialized nature of these calculations, we engage third-party specialists to assist management in evaluating our assumptions as well as appropriately measuring the fair value of assets acquired and liabilities assumed.

Consolidated Results of Operations

The following discussions relating to significant line items from our condensed consolidated statements of income are based on available information and represent our analysis of significant changes or events that impact the comparability of reported amounts. Where appropriate, we have identified specific events and changes that affect comparability or trends and, where reasonably practicable, have quantified the impact of such items.

We have two operating segments consisting of the Pressure Control segment (legacy Cactus) and the Spoolable Technologies segment (FlexSteel). Our results of operations are evaluated by the Chief Executive Officer on a consolidated basis as well as at the segment level. The performance of our operating segments is primarily evaluated based on segment operating income (in addition to other measures), which is defined as income before taxes and before interest income (expense), net, other income (expense), net and corporate and other expenses not allocated to the operating segments. Corporate and other expenses were previously included in our Pressure Control segment. The Company has recast the information for the three months ended March 31, 2023 to align with the presentation for the three months ended March 31, 2024.

Three Months Ended September 30, 2023 March 31, 2024 Compared to Three Months Ended June 30, 2023 December 31, 2023

The following table presents summary consolidated operating results for the periods indicated:

Three Months Ended			
September	June 30,		
30, 2023	2023	\$ Change	% Change
(in thousands)			
Three Months Ended			
March 31,			
2024			
March 31,			
2024			

March 31, 2024						December 31, 2023						\$ Change		% Change	
(in thousands)															
Revenues	Revenues														
Revenues															
Revenues															
Pressure Control															
Pressure Control															
Pressure Control	Pressure Control	\$182,484	\$199,134	\$(16,650)	(8.4)%	\$175,028	\$	\$180,454	\$	\$(5,426)	(3.0)	(3.0)	%		
Spoolable Technologies	Spoolable Technologies	105,386	106,685	(1,299)	(1.2)										
Total revenues	Total revenues	287,870	305,819	(17,949)	(5.9)										
Operating income	Operating income														
Pressure Control	Pressure Control	47,830	54,540	(6,710)	(12.3)										
Pressure Control															
Pressure Control															
Spoolable Technologies	Spoolable Technologies	39,773	(6,018)	45,791	nm										
Total segment operating income															
Corporate and other expenses															
Total operating income	Total operating income	87,603	48,522	39,081	80.5										
Interest expense, net		(1,372)	(5,928)	4,556	(76.9)										
Interest income (expense), net															
Interest income (expense), net															
Interest income (expense), net		689 (182) 871 nm													
Other income, net	Other income, net	266	—	266	nm	Other income, net	—	686	686	(686)	(686)	nm	nm		
Income before income taxes	Income before income taxes	86,497	42,594	43,903	nm										
Income tax expense	Income tax expense	18,478	10,135	8,343	82.3 %										
Net income	Net income	68,019	32,459	35,560	nm										
Less: net income attributable to non-controlling interest	Less: net income attributable to non-controlling interest	15,439	7,709	7,730	nm										

Net income attributable to Cactus Inc.	Net income attributable to Cactus Inc.	\$ 52,580	\$ 24,750	\$ 27,830	nm	Net income attributable to Cactus Inc.	\$38,965	\$	\$48,947	\$	\$(9,982)	(20.4)	(20.4)%
nm = not meaningful	nm = not meaningful												

