REFINITIV

DELTA REPORT

10-Q

OIS - OIL STATES INTERNATIONAL,

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	749
CHANGES	259
DELETIONS	240
ADDITIONS	250

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

FORM 10-Q

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

For the quarterly period ended March 31, 2024 June 30, 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: 001-16337

OIL STATES INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware	**76-0476605**
(State or other jurisdiction of	*(I.R.S. Employer*
incorporation or organization)	*Identification No.)*
Three Allen Center, 333 Clay Street	
Suite 4620	**77002**
Houston, Texas	*(Zip Code)*
(Address of principal executive offices)	

(713) 652-0582
(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
Common stock, par value $0.01 per share	OIS	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. (Check one):

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 April 19, 2024 July 19, 2024, the number of shares of common stock outstanding was 64,215,204. 63,787,977.

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

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OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

PART I – FINANCIAL INFORMATION

ITEM 1. ***Financial Statements***

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)

	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	**Six Months Ended June 30,**
	2024	
Revenues:		
Revenues:		
Revenues:		
Products		
Products		
Products		
Services		
Services		
Services		
	167,262	
	167,262	
	167,262	
	186,383	
	186,383	
	186,383	

Costs and expenses:	
Costs and expenses:	
Costs and expenses:	
Product costs	
Product costs	
Product costs	
Service costs	
Service costs	
Service costs	
Cost of revenues (exclusive of depreciation and amortization expense presented below)	
Cost of revenues (exclusive of depreciation and amortization expense presented below)	
Cost of revenues (exclusive of depreciation and amortization expense presented below)	
Selling, general and administrative expense	
Selling, general and administrative expense	
Selling, general and administrative expense	
Depreciation and amortization expense	
Depreciation and amortization expense	
Depreciation and amortization expense	
Impairment of goodwill	
Impairment of goodwill	
Impairment of goodwill	
Other operating (income) expense, net	
Other operating (income) expense, net	
Other operating (income) expense, net	
	178,439
	178,439
	178,439
	184,338
	184,338
	184,338
Operating income (loss)	
Operating income (loss)	
Operating income (loss)	
Interest expense, net	
Interest expense, net	

Interest expense, net
Other income (expense), net
Other income (expense), net
Other income (expense), net
Other income, net
Other income, net
Other income, net
Income (loss) before income taxes
Income (loss) before income taxes
Income (loss) before income taxes
Income tax provision
Income tax provision
Income tax provision
Income tax benefit (provision)
Income tax benefit (provision)
Income tax benefit (provision)
Net income (loss)
Net income (loss)
Net income (loss)
Net income (loss) per share:
Net income (loss) per share:
Net income (loss) per share:
Basic
Basic
Basic
Diluted
Diluted
Diluted
Weighted average number of common shares outstanding:
Weighted average number of common shares outstanding:
Weighted average number of common shares outstanding:
Basic
Basic
Basic
Diluted
Diluted
Diluted

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

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In Thousands)

	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	Six Months Ended June 30,
	2024	
Net income (loss)		
Net income (loss)		
Net income (loss)		
Other comprehensive income (loss):		
Other comprehensive income (loss):		
Other comprehensive income (loss):		
Currency translation adjustments		
Currency translation adjustments		
Currency translation adjustments		
Comprehensive income (loss)		
Comprehensive income (loss)		
Comprehensive income (loss)		

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

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Share Amounts)

	March 31, 2024	December 31, 2023	
	June 30, 2024	December 31, 2023	
(Unaudited)	(Unaudited)		(Unaudited)

ASSETS
Current assets:
Current assets:
Current assets:
Cash and cash equivalents
Cash and cash equivalents
Cash and cash equivalents
Accounts receivable, net
Inventories, net
Prepaid expenses and other current assets
Total current assets
Property, plant, and equipment, net
Property, plant, and equipment, net
Property, plant, and equipment, net
Operating lease assets, net
Goodwill, net
Other intangible assets, net
Other noncurrent assets
Total assets
LIABILITIES AND STOCKHOLDERS' EQUITY
LIABILITIES AND STOCKHOLDERS' EQUITY
LIABILITIES AND STOCKHOLDERS' EQUITY
Current liabilities:
Current liabilities:
Current liabilities:
Current portion of long-term debt
Current portion of long-term debt
Current portion of long-term debt
Accounts payable
Accrued liabilities
Current operating lease liabilities
Income taxes payable
Deferred revenue
Total current liabilities
Long-term debt
Long-term debt
Long-term debt
Long-term operating lease liabilities

Deferred income taxes
Other noncurrent liabilities
Total liabilities
Stockholders' equity:
Stockholders' equity:
Stockholders' equity:
Common stock, $.01 par value, 200,000,000 shares authorized, 78,514,830 shares and 77,218,765 shares issued, respectively
Common stock, $.01 par value, 200,000,000 shares authorized, 78,514,830 shares and 77,218,765 shares issued, respectively
Common stock, $.01 par value, 200,000,000 shares authorized, 78,514,830 shares and 77,218,765 shares issued, respectively
Common stock, $.01 par value, 200,000,000 shares authorized, 78,633,247 shares and 77,218,765 shares issued, respectively
Common stock, $.01 par value, 200,000,000 shares authorized, 78,633,247 shares and 77,218,765 shares issued, respectively
Common stock, $.01 par value, 200,000,000 shares authorized, 78,633,247 shares and 77,218,765 shares issued, respectively
Additional paid-in capital
Retained earnings
Accumulated other comprehensive loss
Treasury stock, at cost, 14,299,626 and 13,892,049 shares, respectively
Treasury stock, at cost, 14,844,049 and 13,892,049 shares, respectively
Total stockholders' equity
Total liabilities and stockholders' equity

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

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In Thousands)

Three Months Ended March 31, 2024				**Accumulated**		
		Additional		**Other**		**Total**
	Common	**Paid-In**	**Retained**	**Comprehensive**	**Treasury**	**Stockholders'**
	Stock	**Capital**	**Earnings**	**Loss**	**Stock**	**Equity**
Balance, December 31, 2023						
Net loss						
Three Months Ended June 30, 2024				**Accumulated**		
		Additional		**Other**		**Total**
	Common	**Paid-In**	**Retained**	**Comprehensive**	**Treasury**	**Stockholders'**
	Stock	**Capital**	**Earnings**	**Loss**	**Stock**	**Equity**
Balance, March 31, 2024						

Net income
Currency translation adjustments (excluding intercompany advances)
Currency translation adjustments on intercompany advances
Stock-based compensation expense
Surrender of stock to settle taxes on stock awards
Balance, March 31, 2024
Stock repurchases
Balance, June 30, 2024

Three Months Ended March 31, 2023	**Common Stock**	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Treasury Stock**	**Total Stockholders' Equity**
Balance, December 31, 2022						
Net income						

Six Months Ended June 30, 2024	**Common Stock**	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Treasury Stock**	**Total Stockholders' Equity**
Balance, December 31, 2023						
Net loss						
Currency translation adjustments (excluding intercompany advances)						
Currency translation adjustments on intercompany advances						
Stock-based compensation expense						
Surrender of stock to settle taxes on stock awards						
Balance, March 31, 2023						
Stock repurchases						
Balance, June 30, 2024						

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

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In Thousands)

Three Months Ended June 30, 2023	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity
Balance, March 31, 2023	$ 771	$ 1,123,876	$ 274,185	$ (74,792)	$ (628,522)	$ 695,518
Net income	—	—	558	—	—	558
Currency translation adjustments (excluding intercompany advances)	—	—	—	2,709	—	2,709
Currency translation adjustments on intercompany advances	—	—	—	561	—	561
Stock-based compensation expense	1	1,771	—	—	—	1,772
Surrender of stock to settle taxes on stock awards	—	—	—	—	(12)	(12)
Stock repurchases	—	—	—	—	(3,001)	(3,001)
Balance, June 30, 2023	$ 772	$ 1,125,647	$ 274,743	$ (71,522)	$ (631,535)	$ 698,105

Six Months Ended June 30, 2023	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity
Balance, December 31, 2022	$ 766	$ 1,122,292	$ 272,027	$ (78,941)	$ (626,586)	$ 689,558
Net income	—	—	2,716	—	—	2,716
Currency translation adjustments (excluding intercompany advances)	—	—	—	6,203	—	6,203
Currency translation adjustments on intercompany advances	—	—	—	1,216	—	1,216
Stock-based compensation expense	6	3,355	—	—	—	3,361
Surrender of stock to settle taxes on stock awards	—	—	—	—	(1,948)	(1,948)
Stock repurchases	—	—	—	—	(3,001)	(3,001)
Balance, June 30, 2023	$ 772	$ 1,125,647	$ 274,743	$ (71,522)	$ (631,535)	$ 698,105

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

OIL STATES INTERNATIONAL, INC.AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,

	Six Months Ended June 30, Six Months Ended June 30, Six Months Ended June 30,
	2024
Cash flows from operating activities: Cash flows from operating activities: Cash flows from operating activities:	
Net income (loss) Net income (loss) Net income (loss)	
Adjustments to reconcile net income (loss) to net cash used in operating activities: Adjustments to reconcile net income (loss) to net cash used in operating activities: Adjustments to reconcile net income (loss) to net cash used in operating activities:	
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization expense Depreciation and amortization expense Depreciation and amortization expense	
Impairment of goodwill Impairment of goodwill Impairment of goodwill	
Stock-based compensation expense Stock-based compensation expense Stock-based compensation expense	
Amortization of deferred financing costs Amortization of deferred financing costs Amortization of deferred financing costs	
Deferred income tax provision (benefit) Deferred income tax provision (benefit) Deferred income tax provision (benefit)	
Gains on disposals of assets Gains on disposals of assets Gains on disposals of assets	
Gains on extinguishment of 4.75% convertible senior notes Gains on extinguishment of 4.75% convertible senior notes Gains on extinguishment of 4.75% convertible senior notes	
Other, net Other, net	

Other, net

Changes in operating assets and liabilities:

Changes in operating assets and liabilities:

Changes in operating assets and liabilities:

Accounts receivable

Accounts receivable

Accounts receivable

Inventories

Inventories

Inventories

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities

Deferred revenue

Deferred revenue

Deferred revenue

Other operating assets and liabilities, net

Other operating assets and liabilities, net

Other operating assets and liabilities, net

Net cash flows used in operating activities

Net cash flows used in operating activities

Net cash flows used in operating activities

Net cash flows provided by (used in) operating activities

Net cash flows provided by (used in) operating activities

Net cash flows provided by (used in) operating activities

Cash flows from investing activities:

Cash flows from investing activities:

Cash flows from investing activities:

Capital expenditures

Capital expenditures

Capital expenditures

Proceeds from disposition of equipment

Proceeds from disposition of equipment

Proceeds from disposition of equipment

Proceeds from disposition of property and equipment

Proceeds from disposition of property and equipment

Proceeds from disposition of property and equipment

Other, net

Other, net

Other, net

Net cash flows used in investing activities

Net cash flows used in investing activities

Net cash flows used in investing activities

Cash flows from financing activities:

Cash flows from financing activities:

Cash flows from financing activities:

Revolving credit facility borrowings

Revolving credit facility borrowings

Revolving credit facility borrowings

Revolving credit facility repayments

Revolving credit facility repayments

Revolving credit facility repayments

Purchases of 4.75% convertible senior notes

Purchases of 4.75% convertible senior notes

Purchases of 4.75% convertible senior notes

Repayment of 1.50% convertible senior notes

Repayment of 1.50% convertible senior notes

Repayment of 1.50% convertible senior notes

Other debt and finance lease repayments

Other debt and finance lease repayments

Other debt and finance lease repayments

Payment of financing costs

Payment of financing costs

Payment of financing costs

Purchases of treasury stock

Purchases of treasury stock

Purchases of treasury stock

Shares added to treasury stock as a result of net share settlements due to vesting of stock awards

Shares added to treasury stock as a result of net share settlements due to vesting of stock awards

Shares added to treasury stock as a result of net share settlements due to vesting of stock awards

Net cash flows used in financing activities

Net cash flows used in financing activities

Net cash flows used in financing activities

Effect of exchange rate changes on cash and cash equivalents

Effect of exchange rate changes on cash and cash equivalents

Effect of exchange rate changes on cash and cash equivalents

Net change in cash and cash equivalents
Net change in cash and cash equivalents
Net change in cash and cash equivalents
Cash and cash equivalents, beginning of period
Cash and cash equivalents, beginning of period
Cash and cash equivalents, beginning of period
Cash and cash equivalents, end of period
Cash and cash equivalents, end of period
Cash and cash equivalents, end of period
Cash paid (received) for:
Cash paid (received) for:
Cash paid (received) for:
Interest
Interest
Interest
Income taxes, net
Income taxes, net
Income taxes, net

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

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Oil States International, Inc. and its subsidiaries (the “Company”) have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission pertaining to interim financial information. Certain information in footnote disclosures normally included with financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to these rules and regulations. The unaudited financial statements included in this report reflect all the adjustments, consisting of normal recurring adjustments, which the Company considers necessary for a fair statement of the results of operations for the interim periods covered and for the financial condition of the Company at the date of the interim balance sheet. Results for the interim periods are not necessarily indicative of results for the full year.

The preparation of condensed consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions by management in determining the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include, but are not limited to, goodwill and long-lived asset impairments, revenue and income recognized over time, valuation allowances recorded on deferred tax assets, reserves on inventory, allowances for doubtful accounts, settlement of litigation and potential future adjustments related to contractual indemnification and other agreements. Actual results could materially differ from those estimates.

In the first quarter of 2024, certain short-cycle, consumable product operations historically reported within the Offshore Manufactured Products segment (legacy frac plug and elastomer products) were integrated into the Downhole Technologies segment to better align with the underlying activity demand drivers and current segment management structure, as well as provide for additional operational synergies. Historical segment financial data and disaggregated revenue information as of and for the three and six months ended June 30, 2023, as presented in Note 10, “Segments and Related Information” Information,” were conformed with the current-period 2024 segment presentation.

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, which are adopted by the Company as of the specified effective date. Management believes that recently issued standards, which are not yet effective, will not have a material impact on the Company’s consolidated financial statements upon adoption.

The financial statements included in this report should be read in conjunction with the Company’s audited financial statements and accompanying notes included in its Annual Report on Form 10-K for the year ended December 31, 2023.

