REFINITIV

DELTA REPORT

10-Q

OIS WI - OIL STATES INTERNATIONAL,

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

The following comparison report has been automatically generated

TOTAL DELTAS	1378
CHANGES	301
DELETIONS	554
ADDITIONS	523

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 September 30, 2023 March 31, 2024

or

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

For the transition period from _____ to _____

Commission file number: 001-16337

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

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

(713) 652-0582
(Registrant's 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 “large accelerated filer," "accelerated" “accelerated filer," "smaller" “smaller reporting company," ” and "emerging “emerging growth company" 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 October 20, 2023 April 19, 2024, the number of shares of common stock outstanding was 63,889,176. 64,215,204.

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

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 September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
	2024				
Revenues:					
Revenues:					
Revenues:	Revenues:				
Products	Products	$ 102,636	$ 99,743	$ 295,106	$ 284,537
Products					
Products					
Services	Services	91,653	89,651	278,911	250,735
Services					
Services					

		167,262			
		167,262			
		167,262			
		194,289	189,394	574,017	535,272
Costs and expenses:					
Costs and expenses:					
Costs and expenses:	Costs and expenses:				
Product costs	Product costs	80,188	81,576	231,524	225,765
Product costs					
Product costs					
Service costs					
Service costs					
Service costs	Service costs	70,239	69,723	211,668	194,294
Cost of revenues (exclusive of depreciation and amortization expense presented below)	Cost of revenues (exclusive of depreciation and amortization expense presented below)	150,427	151,299	443,192	420,059
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	Selling, general and administrative expense	24,241	23,374	71,785	70,964
Depreciation and amortization expense	Depreciation and amortization expense	15,416	16,413	46,209	51,469
Other operating income, net		(1,985)	(6,750)	(2,503)	(6,852)
		188,099	184,336	558,683	535,640
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			
Operating income (loss)					
Operating income (loss)					
Operating income (loss)	Operating income (loss)	6,190	5,058	15,334	(368)
Interest expense, net	Interest expense, net	(1,928)	(2,637)	(6,378)	(7,947)
Other income, net		186	491	672	1,892
Interest expense, net					
Interest expense, net					

Other income (expense), net					
Other income (expense), net					
Other income (expense), net					
Income (loss) before income taxes					
Income (loss) before income taxes					
Income (loss) before income taxes	Income (loss) before income taxes	4,448	2,912	9,628	(6,423)
Income tax provision	Income tax provision	(236)	(769)	(2,700)	(6,002)
Income tax provision					
Income tax provision					
Net income (loss)					
Net income (loss)					
Net income (loss)	Net income (loss)	$ 4,212	$ 2,143	$ 6,928	$ (12,425)
Net income (loss) per share:	Net income (loss) per share:				
Net income (loss) per share:					
Net income (loss) per share:					
Basic	Basic	$ 0.07	$ 0.03	$ 0.11	$ (0.20)
Basic					
Basic					
Diluted					
Diluted					
Diluted	Diluted	0.07	0.03	0.11	(0.20)
Weighted average number of common shares outstanding:	Weighted average number of common shares outstanding:				
Weighted average number of common shares outstanding:					
Weighted average number of common shares outstanding:					
Basic					
Basic					
Basic	Basic	62,651	62,674	62,760	61,292
Diluted	Diluted	63,060	62,676	63,135	61,292
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 September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
	Three Months Ended March 31,			
	Three Months Ended March 31,			
	Three Months Ended March 31,			
2024				
Net income (loss)				

Net income (loss)

Net income (loss)	Net income (loss)	$ 4,212	$ 2,143	$ 6,928	$ (12,425)
Other comprehensive income (loss):	Other comprehensive income (loss):				

Other comprehensive income (loss):

Other comprehensive income (loss):

Currency translation adjustments

Currency translation adjustments

Currency translation adjustments	Currency translation adjustments	(5,749)	(11,939)	1,670	(23,758)

Comprehensive income (loss)

Comprehensive income (loss)	Comprehensive income (loss)	$ (1,537)	$ (9,796)	$ 8,598	$ (36,183)

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)

		September 30, 2023 (Unaudited)	December 31, 2022

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

ASSETS	**ASSETS**		
Current assets:	Current assets:		

Current assets:

Current assets:

Cash and cash equivalents

Cash and cash equivalents

		September 30, 2023	December 31, 2022
Cash and cash equivalents	Cash and cash equivalents	$ 52,904	$ 42,018
Accounts receivable, net	Accounts receivable, net	189,249	218,769
Inventories, net	Inventories, net	206,541	182,658
Prepaid expenses and other current assets	Prepaid expenses and other current assets	36,015	19,317
Total current assets	Total current assets	484,709	462,762
Property, plant, and equipment, net	Property, plant, and equipment, net	279,146	303,835

Property, plant, and equipment, net

Property, plant, and equipment, net			
Operating lease assets, net	Operating lease assets, net	22,002	23,028
Goodwill, net	Goodwill, net	79,399	79,282
Other intangible assets, net	Other intangible assets, net	157,077	169,798
Other noncurrent assets	Other noncurrent assets	25,687	25,687
Total assets	Total assets	$1,048,020	$1,064,392
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES AND STOCKHOLDERS’ EQUITY			
LIABILITIES AND STOCKHOLDERS’ EQUITY			
LIABILITIES AND STOCKHOLDERS’ EQUITY			
Current liabilities:	Current liabilities:		
Current liabilities:			
Current liabilities:			
Current portion of long-term debt			
Current portion of long-term debt			
Current portion of long-term debt	Current portion of long-term debt	$ 589	$ 17,831
Accounts payable	Accounts payable	58,489	73,251
Accrued liabilities	Accrued liabilities	49,138	49,057
Current operating lease liabilities	Current operating lease liabilities	6,461	6,142
Income taxes payable	Income taxes payable	2,593	2,605
Deferred revenue	Deferred revenue	50,370	44,790
Total current liabilities	Total current liabilities	167,640	193,676
Long-term debt	Long-term debt	135,437	135,066
Long-term debt			
Long-term debt			
Long-term operating lease liabilities	Long-term operating lease liabilities	18,768	20,658
Deferred income taxes	Deferred income taxes	7,386	6,652
Other noncurrent liabilities	Other noncurrent liabilities	20,425	18,782
Total liabilities	Total liabilities	349,656	374,834
Stockholders' equity:			