Pressure Control. Pressure Control revenue for the **third first** quarter of **2023 2024** was **\$182.5 million** \$175.0 million, a decrease of **\$16.7 million** \$5.4 million, or **8.4%** 3.0%, from **\$199.1 million** \$180.5 million for the **second fourth** quarter of 2023 primarily due to decreased customer activity resulting in reduced sales of wellhead and production related equipment and related field services resulting from reduced activity offset slightly by higher in addition to decreased rental revenues. activity. Pressure Control operating income of **\$47.8 million** \$51.7 million for the **third first** quarter of 2024 decreased \$4.4 million, or 7.8% from \$56.1 million for the fourth quarter of 2023 primarily due to decreased \$6.7 million, or 12.3% from the second quarter of 2023. The decreased revenues and associated gross margins related to equipment sales and field services were rental activity, slightly offset by higher gross margins associated with rentals driven by higher revenue and lower depreciation expense on our rental fleet. Selling, field service activity. Pressure Control selling, general and administrative expenses ("SG&A") decreased approximately \$2.0 million \$0.1 million from the **second fourth** quarter primarily due to lower bad debt expense and professional fees, partially offset by higher stock-based compensation expense and annual incentive bonus accruals. expense.

Spoolable Technologies. Spoolable Technologies revenue for the **third first** quarter of **2023 2024** was **\$105.4 million** \$99.1 million, a decrease an increase of **\$1.3 million** \$4.7 million, or 5.0% from \$94.4 million for the **second fourth** quarter of 2023. Total operating income for Spoolable Technologies for the **third first** quarter of **2023 2024** was **\$39.8 million** \$16.4 million, a decrease of \$11.8 million, compared to an operating loss income of **\$6.0 million** \$28.2 million for the **second fourth** quarter of 2023. The improvement decrease in operating income was mainly primarily due to recognition of a gain of \$5.1 million for \$13.3 million loss related to the change in fair value of the earn-out payment for the FlexSteel acquisition in the **third first** quarter of 2024 compared to an **\$18.1 million** a **\$1.9 million** loss in the **second** quarter. Additional increases in operating income from the **second fourth** quarter were due to a \$19.3 million decrease in inventory step-up expense and a \$4.7 million reduction in intangible amortization expense. of 2023.

Interest expense, net. Corporate and other expenses. Interest expense, net was \$1.4 million Corporate and other expenses for the **third first** quarter of 2023 compared to \$5.9 million 2024 was \$5.5 million, a decrease of \$0.2 million, or 2.6% from \$5.7 million for the **second fourth** quarter of 2023. The decrease was primarily due to lower stock-based compensation expense.

Interest income (expense), net. Interest income, net was \$0.7 million for the first quarter of 2024 compared to interest expense, net of \$0.2 million for the fourth quarter of 2023. The increase in interest expense from the second quarter income, net was the result of our repayment of \$55.0 million under the Amended ABL Credit Facility in July 2023, reducing our total bank debt outstanding primarily due to zero. higher interest income earned on a higher invested cash balance.

Other income, net. Other income, net of **\$0.3 million** \$0.7 million for the **third fourth** quarter of 2023 represented non-cash adjustments for the revaluation of the liability related to the tax receivable agreement as a result of changes to the state tax rate. agreement.

Income tax expense. Income tax expense for the **third first** quarter of **2023 2024** was **\$18.5 million** \$13.4 million compared to **\$10.1 million** \$17.0 million for the **second fourth** quarter of 2023. The increase decrease in income tax expense from the **second fourth** quarter was primarily due to an increase a decrease in operating income quarter over quarter. Cactus Inc. is only subject to federal and state income tax on its share of income from Cactus Companies. Income allocated to the non-controlling interest is only taxable to the non-controlling interest.

Nine

Three Months Ended September 30, 2023 March 31, 2024 Compared to Nine Three Months Ended September 30, 2022 March 31, 2023

The following table presents summary consolidated operating results for the periods indicated:

	Nine Months Ended September 30,				% Change
	2023	2022	\$ Change		
	(in thousands)				
Revenues					
Pressure Control	\$ 576,273	\$ 500,595	\$ 75,678	15.1 %	
Spoolable Technologies	245,821	—	245,821	nm	
Total revenues	822,094	500,595	321,499	64.2	
Operating income					
Pressure Control	151,809	126,527	25,282	20.0	