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2. Goodwill Impairment and Other Charges and Credits

In 2023, the Company implemented initiatives to reduce future costs, which are continuing into 2024. These management actions included the consolidation, relocation and exit of certain manufacturing and service locations as well as the realignment of operations within two of the Company’s reportable segments. The Company has also incurred legal and other related costs to enforce certain patents related to its proprietary technologies. As a result of these actions, the Company recorded the following charges during the first quarter of 2024 (in thousands):

	Offshore Manufactured Products	Offshore Manufactured Products	Well Site Services	Downhole Technologies	Pre-tax Total	Tax	After-tax Total	Offshore Manufactured Products	Well Site Services	Downhole Technologies	Corporate	Pre-tax Total	Tax	After-tax Total
Impairment of goodwill														
Facility consolidation and other charges														
Patent defense costs														

During the second quarter of 2024, the Company consolidated and exited additional locations, reduced its workforce in the United States and incurred additional costs to enforce certain patents. As a result of these events, actions and assessments, the Company recorded the following charges during the second quarter of 2024 (in thousands):

	Offshore Manufactured Products	Well Site Services	Downhole Technologies	Corporate	Pre-tax Total	Tax	After-tax Total

Facility consolidation and other charges	$ 1,547	$ 1,916	$ —	$ —	$ 3,463	$ 727	$ 2,736
Patent defense costs	—	963	—	—	963	202	761
Gains on extinguishment of debt (see Note 4)	—	—	—	(515)	(515)	(108)	(407)

Goodwill

The Company does not amortize goodwill, but rather assesses goodwill for impairment annually and when an event occurs or circumstances change that indicate the carrying amounts may not be recoverable. If the carrying amount of a reporting unit exceeds its fair value, goodwill is considered impaired and an impairment loss is recorded.

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Changes in the carrying amount of goodwill, by operating segment, for the three six months ended March 31, 2024 June 30, 2024 were as follows (in thousands):

	Offshore Manufactured Products	Offshore Manufactured Products	Downhole Technologies	Total	Offshore Manufactured Products	Downhole Technologies	Total
Balance as of December 31, 2023							
Goodwill associated with transferred operations							
Impairment of goodwill							
Foreign currency translation							
Balance as of March 31, 2024							
Balance as of June 30, 2024							

In connection with the first quarter 2024 realignment of the composition of two of its reportable segments discussed in Note 1, “Organization and Basis of Presentation,” goodwill of $10.0 million was reassigned from the Offshore Manufactured Products segment to the Downhole Technologies segment based on estimated relative fair values. The Company performed an interim quantitative assessment of goodwill recorded within the Offshore Manufactured Products segment as of February 29, 2024 (prior to realignment) which indicated that the fair value of the reporting unit exceeded its carrying value.

The Company also performed an interim quantitative assessment of goodwill transferred to the Downhole Technologies segment (subsequent to the realignment). This interim assessment indicated that the fair value of the reporting unit was less than its carrying amount and the Company concluded that goodwill reassigned to the Downhole Technologies business was fully

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

impaired. The Company therefore recognized a non-cash goodwill impairment charge totaling $10.0 million in the first quarter of 2024. This impairment charge did not impact the Company’s liquidity position, debt covenants or cash flows.

Management used a combination of valuation methodologies including the income approach and guideline public company comparables. The fair values of each of the Company’s reporting units were determined using significant unobservable inputs (Level 3 fair value measurements). The income approach estimates fair value by discounting the Company’s forecasts of future cash flows by a discount rate (expected return) that a market participant is expected to require on its investment.

Significant assumptions and estimates used in the income approach include, among others, estimated future net annual cash flows and discount rates for each reporting unit, current and anticipated market conditions, estimated growth rates and historical data. These estimates rely upon significant management judgment.

3. Details of Selected Balance Sheet Accounts

Additional information regarding selected balance sheet accounts as of March 31, 2024 June 30, 2024 and December 31, 2023 is presented below (in thousands):

	March 31, 2024			**December 31, 2023**		
	June 30, 2024			**December 31, 2023**		
Accounts receivable, net:						
Trade						
Trade						
Trade						
Unbilled revenue						
Contract assets						
Other						
Total accounts receivable						
Allowance for doubtful accounts						
	$					
Allowance for doubtful accounts as a percentage of total accounts receivable						
Allowance for doubtful accounts as a percentage of total accounts receivable						
Allowance for doubtful accounts as a percentage of total accounts receivable	2 %	2	%	2	%	2 %

		March 31, 2024		December 31, 2023
Deferred revenue (contract liabilities)	$	41,528	$	36,757

		June 30, 2024		December 31, 2023
Deferred revenue (contract liabilities)	$	34,404	$	36,757

As of March 31, 2024June 30, 2024, accounts receivable, net in the United States and the United Kingdom represented 65%68% and 15%13%, respectively, of the total. No other country or single customer accounted for more than 10% of the Company's total accounts receivable as of March 31, 2024June 30, 2024.

For the threesix months ended March 31, 2024June 30, 2024, the $5.4$3.1 million net decrease in contract assets was primarily attributable to $27.4$34.9 million transferred to accounts receivable, which was partially offset by $22.0$31.8 million in revenue recognized during the period. Deferred revenue (contract liabilities) increaseddecreased by $4.8$2.4 million in the first threesix months of 2024, primarily reflecting $10.7the recognition of $11.1 million of revenue that was deferred at the beginning of the period, partially offset by $8.8 million in new customer billings which were not recognized as revenue during the period, partially offset by the recognition of $5.9 million of revenue that was deferred at the beginning of the period.

The following provides a summary of activity in the allowance for doubtful accounts for the threesix months ended March 31, 2024June 30, 2024 and 2023 (in thousands):

	Three Months Ended March 31,	
	2024	2023
Allowance for doubtful accounts – January 1	$ 4,497	$ 5,226
Provisions	12	133
Write-offs	(135)	(21)
Other	(5)	21
Allowance for doubtful accounts – March 31	$ 4,369	$ 5,359

	March 31, 2024	December 31, 2023
Inventories, net:		
Finished goods and purchased products	$ 102,464	$ 103,599
Work in process	34,795	30,546
Raw materials	114,390	109,627
Total inventories	251,649	243,772
Allowance for excess or obsolete inventory	(41,460)	(41,745)
	$ 210,189	$ 202,027

	March 31, 2024	December 31, 2023
Property, plant and equipment, net:		
Property, plant and equipment	$ 754,882	$ 754,143
Accumulated depreciation	(476,799)	(473,754)
	$ 278,083	$ 280,389

For the three months ended March 31, 2024 and 2023, depreciation expense was $9.9 million and $11.0 million, respectively.

	March 31, 2024	December 31, 2023

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Other intangible assets:						
Customer relationships	$ 141,317	$ 58,708	$ 82,609	$ 141,342	$ 56,499	$ 84,843
Patents/Technology/Know-how	70,129	35,833	34,296	70,113	34,541	35,572
Tradenames and other	52,502	20,673	31,829	52,505	19,910	32,595
	$ 263,948	$ 115,214	$ 148,734	$ 263,960	$ 110,950	$ 153,010

For the three months ended March 31, 2024 and 2023, amortization expense was $4.3 million and $4.3 million, respectively.

	Six Months Ended June 30,	
	2024	2023
Allowance for doubtful accounts – January 1	$ 4,497	$ 5,226
Provisions	135	14
Write-offs	(655)	(204)
Other	(9)	37
Allowance for doubtful accounts – June 30	$ 3,968	$ 5,073

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	March 31, 2024	December 31, 2023
Other noncurrent assets:		
Deferred compensation plan	$ 17,637	$ 17,255
Deferred financing costs	1,768	1,109
Deferred income taxes	2,137	2,211
Other	2,674	2,678
	$ 24,216	$ 23,253

	June 30, 2024	December 31, 2023
Inventories, net:		
Finished goods and purchased products	$ 106,253	$ 103,599
Work in process	33,706	30,546

Raw materials	118,175	109,627
Total inventories	258,134	243,772
Allowance for excess or obsolete inventory	(40,787)	(41,745)
	$ 217,347	$ 202,027

	March 31, 2024	December 31, 2023
Accrued liabilities:		
Accrued compensation	$ 13,457	$ 27,131
Accrued taxes, other than income taxes	2,902	2,076
Insurance liabilities	4,000	3,839
Accrued interest	3,295	1,690
Accrued commissions	2,716	3,060
Other	8,451	6,431
	$ 34,821	$ 44,227

	June 30, 2024	December 31, 2023
Property, plant and equipment, net:		
Property, plant and equipment	$ 755,207	$ 754,143
Accumulated depreciation	(484,329)	(473,754)
	$ 270,878	$ 280,389

For the three months ended June 30, 2024 and 2023, depreciation expense was $10.4 million and $11.2 million, respectively. Depreciation expense was $20.3 million and $22.2 million, respectively, for the six months ended June 30, 2024 and 2023.

	June 30, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Other intangible assets:						
Customer relationships	$ 141,321	$ 60,921	$ 80,400	$ 141,342	$ 56,499	$ 84,843
Patents/technology/know-how	70,168	37,130	33,038	70,113	34,541	35,572
Tradenames and other	52,503	21,436	31,067	52,505	19,910	32,595
	$ 263,992	$ 119,487	$ 144,505	$ 263,960	$ 110,950	$ 153,010

For the three months ended June 30, 2024 and 2023, amortization expense was $4.3 million and $4.3 million, respectively. Amortization expense was $8.5 million and $8.6 million for the six months ended June 30, 2024 and 2023, respectively.

	June 30, 2024		December 31, 2023	
Other noncurrent assets:				
Deferred compensation plan	$	17,499	$	17,255
Deferred financing costs		1,805		1,109
Deferred income taxes		2,439		2,211
Other		2,622		2,678
	$	24,365	$	23,253

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	June 30, 2024		December 31, 2023	
Accrued liabilities:				
Accrued compensation	$	18,510	$	27,131
Accrued taxes, other than income taxes		3,518		2,076
Insurance liabilities		4,257		3,839
Accrued interest		1,559		1,690
Accrued commissions		3,390		3,060
Other		7,259		6,431
	$	38,493	$	44,227

4. Long-term Debt

As of March 31, 2024 June 30, 2024 and December 31, 2023, long-term debt consisted of the following (in thousands):

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Revolving credit facility(1)		
2026 Notes(2)		
Other debt and finance lease obligations		
Total debt		
Less: Current portion		
Total long-term debt		

(1) Unamortized deferred financing costs of $1.8 million and $1.1 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively, are presented in other noncurrent assets.

(2) The outstanding principal amount of the 2026 Notes was $123.5 million and $135.0 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

Revolving Credit Facility

The Company has a senior secured credit facility, which provides for a $125.0 million asset-based revolving credit facility (as amended, the "ABL Facility"), under which credit availability is subject to a borrowing base calculation.

The ABL Facility is governed by a credit agreement, as amended, with Wells Fargo Bank, National Association, as administrative agent and the lenders and other financial institutions from time to time party thereto (as amended, the "ABL Agreement"). In February 2024, the Company amended the ABL Facility to extend the maturity date to February 16, 2028, with a springing maturity 91 days prior to the maturity of any outstanding indebtedness with a principal amount in excess of $17.5 million.

The ABL Agreement provides funding based on a borrowing base calculation that includes eligible U.S. customer accounts receivable and inventory and provides for a $50.0 million sub-limit for the issuance of letters of credit. Borrowings under the ABL Agreement are secured by a pledge of substantially all of the Company's domestic assets (other than real property) and the stock of certain foreign subsidiaries.

Borrowings under the ABL Agreement bear interest at a rate equal to the Secured Overnight Financing Rate (subject to a floor rate of 0%) plus a margin of 2.75% to 3.25%, or at a base rate plus a margin of 1.75% to 2.25%, in each case based on average borrowing availability. Quarterly, the Company must also pay a commitment fee of 0.375% to 0.50% per annum, based on unused commitments under the ABL Agreement.

The ABL Agreement places restrictions on the Company's ability to incur additional indebtedness, grant liens on assets, pay dividends or make distributions on equity interests, dispose of assets, make investments, repay other indebtedness (including the 2026 Notes discussed below), engage in mergers, and other matters, in each case, subject to certain exceptions. The ABL Agreement contains customary default provisions, which, if triggered, could result in acceleration of repayment of all amounts then outstanding. The ABL Agreement also requires the Company to satisfy and maintain a fixed charge coverage

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

ratio of not less than 1.0 to 1.0 (i) in the event that availability under the ABL Agreement is less than the greater of (a) 15% of the borrowing base and (b) $14.1 million; (ii) to complete certain specified transactions; or (iii) if an event of default has occurred and is continuing.

As of March 31, 2024 June 30, 2024, the Company had no borrowings outstanding under the ABL Facility and $15.9 $14.4 million of outstanding letters of credit. The total amount available to be drawn as of March 31, 2024 June 30, 2024 was $86.3 $82.5 million, calculated based on the current borrowing base less outstanding borrowings, if any, and letters of credit. As of March 31, 2024 June 30, 2024, the Company was in compliance with its debt covenants under the ABL Agreement.

2026 Notes

The Company issued $135.0 million aggregate principal amount of its 4.75% convertible senior notes due 2026 (the "2026 Notes") pursuant to an indenture, dated as of March 19, 2021 (the "2026 Indenture"), between the Company and Computershare Trust Company, National Association, as successor trustee.

The following table provides a summary of the Company's purchases of outstanding 2026 Notes during the three and six months ended June 30, 2024, with non-cash gains reported within other income, net (in thousands):

	Principal Amount		Carrying Value of Liability		Cash Paid		Non-cash Pre-Tax Gains Recognized	
Three and Six Months Ended June 30, 2024	$	11,500	$	11,361	$	10,846	$	515

The outstanding 2026 Notes bear interest at a rate of 4.75% per year and will mature on April 1, 2026, unless earlier repurchased, redeemed or converted. Interest is payable semi-annually in arrears on April 1 and October 1 of each year. Additional interest and special interest may accrue on the 2026 Notes under certain circumstances as described in the 2026 Indenture. The initial conversion rate is 95.3516 shares of the Company's common stock per $1,000 principal amount of the 2026 Notes (equivalent to an initial conversion price of $10.49 per share of common stock). The conversion rate, and thus the conversion price, may be adjusted under certain circumstances as described in the 2026 Indenture. The Company's intent is to repay the principal amount of the 2026 Notes in cash and settle the conversion feature (if any) in shares of the Company's common stock. As of March 31, 2024 June 30, 2024, none of the conditions allowing holders of the 2026 Notes to convert, or requiring us to repurchase the 2026 Notes, had been met.