Common stock, $.01 par value, 200,000,000 shares authorized, 77,218,035 shares and 76,587,920 shares issued, respectively	772	766
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		
Additional paid-in capital / Additional paid-in capital	1,127,443	1,122,292
Retained earnings / Retained earnings	278,955	272,027
Accumulated other comprehensive loss / Accumulated other comprehensive loss	(77,271)	(78,941)
Treasury stock, at cost, 13,328,859 and 12,684,101 shares, respectively	(631,535)	(626,586)
Total stockholders' equity	698,364	689,558
Total liabilities and stockholders' equity	$1,048,020	$1,064,392
Treasury stock, at cost, 14,299,626 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' STOCKHOLDERS’ EQUITY
(In Thousands)

Three Months Ended September 30, 2023	**Common Stock**	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Treasury Stock**	**Total Stockholders' Equity**
Balance, June 30, 2023	$ 772	$ 1,125,647	$ 274,743	$ (71,522)	$ (631,535)	$ 698,105
Net income	—	—	4,212	—	—	4,212

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity
Currency translation adjustments (excluding intercompany advances)	—	—	—	(4,429)	—	(4,429)
Currency translation adjustments on intercompany advances	—	—	—	(1,320)	—	(1,320)
Stock-based compensation expense	—	1,796	—	—	—	1,796
Stock repurchases	—	—	—	—	—	—
Surrender of stock to settle taxes on stock awards	—	—	—	—	—	—
Balance, September 30, 2023	$ 772	$ 1,127,443	$ 278,955	$ (77,271)	$ (631,535)	$ 698,364

Three Months Ended March 31, 2024	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity
Balance, December 31, 2023	$ 772	$ 1,129,240	$ 284,918	$ (69,984)	$ (635,401)	$ 709,545
Net loss	—	—	(13,374)	—	—	(13,374)
Currency translation adjustments (excluding intercompany advances)	—	—	—	(895)	—	(895)
Currency translation adjustments on intercompany advances	—	—	—	(2,132)	—	(2,132)
Stock-based compensation expense	13	1,739	—	—	—	1,752
Surrender of stock to settle taxes on stock awards	—	—	—	—	(2,578)	(2,578)
Balance, March 31, 2024	$ 785	$ 1,130,979	$ 271,544	$ (73,011)	$ (637,979)	$ 692,318

Nine Months Ended September 30, 2023	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity

Three Months Ended March 31, 2023	**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	**Balance, December 31, 2022**	$ 766	$1,122,292	$272,027	$ (78,941)	$(626,586)	$ 689,558
Net income	Net income	—	—	6,928	—	—	6,928
Currency translation adjustments (excluding intercompany advances)	Currency translation adjustments (excluding intercompany advances)	—	—	—	1,774	—	1,774
Currency translation adjustments on intercompany advances	Currency translation adjustments on intercompany advances	—	—	—	(104)	—	(104)
Stock-based compensation expense	Stock-based compensation expense	6	5,151	—	—	—	5,157

REFINITIV

Stock repurchases	—	—	—	—	(3,001)	(3,001)
Surrender of stock to settle taxes on stock awards	—	—	—	—	(1,948)	(1,948)
Balance, September 30, 2023	$ 772	$1,127,443	$278,955	$ (77,271)	$(631,535)	$ 698,364
Balance, March 31, 2023						

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 September 30, 2022	**Common Stock**	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Treasury Stock**	**Total Stockholders' Equity**
Balance, June 30, 2022	$ 747	$ 1,108,631	$ 266,999	$ (77,850)	$ (626,586)	$ 671,941
Net income	—	—	2,143	—	—	2,143
Currency translation adjustments (excluding intercompany advances)	—	—	—	(10,363)	—	(10,363)
Currency translation adjustments on intercompany advances	—	—	—	(1,576)	—	(1,576)
Issuance of common stock in connection with settlement of disputes with seller of GEODynamics, Inc.	19	10,313	—	—	—	10,332
Stock-based compensation expense	—	1,663	—	—	—	1,663
Surrender of stock to settle taxes on stock awards	—	—	—	—	—	—
Balance, September 30, 2022	$ 766	$ 1,120,607	$ 269,142	$ (89,789)	$ (626,586)	$ 674,140

Nine Months Ended September 30, 2022	**Common Stock**	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Treasury Stock**	**Total Stockholders' Equity**
Balance, December 31, 2021	$ 739	$ 1,105,135	$ 281,567	$ (66,031)	$ (625,584)	$ 695,826
Net loss	—	—	(12,425)	—	—	(12,425)
Currency translation adjustments (excluding intercompany advances)	—	—	—	(23,571)	—	(23,571)
Currency translation adjustments on intercompany advances	—	—	—	(187)	—	(187)
Issuance of common stock in connection with settlement of disputes with seller of GEODynamics, Inc.	19	10,313	—	—	—	10,332
Stock-based compensation expense	8	5,159	—	—	—	5,167
Surrender of stock to settle taxes on stock awards	—	—	—	—	(1,002)	(1,002)
Balance, September 30, 2022	$ 766	$ 1,120,607	$ 269,142	$ (89,789)	$ (626,586)	$ 674,140

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)

			Nine Months Ended September 30,		
			2023		2022
			Three Months Ended March 31,		
			Three Months Ended March 31,		
			Three Months Ended March 31,		
	2024				
Cash flows from operating activities:					
Cash flows from operating activities:					
Cash flows from operating activities:	Cash flows from operating activities:				
Net income (loss)	Net income (loss)	$	6,928	$	(12,425)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
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:					
Depreciation and amortization expense	Depreciation and amortization expense		46,209		51,469
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	Stock-based compensation expense		5,157		5,167
Amortization of deferred financing costs	Amortization of deferred financing costs		1,344		1,416
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)	Deferred income tax provision (benefit)		(66)		1,295
Gains on disposals of assets	Gains on disposals of assets		(3,335)		(1,538)
Settlement of disputes with seller of GEODynamics, Inc.			—		620
Gains on disposals of assets					
Gains on disposals of assets					
Other, net	Other, net		(614)		459
Changes in operating assets and liabilities, net of effect from acquired business:					
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	Accounts receivable	29,538	(27,745)
Inventories	Inventories	(23,754)	(18,680)
Inventories			
Inventories			
Accounts payable and accrued liabilities			
Accounts payable and accrued liabilities			
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	(17,515)	8,873
Deferred revenue	Deferred revenue	5,580	7,496
Deferred revenue			
Deferred revenue			
Other operating assets and liabilities, net	Other operating assets and liabilities, net	2,905	2,586
Net cash flows provided by operating activities		52,377	18,993
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			
Cash flows from investing activities:			
Cash flows from investing activities:			
Cash flows from investing activities:	Cash flows from investing activities:		
Capital expenditures	Capital expenditures	(23,370)	(13,263)
Proceeds from disposition of property and equipment		4,374	2,211
Acquisition of business, net of cash acquired		—	(8,125)
Capital expenditures			
Capital expenditures			
Proceeds from disposition of equipment			
Proceeds from disposition of equipment			
Proceeds from disposition of equipment			
Other, net	Other, net	(120)	(168)
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	Net cash flows used in investing activities	(19,116)	(19,345)
Cash flows from financing 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 borrowings	35,693	9,830