Spoolable Technologies	34,004	—	34,004	nm
Total operating income	185,813	126,527	59,286	46.9
Interest income (expense), net	(6,298)	1,344	(7,642)	nm
Other income, net	3,804	10	3,794	nm
Income before income taxes	183,319	127,881	55,438	43.4
Income tax expense	30,553	23,498	7,055	30.0
Net income	152,766	104,383	48,383	46.4
Less: net income attributable to non-controlling interest	32,542	25,198	7,344	29.1
Net income attributable to Cactus Inc.	\$ 120,224	\$ 79,185	\$ 41,039	51.8 %
nm = not meaningful				

	Three Months Ended			
	March 31,			
	2024	2023	\$ Change	% Change
	(in thousands)			
Revenues				
Pressure Control	\$ 175,028	\$ 194,655	\$ (19,627)	(10.1)%
Spoolable Technologies	99,095	33,750	65,345	nm
Total revenues	274,123	228,405	45,718	20.0
Operating income				
Pressure Control	51,675	63,171	(11,496)	(18.2)
Spoolable Technologies	16,393	249	16,144	nm
Total segment operating income	68,068	63,420	4,648	7.3
Corporate and other expenses	(5,518)	(13,732)	8,214	(59.8)
Total operating income	62,550	49,688	12,862	25.9
Interest income, net	689	1,002	(313)	(31.2)
Other income, net	—	3,538	(3,538)	nm
Income before income taxes	63,239	54,228	9,011	16.6
Income tax expense	13,424	1,940	11,484	nm
Net income	49,815	52,288	(2,473)	(4.7)
Less: net income attributable to non-controlling interest	10,850	9,394	1,456	15.5
Net income attributable to Cactus Inc.	\$ 38,965	\$ 42,894	\$ (3,929)	(9.2)%
nm = not meaningful				

Pressure Control. Pressure Control revenue was \$576.3 million \$175.0 million for the first nine months quarter of 2023, an increase 2024, a decrease of \$75.7 million \$19.6 million, or 15.1% 10.1%, from \$500.6 million \$194.7 million for the first nine months quarter of 2022, 2023. This was primarily due to higher decreased sales of wellhead and production related equipment resulting from higher lower drilling and completion activity by our customers. In addition, increased rental of drilling and completion equipment and field service associated with product and rental revenues increased decreased as a result of the abovementioned decline in activity. Operating income of \$151.8 million \$51.7 million in the first nine months quarter of 2023 increased \$25.3 million 2024 decreased \$11.5 million, or 20.0% 18.2%, from \$126.5 million \$63.2 million in the first nine months quarter of 2022, 2023. The increase decrease was primarily attributable to higher lower gross margins during the period due to the increased volume partially offset by decreased activity levels and higher SG&A expenses. The increase in SG&A expenses primarily related to \$11.9 million of professional fees and expenses incurred in 2023 associated with the FlexSteel acquisition, higher personnel costs, bad debt expense and higher stock-based compensation expense.

Spoolable Technologies. Spoolable Technologies revenue for the first quarter of \$245.8 million and 2024 was \$99.1 million, an increase of \$65.3 million from \$33.8 million for the first quarter of 2023, as results for the first quarter of 2023 only included one month of revenues (from the FlexSteel acquisition date of February 28, 2023). Total operating income was \$16.4 million in the first quarter 2024, an increase of \$34.0 million represents FlexSteel results generated from February 28, 2023 \$16.1 million, compared to \$0.2 million in the date first quarter of acquisition, through September 30, 2023. The results for Spoolable Technologies 2023, which included approximately \$13.1 million only one month of expense income. Operating income in the first quarter of 2024 included a loss of \$13.3 million related to the change in fair value of the estimated earn-out payment payment. Operating income for the FlexSteel acquisition, \$23.5 million first quarter of 2023 included \$4.2 million of inventory step-up expense and \$16.3 million \$3.7

million of intangible amortization expense as well as increased depreciation expense of \$9.9 million primarily associated with for the step-up of its fixed assets in connection with accounting for the purchased assets at fair value in conjunction with purchase accounting.