2023 Notes

On January 30, 2018, the Company issued $200.0 million aggregate principal amount of its 1.50% convertible senior notes due 2023 (the "2023 Notes") pursuant to an indenture, dated as of January 30, 2018. The 2023 Notes bore interest at a rate of 1.50% per year, and the outstanding principal amount of $17.3 million matured and was repaid in full on February 15, 2023.

5. Fair Value Measurements

The Company's financial instruments consist of cash and cash equivalents, investments, receivables, payables and debt instruments. The Company believes that the carrying values of these instruments, other than the 2026 Notes, on the accompanying consolidated balance sheets approximate their fair values. The estimated fair value of the 2026 Notes as of March 31, 2024 June 30, 2024 was $132.8 $118.7 million based on quoted market prices (a Level 2 fair value measurement), which compares to the principal amount of $135.0 $123.5 million.

6. Stockholders' Equity

Common and Preferred Stock

The following table provides details with respect to the changes to the number of shares of common stock, $0.01 par value, outstanding during the first three six months of 2024 (in thousands):

	Outstanding
Shares of common stock outstanding – December 31, 2023	63,327
Restricted stock awards, net of forfeitures	1,296 1,414
Shares withheld for taxes on vesting of stock awards	(408) (409)
Purchases of treasury stock	(543)
Shares of common stock outstanding – March 31, 2024 June 30, 2024	64,215 63,789

As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company had 25,000,000 shares of preferred stock, $0.01 par value, authorized, with no shares issued or outstanding.

On February 16, 2023, the Company's Board of Directors authorized $25.0 million for the repurchase of the Company's common stock, par value $0.01 per share, through February 2025. During the three months ended March 31, 2024, there were no repurchases of common stock under the program. The amount remaining under the Company's share repurchase authorization as of March 31, 2024 was $18.1 million. Subject to applicable securities laws, such purchases will be at such times and in such amounts as the Company deems appropriate. During the three and six months ended June 30, 2024, the Company purchased 543 thousand shares of common stock under the program at a total cost of $2.4 million. The amount remaining under the Company's share repurchase authorization as of June 30, 2024 was $15.8 million.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss, reported as a component of stockholders' equity, primarily relates to fluctuations in currency exchange rates against the U.S. dollar as used to translate certain of the international operations of the Company's operating segments. Accumulated other comprehensive loss increased from $70.0 million at December 31, 2023 to $73.0 $76.2 million at March 31, 2024 June 30, 2024. For the three and six months ended March 31, 2024 June 30, 2024 and 2023, currency translation adjustments recognized as a component of other comprehensive income (loss) were primarily attributable to the United Kingdom and Brazil.

During the three six months ended March 31, 2024 June 30, 2024, the exchange rates for the British pound and the Brazilian real weakened by 1% and 3% 12%, respectively, compared to the U.S. dollar, contributing to other comprehensive loss of $3.0 $6.2 million. During the three six months ended March 31, 2023 June 30, 2023, the exchange rate rates for the British pound and the Brazilian real strengthened by 3% 5% and 2% 8%, respectively, compared to the U.S. dollar, contributing to other comprehensive income of $4.1 $7.4 million.

7. Income Taxes

Income tax expense benefit (provision) for the three and six months ended March 31, 2024 June 30, 2024 and 2023 was calculated using a discrete approach. This methodology was used because changes in the Company's results of operations and non-deductible expenses can materially impact the estimated annual effective tax rate.

For the three months ended March 31, 2024 June 30, 2024, the Company's income tax benefit was $0.7 million on pre-tax income of $0.6 million, which included favorable changes in valuation allowances recorded against deferred tax assets and certain non-deductible expenses. This compares to an income tax expense of $0.9 million on pre-tax income of $1.4 million, which included certain non-deductible expenses, discrete tax items and a favorable change in valuation allowances recorded against deferred tax assets, for the three months ended June 30, 2023.

For the six months ended June 30, 2024, the Company's income tax benefit was $24 thousand $0.6 million on a pre-tax loss of $13.4 $12.7 million, which included a $10.0 million goodwill impairment charge (approximately $7.7 million of which was non-deductible) and , other non-deductible expenses. expenses and favorable changes in valuation allowances recorded against deferred tax assets. This compares to an income tax expense of $1.6 $2.5 million on pre-tax income of $3.8 $5.2 million, which included certain non-deductible expenses, and discrete tax items and a favorable change in valuation allowances recorded against deferred tax assets for the three six months ended March 31, 2023 June 30, 2023.

8. Net Income (Loss) Per Share

The table below provides a reconciliation of the numerators and denominators of basic and diluted net income (loss) per share for the three and six months ended March 31, 2024 June 30, 2024 and 2023 (in thousands, except per share amounts):

	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	Six Months Ended June 30,
2024		
Numerators:		
Numerators:		
Numerators:		
Net income (loss)		
Net income (loss)		
Net income (loss)		
Less: Income attributable to unvested restricted stock awards		
Less: Income attributable to unvested restricted stock awards		
Less: Income attributable to unvested restricted stock awards		
Numerator for basic net income (loss) per share		
Numerator for basic net income (loss) per share		
Numerator for basic net income (loss) per share		
Effect of dilutive securities:		

Effect of dilutive securities:
Effect of dilutive securities:
Unvested restricted stock awards
Unvested restricted stock awards
Unvested restricted stock awards
Numerator for diluted net income (loss) per share
Numerator for diluted net income (loss) per share
Numerator for diluted net income (loss) per share
Denominators:
Denominators:
Denominators:
Weighted average number of common shares outstanding
Weighted average number of common shares outstanding
Weighted average number of common shares outstanding
Less: Weighted average number of unvested restricted stock awards outstanding
Less: Weighted average number of unvested restricted stock awards outstanding
Less: Weighted average number of unvested restricted stock awards outstanding
Denominator for basic net income (loss) per share
Denominator for basic net income (loss) per share
Denominator for basic net income (loss) per share
Effect of dilutive securities:
Effect of dilutive securities:
Effect of dilutive securities:
Performance share units
Performance share units
Performance share units
Denominator for diluted net income (loss) per share
Denominator for diluted net income (loss) per share
Denominator for diluted net income (loss) per share
Net income (loss) per share:
Net income (loss) per share:
Net income (loss) per share:
Basic
Basic
Basic
Diluted
Diluted
Diluted

The calculation of diluted earnings per share for the three and six months ended March 31, 2024 and 2023 June 30, 2024 excluded 122 77 thousand shares and 209 99 thousand shares, respectively, issuable pursuant to outstanding stock options, due to their antidilutive effect. The calculation of diluted earnings per share for the three and six months ended June 30, 2023 excluded 163 thousand shares and 186 thousand shares, respectively, issuable pursuant to outstanding stock options, due to their antidilutive effect. Additionally, shares issuable upon conversion of the 2026 Notes were excluded due to, among other factors, the Company's share price.

9. Long-Term Incentive Compensation

The following table presents a summary of activity for stock options, service-based restricted stock and stock unit awards, and performance-based stock unit awards for the three six months ended March 31, 2024 June 30, 2024 (in thousands):

	Stock Options	Stock Options	Service-based Restricted Stock	Performance- and Service-based Stock Units	Stock Options	Service-based Restricted Stock	Performance- and Service-based Stock Units
Outstanding – December 31, 2023							
Granted							
Vested and distributed							
Forfeited							
Outstanding – March 31, 2024							
Outstanding – June 30, 2024							
Weighted average grant date fair value (2024 awards)							

The restricted stock program consists of a combination of service-based restricted stock and stock units, as well as performance-based stock units. Service-based restricted stock awards vest on a straight-line basis over a term of three years. Service-based stock unit awards (149 thousand outstanding as of June 30, 2024) vest over one-year, one year, with the underlying shares issued at a specified future date. Eighty-two thousand service-based stock units were outstanding as of March 31, 2024. Performance-based stock unit awards vest at the end of a three-year period, with the number of

of a three-year period, with the number of shares ultimately issued under the program dependent upon achievement of predefined specific performance objectives based on the Company's cumulative EBITDA over a three-year period.

In the event the predefined targets are exceeded for any performance-based award, additional shares up to a maximum of 200% of the target award may be granted. Conversely, if actual performance falls below the predefined target, the number of shares vested is reduced. If the actual performance falls below the threshold performance level, no shares will vest.

The Company issued conditional long-term cash incentive awards ("Cash Awards") of $1.5 million in the first quarters of 2024 and 2023. The performance measure for each of these Cash Awards is relative total stockholder return compared to a peer group of companies over a three-year period. The ultimate dollar amount to be awarded for each annual grant may range from zero to a maximum of $3.1 million, limited to their targeted award value ($1.5 million) if the Company's total stockholder return were to be negative over the performance period. Obligations related to the Cash Awards are classified as liabilities and recognized over their respective vesting periods.

Stock-based compensation expense recognized during the three and six months ended March 31, 2024 June 30, 2024 totaled $2.3 million and 2023 $4.1 million, respectively. Stock-based compensation expense recognized during the three and six months ended June 30, 2023 totaled $1.8 million and $1.6 $3.4 million, respectively. As of March 31, 2024 June 30, 2024, there was $11.8 $11.2 million of total pre-tax compensation costs related to unvested restricted service-based and performance-based stock awards, which is expected to will be recognized in future periods as vesting conditions are satisfied.

10. Segments and Related Information

In the first quarter of 2024, certain short-cycle, consumable product operations historically reported within the Offshore Manufactured Products segment were integrated into the Downhole Technologies segment (see Note 1, “Organization and Basis of Presentation”). Historical segment financial data and supplemental disaggregated revenue information for the three months ended March 31, 2023 (presented below) were conformed with the current-period segment presentation.

The Company operates through three reportable operating segments: Offshore Manufactured Products, Well Site Services and Downhole Technologies. Financial information by operating segment as of and for the three and six months ended March 31, 2024 June 30, 2024 and 2023 is summarized in the following tables (in thousands).

	Revenues	Revenues	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets	Revenues	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
Three Months Ended March 31, 2024											
Three Months Ended June 30, 2024											
Offshore Manufactured Products(1)											
Offshore Manufactured Products(1)											
Offshore Manufactured Products(1)											
Well Site Services(2)											
Downhole Technologies(3)											
Corporate											

Total(1)

(1) Operating income included $1.5 million $1.5 million of facility consolidation charges.

(2) Operating loss income included $1.0 million $2.9 million in facility consolidation and other charges.

	Revenues		Depreciation and amortization		Operating income (loss)		Capital expenditures		Total assets	
Three Months Ended June 30, 2023										
Offshore Manufactured Products	$	78,647	$	4,075	$	8,838	$	4,587	$	495,983
Well Site Services		64,536		6,564		4,732		5,672		204,437
Downhole Technologies		40,346		4,747		(121)		246		292,047
Corporate		—		151		(10,180)		265		52,553
Total	$	183,529	$	15,537	$	3,269	$	10,770	$	1,045,020

	Revenues		Depreciation and amortization		Operating income (loss)		Capital expenditures		Total assets	
Six Months Ended June 30, 2024										
Offshore Manufactured Products(3)	$	188,413	$	7,940	$	24,960	$	8,773	$	502,582
Well Site Services(4)		93,713		12,126		(954)		6,332		177,098
Downhole Technologies(5)		71,519		8,525		(13,220)		756		279,947
Corporate		—		302		(19,918)		20		41,551
Total	$	353,645	$	28,893	$	(9,132)	$	15,881	$	1,001,178

(3) Operating income included $3.0 million of facility consolidation charges.

(4) Operating income included $3.9 million in facility consolidation and other charges.

(5) Operating loss included a $10.0 million $10.0 million non-cash goodwill impairment charge (see Note 2, "Goodwill Impairment and Other Charges"). charge.

	Revenues	Revenues	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets	Revenues	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
Three Months Ended March 31, 2023											
Six Months Ended June 30, 2023											
Offshore Manufactured Products											
Offshore Manufactured Products											
Offshore Manufactured Products											

Well Site Services

Downhole Technologies

Corporate

Total

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following tables provide supplemental disaggregated revenue from contracts with customers by operating segment for the three and six months ended March 31, 2024 June 30, 2024 and 2023 (in thousands):

	Offshore Manufactured Products		**Offshore Manufactured Products**		**Well Site Services**	**Downhole Technologies**		**Total**		**Offshore Manufactured Products**	**Well Site Services**		**Downhole Technologies**	**Total**				
	2024	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Three Months Ended March 31																	
Three Months Ended June 30																	
Project-driven:																	
Project-driven:																	
Project-driven:																	
Products																	
Products																	
Products																	
Services																	
Total project-driven																	
Military and other products																	
Short-cycle products and services																	

Short-cycle products and services

Short-cycle products and services

Short-cycle:	
Products	
Products	
Products	
Services	
Total short-cycle	
	$

	Offshore Manufactured Products		Well Site Services		Downhole Technologies		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Six Months Ended June 30								
Project-driven:								
Products	$ 112,889	$ 94,072	$ —	$ —	$ —	$ —	$ 112,889	$ 94,072
Services	56,257	49,476	—	—	—	—	56,257	49,476
Total project-driven	169,146	143,548	—	—	—	—	169,146	143,548
Military and other products	19,267	15,604	—	—	—	—	19,267	15,604
Short-cycle:								
Products	—	—	—	—	70,752	82,794	70,752	82,794
Services	—	—	93,713	131,594	767	6,188	94,480	137,782
Total short-cycle	—	—	93,713	131,594	71,519	88,982	165,232	220,576
	$ 188,413	$ 159,152	$ 93,713	$ 131,594	$ 71,519	$ 88,982	$ 353,645	$ 379,728

Revenues from products and services transferred to customers over time accounted for approximately 67% and 66% of consolidated revenues for both the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. 2023. The balance of revenues for the respective periods relates to products and services transferred to customers at a point in time. As of March 31, 2024 June 30, 2024, the Company had $203.0 $202 million of remaining backlog related to contracts with an original expected duration of greater than one year. Approximately 43% 36% of this remaining backlog is expected to be recognized as revenue over the remaining nine six months of 2024, with an additional 33% 34% recognized in 2025 and the balance thereafter.