Revolving credit facility repayments	Revolving credit facility repayments	(35,693)	(9,830)
Revolving credit facility repayments			
Revolving credit facility repayments			
Repayment of 1.50% convertible senior notes	Repayment of 1.50% convertible senior notes	(17,315)	(6,272)
Payment of promissory note to seller of GEODynamics, Inc.		—	(10,000)
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	Other debt and finance lease repayments	(340)	(541)
Payment of financing costs	Payment of financing costs	(101)	(81)
Purchases of treasury stock		(3,001)	—
Payment of financing costs			
Payment of financing costs			
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	(1,948)	(1,002)
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	Net cash flows used in financing activities	(22,705)	(17,896)
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	330	(1,501)
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	Net change in cash and cash equivalents	10,886	(19,749)
Cash and cash equivalents, beginning of period	Cash and cash equivalents, beginning of period	42,018	52,852
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 and cash equivalents, end of period	$ 52,904	$ 33,103
Cash paid (received) for:	Cash paid (received) for:		
Cash paid (received) for:			
Cash paid (received) for:			

Interest					
Interest					
Interest	Interest	$	4,353	$	4,605
Income taxes, net	Income taxes, net		(34)		(67)
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" “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" (“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.

The Company revised its presentation In the first quarter of supplemental disclosure 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 in Note 10, "Segments “Segments and Related Information," in the second quarter of 2023. Prior-period disclosures of disaggregated revenue information Information” were conformed with the current-period 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 Company’s consolidated financial statements upon adoption.

The financial statements included in this report should be read in conjunction with the Company's Company’s audited financial statements and accompanying notes included in its Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

2. Charges Goodwill Impairment and Benefits Other Charges

During the third quarter of In 2023, the Offshore/Manufactured Products segment recognized facility Company implemented initiatives to reduce future costs, which are continuing into 2024. These management actions included the consolidation, charges totaling $1.6 million in connection with the ongoing consolidation relocation and relocation exit of certain manufacturing and service facilities 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 relocation of related equipment. In Company recorded the third following charges during the first quarter of 2022, the Offshore/Manufactured Products segment recognized a gain of $6.1 million associated with the settlement of outstanding litigation against certain service providers.

3. Details of Selected Balance Sheet Accounts

Additional information regarding selected balance sheet accounts as of September 30, 2023 and December 31, 2022 is presented below 2024 (in thousands):

	September 30, 2023	December 31, 2022
Accounts receivable, net:		
Trade	$ 137,020	$ 145,540
Unbilled revenue	26,973	29,679
Contract assets	26,005	42,599

Other	4,310	6,177
Total accounts receivable	194,308	223,995
Allowance for doubtful accounts	(5,059)	(5,226)
	$ 189,249	$ 218,769
Allowance for doubtful accounts as a percentage of total accounts receivable	3 %	2 %

	Offshore Manufactured Products	Well Site Services	Downhole Technologies	Pre-tax Total	Tax	After-tax Total
Impairment of goodwill	$ —	$ —	$ 10,000	$ 10,000	$ 481	$ 9,519
Facility consolidation and other charges	1,463	1,046	—	2,509	527	1,982

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.

	September 30, 2023	December 31, 2022
Deferred revenue (contract liabilities)	$ 50,370	$ 44,790

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

	Offshore Manufactured Products	Downhole Technologies	Total
Balance as of December 31, 2023	$ 79,867	$ —	$ 79,867
Goodwill associated with transferred operations	(10,000)	10,000	—
Impairment of goodwill	—	(10,000)	(10,000)
Foreign currency translation	(93)	—	(93)
Balance as of March 31, 2024	$ 69,774	$ —	$ 69,774

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 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 and December 31, 2023 is presented below (in thousands):

	March 31, 2024	December 31, 2023
Accounts receivable, net:		
Trade	$ 134,870	$ 128,405
Unbilled revenue	23,815	27,756
Contract assets	41,355	46,746
Other	5,094	4,801
Total accounts receivable	205,134	207,708
Allowance for doubtful accounts	(4,369)	(4,497)
	$ 200,765	$ 203,211
Allowance for doubtful accounts as a percentage of total accounts receivable	2 %	2 %

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

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of September 30, 2023 March 31, 2024, accounts receivable, net in the United States and the United Kingdom represented 68% 65% and 11% 15%, respectively, of the total. No other country or single customer accounted for more than 10% of the Company's Company's total accounts receivable as of September 30, 2023 March 31, 2024.