Corporate and other expenses. Corporate and other expenses for the first quarter of 2024 was \$5.5 million, a decrease of \$8.2 million, or 59.8% from \$13.7 million for the first quarter of 2023. The decrease was largely attributable to lower professional fees related to transaction costs associated with the closing of and accounting for the FlexSteel acquisition.

Interest income, (expense), net. Interest expense, net was \$6.3 million for the first nine months of 2023 compared to \$1.3 million of interest income, net for the nine months ended September 30, 2022. Interest expense in first quarter of 2024 of \$0.7 million decreased \$0.3 million from the first quarter of 2023 primarily related due to borrowings outstanding through July 2023 under lower interest income earned on lower cash invested during the Amended ABL Credit Facility period.

Other income, net. Other income, net for 2023 and 2022 primarily related to non-cash adjustments for the revaluation of the liability related to the tax receivable agreement as a result of changes to the state tax rate.

Income tax expense. Income tax expense for the first nine months quarter of 2024 was \$13.4 million compared to \$1.9 million for the first quarter of 2023. The increase in income tax expense from the first quarter of 2023 was \$30.6 million compared primarily due to \$23.5 million for an increase in operating income during the first nine months quarter of 2022. 2024 and fewer reductions in income tax expense for items specific to the first quarter of 2023. Income tax expense for the first quarter of 2023 included an approximately \$38.3 million \$11.0 million of expense associated with current income offset by a \$12.1 million benefit associated with the release of our valuation allowance previously provided for our investment in Cactus Companies based on the determination that the deferred tax asset was realizable due to our ability to generate sufficient taxable income of the appropriate type. Additionally, we recognized \$4.3 million of expense associated with the revaluation of our deferred tax asset as a result of a change in our forecasted state tax rate \$0.5 million of expense related to the finalization of our 2022 tax returns and a \$0.4 million \$1.3 million benefit associated with permanent differences related to equity compensation. Income tax expense for 2022 included approximately \$26.3 million expense associated with current income offset by a \$1.7 million benefit associated with permanent differences related to equity compensation and a \$1.2 million tax benefit associated with the partial valuation allowance release in conjunction with CW Unit redemptions during 2022. Partial valuation releases occur in conjunction with redemptions of CW Units (or CC Units, in the case of redemptions after the CC Reorganization) as a portion of Cactus Inc.'s deferred tax assets from its investment in Cactus LLC (or, after the CC Reorganization, its investment in Cactus Companies) becomes realizable.

Liquidity and Capital Resources

At September 30, 2023 March 31, 2024, we had \$63.7 million \$194.3 million of cash and cash equivalents. Our primary sources of liquidity and capital resources are cash on hand, cash flows generated by operating activities and borrowings under our Amended ABL Credit Facility (as defined in Note 7 in the notes to the unaudited condensed consolidated financial statements). Depending upon market conditions and other factors, we may also have the ability to issue additional equity and debt if needed. As of September 30, 2023 March 31, 2024, we had \$222.9 million \$216.7 million of available borrowing capacity under our Amended ABL Credit Facility with no outstanding borrowings and \$1.5 million \$1.1 million in letters of credit outstanding. We were in compliance with the covenants of the Amended ABL Credit Facility as of September 30, 2023 March 31, 2024.

In June 2023, our board of directors authorized the Company to repurchase shares of its Class A common stock for an aggregate purchase price of up to \$150 million. Under our share repurchase program, shares may be repurchased from time to time in open market transactions or block trades, in privately negotiated transactions or any other method permitted under U.S. securities laws, rules and regulations. The repurchase program does not obligate the Company to purchase any particular amount of shares, and the repurchase program may be suspended or discontinued at any time at the Company's discretion.

We believe that our existing cash on hand, cash generated from operations and available borrowings under our Amended ABL Credit Facility will be sufficient for at least the next 12 months to meet working capital requirements, debt service obligations, anticipated capital expenditures, repurchases of shares of our Class A common stock, expected TRA liability

payments, anticipated tax liabilities and dividends to holders of our Class A common stock as well as pro rata cash distributions to holders of CC Units other than Cactus Inc.