11. Commitments and Contingencies

The Company is a party to various pending or threatened claims, lawsuits and administrative proceedings seeking damages or other remedies concerning its commercial operations, products, employees and other matters. Although the Company can give no assurance about the outcome of pending legal and administrative proceedings and the effect such outcomes may have on the Company, management believes that any ultimate liability resulting from the outcome of such proceedings, to the extent not otherwise covered by insurance, will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q and other statements we make contain certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). Actual results could differ materially from those projected in the forward-looking statements as a result of a number of important factors, including incorrect or changed assumptions. For a discussion of known material factors that could affect our results, please refer to "Part I, Item 1. Business," "Part I, Item 1A. Risk Factors," "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk" included in our 2023 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on February 21, 2024, as well as to "Part II, Item 1A. Risk Factors" included in this Quarterly Report on Form 10-Q. .

You can typically identify "forward-looking statements" by the use of forward-looking words such as "may," "will," "could," "project," "believe," "anticipate," "expect," "estimate," "potential," "plan," "forecast," "proposed," "should," "seek," and other similar words. Such statements may relate to our future financial position, budgets, capital expenditures, projected costs, plans and objectives of management for future operations and possible future strategic transactions. Actual results frequently differ from assumed facts and such differences can be material, depending upon the circumstances.

While we believe we are providing forward-looking statements expressed in good faith and on a reasonable basis, there can be no assurance that actual results will not differ from such forward-looking statements. The following are important factors that could cause actual results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, us:

- *the impact of the ongoing military actions in Europe and the Middle East, including, but not limited to, energy market disruptions, supply chain disruptions and increased costs, government sanctions, and delays or potential cancellation of planned customer projects;*
- *the ability and willingness of the Organization of Petroleum Exporting Countries ("OPEC") and other producing nations to set and maintain oil production levels and pricing;*
- *the level of supply of and demand for oil and natural gas;*
- *fluctuations in the current and future prices of oil and natural gas;*
- *the level of exploration, drilling and completion activity;*
- *the cyclical nature of the oil and natural gas industry;*
- *the level of offshore oil and natural gas developmental activities;*
- *the financial health and consolidation of our customers;*

- *the impact of environmental matters, including executive actions and regulatory or legislative efforts to adopt environmental or climate change regulations that may result in increased operating costs or reduced oil and natural gas production or demand globally;*
- *new rules by the SEC relating to the disclosure of a range of climate-related information and risks;*
- *political, economic and litigation efforts to restrict or eliminate certain oil and natural gas exploration, development and production activities due to concerns over the threat of climate change;*
- *the availability of and access to attractive oil and natural gas field prospects, which may be affected by governmental actions or actions of other parties restricting drilling and completion activities;*
- *the impact of disruptions in the bank and capital markets;*
- *general global economic conditions;*
- *global weather conditions and natural disasters, including hurricanes in the Gulf of Mexico;*
- *our ability to protect and enforce our intellectual property rights;*
- *changes in tax laws and regulations;*
- *supply chain disruptions;*
- *the impact of tariffs and duties on imported materials and exported finished goods;*
- *our ability to timely obtain and maintain critical permits for operating facilities;*
- *our ability to attract and retain skilled personnel;*
- *negative outcome of litigation, threatened litigation or government proceedings;*
- *our ability to develop new competitive technologies and products;*
- *inflation, including our ability to increase prices to our customers as our costs increase;*
- *fluctuations in currency exchange rates;*
- *physical, digital, cyber, internal and external security breaches and other incidents affecting information security and data privacy;*
- *the cost of capital in the bank and capital markets and our ability to access them;*
- *our ability to protect the impact of disruptions in the bank and enforce our intellectual property rights; capital markets;*
- *our ability to complete the integration of acquired businesses and achieve the expected accretion in earnings; and*
- *the other factors identified in "Part I, Item 1A. Risk Factors" in our 2023 Annual Report on Form 10-K, as well as in "Part II, Item 1A. Risk Factors" included in this Quarterly Report on Form 10-Q.*

Should one or more of these risks or uncertainties materialize, or should the assumptions on which our forward-looking statements are based prove incorrect or change, actual results may differ materially from those expected, estimated or projected. In *addition, the factors identified above may not necessarily be all of the important factors that could cause actual results to differ materially from those expressed in any forward-looking statement made by us, or on our behalf. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no responsibility to publicly release the result of any revision of our forward-looking statements after the date they are made.*

In addition, in certain places in this Quarterly Report on Form 10-Q, we refer to information and reports published by third parties that purport to describe trends or developments in the energy industry. We do so for the convenience of our stockholders and in an effort to provide information available in the market that will assist our investors in better understanding the market environment in which we operate. However, we specifically disclaim any responsibility for the accuracy and completeness of such information and undertake no obligation to update such information.

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

The following discussion and analysis should be read together with our condensed consolidated financial statements and notes to those statements included elsewhere in this Quarterly Report on Form 10-Q and our consolidated financial statements and notes to those statements included in our 2023 Annual Report on Form 10-K in order to understand factors, such as charges and credits, financing transactions and changes in tax regulations, which may impact comparability from period to period.

We provide a broad range of manufactured products and services to customers in the energy, industrial and military sectors through our Offshore Manufactured Products, Well Site Services and Downhole Technologies segments. In first quarter 2024, certain short-cycle, consumable product operations historically reported within the Offshore Manufactured Products segment (legacy frac plugs and elastomer products) were integrated into the Downhole Technologies segment to better align with the underlying activity demand drivers and current segment management structure, as well as provide for additional operational synergies. Historical financial data, supplemental disaggregated revenue and backlog information as of and for the three and six months ended March 31, 2023 June 30, 2023 (presented herein) was conformed with the current-period 2024 segment presentation.

Demand for our products and services is cyclical and substantially dependent upon activity levels in the oil and gas industry, particularly our customers' willingness to invest capital in the exploration for and development of crude oil and natural gas reserves. Our customers' capital spending programs are generally based on their cash flows and their outlook for near-term and long-term commodity prices, making demand for our products and services sensitive to expectations regarding future crude oil and natural gas prices, as well as economic growth, commodity demand and estimates of resource production and regulatory pressures related to Environmental, Social and Governance ("ESG") considerations.

Recent Developments

Brent and WTI West Texas Intermediate ("WTI") crude oil and natural gas pricing trends were as follows:

Year	Average Price(1) for quarter ended	Average Price(1) for quarter ended	Average Price(1) for year ended December 31	Average Price(1) for quarter ended	Average Price(1) for year ended December 31
Brent Crude (per bbl)					
Brent Crude (per bbl)					
Brent Crude (per bbl)					
2024					
2024					

2024
2023
WTI Crude (per bbl)
2024
2024
2024
2023
Henry Hub Natural Gas (per MMBtu)
2024
2024
2024
2023

(1) Source: U.S. Energy Information Administration (spot prices).

On February 16, 2024, we amended our the ABL Facility (as defined below) to extend its maturity date from February 10, 2025 to February 16, 2028.

In the first quarter of 2024, certain short-cycle, consumable product operations historically reported within the Offshore Manufactured Products segment (legacy frac plugs and elastomer products) were integrated into our Downhole Technologies segment to better align with the underlying activity demand drivers and current segment management structure, as well as provide for additional operational synergies. Historical segment financial data, backlog and other information were conformed with the first quarter 2024 revised segment presentation.

In 2023, we implemented initiatives to reduce future costs, which are continuing into 2024. These management actions included the consolidation, relocation and exit of certain manufacturing and service locations as well as the realignment of operations discussed above. We have also incurred legal and other related costs to enforce certain patents related to our proprietary technologies. As a result of these actions, our reported pre-tax results for the six months ended June 30, 2024 included a $10.0 million non-cash goodwill impairment charge as well as $6.9 million of facility consolidation, patent defense and other charges.

During the second quarter of 2024, our Offshore Manufactured Products segment sold a manufacturing and service facility that was classified as held-for-sale for net proceeds of $10.3 million. Additionally, we purchased $11.5 million principal amount of our 2026 Notes (as defined below) for $10.8 million and purchased $2.4 million of our common stock.

On April 19, 2024 July 19, 2024, Brent crude oil, WTI crude oil and natural gas spot prices closed at $87.96 $85.19 per barrel, $83.79 $81.43 per barrel and $1.43 $1.88 per MMBtu, respectively. Additionally, the U.S. drilling rig count reported on April 19, 2024 July 19, 2024 was 619 586 rigs – comparable to 3% below the first second quarter 2024 average.

Overview

Current and expected future pricing for WTI crude oil and natural gas and inflationary cost increases, along with expectations regarding the regulatory environment in the regions in which we operate, are factors that will continue to influence our customers' willingness to invest capital in their businesses. Expectations for the longer-term price for Brent crude oil will continue to influence our customers' spending related to global offshore drilling and development and, thus, a significant portion of the activity of our Offshore Manufactured Products segment.

Crude oil and natural gas prices and levels of demand for crude oil and natural gas are likely to remain highly volatile due to numerous factors, including: geopolitical conflicts in Europe and the Middle East, along with associated international tensions; the perceived risk of a global economic recession; domestic or international crude oil and natural gas production; changes in governmental rules and regulations; sanctions; the willingness of operators to invest capital in the exploration for and development of resources; use of alternative fuels; improved vehicle fuel efficiency; timing of capital investments in alternative energy sources; a more sustained movement to electric vehicles; and the potential for ongoing supply/demand imbalances.

U.S. drilling, completion and production activity and, in turn, our financial results, are sensitive to near-term fluctuations in commodity prices, particularly WTI U.S. crude oil and natural gas prices, given the short-term, call-out nature of our U.S. operations.

Customer spending in the natural gas shale plays has moderated over the last ten years due to technological advancements that have led to significant amounts of natural gas being produced from prolific basins in the Northeastern United States and from associated gas produced from the drilling and completion of unconventional oil wells in the United States.

Our Offshore Manufactured Products segment provides technology-driven, highly-engineered products and services for offshore oil and natural gas production systems and facilities globally, as well as certain products and services to the offshore drilling and completion markets. This segment also produces a variety of products for use in industrial, military and other applications outside the traditional energy industry. Additionally, we are investing in research and product development (and have been awarded select contracts and are bidding on additional projects) to facilitate the development of alternative energy sources, including offshore wind and deepsea mineral gathering opportunities. This segment is particularly influenced by global spending on deepwater drilling and production, which is primarily driven by our customers' longer-term commodity demand forecasts and outlook for crude oil and natural gas prices. Approximately 90% of Offshore Manufactured Products segment sales in the first three six months of 2024 were driven by our customers' capital spending for products and services used in exploratory and developmental drilling, greenfield offshore production infrastructure, and subsea pipeline tie-in and repair system applications, along with upgraded equipment for existing offshore drilling rigs and other vessels (referred to herein as "project-driven products and services"). Deepwater oil and gas development projects typically involve significant capital investments and multi-year development plans. Such projects are generally undertaken by larger exploration, field development and production companies (primarily international oil companies and state-run national oil companies) using relatively conservative crude oil and natural gas pricing assumptions. Given the long lead times associated with field development, we believe some of these deepwater projects, once approved for development, are generally less susceptible to change based on short-term fluctuations in the price of crude oil and natural gas.

Backlog reported by our Offshore Manufactured Products segment decreased to $305 $300 million as of March 31, 2024 June 30, 2024 from $327 million as of December 31, 2023. Bookings totaled $66 million $101 million in the first second quarter of 2024, yielding a quarterly book-to-bill ratio of 0.8x. 1.0x (0.9x year-to-date). The following table sets forth backlog as of the dates indicated (in millions).

		Backlog as of								
Year	Year	March 31	June 30	September 30	December 31	Year	March 31	June 30	September 30	December 31
2024										
2023										
2023										
2023										
2022										

Our Well Site Services segment provides completion services and, to a much lesser extent, land drilling services, in the United States (including the Gulf of Mexico) and internationally. U.S. drilling and completion activity and, in turn, our Well Site Services results, are sensitive to near-term fluctuations in commodity prices, particularly WTI crude oil prices, given the short-term, call-out nature of its operations. We primarily supply equipment and service personnel utilized in the completion of, and initial production from, new and recompleted wells in our U.S. operations, which are dependent primarily upon the level and complexity of drilling, completion and workover activity in our areas of operations. Well intensity and complexity have increased with the continuing transition to multi-well pads, the drilling of longer lateral wells and increased downhole pressures, along with the increased number of frac stages completed in horizontal wells.

Our Downhole Technologies segment provides oil and gas perforation systems, downhole tools and services in support of completion, intervention, wireline and well abandonment operations. This segment designs, manufactures and markets its consumable engineered products to oilfield service as well as exploration and production companies. Product and service offerings for this segment include innovations in perforation technology through patented and proprietary systems combined with advanced modeling and analysis tools. This expertise has led to the optimization of perforation hole size, depth, and quality of tunnels, which are key factors for maximizing the effectiveness of hydraulic fracturing. Additional offerings include frac plug, toe valve and other elastomer products, which are focused on zonal isolation for hydraulic fracturing of horizontal wells, and a broad range of consumable products, such as setting tools and bridge plugs, that are used in completion, intervention and decommissioning applications. Demand drivers for the Downhole Technologies segment include continued trends toward longer lateral lengths, increased frac stages and more perforation clusters to target increased unconventional well productivity.

Demand for our completion-related products and services within each of our segments is highly correlated to changes in the total number of wells drilled in the United States, total footage drilled, the number of drilled wells that are completed and changes in the drilling rig count. The following table sets forth a summary of the U.S. drilling rig count, as measured by Baker Hughes Company, as of and for the periods indicated.

	As of April 19, 2024 / As of April 19, 2024 / As of April 19, 2024 / As of July 19, 2024	Average for the Three Months Ended March 31, / Average for the Three Months Ended June 30,			Six Months Ended June 30,			
	2024 / 2024	2024	2023		2024	2023	2024	2023
United States Rig Count:								
Land – Oil								
Land – Oil								
Land – Oil	492	483	579	458	479	551	481	565
Land – Natural gas and other / Land – Natural gas and other / Land – Natural gas and other	107	119	155	106	104	146	112	151
Offshore / Offshore / Offshore	20	21	19	22	20	22		20
	619	623		753				

	586	603	719	613	736

The U.S. energy industry is primarily focused on crude oil and liquids-rich exploration and development activities in U.S. shale plays utilizing horizontal drilling and completion techniques. As of March 31, 2024 June 30, 2024, oil-directed drilling accounted for 81% 82% of the total U.S. rig count – with the balance largely natural gas related.