For the nine three months ended September 30, 2023 March 31, 2024, the $16.6 $5.4 million net decrease in contract assets was primarily attributable to $39.9 $27.4 million transferred to accounts receivable, during the period, which was partially offset by $23.3 $22.0 million in revenue recognized. recognized during the period. Deferred revenue (contract liabilities) increased by $5.6 $4.8 million in the first nine three months of 2023, 2024, primarily reflecting $20.7 $10.7 million in new customer billings which were not recognized as revenue during the period, partially offset by the recognition of $15.1 $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 nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands):

		Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
	Three Months Ended March 31, 2024		
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	
Allowance for doubtful accounts – January 1	Allowance for doubtful accounts – January 1	$ 5,226	$ 4,471
Provisions	Provisions	23	1,237
Write-offs	Write-offs	(208)	(1,581)
Other	Other	18	272
Allowance for doubtful accounts – September 30		$ 5,059	$ 4,399
Allowance for doubtful accounts – March 31			

		September 30, 2023	December 31, 2022		
	March 31, 2024			March 31, 2024	December 31, 2023
Inventories, net:	**Inventories, net:**				
Finished goods and purchased products					
Finished goods and purchased products					
Finished goods and purchased products	Finished goods and purchased products	$105,009	$ 90,443		
Work in process	Work in process	31,258	32,079		
Raw materials	Raw materials	110,401	97,817		
Total inventories	Total inventories	246,668	220,339		
Allowance for excess or obsolete inventory	Allowance for excess or obsolete inventory	(40,127)	(37,681)		
		$206,541	$182,658		
	$				

		September 30, 2023		December 31, 2022
Property, plant and equipment, net:				
Property, plant and equipment	$	886,920	$	1,128,834
Accumulated depreciation		(607,774)		(824,999)
	$	279,146	$	303,835

During 2023, certain facilities in the Offshore/Manufactured Products segment were reclassified as held for sale assets, and transferred from property, plant and equipment to prepaid and other current assets. The carrying value of these facilities totaled $17.2 million as of September 30, 2023.

		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 September 30, 2023 March 31, 2024 and 2022, 2023, depreciation expense was $11.1 $9.9 million and $11.3 $11.0 million, respectively. Depreciation

	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 $33.3$4.3 million and $35.9$4.3 million, respectively, for the nine months ended September 30, 2023 and 2022. respectively.

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	September 30, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Other intangible assets:						
Customer relationships	$ 141,215	$ 54,268	$ 86,947	$ 141,179	$ 47,629	$ 93,550
Patents/Technology/Know-how	69,971	33,188	36,783	69,830	29,214	40,616
Tradenames and other	52,492	19,145	33,347	52,488	16,856	35,632
	$ 263,678	$ 106,601	$ 157,077	$ 263,497	$ 93,699	$ 169,798

	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

For the three months ended September 30, 2023 and 2022, amortization expense was $4.3 million and $5.1 million, respectively. Amortization expense was $12.9 million and $15.5 million for the nine months ended September 30, 2023 and 2022, respectively.

	September 30, 2023	December 31, 2022
Other noncurrent assets:		
Deferred compensation plan	$ 19,477	$ 17,551
Deferred financing costs	1,317	1,893
Deferred income taxes	2,274	1,517
Other	2,619	4,726
	$ 25,687	$ 25,687

	September 30, 2023	December 31, 2022
	March 31, 2024	

	March 31, 2024	December 31, 2023
Accrued liabilities: **Accrued liabilities:**		
Accrued compensation		

Accrued compensation			
Accrued compensation	Accrued compensation	$ 24,783	$ 33,659
Accrued taxes, other than income taxes	Accrued taxes, other than income taxes	5,142	1,865
Insurance liabilities	Insurance liabilities	3,653	4,640
Accrued interest	Accrued interest	3,288	1,784
Accrued commissions	Accrued commissions	3,226	2,302
Other	Other	9,046	4,807
		$ 49,138	$ 49,057
	$		

4. Long-term Debt

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, long-term debt consisted of the following (in thousands):

		September 30, 2023	December 31, 2022		
	March 31, 2024			March 31, 2024	December 31, 2023
Revolving credit facility(1)	Revolving credit facility(1)	$ —	$ —		
2026 Notes(2)	2026 Notes(2)	132,817	132,164		
2023 Notes		—	17,303		
Other debt and finance lease obligations	Other debt and finance lease obligations	3,209	3,430		
Total debt	Total debt	136,026	152,897		
Less: Current portion	Less: Current portion	(589)	(17,831)		
Total long-term debt	Total long-term debt	$ 135,437	$ 135,066		

(1) Unamortized deferred financing costs of $1.3 $1.8 million and $1.9 $1.1 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, are presented in other noncurrent assets.

(2) The outstanding principal amount of the 2026 Notes was $135.0 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

Revolving Credit Facility

On February 10, 2021, the The Company entered into has a senior secured credit facility, with certain lenders, which provides for a $125.0 million asset-based revolving credit facility (the "ABL 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 (the "ABL Agreement" (as amended, the "ABL Agreement"). The In February 2024, the Company amended the ABL Agreement matures on February 10, 2025 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 Company's domestic assets (other than real property) and the stock of certain foreign subsidiaries.

Since December 13, 2022, borrowings

Borrowings under the ABL Agreement bear interest at a rate equal to the Secured Overnight Financing Rate ("SOFR") 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 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 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 September 30, 2023 March 31, 2024, the Company had no borrowings outstanding under the ABL Facility and $16.4 $15.9 million of outstanding letters of credit. The total amount available to be drawn as of September 30, 2023 March 31, 2024 was $84.5 $86.3 million, calculated based on the current borrowing base less outstanding borrowings, if any, and letters of credit. As of September 30, 2023 March 31, 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" "2026 Notes") pursuant to an indenture, dated as of March 19, 2021 (the "2026 Indenture" "2026 Indenture"), between the Company and Computershare Trust Company, National Association, as successor trustee.

The 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 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 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 Company's common stock. As of September 30, 2023 March 31, 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 January 30, 2018, the Company's Company issued $200.0 million aggregate principal amount of its 1.50% convertible senior notes due 2023 (the "2023 Notes") matured 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 principal amount matured and was repaid in full. full on February 15, 2023.

5. Fair Value Measurements

The Company'sCompany'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 September 30, 2023March 31, 2024 was $151.0$132.8 million based on quoted market prices (a Level 2 fair value measurement), which compares to the principal amount of $135.0 million.

6. Stockholders'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 ninethree months of 20232024 (in thousands):

Shares of common stock outstanding – December 31, 2022December 31, 2023	63,904 63,327
Restricted stock awards, net of forfeitures	630 1,296
Shares withheld for taxes on vesting of stock awards	(206) (408)
Shares of common stock outstanding – September 30, 2023March 31, 2024	63,889 64,215

As of September 30, 2023March 31, 2024 and December 31, 2022December 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'sCompany's Board of Directors authorized $25.0 million for the repurchase of the Company'sCompany's common stock, par value $0.01 per share, through February 2025. During the second quarter of 2023, the Company repurchased 438,563 sharesthree months ended March 31, 2024, there were no repurchases of common stock under the program at a total cost of $3.0 million.program. The amount remaining under the Company'sCompany's share repurchase authorization as of September 30, 2023March 31, 2024 was $22.0$18.1 million. Subject to applicable securities laws, such purchases will be at such times and in such amounts as the Company deems appropriate.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss, reported as a component of stockholders'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'sCompany's operating segments. Accumulated other comprehensive loss decreasedincreased from $78.9$70.0 million at December 31, 2022December 31, 2023 to $77.3$73.0 million at September 30, 2023March 31, 2024. For the three and nine months ended September 30, 2023March 31, 2024 and 2022,2023, currency translation adjustments recognized as a component of other comprehensive income (loss) were primarily attributable to the United Kingdom and Brazil.