We currently estimate our net capital expenditures for the year ending December 31, 2023 December 31, 2024 will range from \$35 \$45 million to \$40 million \$55 million. In the Pressure Control segment, capital expenditures are primarily related to rental fleet investments, the March 2023 purchase of our previously leased branch facility in Odessa, Texas, international expansion, diversification of our low cost supply chain and development of a recently-leased research and development facility in Houston, Texas. In the Spoolable Technologies segment, capital expenditures are primarily related to manufacturing plant enhancements and additional deployment equipment to facilitate installation of recent used for product introductions, installation.

Our ability to satisfy our long-term liquidity requirements, including cash requirements to fund income tax liabilities and the TRA liability at Cactus Inc. along with associated distributions to holders of CC Units relating to their ownership of Cactus Companies, depends on our future operating performance, which is affected by, and subject to, prevailing economic conditions, market conditions in the E&P industry, availability and cost of raw materials, and financial, business and other factors, many of which are beyond our control. We will not be able to predict or control many of these factors, such as economic conditions in the markets where we operate and competitive pressures. If necessary, we could choose to further reduce our spending on capital expenditures and operating expenses to ensure we operate within the cash flow generated from our operations.

Cash Flows

Nine Three Months Ended September 30, 2023 March 31, 2024 Compared to Nine Three Months Ended September 30, 2022 March 31, 2023

The following table summarizes our cash flows for the periods indicated:

		Nine Months Ended September 30,	
		2023	2022
		(in thousands)	
	Three Months Ended March 31,	Three Months Ended March 31,	
	2024	2024	2023
	(in thousands)	(in thousands)	
Net cash provided by operating activities	\$248,602	\$78,605	
Net cash used in investing activities	(645,242)	(19,496)	
Net cash provided by (used in) financing activities	116,651	(37,187)	

Net cash provided by operating activities was \$248.6 million \$86.3 million and \$78.6 million \$60.5 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Operating cash flows for 2023 2024 increased primarily due to higher income and a decrease in cash outflows associated with working capital, largely related to decreased purchases of Pressure Control inventories as well as higher collections on receivable balances. These increases in operating cash flows were slightly offset by \$15.7 million of additional income tax payments, higher TRA payments of \$15.2 million and \$4.3 million of additional interest paid in 2023 compared to 2022, capital.

Net cash used in investing activities was \$645.2 million \$6.8 million and \$19.5 million \$633.2 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The increase decrease was primarily due to cash paid to acquire FlexSteel for \$621.5 million less \$5.3 million in cash acquired, acquired during the first quarter of 2023. Additionally, our capital expenditures increased decreased approximately \$12.2 million \$8.0 million primarily due to the \$7.0 million purchase of a previously leased facility and Pressure Control rental fleet additions and enhancements. Capital expenditures during the first quarter of 2023.

Net cash used in financing activities was \$20.1 million for the Spoolable segment have been modest since the acquisition, totaling approximately \$1.1 million through September 30, 2023. Other movements in our investing activities were related three months ended March 31, 2024 as compared to the increase in proceeds from sales of assets of approximately \$2.6 million from 2022.

Net net cash provided by financing activities was \$116.7 million of \$303.2 million for the nine three months ended September 30, 2023 as compared to net cash used in financing activities of \$37.2 million for the nine months ended September 30, 2022 March 31, 2023. The increase decrease in net cash provided by financing activities was primarily related to certain financing activities in 2023 associated with the FlexSteel acquisition. We received approximately \$169.9 million of proceeds, net of issuance costs, from issuing shares of our Class A common stock during 2023. Additionally, we received \$155.0 million from total borrowings under our Amended ABL Credit Facility of which all \$155.0 million has been repaid. Increased payments The first quarter of \$6.7 million in debt issuance costs, increased distributions to members of \$5.9 million, higher dividend 2023 included payments of approximately \$2.3 million and \$1.1 million \$6.7 million of additional payments on finance leases partially offset the aforementioned cash inflows debt issuance costs. The first quarter of 2024 includes a \$3.9 million increase in share repurchases primarily associated with the equity financing activities during 2023. Company's share repurchase program.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