We use a variety of domestically produced and imported raw materials and component products, including steel, in the manufacture of our products. The United States has imposed tariffs on a variety of imported products, including steel and aluminum. In response to the U.S. tariffs on steel and aluminum, the European Union and several other countries, including Canada and China, have threatened and/or imposed retaliatory tariffs. In addition, in response to Russia's invasion of Ukraine, governments in the European Union, the United States, the United Kingdom, Switzerland and other countries have enacted sanctions against Russia and Russian interests. The effect of these sanctions and tariffs and the application and interpretation of existing trade agreements and customs, anti-dumping and countervailing duty regulations continue to evolve, and we continue to monitor these matters. If we encounter difficulty in procuring these raw materials and component products, or if the prices we have to pay for these products increase and we are unable to pass corresponding cost increases on to our customers, our financial position, cash flows and results of operations could be adversely affected. Furthermore, uncertainty with respect to potential costs in the drilling and completion of oil and gas wells could cause our customers to delay or cancel planned projects which, if this occurred, would adversely affect our financial position, cash flows and results of operations.

Other factors that can affect our business and financial results include but are not limited to: the general global economic environment; competitive pricing pressures; customer consolidations; public health crises; natural disasters; labor market constraints; supply chain disruptions; inflation in wages, materials, parts, equipment and other costs; climate-related and other regulatory changes; geopolitical conflicts and tensions; and changes in tax laws in the United States and international markets. We continue to monitor the global economy, the prices of and demand for crude oil and natural gas, and the resultant impact on the capital spending plans and operations of our customers in order to plan and manage our business.

Human Capital

For more information on our health and safety, diversity and other workforce policies, please see "Part I, Item 1. Business – Human Capital" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Selected Financial Data

This selected financial data should be read in conjunction with our Unaudited Condensed Consolidated Financial Statements and related notes included in "Part I, Item 1. Financial Statements" of this Quarterly Report on Form 10-Q and "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and related notes included in "Part II, Item 8. Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for the year ended December 31, 2023 in order to understand factors, such as charges credits and financing transactions, credits, which may impact comparability of the selected financial data.

In the first quarter of 2024, certain short-cycle manufacturing operations historically reported within the Offshore Manufactured Products segment (legacy frac plug and elastomer products) were integrated into the Downhole Technologies segment to better align with the underlying activity demand drivers and the current segment management structure, as well as provide for additional operational synergies. Historical financial data and supplemental disaggregated revenue information as of and for the three and six months ended March 31, 2023 June 30, 2023 (presented herein) were conformed with the current-period 2024 segment presentation.

Unaudited Consolidated Results of Operations

The following summarizes our consolidated results of operations for the three and six months ended March 31, 2024 June 30, 2024 and 2023 (in thousands, except per share amounts):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Variance
Revenues:			
Products	$ 94,329	$ 99,840	$ (5,511)
Services	72,933	96,359	(23,426)
	167,262	196,199	(28,937)
Costs and expenses:			
Product costs	75,137	78,677	(3,540)
Service costs	56,814	72,058	(15,244)
Cost of revenues (exclusive of depreciation and amortization expense presented below)	131,951	150,735	(18,784)
Selling, general and administrative expenses(1)	22,496	24,016	(1,520)
Depreciation and amortization expense	14,195	15,256	(1,061)
Impairment of goodwill(2)	10,000	—	10,000
Other operating (income) expense, net(3)	(203)	317	(520)
	178,439	190,324	(11,885)
Operating income (loss)	(11,177)	5,875	(17,052)
Interest expense, net	(2,101)	(2,391)	290
Other income (expense), net	(72)	276	(348)
Income (loss) before income taxes	(13,350)	3,760	(17,110)
Income tax provision	(24)	(1,602)	1,578
Net income (loss)	$ (13,374)	$ 2,158	$ (15,532)
Net income (loss) per share:			
Basic	$ (0.21)	$ 0.03	
Diluted	(0.21)	0.03	
Weighted average number of common shares outstanding:			
Basic	62,503	62,825	
Diluted	62,503	63,072	

(1) During the three months ended March 31, 2024, we recognized $0.4 million in costs associated with the defense of certain Well Site Services segment patents related to proprietary technologies.

(2) During the three months ended March 31, 2024, the Downhole Technologies segment recognized a $10.0 million non-cash impairment charge related to goodwill reassigned to the business in connection with the segment realignment discussed above.

(3) During the three months ended March 31, 2024, we recognized facility consolidation and other charges of $2.1 million associated with the Offshore Manufactured Products and the Well Site Services segments' ongoing consolidation and relocation of certain manufacturing and

service locations.

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Variance	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Variance
Revenues:						
Products	$ 108,579	$ 92,630	$ 15,949	$ 202,908	$ 192,470	$ 10,438
Services	77,804	90,899	(13,095)	150,737	187,258	(36,521)
	186,383	183,529	2,854	353,645	379,728	(26,083)
Costs and expenses:						
Product costs	82,503	72,659	9,844	157,640	151,336	6,304
Service costs	59,530	69,371	(9,841)	116,344	141,429	(25,085)
Cost of revenues (exclusive of depreciation and amortization expense presented below)	142,033	142,030	3	273,984	292,765	(18,781)
Selling, general and administrative expenses	26,373	23,528	2,845	48,869	47,544	1,325
Depreciation and amortization expense	14,698	15,537	(839)	28,893	30,793	(1,900)
Impairment of goodwill	—	—	—	10,000	—	10,000
Other operating (income) expense, net	1,234	(835)	2,069	1,031	(518)	1,549
	184,338	180,260	4,078	362,777	370,584	(7,807)
Operating income (loss)	2,045	3,269	(1,224)	(9,132)	9,144	(18,276)
Interest expense, net	(2,061)	(2,059)	(2)	(4,162)	(4,450)	288
Other income, net	652	210	442	580	486	94
Income (loss) before income taxes	636	1,420	(784)	(12,714)	5,180	(17,894)
Income tax benefit (provision)	665	(862)	1,527	641	(2,464)	3,105
Net income (loss)	$ 1,301	$ 558	$ 743	$ (12,073)	$ 2,716	$ (14,789)
Net income (loss) per share:						
Basic	$ 0.02	$ 0.01		$ (0.19)	$ 0.04	
Diluted	0.02	0.01		(0.19)	0.04	
Weighted average number of common shares outstanding:						
Basic	62,483	62,803		62,493	62,814	
Diluted	62,704	63,174		62,493	63,161	

Unaudited Segment Results of Operations

We manage and measure our business performance in three distinct operating segments: Offshore Manufactured Products, Well Site Services and Downhole Technologies. Supplemental financial information by operating segment for the three and six months ended March 31, 2024 June 30, 2024 and 2023 is summarized below (in thousands):

		Three Months Ended March 31,							
		Three Months Ended March 31,							
		Three Months Ended March 31,							
		Three Months Ended June 30,							
		2024							
		2024							
		2024	2023	Variance	2023	Variance	2024	2023	Variance
Revenues:									
Offshore Manufactured Products									
Offshore Manufactured Products									
Offshore Manufactured Products									
Project-driven:									
Project-driven:									
Project-driven:									
Products									
Products									
Products									
Services									
	78,370								
	90,776								
Military and other products									
	86,857								
	101,556								
Well Site Services									
Downhole Technologies									
	$								
Operating income (loss):									
Operating income (loss):									
Operating income (loss):									
Offshore Manufactured Products(1)									
Offshore Manufactured Products(1)									
Offshore Manufactured Products(1)									

Well Site Services(2)	
Downhole Technologies(3)	
Corporate	
	$

(1) During the three and six months ended March 31, 2024 June 30, 2024, we recognized facility consolidation charges of $1.5 million and $3.0 million, respectively, associated with the Offshore Manufactured Products segment's ongoing consolidation and relocation of a manufacturing and service location.

(2) During the three and six months ended March 31, 2024 June 30, 2024, the Well Site Services segment recognized charges of $1.0 $2.9 million and $3.9 million, respectively, associated primarily with the consolidation and exit of certain underperforming service locations. locations and the defense of certain patents.

(3) During the three six months ended March 31, 2024 June 30, 2024, the Downhole Technologies segment recognized a $10.0 million $10.0 million non-cash impairment charge related to goodwill reassigned to the business in connection with the segment realignment discussed above.

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

We reported net income for the three months ended June 30, 2024 of $1.3 million, or $0.02 per share. The reported second quarter net income included facility consolidation and other charges of $4.4 million ($3.5 million after-tax, or $0.06 per share), partially offset by non-cash gains of $0.5 million ($0.4 million after-tax, or $0.01 per share) associated with debt extinguishment. These results compare to net income for the three months ended June 30, 2023 of $0.6 million, or $0.01 per share.

Our second quarter 2024 results of operations reflect the impact of the growth in offshore and international project activity and associated backlog conversion, partially offset by a decline in natural gas focused investments by our U.S. customers, competitive market conditions and management's decision to exit certain underperforming locations. Management continues to implement measures in areas experiencing lower activity levels to reduce future costs.

Revenues. Consolidated total revenues in the second quarter of 2024 increased $2.9 million, or 2%, from the second quarter of 2023.

Consolidated product revenues in the second quarter of 2024 increased $15.9 million, or 17%, from the second quarter of 2023, driven primarily by the conversion of production facility and connector products from backlog into revenue. Consolidated service revenues in the second quarter of 2024 decreased $13.1 million, or 14%, from the second quarter of 2023. This decrease was concentrated in the United States – driven by lower land-based customer investments (particularly in natural gas basins), competitive market conditions and our exit of certain underperforming locations during the first six months of 2024, partially offset by higher offshore and international service activity.

The following table provides supplemental disaggregated revenue from contracts with customers by operating segment for the three months ended June 30, 2024 and 2023 (in thousands):

	Offshore Manufactured Products		Well Site Services		Downhole Technologies		Total	
Three Months Ended June 30	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Project-driven:								

Products	$ 59,752	$ 45,455	$ —	$ —	$ —	$ —	$ 59,752	$ 45,455
Services	31,024	24,846	—	—	—	—	31,024	24,846
Total project-driven	90,776	70,301	—	—	—	—	90,776	70,301
Military and other products	10,780	8,346	—	—	—	—	10,780	8,346
Short-cycle products and services	—	—	46,421	64,536	38,406	40,346	84,827	104,882
	$ 101,556	$ 78,647	$ 46,421	$ 64,536	$ 38,406	$ 40,346	$ 186,383	$ 183,529
By destination:								
U.S. land	$ 7,184	$ 10,003	$ 32,792	$ 51,596	$ 27,782	$ 32,113	$ 67,758	$ 93,712
Offshore and international	94,372	68,644	13,629	12,940	10,624	8,233	118,625	89,817
	$ 101,556	$ 78,647	$ 46,421	$ 64,536	$ 38,406	$ 40,346	$ 186,383	$ 183,529

Cost of Revenues (exclusive of Depreciation and Amortization Expense). Our consolidated total cost of revenues (exclusive of depreciation and amortization expense) in the second quarter of 2024 were comparable to the level reported in the second quarter of 2023.

Consolidated product costs in the second quarter of 2024 increased $9.8 million, or 14%, from the second quarter of 2023 driven primarily by the increase in project-driven products sales volumes. Consolidated service costs in the second quarter of 2024 decreased $9.8 million, or 14%, from the second quarter of 2023, with the impact of lower U.S. land-based activity levels and implemented cost control measures partially offset by facility consolidation and exit costs incurred in 2024.

Selling, General and Administrative Expense. Selling, general and administrative expense was $26.4 million in the second quarter of 2024, which included $1.0 million of costs associated with enforcing certain of our patents. Excluding these patent defense costs, selling, general and administrative costs increased $1.9 million, or 8%, from the second quarter of 2023, due primarily to higher compensation costs.

Depreciation and Amortization Expense. Depreciation and amortization expense decreased $0.8 million, or 5%, in the second quarter of 2024 compared to the prior-year quarter. Note 10, "Segments and Related Information," to our Unaudited Condensed Consolidated Financial Statements presents depreciation and amortization expense by segment.

Operating Income. Our consolidated operating income was $2.0 million in the second quarter of 2024, which included charges totaling $4.4 million associated with facility consolidations and exits, and patent defense. This compares to second quarter 2023 consolidated operating income of $3.3 million. Excluding the 2024 charges, operating income increased $3.2 million year-over-year.

Interest Expense, Net. Net interest expense totaled $2.1 million in the second quarter of 2024, which compares to $2.1 million in the same period of 2023. Interest expense as a percentage of total debt outstanding was approximately 7% in the second quarter of 2024, compared to 7% in the second quarter of 2023.

Income Tax. Income tax benefit (provision) for the three months ended June 30, 2024 and 2023 was calculated using a discrete approach. This methodology was used because changes in our results of operations and non-deductible expenses can materially impact the estimated annual effective tax rate. For the three months ended June 30, 2024, our income tax benefit was $0.7 million on pre-tax income of $0.6 million, which included favorable changes in valuation allowances recorded against deferred tax assets and certain non-deductible expenses. This compares to an income tax provision of $0.9 million on a pre-tax income of $1.4 million for the three months ended June 30, 2023, which included certain non-deductible expenses, discrete tax items and a favorable change in valuation allowances recorded against deferred tax assets.

Other ComprehensiveIncome (Loss). Reported comprehensive income (loss) is the sum of reported net income and other comprehensive income (loss). Other comprehensive loss was $3.2 million in the second quarter of 2024 compared to comprehensive income of $3.3 million in the second quarter of 2023 due to fluctuations in currency exchange rates compared to the U.S. dollar which are used to translate certain of the international operations of our operating segments. For the three months ended June 30, 2024 and 2023, currency translation adjustments recognized as a component of other comprehensive income (loss) were primarily attributable to the United Kingdom and Brazil. During the second quarter of 2024, the exchange rate for the Brazilian real weakened compared to the U.S. dollar while the exchange rate for the British flat was flat compared to the U.S. dollar. In the second quarter of 2023, the exchange rates for the British pound and the Brazilian real strengthened compared to the U.S. dollar.