During the ninethree months ended September 30, 2023March 31, 2024, the exchange rates for the British pound and the Brazilian real strengthenedweakened by 1% and 4%3%, respectively, compared to the U.S. dollar, contributing to other comprehensive loss of $3.0 million. During the three months ended March 31, 2023, the exchange rate for the British pound and the Brazilian real strengthened by 3% and 2%, respectively, compared to the U.S. dollar, contributing to other comprehensive income of $1.7 million. During the nine months ended September 30, 2022, the exchange rate for the British pound weakened by 18% compared to the U.S. dollar while the Brazilian real strengthened by 3% compared to the U.S. dollar, contributing to other comprehensive loss of $23.8$4.1 million.

7. Income Taxes

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

For the three months ended September 30, 2023March 31, 2024, the Company'sCompany's income tax expense was $0.2 million$24 thousand on a pre-tax incomeloss of $4.4$13.4 million, which included certaina $10.0 million goodwill impairment charge (approximately $7.7 million of which was non-deductible) and other non-deductible expenses, discrete tax items and a reduction in valuation allowances recorded against deferred tax assets.expenses. This compares to an income tax expense of $0.8$1.6 million on pre-tax income of $2.9$3.8 million, which which was negatively impacted by valuation allowances recorded against deferred tax assets as well asincluded certain non-deductible expenses and discrete tax items, for the three months ended September 30, 2022March 31, 2023.

For the nine months ended September 30, 2023, the Company's income tax expense was $2.7 million on pre-tax income of $9.6 million, which included certain non-deductible expenses, discrete tax items and a reduction in valuation allowances recorded against deferred tax assets. This compares to an income tax expense of $6.0 million on a pre-tax loss of $6.4 million, which included the impact of valuation allowances recorded against tax assets as well as certain non-deductible expenses and discrete tax items, for the nine months ended September 30, 2022.

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 nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands, except per share amounts):

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
	2024				
Numerators:					
Numerators:					
Numerators:	**Numerators:**				
Net income (loss)	Net income (loss)	$ 4,212	$ 2,143	$ 6,928	$ (12,425)
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	Less: Income attributable to unvested restricted stock awards	(82)	(41)	(135)	—
Numerator for basic net income (loss) per share	**Numerator for basic net income (loss) per share**	4,130	2,102	6,793	(12,425)
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:	**Effect of dilutive securities:**				
Unvested restricted stock awards	Unvested restricted stock awards	1	3	1	—
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	**Numerator for diluted net income (loss) per share**	$ 4,131	$ 2,105	$ 6,794	$ (12,425)
Denominators:	**Denominators:**				
Denominators:					
Denominators:					
Weighted average number of common shares outstanding					
Weighted average number of common shares outstanding					
Weighted average number of common shares outstanding	Weighted average number of common shares outstanding	63,892	63,896	64,007	62,490
Less: Weighted average number of unvested restricted stock awards outstanding	Less: Weighted average number of unvested restricted stock awards outstanding	(1,241)	(1,222)	(1,247)	(1,198)
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	**Denominator for basic net income (loss) per share**	62,651	62,674	62,760	61,292
Effect of dilutive securities:	**Effect of dilutive securities:**				
Unvested restricted stock awards		—	2	—	—
Unvested performance share units		409	—	375	—
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	**Denominator for diluted net income (loss) per share**	63,060	62,676	63,135	61,292
Net income (loss) per share:	**Net income (loss) per share:**				
Net income (loss) per share:					
Net income (loss) per share:					
Basic					

Basic									
Basic	Basic	$	0.07	$	0.03	$	0.11	$	(0.20)
Diluted	Diluted		0.07		0.03		0.11		(0.20)
Diluted									
Diluted									

The calculation of diluted net income earnings per share for the three and nine months ended September 30, 2023 March 31, 2024 and 2023 excluded 159 122 thousand shares and 177 thousand shares, respectively, issuable pursuant to outstanding stock options, due to their antidilutive effect. The calculation of diluted net loss per share for the three and nine months ended September 30, 2022 excluded 249 thousand shares and 287 209 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 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 nine three months ended September 30, 2023 March 31, 2024 (in thousands):

		Stock Options	Service-based Restricted Stock	Performance- and Service-based Stock Units
Outstanding – December 31, 2022		245	1,222	494
Stock Options	Stock Options	Service-based Restricted Stock	Performance- and Service-based Stock Units	
Outstanding – December 31, 2023				
Granted	Granted	—	645	211
Vested and distributed	Vested and distributed	—	(618)	—
Forfeited	Forfeited	(87)	(15)	—
Outstanding – September 30, 2023		158	1,234	705
Weighted average grant date fair value (2023 awards)			$ 8.81	$ 8.66
Outstanding – March 31, 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 generally vest on a straight-line basis over a term of three years. Service-based stock unit awards vest over one-year, with the underlying shares issued at a specified future date. Eighty-two thousand service-based stock units were outstanding as of September 30, 2023 March 31, 2024. Performance-based stock unit awards generally vest at the end 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 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" Awards”) of $1.5 million in the first quarters of 2023 2024 and 2022. 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 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 nine months ended September 30, 2023 March 31, 2024 and 2023 totaled $1.8 million and $5.2 million, respectively. Stock-based compensation expense recognized during the three and nine months ended September 30, 2022 totaled $1.7 million and $5.2 $1.6 million, respectively. As of September 30, 2023 March 31, 2024, there was $8.8 $11.8 million of total compensation costs related to unvested restricted stock awards, which is expected to be recognized in future periods as vesting conditions are satisfied.

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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/ Offshore Manufactured Products, Well Site Services and Downhole Technologies. Financial information by operating segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 is summarized in the following tables (in thousands).