For quantitative and qualitative disclosures about market risk, see Part II, Item 7A., "Quantitative and Qualitative Disclosures about Market Risk," in our 2022 2023 Annual Report. Our exposure to market risk has not changed materially since December 31, 2022, other than with regard to interest rate risk as described in "Part I, Item 3. Quantitative and Qualitative Disclosures About Market Risk" of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 December 31, 2023.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

In accordance with Exchange Act Rules 13a-15 and 15d-15, we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the period covered by this report. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Securities and Exchange Commission ("SEC"). Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024 at the reasonable assurance level.

As disclosed in Note 2 to the unaudited condensed consolidated financial statements, we acquired FlexSteel on February 28, 2023 and accounted for this acquisition as a business combination. FlexSteel's total revenues constituted approximately 30% of our total consolidated revenues for the first nine months of 2023. FlexSteel's total assets constituted approximately 51% of our total consolidated assets as of September 30, 2023. We excluded FlexSteel's disclosure controls and procedures that are subsumed by its internal control over financial reporting from the scope of management's assessment of the effectiveness of our disclosure controls and procedures. This exclusion is in accordance with the SEC staff's general guidance that an assessment of a recently acquired business may be omitted from the scope of management's assessment of internal controls over financial reporting for one year following the acquisition. We are in the process of implementing financial reporting controls and procedures at FlexSteel as part of our ongoing integration activities.

Changes in Internal Control over Financial Reporting

Except as described above, there There were no changes in our internal control over financial reporting that occurred during the third first quarter of 2023 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We are party to lawsuits arising in the ordinary course of our business. We cannot predict the outcome of any such lawsuits with certainty, but management believes it is unlikely that pending or threatened legal matters will have a material adverse impact on our financial condition.

Due to the nature of our business, we are, from time to time, involved in other routine litigation or subject to disputes or claims related to our business activities, including workers' compensation claims and employment related disputes. In the opinion of our management, none of these, whether pending litigation, disputes or claims against us, if decided adversely, will have a material adverse effect on our results of operations, financial condition or cash flows.

Item 1A. Risk Factors.

In addition to the information set forth in this Quarterly Report, you should carefully consider the risk factors and other cautionary statements described under the heading "Item 1A. Risk Factors" included in our 2022 2023 Annual Report and under "Part II, Item 1A. Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, and the risk factors and other cautionary statements contained in our other filings with the Securities and Exchange Commission, SEC, which could materially affect our business, results of operations, financial condition or cash flows. Additional risks and uncertainties not currently known

to us or that we currently deem to be immaterial also may materially adversely affect our business, results of operations, financial condition or cash flows. In addition to what was previously disclosed in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, there There have been no material changes in our risk factors from those described in our 2022 2023 Annual Report or our other Securities and Exchange Commission filings except as follows:

Recent conflict in the Middle East may adversely affect our business and results of operations.

Recent conflict in the Middle East has resulted in some volatility in oil prices due to concerns regarding the conflict's impact on global oil supplies. Continued conflict or an expanded or increased level of conflict could further impact oil prices and drilling activity globally or have adverse effects on global macroeconomic conditions generally, which could have a negative impact on our business and results of operations. SEC filings.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not applicable. Issuer Purchases of Equity Securities

The following sets forth information with respect to our repurchases of Class A common stock during the three months ended March 31, 2024 (in whole shares). Included below are 86,599 shares purchased in the open market pursuant to a share repurchase program and 105,180 shares repurchased from employees to satisfy tax withholding obligations related to restricted stock units that vested during the period.