Segment Operating Results

Offshore Manufactured Products

Revenues. Our Offshore Manufactured Products segment revenues increased $22.9 million, or 29%, in the second quarter of 2024 compared to the second quarter of 2023 due primarily to increased demand for international and offshore project-driven products and services.

Operating Income. Our Offshore Manufactured Products segment reported operating income of $14.4 million in the second quarter of 2024, which included $1.5 million in facility consolidation charges. This compares to operating income in the second quarter of 2023 of $8.8 million. Excluding the 2024 charges, operating income increased $7.1 million year-over-year.

Backlog. Backlog in our Offshore Manufactured Products segment totaled $300 million as of June 30, 2024, with second quarter 2024 bookings of $101 million and a quarterly book-to-bill ratio of 1.0x.

Well Site Services

Revenues. Our Well Site Services segment revenues decreased $18.1 million, or 28%, in the second quarter of 2024 compared to the prior-year period, driven primarily by lower U.S. land-based customer activity levels (particularly in natural gas basins), competitive market conditions and our exit of certain underperforming service locations during the first six months of 2024.

Operating Income. Our Well Site Services segment reported an operating loss of $0.5 million in the second quarter of 2024, which included charges totaling $2.9 million associated with facility consolidations and exits, and the defense of patents. This compares to operating income of $4.7 million in the second quarter of 2023. Excluding the 2024 charges discussed above, the Well Site Services segment’s operating results declined $2.4 million from the prior-year period, with the impact of the decrease in U.S. land-based revenues substantially offset by implemented cost control measures.

Downhole Technologies

Revenues. Our Downhole Technologies segment revenues decreased $1.9 million, or 5%, in the second quarter of 2024 from the prior-year period, driven primarily by lower U.S. customer activity levels and competitive market conditions.

Operating Loss. Our Downhole Technologies segment reported an operating loss of $1.1 million in the second quarter of 2024, which compares to an operating loss of $0.1 million in the prior-year period, which included a $1.0 million non-cash provision for excess and obsolete inventory. Excluding the 2023 charge discussed above, the Downhole Technologies operating results declined $2.0 million from the prior-year period, due primarily to the reported decrease in revenues and lower manufacturing volumes.

Corporate

Operating Loss. Corporate expenses increased $0.5 million, or 4%, in the second quarter of 2024 from the prior-year period.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

We reported a net loss for the three six months ended March 31, 2024 June 30, 2024 of $13.4 $12.1 million, or $0.21 $0.19 per share, which included share. The reported first six months net loss included: a non-cash goodwill impairment charge of $10.0 million ($9.5 million after-tax, or $0.15 per share) and facility consolidation and other charges of $2.5 $6.9 million ($2.0 5.5 million after-tax, or $0.03 $0.09 per share)., partially offset by non-cash gains of $0.5 million ($0.4 million after-tax, or $0.01 per share) associated with debt extinguishment. These results compare to net income for the three six months ended March 31, 2023 June 30, 2023 of $2.2 $2.7 million, or $0.03 $0.04 per share.

Our first quarter half 2024 results of operations reflect the impact of an industry-wide decline in U.S. well completions, driven particularly by weak natural gas prices (the average spot price for Henry Hub natural gas was $2.15 per MMBtu in the first quarter of 2024, down 19% from the prior-year period). The impact of the decline in investments by our U.S. customers was partially offset by growth in offshore and international project activity and associated backlog conversion. conversion, partially offset by a decline in natural gas focused investments by our U.S. customers, competitive market conditions and management's decisions to exit certain underperforming locations. Management continues to implement measures in areas experiencing lower activity levels to reduce future costs.

Revenues. Consolidated total revenues in the first three six months of 2024 decreased $28.9 $26.1 million, or 15% 7%, from the first three six months of 2023.

Consolidated product revenues in the first three six months of 2024 decreased $5.5 increased $10.4 million, or 6% 5%, from the first three six months of 2023, with the impact of lower customer demand for consumable completion products in the United States, partially offset by higher customer demand for project-driven production facility products partially offset by a decline in U.S. customer demand for completion and connector perforating products. Consolidated service revenues in the first three six months of 2024 decreased $23.4 $36.5 million, or 24% 20%, from the first three six months of 2023 due primarily to 2023. This decrease was concentrated in the United States – driven by lower U.S. land-based customer investments. investments (particularly in natural gas basins), competitive market conditions and our exit of certain underperforming locations during the first six months of 2024, partially offset by higher offshore and international service activity.

The following table provides supplemental disaggregated revenue from contracts with customers by operating segment for the three six months ended March 31, 2024 June 30, 2024 and 2023 (in thousands):

	Offshore Manufactured Products		Offshore Manufactured Products		Well Site Services		Downhole Technologies		Total		Offshore Manufactured Products	Well Site Services	Downhole Technologies	Total
Three Months Ended March 31	2024		2023		2024	2023	2024		2023	2024 2023				

Six Months Ended June 30	2024	2023	2024	2023	2024	2023	2024	2023
Project-driven:								
Products								
Products								
Products								
Services								
Total project-driven								
Military and other products								
Short-cycle products and services								
Short-cycle products and services								
Short-cycle products and services								
	$							
By destination:								
U.S. land								
U.S. land								
U.S. land								
Offshore and international								
	$							

Cost of Revenues (exclusive of Depreciation and Amortization Expense). Our consolidated total cost of revenues (exclusive of depreciation and amortization expense) decreased $18.8 million, or 12% 6%, in the first three six months of 2024 compared to the first three six months of 2023.

Consolidated product costs in the first three six months of 2024 decreased $3.5 increased $6.3 million, or 4%, compared to the first three six months of 2023 due primarily to the reported product revenue decline. increase. Consolidated service costs in the first three six months of 2024 decreased $15.2 $25.1 million, or 21% 18%, compared to the first three six months of 2023, due primarily to with the impact of lower U.S. activity levels. levels and implemented cost control measures partially offset by facility consolidation and exit costs incurred in 2024.

Selling, General and Administrative Expense. Selling, general and administrative expense was $22.5 $48.9 million in the first three six months of 2024, which included $0.4 million $1.3 million of costs associated with enforcing certain of our patents. Excluding these patent defense costs, selling, general and administrative costs decreased $1.2 million, or 5%, from were consistent with the first three six months of 2023, due primarily to reductions in short- and long-term incentive expenses. 2023.

Depreciation and Amortization Expense. Depreciation and amortization expense decreased $1.1 $1.9 million, or 7% 6%, in the first three six months of 2024 compared to the prior-year period. Note 10, "Segments and Related Information," to our Unaudited Condensed Consolidated Financial Statements presents depreciation and amortization expense by segment.

Impairment of Goodwill. During the first three months quarter of 2024, our Downhole Technologies operations recognized a non-cash impairment charge of $10.0 million related to goodwill transferred to the business in connection with segment realignment discussed above. See Note 2, “Goodwill Impairment and Other Charges,” to the Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional discussion.

Other Operating (Income) Expense, Net. In the first three months of 2024, other operating income, net included, among other items, gains on disposals of equipment totaling $1.2 million and charges of $2.1 million recognized in connection with our ongoing consolidation and exit of certain manufacturing and service locations within our Offshore Manufactured Products and Well Site Services segments.

Operating Income (Loss). Our consolidated operating loss was $11.2 $9.1 million in the first three six months of 2024, which included a $10.0 million $10.0 million non-cash goodwill impairment charge and $2.5 million in charges totaling $6.9 million associated with facility consolidation consolidations and other charges. exits, and patent defense. This compares to consolidated operating income of $5.9 $9.1 million in the first three six months of 2023. Excluding the 2024 charges, operating income decreased $4.5 million $1.3 million year-over-year.

Interest Expense, Net. Net interest expense totaled $2.1 $4.2 million in the first three six months of 2024, which compares to $2.4 $4.5 million in the first three six months of 2023. Interest expense as a percentage of total debt outstanding was approximately 7% in the first three six months of 2024, compared to 7% in the first three six months of 2023.

Income Tax. Income tax expense benefit (provision) for the first three six months of 2024 and 2023 was calculated using a discrete approach. This methodology was used because changes in our results of operations and non-deductible expenses can materially impact the estimated annual effective tax rate. For the first three six months of 2024, our income tax provision benefit was $24 thousand $0.6 million on a pre-tax loss of $13.4 $12.7 million, which included a $10.0 million $10.0 million goodwill impairment charge, and other non-deductible expenses. expenses and favorable changes in valuation allowances recorded against deferred tax assets. This compares to an income tax provision of $1.6 $2.5 million on pre-tax income of $3.8 $5.2 million for the first three six months of 2023, which included certain non-deductible expenses, and discrete tax items. items and a favorable change in valuation allowances recorded against deferred tax assets.

Other Comprehensive Income (Loss). Reported comprehensive income (loss) is the sum of reported net income (loss) and other comprehensive income (loss). Other comprehensive loss was $3.0 $6.2 million in the first three six months of 2024 compared to comprehensive income of $4.1 $7.4 million in the first three six months of 2023 due to fluctuations in foreign currency exchange rates compared to the U.S. dollar for certain of the international operations of our operating segments. For the first three six months of 2024 and 2023, currency translation adjustments recognized as a component of other comprehensive income (loss) were primarily attributable to the United Kingdom and Brazil. During the first three six months of 2024, the exchange rates for the British pound and the Brazilian real weakened compared to the U.S. dollar. In This compares to the first three six months of 2023, when the exchange rate rates for the British pound and the Brazilian real strengthened compared to the U.S. dollar.

Segment Operating Results

Offshore Manufactured Products

Revenues. Our Offshore Manufactured Products segment revenues increased $6.4 $29.3 million, or 8% 18%, in the first three six months of 2024 compared to the first three six months of 2023 due primarily to increased demand for international and offshore-project driven products and services.

Operating Income. Our Offshore Manufactured Products segment reported operating income of $10.6 $25.0 million in the first three six months of 2024, which included the $1.5 million $3.0 million in facility consolidation charges discussed above. charges. This compares to operating income of $7.7 $16.5 million in the first three six months of 2023. Excluding the facility consolidation 2024 charges, operating income increased $4.4 $11.4 million year-over-year.

Backlog. Backlog in our Offshore Manufactured Products segment totaled $305 $300 million as of March 31, 2024 June 30, 2024 compared to $327 million as of December 31, 2023. Bookings during the first three six months of 2024 totaled $66 $167 million, yielding a quarterly year-to-date book-to-bill ratio of 0.8x. 0.9x.

Well Site Services

Revenues. Our Well Site Services segment revenues decreased $19.8 $37.9 million, or 29%, in the first three six months of 2024 compared to the first three six months of 2023, driven primarily by lower U.S. customer activity levels (particularly in natural gas basins) and , competitive market conditions. conditions and our exit of certain underperforming service locations during the first six months of 2024.

Operating Income. Income (Loss). Our Well Site Services segment reported an operating loss of $0.4 $1.0 million in the first three six months of 2024, which included costs charges totaling $1.0 million $3.9 million associated with the exit of three facilities facility consolidations and exits, and the defense of patents. This compares to operating income of $7.0 $11.7 million in the first three six months of 2023. Excluding the costs 2024 charges discussed above, the Well Site Services segment's operating results declined $6.3 $8.7 million from the prior-year period, due to with the reported impact of the decrease in revenue. U.S. land-based revenues partially offset by implemented cost control measures.

Downhole Technologies

Revenues. Our Downhole Technologies segment revenues decreased $15.5 $17.5 million, or 32% 20%, in the first three six months of 2024 from the first three six months of 2023 due primarily to lower U.S. customer demand for perforating and completion products. products during the first quarter of 2024.

Operating Loss. Our Downhole Technologies segment reported an operating loss of $12.1 $13.2 million in the first three six months of 2024, which included the $10.0 million non-cash goodwill impairment charge related to the first quarter of 2024 segment realignment. This compares to operating income of $1.9 $1.8 million reported in the first three six months of 2023. 2023, which included a $1.0 million non-cash provision for excess and obsolete inventory. Excluding the goodwill impairment charge discussed above, the Downhole Technologies operating results declined $4.0 $6.0 million from the prior-year period, due primarily to the reported decrease in revenue and lower manufacturing volumes.

Corporate

Operating Loss. Corporate expenses in the first three six months of 2024 decreased $1.4 $0.9 million, or 13% 4%, from the first three six months of 2023, due primarily to lower short- and long-term incentive expenses.

Liquidity, Capital Resources and Other Matters

Our primary liquidity needs are to fund operating and capital expenditures, new product development and general working capital needs. In addition, capital has been used to fund strategic business acquisitions, repay debt and fund share repurchases. Our primary sources of funds are cash flow from operations, proceeds from borrowings under our credit facilities and, less frequently, capital markets transactions.

Operating Activities

Cash flows used in operations totaled $11.4 $1.1 million during the first three six months of 2024, compared to $5.9 $38.7 million used in generated by operations during the first three six months of 2023.

During the first three six months of 2024, $21.8 $28.3 million was used to fund net working capital increases, primarily due to an activity-driven increase in inventories, the payment of accrued 2023 short- and long-term cash incentives in the first quarter of 2024 and a decrease in accounts payable. During the first six months of 2023, $25.6 $0.8 million was used to fund provided by net working capital increases, primarily due to decreases, with the favorable impact of a decrease in accounts receivable and an increase in deferred revenues, substantially offset by an activity-driven increase in inventories and the payment of accrued 2022 short- and short-and long-term cash incentives and an activity-driven increase in inventories. the first quarter of 2023.

Investing Activities

Net cash used in investing activities during the first three six months of 2024 totaled $7.8 $3.2 million, compared to $6.4 $16.7 million used in investing activities during the first three six months of 2023.

Capital expenditures totaled $10.1 $15.9 million and $6.6 $17.3 million during the first three six months of 2024 and 2023, respectively. These investments were partially offset by proceeds from the sale of property and equipment of $2.3 $12.8 million and $0.2 $0.7 million during the first three six months of 2024 and 2023, respectively.

Within our Offshore Manufactured Products segment, we completed the consolidation of certain facilities in Houston, Texas during 2023 and are in the process of have strategically relocating relocated our Asian manufacturing and service operations from Singapore to Batam, Indonesia. With these consolidations, two facilities are a facility classified as held-for-sale assets within prepaid expenses and other current assets as of March 31, 2024. December 31, 2023 was sold during the second quarter of 2024 for net proceeds of $10.3 million.