	Revenues	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
Three Months Ended September 30, 2023					
Offshore/Manufactured Products(1)	$ 111,043	$ 4,921	$ 17,804	$ 2,739	$ 536,263
Well Site Services	59,831	6,313	3,285	2,602	201,384
Downhole Technologies	23,415	4,030	(4,118)	541	246,329
Corporate	—	152	(10,781)	150	64,044
Total(1)	$ 194,289	$ 15,416	$ 6,190	$ 6,032	$ 1,048,020

	Revenues	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
Three Months Ended March 31, 2024					
Offshore Manufactured Products(1)	$ 86,857	$ 3,693	$ 10,603	$ 7,221	$ 516,039
Well Site Services(2)	47,292	6,079	(419)	2,414	179,763
Downhole Technologies(3)	33,113	4,270	(12,079)	446	278,055
Corporate	—	153	(9,282)	11	41,958
Total(1)	$ 167,262	$ 14,195	$ (11,177)	$ 10,092	$ 1,015,815

(1) Operating income included $1.6 $1.5 million of facility consolidation charges.

	Revenues	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
Three Months Ended September 30, 2022					
Offshore/Manufactured Products(2)	$ 96,037	$ 5,072	$ 13,373	$ 1,620	$ 540,940
Well Site Services	60,509	6,732	2,359	4,894	205,018
Downhole Technologies	32,848	4,442	(342)	273	257,676
Corporate	—	167	(10,332)	23	46,736
Total(2)	$ 189,394	$ 16,413	$ 5,058	$ 6,810	$ 1,050,370

(2) Operating income loss included a $6.1 $1.0 million gain on settlement of outstanding litigation against certain service providers. in facility consolidation and other charges.

	Revenues	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
Nine Months Ended September 30, 2023					
Offshore/Manufactured Products(3)	$ 303,328	$ 14,236	$ 40,147	$ 7,936	$ 536,263
Well Site Services	191,425	19,023	14,983	14,046	201,384
Downhole Technologies	79,264	12,480	(8,173)	961	246,329
Corporate	—	470	(31,623)	427	64,044
Total(3)	$ 574,017	$ 46,209	$ 15,334	$ 23,370	$ 1,048,020

(3) Operating income included $1.6 million of facility consolidation charges.

	Revenues	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
Nine Months Ended September 30, 2022					
Offshore/Manufactured Products(4)	$ 276,616	$ 15,651	$ 33,010	$ 3,093	$ 540,940
Well Site Services	163,500	22,059	(435)	9,360	205,018
Downhole Technologies	95,156	13,249	(3,332)	657	257,676
Corporate	—	510	(29,611)	153	46,736
Total(4)	$ 535,272	$ 51,469	$ (368)	$ 13,263	$ 1,050,370

(4) Operating income (loss) loss included a $6.1 $10.0 million gain on settlement of outstanding litigation against certain service providers. non-cash goodwill impairment charge (see Note 2, "Goodwill Impairment and Other Charges").

	Revenues	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
Three Months Ended March 31, 2023					
Offshore Manufactured Products	$ 80,505	$ 4,075	$ 7,698	$ 359	$ 502,263
Well Site Services	67,058	6,146	6,966	5,772	212,415
Downhole Technologies	48,636	4,868	1,873	425	302,271
Corporate	—	167	(10,662)	12	33,188
Total	$ 196,199	$ 15,256	$ 5,875	$ 6,568	$ 1,050,137

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 nine months ended September 30, 2023March 31, 2024 and 20222023 (in thousands):

	Offshore/Manufactured Products		Well Site Services		Downhole Technologies		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Three Months Ended September 30								
Project-driven:								
Products	$ 45,527	$ 38,911	$ —	$ —	$ —	$ —	$ 45,527	$ 38,911
Services	30,391	23,421	—	—	—	—	30,391	23,421
Total project-driven	75,918	62,332	—	—	—	—	75,918	62,332
Military and other products	7,195	9,995	—	—	—	—	7,195	9,995
Short-cycle:								
Products	27,930	23,710	—	—	21,984	27,127	49,914	50,837
Services	—	—	59,831	60,509	1,431	5,721	61,262	66,230
Total short-cycle	27,930	23,710	59,831	60,509	23,415	32,848	111,176	117,067
	$ 111,043	$ 96,037	$ 59,831	$ 60,509	$ 23,415	$ 32,848	$ 194,289	$ 189,394

		Offshore/Manufactured Products		Well Site Services		Downhole Technologies		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
Nine Months Ended September 30									
	Offshore Manufactured Products								
	2024								
Three Months Ended March 31									
Project-driven:	**Project-driven:**								
Project-driven:									
Project-driven:									
Products									
Products									
Products	Products	$116,869	$113,853	$ —	$ —	$ —	$ —	$116,869	$113,853
Services	Services	79,867	71,714	—	—	—	—	79,867	71,714
Total project-driven	Total project-driven	196,736	185,567	—	—	—	—	196,736	185,567
Military and other products	**Military and other products**	22,157	23,104	—	—	—	—	22,157	23,104
Short-cycle:									
Products		84,435	67,945	—	—	71,645	79,635	156,080	147,580
Services		—	—	191,425	163,500	7,619	15,521	199,044	179,021
Total short-cycle		84,435	67,945	191,425	163,500	79,264	95,156	355,124	326,601
		$303,328	$276,616	$191,425	$163,500	$79,264	$95,156	$574,017	$535,272
Short-cycle products and services									

Offshore Manufactured Products		Well Site Services		Downhole Technologies		Total	
2024	2023	2024	2023	2024	2023	2024	2023

Short-cycle products and services	
Short-cycle products and services	
$	

Revenues from products and services transferred to customers over time accounted for approximately 66% 67% and 63% 66% of consolidated revenues for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The balance of revenues for the respective periods relates to products and services transferred to customers at a point in time. As of September 30, 2023 March 31, 2024, the Company had $225.9 $203.0 million of remaining backlog related to contracts with an original expected duration of greater than one year. Approximately 19% 43% of this remaining backlog is expected to be recognized as revenue over the remaining three nine months of 2023, 2024, with an additional 51% 33% recognized in 2024 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 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" "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" "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 "Part I, Item 1. Business," "Part " "Part I, Item 1A. Risk Factors," "Part " "Part II, Item 7. Management's Management's Discussion and Analysis of Financial Condition and Results of Operations" Operations" and "Part "Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk" Risk" included in our 2022 2023 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC" "SEC") on February 17, 2023 February 21, 2024, as well as to "Part "Part II, Item 1A. Risk Factors" Factors" included in this Quarterly Report on Form 10-Q.