Period	Total number of shares purchased	Weighted-average price paid per share ⁽¹⁾	Total number of shares purchased as part of publicly announced plans or programs ⁽³⁾	Maximum dollar value of shares that may yet be purchased under the plans or programs ⁽³⁾
January 1-31, 2024	86,599	38.92 ⁽¹⁾	86,599	\$ 146,302,153
February 1-29, 2024	—	\$ —	—	\$ —
March 1-31, 2024	105,180	46.57 ⁽²⁾	—	\$ —
Total	191,779	\$ 43.12	86,599	\$ 146,302,153

⁽¹⁾ The average price paid per share of \$38.92 relates to the 86,599 shares purchased in the open market and was calculated excluding commissions.

⁽²⁾ Average price paid for Class A common stock purchased from employees to satisfy tax withholding obligations related to restricted stock and performance stock units that vested during the period.

⁽³⁾ In June 2023, our board of directors authorized the Company to repurchase shares of its Class A common stock for an aggregate purchase price of up to \$150 million. Purchases were made under terms intended to qualify for exemption under Rules 10b-18 and 10b5-1.

Item 5. Other Information.

During the three months ended **September 30, 2023** **March 31, 2024**, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) of Cactus, Inc. adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

The following exhibits are required by Item 601 of Regulation S-K and are filed as part of this report.

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Cactus, Inc., effective February 12, 2018 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed with the Commission on February 12, 2018)
3.2	Amended and Restated Bylaws of Cactus, Inc., effective as of February 7, 2023 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed with the Commission on February 8, 2023)
10.1*	First Amendment to the Tax Receivable Agreement, dated as of February 29, 2024, by and among Cactus, Inc., Cadent Management Services, LLC and the TRA Holders identified therein
31.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Calculation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Presentation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Definition Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

November 9, 2023 May 2, 2024

Date

By: /s/ Scott Bender

Scott Bender
Chief Executive Officer, Chairman of the Board and Director
(Principal Executive Officer)

November 9, 2023 May 2, 2024

Date

By: /s/ Stephen Tadlock Alan Keifer

Stephen Tadlock Alan Keifer
Executive Vice President and Chief Executive Officer of the Spoolable
Technologies segment, Interim Chief Financial Officer and Treasurer
(Principal Financial Officer)

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Exhibit 10.1

FIRST AMENDMENT TO TAX RECEIVABLE AGREEMENT

This **FIRST AMENDMENT TO TAX RECEIVABLE AGREEMENT**, ("Amendment") is made effective February 29, 2024 by and among Cactus, Inc., a Delaware corporation (the "Corporate Taxpayer"), the TRA Holders identified on the signature pages to this Amendment (the "Consenting TRA Holders") and the Agent.

RECITALS

WHEREAS, as of January 29, 2018 and effective as of the date of the initial closing of the IPO, the Corporate Taxpayer, the TRA Holders and the Agent entered into a Tax Receivable Agreement (the "TRA"); and,

WHEREAS, on approximately February 27, 2023, Cactus Companies, LLC ("Cactus Companies"), a wholly-owned subsidiary of Corporate Taxpayer, formed on February 6, 2023, acquired all of the outstanding units representing ownership interests in Cactus LLC, in exchange for an equal number of units representing limited liability company interests in Cactus Companies ("CC Units") issued to each of the previous owners of CW Units (the "CC Reorganization"). Corporate Taxpayer is a holding company whose only material asset is a direct and indirect equity interest in CC Units following the completion of the CC Reorganization (which were CW Units from the IPO until the CC Reorganization). Corporate Taxpayer was the sole managing member of Cactus LLC upon completion of the IPO until the CC Reorganization and became the sole managing member of Cactus Companies upon completion of the CC Reorganization; and

WHEREAS, Consenting TRA Holders are the Majority TRA Holders as of the date of this Amendment; and

WHEREAS, the parties to this Amendment desire to amend the TRA in accordance with Section 7.7 of the TRA.