Including investments associated with the planned construction of a new facility in Batam, we expect to invest approximately $40 $35 million in capital expenditures during 2024. In 2024, we also expect to sell the two held-for-sale facilities (in Singapore and Houston), with proceeds totaling approximately $35 million. We plan to fund our capital expenditures with available cash, internally generated funds and, if necessary, borrowings under our ABL Facility discussed below.

Financing Activities

During the first three six months of 2024, net cash of $3.7 $17.2 million was used in financing activities. activities, which included the purchase of $11.5 million principal amount of our outstanding 2026 Notes for $10.8 million in cash and the repurchase of $2.4 million of the Company's common stock. This compares to $14.4 $22.6 million of cash used in financing activities during the first three six months of 2023, which included the repayment of the $17.3 million principal amount outstanding under our 2023 Notes and the repurchase of $3.0 million of our outstanding 2023 Notes. common stock.

As of March 31, 2024 June 30, 2024, we had cash and cash equivalents totaling $24.1 $25.2 million, which compared to $47.1 million as of December 31, 2023.

As of March 31, 2024 June 30, 2024, we had no borrowings outstanding under our ABL Facility, $135.0 $123.5 million principal amount of our 2026 Notes (as defined below) outstanding and other debt of $2.9 million. Our reported interest expense included amortization of deferred financing costs of $0.5 $0.8 million during the first three six months of 2024. For the first three six months of 2024, our contractual cash interest expense was $1.9 $3.8 million, or approximately 6% of the average principal balance of debt outstanding.

We believe that cash on-hand, cash flow from operations and borrowing capacity available under our ABL Facility will be sufficient to meet our liquidity needs in the coming twelve months. If our plans or assumptions change, or are inaccurate, we may need to raise additional capital. Our ability to obtain capital for additional projects to implement our growth strategy over the longer term will depend upon our future operating performance, financial condition and, more broadly, on the availability of equity and debt financing. Capital availability will be affected by prevailing conditions in our industry, the global economy, the global banking and financial markets, stakeholder scrutiny of ESG matters and other factors, many of which are beyond our control. In this regard, the effect of multiple U.S. bank failures in 2023 resulted in significant disruptions to global banking and financial markets. For companies like ours that support the energy industry, these disruptions negatively impacted the value of our common stock and may reduce our ability to access capital in the bank and capital markets or result in such capital being available on less favorable terms, which could in the future negatively affect our liquidity.

On March 6, 2024, the SEC finalized rules relating to the disclosure of a range of climate-related information (the “Rules”). The Rules were temporarily stayed by the SEC on April 4, 2024 pending judicial review. While subject to ongoing litigation, these new disclosure requirements are currently effective for us beginning with the year ending December 31, 2026, phased in over a five-year period. The ultimate impact on our business is uncertain but we and our customers may incur increased compliance costs related to the assessment and disclosure of climate-related risks. We may also face increased litigation risks related to disclosures made pursuant to the rule if finalized as proposed. In addition, enhanced climate disclosure requirements could accelerate the trend of certain stakeholders and lenders in restricting access to capital or seeking more stringent conditions with respect to their investments in us, our customers and other companies like ours that support the energy industry. For more information on our risks related to climate change, see the risk factors in “Part I, Item 1A. Risk Factors” included in our 2023 Annual Report on Form 10-K titled, “Our and our customers’ operations are subject to a series of risks arising out of the threat of climate change that could result in increased operating costs, limit the areas in which oil and natural gas production may occur, and reduce demand for the products and services we provide,” “The Inflation Reduction Act of 2022 could accelerate the transition to a low carbon economy and could impose new costs on our customers’ operations” and “Increasing attention to ESG matters may impact our business.”

Stock Repurchase Program. On February 16, 2023, the our Board of Directors authorized $25.0 million for the repurchases of our common stock, par value $0.01 per share, through February 2025. Subject to applicable securities laws, such purchases will be at such times and in such amounts as we deem appropriate. During the three six months ended March 31, 2024 June 30, 2024, there were no $2.4 million in repurchases of common stock were made under the program. The amount remaining under our share repurchase authorization as of March 31, 2024 June 30, 2024 was $18.1 $15.8 million.

Revolving Credit Facility. Our senior secured credit facility provides for a $125.0 million asset-based revolving credit facility (as amended, the “ABL Facility”) under which credit availability is subject to a borrowing base calculation. On February 16, 2024, we amended the ABL Facility to extend the maturity date to February 16, 2028.

The ABL Facility is governed by a credit agreement, as amended, with Wells Fargo Bank, National Association, as administrative agent and the lenders and other financial institutions from time to time party thereto (as amended, the "ABL Agreement"). The ABL Agreement as amended, matures on February 16, 2028 with a springing maturity 91 days prior to the maturity of any outstanding indebtedness with a principal amount in excess of $17.5 million. See Note 4, "Long-term Debt," to the Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information regarding the ABL Agreement.

As of March 31, 2024June 30, 2024, we had $15.9$14.4 million of outstanding letters of credit, but no borrowings outstanding under the ABL Agreement. The total amount available to be drawn as of March 31, 2024June 30, 2024 was $86.3$82.5 million, calculated based on the then-current borrowing base less outstanding letters of credit.

2026 Notes. We issued $135.0 million aggregate principal amount of 4.75% convertible senior notes due 2026 (the "2026 Notes") pursuant to an indenture, dated as of March 19, 2021 (the "2026 Indenture"), between us and Computershare Trust Company, National Association, as successor trustee. As of June 30, 2024, we have purchased a cumulative $11.5 million principal amount of the 2026 Notes for $10.8 million in cash, with $123.5 million principal amount outstanding. The outstanding 2026 Notes will mature on April 1, 2026, unless earlier repurchased, redeemed or converted.

The 2026 Indenture contains certain events of default, including certain defaults by us with respect to other indebtedness of at least $40.0 million. See Note 4, "Long-term Debt," to the Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information regarding the 2026 Notes. As of March 31, 2024June 30, 2024, none of the conditions allowing holders of the 2026 Notes to convert, or requiring us to repurchase the 2026 Notes, had been met.

2023 Notes. On February 15, 2023, our 2023 Notes matured and the outstanding $17.3 million in principal amount was repaid in full.

Our total debt represented 15% and 16% of our combined total debt and stockholders' equity as of March 31, 2024June 30, 2024 and December 31, 2023., respectively.

Contingencies and Other Obligations. We are a party to various pending or threatened claims, lawsuits and administrative proceedings seeking damages or other remedies concerning our commercial operations, products, employees and other matters.

See Note 11, "Commitments and Contingencies," to the Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional discussion.

Off-Balance Sheet Arrangements. As of March 31, 2024June 30, 2024, we had no off-balance sheet arrangements.

Critical Accounting Policies

For a discussion of the critical accounting policies and estimates that we use in the preparation of our condensed consolidated financial statements, see "Part II Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023. These estimates require significant judgments, assumptions and estimates. We have discussed the development, selection, and disclosure of these critical accounting policies and estimates with the audit committee of our Board of Directors. There have been no material changes to the judgments, assumptions and estimates upon which our critical accounting estimates are based.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, which are adopted by us as of the specified effective date. Management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on our consolidated financial statements upon adoption.

ITEM 3. *Quantitative and Qualitative Disclosures about Market Risk*

Market risk refers to the potential losses arising from changes in interest rates, foreign currency exchange rates, equity prices and commodity prices, including the correlation among these factors and their volatility.

Our principal market risks are our exposure to changes in interest rates and foreign currency exchange rates. We enter into derivative instruments only to the extent considered necessary to meet risk management objectives and do not use derivative contracts for speculative purposes.

Interest Rate Risk. We have a revolving credit facility that is subject to the risk of higher interest charges associated with increases in interest rates. As of March 31, 2024 June 30, 2024, we had no floating-rate obligations outstanding under our ABL Facility. The use of floating-rate obligations would expose us to the risk of increased interest expense in the event of increases in short-term interest rates.

Foreign Currency Exchange Rate Risk. Our operations are conducted in various countries around the world and we receive revenue from these operations in a number of different currencies. As such, our earnings are subject to movements in foreign currency exchange rates when transactions are denominated in (i) currencies other than the U.S. dollar, which is our functional currency, or (ii) the functional currency of our subsidiaries, which is not necessarily the U.S. dollar. In order to mitigate the effects of foreign currency exchange rate risks in areas outside of the United States (primarily in our Offshore Manufactured Products segment), we generally pay a portion of our expenses in local currencies and a substantial portion of our contracts provide for collections from customers in U.S. dollars. During the first three six months of 2024, our reported foreign currency exchange gains were $0.2 $0.1 million and are included in “other operating (income) expense, net” in the consolidated statements of operations.

Accumulated other comprehensive loss, reported as a component of stockholders’ equity, primarily relates to fluctuations in currency exchange rates against the U.S. dollar as used to translate certain of the international operations of our operating segments. Our accumulated other comprehensive loss increased $3.0 $6.2 million from $70.0 million as of December 31, 2023 to $73.0 $76.2 million as of March 31, 2024 June 30, 2024, due to changes in currency exchange rates. During the three six months ended March 31, 2024 June 30, 2024, the exchange rates for the British pound and the Brazilian real weakened by 1% and 3% 12%, respectively, compared to the U.S. dollar.

ITEM 4. *Controls and Procedures*

(i) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) of the Exchange Act. 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 under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief 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. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2024 June 30, 2024 at the reasonable assurance level.

(ii) Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as that term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended March 31, 2024 June 30, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. *Legal Proceedings*

The information with respect to this Item 1 is set forth under Note 11, "Commitments and Contingencies."

ITEM 1A. *Risk Factors*

"Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023 includes a detailed discussion of our risk factors. The risks described in such report are not the only risks we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, may materially adversely affect our business, financial conditions or future results. There have been no material changes to our risk factors as set forth in our 2023 Annual Report on Form 10-K.

ITEM 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

(a) None.

(b) None.

(c)

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Period	Total Number of Shares Purchased(1)	Average Price Paid per Share(1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs(2)
January 1 through January 31, 2024	188,635	$ 6.59	—	$ 18,133,096
February 1 through February 29, 2024	218,942	6.10	—	18,133,096
March 1 through March 31, 2024	—	—	—	18,133,096
Total	407,577	$ 6.33	—	

Period	Total Number of Shares Purchased(1)	Average Price Paid per Share(1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs(2)
April 1 through April 30, 2024	—	$ —	—	$ 18,133,096
May 1 through May 31, 2024	342,547	4.45	342,547	16,610,040
June 1 through June 30, 2024	201,876	4.26	200,000	15,758,710
Total	544,423	$ 4.38	542,547	

(1) All shares purchased during During the three-month period ended March 31, 2024 were June 30, 2024, we acquired 1,876 shares from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting of stock awards. These shares were not part of a publicly announced program to purchase common stock.

(2) In February 2023, our Board of Directors authorized $25.0 million for the repurchases of our common stock, par value $0.01 per share, through February 2025. As of March 31, 2024 June 30, 2024, $6.9 million $9.2 million of share repurchases have been made under this authorization.

ITEM 3. ***Defaults Upon Senior Securities***

None.

ITEM 4. ***Mine Safety Disclosures***

Not applicable.

ITEM 5. ***Other Information***

During the three months ended March 31, 2024 June 30, 2024, no director or executive officer adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” (as each is defined in Item 408 of Regulation S-K) related to securities of our company.

ITEM 6. ***Exhibits***

Exhibit No.		Description
3.1	—	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on July 27, 2023 (File No. 001-16337)).
3.2	—	Fifth Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K, as filed with the SEC on February 17, 2023 (File No. 001-16337)).
3.3	—	Certificate of Designations of Special Preferred Voting Stock of Oil States International, Inc. (incorporated by reference to Exhibit 3.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000, as filed with the SEC on March 30, 2001 (File No. 001-16337)).
10.1*+	—	Form of Performance Award Agreement under the Registrant's Amended and Restated Equity Participation Plan.
31.1*	—	Certification of Chief Executive Officer of Oil States International, Inc. pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2*	—	Certification of Chief Financial Officer of Oil States International, Inc. pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1**	—	Certification of Chief Executive Officer of Oil States International, Inc. pursuant to Rules 13a-14(b) or 15d-14(b) under the Securities Exchange Act of 1934, as amended.
32.2**	—	Certification of Chief Financial Officer of Oil States International, Inc. pursuant to Rules 13a-14(b) or 15d-14(b) under the Securities Exchange Act of 1934, as amended.
101.INS*	—	XBRL Instance Document
101.SCH*	—	XBRL Taxonomy Extension Schema Document
101.CAL*	—	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	—	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	—	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	—	XBRL Taxonomy Extension Presentation Linkbase Document
104	—	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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*	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.

OIL STATES INTERNATIONAL, INC.

Date: April 26, July 29, 2024

By: /s/ LLOYD A. HAJDIK

Lloyd A. Hajdik

Executive Vice President, Chief Financial Officer and Treasurer (Duly Authorized Officer and Principal Financial Officer)

EXHIBIT 10.1

PERFORMANCE AWARD AGREEMENT

THIS AGREEMENT is made on ___________ ("Grant Date") between Oil States International, Inc., a Delaware corporation (the "Company"), and ___________ ("Employee").

To carry out the purposes of the Amended and Restated Equity Participation Plan of Oil States International, Inc. (as amended from time to time, the "Plan"), by affording Employee the opportunity to acquire cash and shares of common stock of the Company ("Stock"), and in consideration of the mutual agreements and other matters set forth herein and in the Plan, the Company and Employee hereby agree as follows:

1. **Grant of Award**. The Company grants to Employee on the Grant Date a performance award ("Performance Award") comprised of two separate components: (a) a target cash award, the payout of which is based on relative total shareholder return (the "TSR Component"); and (b) a target number of deferred Stock units equal to a target number of shares of Stock, the payout of which is based on the Company's cumulative EBITDA (the "EBITDA Component"), each as set forth in the Notice of Performance Award Conditions ("Notice"), attached as Exhibit A, which Notice is incorporated herein by reference as a part of this Agreement. Subject to Sections 2 and 3, the maximum amount of such cash award and the maximum number of such shares of Stock that Employee may earn pursuant to this Performance Award is determined by the applicable schedule set forth in the Notice. Employee acknowledges receipt of a copy of the Plan, and agrees that this Performance Award shall be subject to all of the terms and conditions set forth herein and in the Plan, including future amendments thereto, if any, pursuant to the terms thereof, which Plan is incorporated herein by reference as a part of this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan shall govern.