You can typically identify "forward-looking statements" "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," "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" ("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 impact of disruptions in the bank financial health and capital markets, including the four U.S. bank failures which occurred in March, May and July of 2023;*
- *the financial health 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;*
- *proposed 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;*
- *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 and enforce our intellectual property rights;*
- *our ability to complete the integration of acquired businesses and achieve the expected accretion in earnings; and*
- *the other factors identified in "Part "Part I, Item 1A. Risk Factors" Factors" in our 2022 2023 Annual Report on Form 10-K, as well as in "Part "Part II, Item 1A. Risk Factors" 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 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 2022 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/ 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 months ended March 31, 2023 (presented herein) was conformed with the current-period 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' customers' willingness to invest capital in the exploration for and development of crude oil and natural gas reserves. Our customers' 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 Environmental, Social and governance ("ESG" Governance (“ESG”) considerations.

Recent Developments

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

Year	Average Price(1) for quarter ended				Average Price(1) for year ended December 31
	March 31	June 30	September 30	December 31	
Brent Crude (per bbl)					
Brent Crude (per bbl)					
Brent Crude (per bbl)					
2024					
2024					
2024					
2023	$ 81.01	$ 77.99	$ 86.65		
2022	100.87	113.84	100.71	$ 88.77	$ 100.99
WTI Crude (per bbl)					
2024					
2024					
2024					
2023	$ 75.91	$ 73.54	$ 82.25		
2022	95.18	108.83	93.06	$ 82.79	$ 94.90
Henry Hub Natural Gas (per MMBtu)					
2024					
2024					
2024					
2023	$ 2.64	$ 2.16	$ 2.59		
2022	4.67	7.50	8.03	$ 5.55	$ 6.45

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

On October 20, 2023 February 16, 2024, we amended our ABL Facility 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.

On April 19, 2024, Brent crude oil, WTI crude oil and natural gas spot prices closed at $93.72 $87.96 per barrel, $89.12 $83.79 per barrel and $2.60 $1.43 per MMBtu, respectively. Additionally, as presented in more detail below, the U.S. drilling rig count reported on October 20, 2023 April 19, 2024 was 624 619 rigs – 4% below the third quarter 2023 average.

In February 2023, we repaid the $17.3 million principal amount, plus accrued interest, outstanding under our 2023 Notes (as defined below). Additionally, our Board of Directors authorized a $25.0 million stock repurchase plan, which extends through February 2025. During comparable to the first nine months of 2023, $3.0 million of share repurchases were made under this authorization. quarter 2024 average.

Overview

Current and expected future pricing for WTI crude oil and natural gas and inflationary costs 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' customers' willingness to invest capital in their businesses. Expectations for the longer-term price for Brent crude oil will continue to influence our customers' customers' spending related to global offshore drilling and development and, thus, a significant portion of the activity of our Offshore/ 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; global uncertainties related to disruptions in the banking sector; 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 crude oil 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/ 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 and land-based 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 related to, and (and have been awarded select contracts and are bidding on additional projects that 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' customers' longer-term commodity demand forecasts and outlook for crude oil and natural gas prices. Approximately 65% 90% of Offshore/ Offshore Manufactured Products segment sales in the first nine three months of 2023 2024 were driven by our customers' 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 “project-driven products and services" 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/ Offshore Manufactured Products segment increased decreased to $348 $305 million as of September 30, 2023 March 31, 2024 from $308 $327 million as of December 31, 2022 and $258 million as of September 30, 2022 December 31, 2023. Bookings totaled $129 million $66 million in the third first quarter of 2023, 2024, yielding a quarterly book-to-bill ratio of 1.2x (1.2x year-to-date). 0.8x. The following table sets forth backlog as of the dates indicated (in millions).

		Backlog as of								
	Backlog as of						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	2023	$ 326	$ 338	$ 348						
2022	2022	265	241	258	$ 308					
	2021	226	214	249	260					

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 proprietary frac plug, and 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. and international drilling rig count, as measured by Baker Hughes Company, as of and for the periods indicated.

	As of October 20, 2023	Average for the Three Months Ended September 30, 2023	Average for the Three Months Ended September 30, 2022	Average for the Nine Months Ended September 30, 2023	Average for the Nine Months Ended September 30, 2022
United States Rig Count:					
Land – Oil	477	499	581	543	543
Land – Natural gas and other	122	128	160	143	145
Offshore	25	22	20	21	18
	624	649	761	707	706

	As of April 19, 2024	Average for the Three Months Ended March 31, 2024	Average for the Three Months Ended March 31, 2023
United States Rig Count:			
Land – Oil	492	483	579
Land – Natural gas and other	107	119	155
Offshore	20	21	19
	619	623	753

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 September 30, 2023 March 31, 2024, oil-directed drilling accounted for 81% 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 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 (including disruptions in the banking sector); 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 "Part I, Item 1. Business – Human Capital" Capital" in our Annual Report on Form 10-K for the year ended December 31, 2022 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 "Part I, Item 1. Financial Statements" Statements" of this Quarterly Report on Form 10-Q and in "Part "Part II, Item 7. Management's Management's Discussion and Analysis of Financial Condition and Results of Operations" Operations" and our Consolidated Financial Statements and related notes included in "Part "Part II, Item 8. Financial Statements and Supplementary Data" Data" of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 in order to understand factors, such as charges, credits and financing transactions, which may impact comparability of the selected financial data.

We revised our presentation 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 disclosure of disaggregated revenue information in as of the second quarter of 2023. Prior-period disclosures of disaggregated revenue information presented within this discussion and analysis three months ended March 31, 2023 (presented herein) were conformed with the current-period segment presentation.