TERMS OF AMENDMENT

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Corporate Taxpayer, the Consenting TRA Holders and the Agent hereby agree to make the following amendments to the TRA:

1. **Defined Terms.** All terms with an initial Capital letter that are not otherwise defined in this Amendment when used in this Amendment, including in the recitals to this Amendment, shall have the meaning assigned to such term in the TRA. The following defined terms shall have the meaning ascribed below:

"CME TermSOFR" means, during any period, an interest rate per annum equal to the CME Term SOFR Reference Rates for a 12-month tenor, as published by the CME Term SOFR Administrator at approximately 5:00 a.m. U.S. Central Standard Time on the date two (2) calendar days prior to the first day of such period, plus 71.513 basis points.

"CME Term SOFR Administrator" means CME Group Benchmark Administration limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

2. CME Term SOFR. All references in the TRA to LIBOR shall be deemed to be a reference to CME Term SOFR. All calculations made under TRA with respect to periods after June 30, 2023 shall use CME Term SOFR in place of LIBOR.
 3. Cactus Companies. Effective as of February 27, 2023, all references in the TRA to Cactus LLC shall be deemed to be a reference to Cactus Companies.
 4. Ratification. Except as otherwise set forth herein, all terms and conditions contained in the TRA shall remain in full force and effect. The TRA, as amended by this Amendment, is hereby ratified and confirmed by the parties to this Amendment.
 5. Entire Agreement. This Amendment and the TRA constitutes the entire agreement of the parties to the TRA with respect to the matters covered by the TRA.
 6. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute but one Amendment. This Amendment may be executed electronically by PDF and each party has the right to rely upon an electronic PDF counterpart of this Amendment signed by the other party to the same extent as if such party had received an original counterpart.
- EXECUTED as of the date first written above, in multiple counterparts, each of which shall have the full force and effect of an original.

CORPORATE TAXPAYER

CACTUS, INC.

By: /s/ Scott Bender
Name: Scott Bender
Title: CEO
Date: March 22, 2024

AGENT

CADENT MANAGEMENT SERVICES, LLC

By: /s/ Paul G. McDermott
Name: Paul G. McDermott
Title: Managing Member

CONSENTING TRA HOLDERS

CADENT ENERGY PARTNERS II, L.P.

By: Cadent Energy Partners II GP, L.P.,
its general partner

By: CEP II GP, LLC, its general Partner

By: /s/ Paul G. McDermott
Name: Paul G. McDermott
Title: Managing Member

BENDER INVESTMENT COMPANY

By: /s/ Scott Bender
Name: Scott Bender
Title: President

CACTUS WH ENTERPRISES, LLC

By: /s/ Scott Bender
Name: Scott Bender
Title: President

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Scott Bender, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cactus, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023 May 2, 2024

/s/ Scott Bender

Scott Bender
Chief Executive Officer, Chairman of the Board and
Director
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen Tadlock, Alan Keifer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cactus, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023 May 2, 2024

/s/ Stephen Tadlock Alan Keifer

Stephen Tadlock Alan Keifer

Executive Vice President and Chief Executive Officer of the Spoolable
Technologies segment, Interim Chief Financial Officer and Treasurer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, and accompanies the Quarterly Report on Form 10-Q for the period ended September 30, 2023 March 31, 2024 of Cactus, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report").

I, Scott Bender, Chief Executive Officer, Chairman of the Board and Director of the Company, certify that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2023 May 2, 2024

/s/ Scott Bender

Scott Bender
Chief Executive Officer, Chairman of the Board and Director
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, and accompanies the Quarterly Report on Form 10-Q for the period ended September 30, 2023 March 31, 2024 of Cactus, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report").

I, Stephen Tadlock, Executive Vice President and Chief Executive Officer of the Spoolable Technologies segment, Alan Keifer, Interim Chief Financial Officer and Treasurer of the Company, certify that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2023 May 2, 2024

/s/ Stephen Tadlock Alan Keifer

Stephen Tadlock Alan Keifer
Executive Vice President and Chief Executive Officer of the Spoolable
Technologies segment, Interim Chief Financial Officer and Treasurer
(Principal Financial Officer)

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