2. **Vesting**.

(a) If Employee remains continuously employed by the Company from the Grant Date through December 31, 2026, this Performance Award shall vest in Employee on such date at the levels set forth in the Notice based upon achievement of the Company performance objectives set forth in the Notice ("Performance Objectives") during the period commencing on January 1, 2024 and ending December 31, 2026 (the "Performance Period"). As soon as administratively practicable after the end of the Performance Period (or such earlier date as set forth in Section 3 below), the Compensation Committee of the Board ("Committee") shall affirm in writing the extent to which the Performance Objectives have been achieved and the cash and the number of units of deferred Stock that are vested in Employee as a result of such achievement.

3. **Effect of Certain Events on Vesting.**

(a) *Change of Control*. If prior to the end of the Performance Period, a "Change of Control" (as defined in Treasury Regulation Section 1.409A-3(i)(5) that also meets the definition of "Change of Control" under the Plan) of the Company occurs, this Performance Award shall vest at the greater of the "Determined Percentage" (as defined below) and the percentage attributable to the "target" levels of performance as set forth in the Notice. The "Determined Percentage" means the percentage of vesting that would have occurred respecting the Performance Award pursuant to the Notice as if (1) the last day of the Performance Period was the Determination Date (as defined below) and the Performance Objectives were measured as of such date and (2) the dollar amount levels for "entry," "target" and "overachievement" with respect to the Performance Objectives relating to the EBITDA Component set forth in the Notice were each prorated by multiplying the applicable dollar amount level by a fraction, the numerator of which is the number of calendar quarters during the period beginning on January 1, 2024 and ending on the Determination Date, and the denominator of which is 12 (such prorated levels being referred to herein as the "Prorated EBITDA Objectives"). As used in this Agreement, the term "Determination Date" means (A) with respect to the TSR Component of the Performance Award, the date of the applicable vesting event, and (B) with respect to the EBITDA Component of the Performance Award, the most recently completed fiscal quarter of the Company coincident with or next preceding the date of the applicable vesting event.

(b) *Termination of Employment or Service due to Disability or Death*. If Employee incurs a "Disability" (as defined in Treasury Regulation Section 1.409A-3(i)(4) that also meets the definition of "disability" under the Company's long-term disability plan), or Employee's employment terminates due to Employee's death, this Performance Award shall vest on the earliest of such events at the greater of the Determined Percentage and the percentage attributable to the "target" levels of performance as set forth in the Notice. Notwithstanding the foregoing, in the event that the Disability or death, as applicable, occurs prior to the eighteen-month anniversary of the Grant Date, the percentage attributable to the "target" levels of performance as set forth in the Notice and the Determined Percentage shall be multiplied by a fraction, the numerator of which is equal to the number of Employee's actual days of employment from the Grant Date to the date of Disability or death, as applicable, and the

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denominator of which is equal to the total number of days in the Performance Period (determined without regard to the occurrence of the applicable vesting date).

(c) *Termination of Employment or Service without Cause or due to Retirement.* If on or after the Grant Date and prior to the end of the Performance Period Employee terminates employment with the Company on or after age fifty-eight for a reason other than death or Disability ("Retirement"), or the Company terminates Employee's employment with the Company for a reason other than "Cause" (as defined below), and not by reason of Employees death or Disability ("Involuntary Termination"), this Performance Award shall vest on the date of such termination (the "Retirement Date" or "Involuntary Termination Date", as applicable) at the Determined Percentage; provided, however, that if the Retirement Date or Involuntary Termination Date, as applicable, occurs prior to the eighteen-month anniversary of the Grant Date, then the amount determined pursuant to the preceding provisions of this sentence shall be multiplied by a fraction, the numerator of which is equal to the number of Employee's actual days of employment from the Grant Date to Employee's Retirement Date or Involuntary Termination Date, as applicable, and the denominator of which is equal to the total number of days in the Performance Period (determined without regard to Employee's Retirement or Involuntary Termination).

For purposes of this Agreement, "Cause" means "cause" (or a term of like import) as defined in Employee's individual employment or severance agreement with the Company or an affiliate in effect at the time of Employee's termination of employment or, in the absence of such an agreement or definition, shall mean (i) Employee's conviction of (or plea of nolo contendere to) a felony, dishonesty or a breach of trust as regards the Company or any subsidiary; (ii) Employee's commission of any act of theft, fraud, embezzlement or misappropriation against the Company or any subsidiary that is materially injurious to the Company or such subsidiary regardless of whether a criminal conviction is obtained; (iii) Employee's willful and continued failure to devote substantially all of Employee's business time to the Company's business affairs (excluding failures due to illness, incapacity, vacations, incidental civic activities and incidental personal time) which failure is not remedied within a reasonable time after written demand is delivered by the Company, which demand specifically identifies the manner in which the Company believes that Employee has failed to devote substantially all of his business time to the Company's business affairs; or (iv) Employee's unauthorized disclosure of confidential information of the Company or any subsidiary that is materially injurious to the Company or such subsidiary. For purposes of the preceding sentence, no act, or failure to act, on Employee's part shall be deemed "willful" unless done, or omitted to be done, by Employee not in good faith and without reasonable belief that Employee's action or omission was in the best interest of the Company.

(d) _Termination of Employment or Service for Any Other Reason._ If Employee's employment with the Company is terminated prior to the end of the Performance Period, and neither (b) nor (c) above apply, this Performance Award automatically shall be forfeited in full, without payment, on such termination.

4. **Payment**. As soon as administratively practicable after, and in no event later than 2 ½ months following the end of the calendar year in which occurs, the earliest of the applicable vesting events pursuant to Section 3, Employee shall receive from the Company, subject to satisfying the tax withholding obligations of Section 7, (a) with respect to the TSR Component, the vested cash, and (b) with respect to the EBITDA Component, the shares of Stock represented by the vested units of deferred Stock, an amount of cash equal to the Fair Market Value (as defined in the Plan) on the vesting date of a number of shares of Stock equal to the number of shares of Stock represented by the vested units of deferred Stock, or a combination thereof, as determined by the Committee in its sole discretion. It is understood that the consideration for the issuance of such Stock is Employee's services to the Company, which services shall have a value not less than the par value of such Stock.

5. **Community Interest of Spouse**. The community interest, if any, of any spouse of Employee in this Performance Award shall be subject to all the terms, conditions and restrictions in the Plan, this Agreement and the Notice.

6. **No Shareholder Rights**. Neither Employee, nor anyone lawfully claiming under Employee, shall have any right to vote, receive dividends or any other privileges or rights of a shareholder of the Company with respect to the units of deferred Stock subject to this Performance Award, unless and until actual shares of Stock are delivered to Employee following the vesting of such deferred Stock units.

7. **Withholding of Tax**. To the extent that payment of this Performance Award results in compensation income to Employee for federal, state or other tax purposes, including payroll taxes, Employee, in Employee's discretion, shall (a) deliver to the Company, at the time of such payment, such amount of cash or shares of Stock, (b) direct the Company to withhold or "net" cash or such amount of Stock otherwise payable pursuant to this Agreement, or (c) provide any combination of (a) or (b), as required for the Company to meet its withholding obligations under applicable tax laws or regulations, calculated in a manner consistent with the Company's then-current accounting practices. Notwithstanding the foregoing, in satisfaction of the proceeding obligations, the maximum level of net withholding shall never exceed the aggregate amount of applicable tax liabilities

determined based upon the allowable withholding determined by the maximum individual statutory rates in the applicable jurisdiction that may be utilized without creating adverse accounting treatment with respect to this Performance Award.

8. **Employment Relationship**. For purposes of this Agreement, Employee shall be considered to be in the employment of the Company as long as Employee remains an employee of the Company, any parent or subsidiary entity of the Company or any successor to any of the foregoing. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee in its sole discretion, and its determination shall be final. For purposes of this Agreement, termination of Employee's employment with the Company shall be interpreted consistent with the meaning of the term "separation from service" in Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended ("Code").

9. **Committee's Powers**. No provision contained in this Agreement shall in any way terminate, modify or alter, or be construed or interpreted as terminating, modifying or altering any of the powers, rights or authority vested in the Committee pursuant to the terms of the Plan, including, without limitation, the Committee's rights to make certain determinations and elections with respect to the Performance Award. Specifically, but not by way of limitation, the Committee's determinations respecting the attainment of the Performance Objectives shall be made in its sole discretion, shall be subject to such adjustments consistent with the intent of this Agreement as the Committee deems appropriate and shall not be subject to challenge by Employee or any other person.

10. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Employee.

11. **Non-Alienation**. Employee shall not have any right to pledge, hypothecate, anticipate or assign this Agreement or any rights hereunder, except by will or the laws of descent and distribution.

12. **Not a Contract of Employment**. This Agreement shall not be deemed to constitute a contract of employment, nor shall any provision hereof affect (a) the right of the Company to terminate Employee anytime, with or without reason, or (b) the terms and conditions of any other written agreement between the Company and Employee, except as expressly provided therein.

13. **Code Section 409A**. Each payment under this Agreement is intended to be a short-term deferral under Treasury Regulation Section 1.409A-1(b)(4). Each payment under this Agreement, and each payment or benefit payable pursuant to the terms of the benefit plans, programs and policies of the Company, shall be considered a separate payment for purposes of Section 409A of the Code. Notwithstanding any provision in the Plan or this Agreement to the contrary, if any payment or benefit provided for under this Agreement would be subject to additional taxes and interest under section 409A of the Code if Employee's receipt of such payment or benefit is not delayed in accordance with the requirements of section 409A(a)(2)(B)(i) of the Code, then such payment or benefit shall not be provided to Employee (or Employee's estate, if applicable) until the earlier of (i) the date of Employee's death or (ii) the date that is six months after the date of Employee's "separation from service" with the Company within the meaning of the Section 409A of the Code and the regulations promulgated thereunder.

14. **Clawback.** Employee's receipt of this Performance Award is expressly conditioned on Employee's agreement to the terms and provisions of this Section, and Employee acknowledges that Employee would not have received this Performance Award in the absence of such agreement. By accepting this Performance Award, Employee acknowledges and agrees that:

(a) the compensation (inclusive of Stock) payable pursuant to this Performance Award and any other award granted to Employee under the Plan (whether granted before, on or after the Grant Date) shall not be deemed fully earned or vested, even if paid or distributed to Employee, if such compensation or any portion thereof is subject to recovery, revocation, recoupment or "clawback" by the Company or any of its affiliates pursuant to (i) the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), (ii) any rules or regulations promulgated under the Act or by any stock exchange on which the Company's Stock is listed (collectively, the "Rules"), or (iii) any compensation recoupment or clawback policies or procedures adopted by the Company or any of its affiliates, in each case with respect to clauses (i), (ii) and (iii) above as such provisions, rules, regulations, policies and procedures may be adopted and amended from time to time (including with retroactive effect); and

(b) any other compensation or benefit (inclusive of Stock) payable to or on behalf of Employee from the Company or any of its affiliates (whether payable before, on or after the Grant Date, but excluding any compensation or benefit payable pursuant to a Performance Award granted under the Plan) shall not be deemed fully earned or vested, even if paid or distributed to Employee, if such compensation, benefit or any portion thereof is subject to recovery, revocation, recoupment or clawback by the Company or any of its affiliates pursuant to the Act, the Rules or any compensation recoupment or clawback policies or

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procedures adopted by the Company or any of its affiliates, in each case as the Act, the Rules and such policies and procedures may be adopted and amended from time to time (including with retroactive effect).

In addition, Employee hereby agrees (on behalf of Employee and any other individual, entity or other person claiming under or through Employee) that: (x) compensation payable pursuant to this Performance Award (inclusive of stock) and any other compensation or benefit payable to or on behalf of Employee (whether under the Plan or otherwise) shall be subject to recovery, revocation, recoupment or clawback as provided in the preceding provisions of this Section; and (y) Employee (or any such individual, entity or other person) shall not seek indemnification or contribution from the Company or any of its affiliates with respect to any amount so recovered, revoked, recouped or clawed back. This Section shall survive the termination of this Agreement.

15. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

16. **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and Employee has executed this Agreement, all effective on the Grant Date.

OIL STATES INTERNATIONAL, INC.

Cindy B. Taylor
President and Chief Executive Officer
Oil States International, Inc.

EMPLOYEE

EXHIBIT 31.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
OF OIL STATES INTERNATIONAL, INC.
PURSUANT TO RULE 13a–14(a) UNDER THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Cindy B. Taylor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Oil States International, Inc. (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 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 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.

/s/ Cindy B. Taylor

Name: Cindy B. Taylor
President and Chief Executive Officer
Date: April 26, July 29, 2024

EXHIBIT 31.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
OF OIL STATES INTERNATIONAL, INC.
PURSUANT TO RULE 13a–14(a) UNDER THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Lloyd A. Hajdik, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Oil States International, Inc. (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 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 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.

/s/ Lloyd A. Hajdik

Name: Lloyd A. Hajdik
Executive Vice President, Chief Financial Officer and Treasurer

Date: April 26, July 29, 2024

EXHIBIT 32.1

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

In connection with the Quarterly Report on Form 10-Q of Oil States International, Inc. for the quarterly period ended March 31, 2024 June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Cindy B. Taylor, President and Chief Executive Officer of Oil States International, Inc. (the "Company"), hereby certify, to the best of my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Cindy B. Taylor

Name: Cindy B. Taylor
President and Chief Executive Officer
Date: April 26, July 29, 2024

EXHIBIT 32.2

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

In connection with the Quarterly Report on Form 10-Q of Oil States International, Inc. for the quarterly period ended March 31, 2024 June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lloyd A. Hajdik, Executive Vice President, Chief Financial Officer and Treasurer of Oil States International, Inc. (the "Company"), hereby certify, to the best of my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lloyd A. Hajdik

Name:	Lloyd A. Hajdik
	Executive Vice President, Chief Financial Officer and Treasurer
Date:	April 26, July 29, 2024

DISCLAIMER

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