Unaudited Consolidated Results of Operations

The following summarizes our consolidated results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands, except per share amounts):

		Three Months Ended September 30,			Nine Months Ended September 30,				
		2023	2022	Variance	2023	2022	Variance		
		Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,							
		2024 2024 2024						2023	Variance
Revenues:	Revenues:								
Products	Products	$102,636	$99,743	$2,893	$295,106	$284,537	$10,569		
Products									
Products									
Services	Services	91,653	89,651	2,002	278,911	250,735	28,176		
		194,289	189,394	4,895	574,017	535,272	38,745		
	167,262								
Costs and expenses:	Costs and expenses:								
Product costs									
Product costs									
Product costs	Product costs	80,188	81,576	(1,388)	231,524	225,765	5,759		
Service costs	Service costs	70,239	69,723	516	211,668	194,294	17,374		

Cost of revenues (exclusive of depreciation and amortization expense presented below)	Cost of revenues (exclusive of depreciation and amortization expense presented below)	150,427	151,299	(872)	443,192	420,059	23,133
Selling, general and administrative expenses		24,241	23,374	867	71,785	70,964	821
Selling, general and administrative expenses(1)							
Depreciation and amortization expense	Depreciation and amortization expense	15,416	16,413	(997)	46,209	51,469	(5,260)
Other operating expense (income), net(1)		(1,985)	(6,750)	4,765	(2,503)	(6,852)	4,349
		188,099	184,336	3,763	558,683	535,640	23,043
Impairment of goodwill(2)							
Other operating (income) expense, net(3)							
	178,439						
Operating income (loss)	Operating income (loss)	6,190	5,058	1,132	15,334	(368)	15,702
Interest expense, net	Interest expense, net	(1,928)	(2,637)	709	(6,378)	(7,947)	1,569
Other income, net		186	491	(305)	672	1,892	(1,220)
Interest expense, net							
Interest expense, net							
Other income (expense), net							
Income (loss) before income taxes	Income (loss) before income taxes	4,448	2,912	1,536	9,628	(6,423)	16,051
Income tax provision	Income tax provision	(236)	(769)	533	(2,700)	(6,002)	3,302
Net income (loss)	Net income (loss)	$ 4,212	$ 2,143	$ 2,069	$ 6,928	$ (12,425)	$ 19,353

Net income (loss) per share:

Net income (loss) per share:							
Net income (loss) per share:							
Basic	Basic	$ 0.07	$ 0.03		$ 0.11	$ (0.20)	
Diluted	Diluted	0.07	0.03		0.11	(0.20)	
Diluted							

REFINITIV

Diluted						
Weighted average number of common shares outstanding:						
Weighted average number of common shares outstanding:						
	Weighted average number of common shares outstanding:					
Basic	Basic	62,651	62,674	62,760	61,292	
Diluted	Diluted	63,060	62,676	63,135	61,292	
Diluted						
Diluted						

(1) In During the three and nine months ended September 30, 2023 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 $1.6 million $2.1 million associated with the Offshore/ Offshore Manufactured Products segment's and the Well Site Services segments' ongoing consolidation and relocation of certain manufacturing and service locations. In the three and nine months ended September 30, 2022, we recognized a gain of $6.1 million associated with the settlement of outstanding litigation against certain service providers.

Unaudited Segment Results of Operations

We manage and measure our business performance in three distinct operating segments: Offshore/ Offshore Manufactured Products, Well Site Services and Downhole Technologies. Supplemental financial information by operating segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 is summarized below (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Variance	2023	2022	Variance
	Three Months Ended March 31,					
	Three Months Ended March 31,					
	Three Months Ended March 31,					
	2024					
	2024					
	2024				2023	Variance
Revenues: Revenues:						
Offshore/Manufactured Products						
Offshore Manufactured Products						
Offshore Manufactured Products						
Offshore Manufactured Products						
Project-driven:						
Project-driven:						
Project-driven: Project-driven:						
Products Products	$ 45,527	$ 38,911	$ 6,616	$116,869	$113,853	$ 3,016
Products						
Products						
Services Services	30,391	23,421	6,970	79,867	71,714	8,153

		75,918	62,332	13,586	196,736	185,567	11,169
	78,370						
Military and other products	Military and other products	7,195	9,995	(2,800)	22,157	23,104	(947)
Short-cycle products		27,930	23,710	4,220	84,435	67,945	16,490
		111,043	96,037	15,006	303,328	276,616	26,712
	86,857						
Well Site Services	Well Site Services	59,831	60,509	(678)	191,425	163,500	27,925
Downhole Technologies	Downhole Technologies	23,415	32,848	(9,433)	79,264	95,156	(15,892)
		$194,289	$189,394	$4,895	$574,017	$535,272	$38,745
	$						
Operating income (loss):	Operating income (loss):						
Offshore/Manufactured Products(1)		$ 17,804	$ 13,373	$4,431	$ 40,147	$ 33,010	$ 7,137
Well Site Services		3,285	2,359	926	14,983	(435)	15,418
Downhole Technologies		(4,118)	(342)	(3,776)	(8,173)	(3,332)	(4,841)
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	Corporate	(10,781)	(10,332)	(449)	(31,623)	(29,611)	(2,012)
		$ 6,190	$ 5,058	$1,132	$ 15,334	$ (368)	$15,702
	$						

(1) In During the three and nine months ended September 30, 2023 March 31, 2024, we recognized facility consolidation charges of $1.6 $1.5 million associated with the Offshore/ Offshore Manufactured Products segment's segment's ongoing consolidation and relocation of certain a manufacturing and service locations. location.

(2) In During the three and nine months ended September 30, 2022 March 31, 2024, we the Well Site Services segment recognized charges of $1.0 million associated primarily with the consolidation and exit of certain service locations.

(3) During the three months ended March 31, 2024, the Downhole Technologies segment recognized a gain of $6.1 million associated $10.0 million non-cash impairment charge related to goodwill reassigned to the business in connection with the settlement of outstanding litigation against certain service providers. segment realignment discussed above.

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

We reported a net income loss for the three months ended September 30, 2023 March 31, 2024 of $4.2 $13.4 million, or $0.07 $0.21 per share, which included facility consolidation charges a non-cash goodwill impairment charge of $1.6 million $10.0 million ($1.3 9.5 million after-tax, or $0.02 $0.15 per share) and facility consolidation and other charges of $2.5 million ($2.0 million after-tax, or $0.03 per share). These results compare to net income for the three months ended September 30, 2022 March 31, 2023 of $2.1 $2.2 million, or $0.03 per share, which included a gain of $6.1 million ($4.6 million after-tax, or $0.07 per share) recognized in connection with the favorable settlement of a litigation matter. share.

Our reported first quarter 2024 results, in the third quarter of 2023 reflect continued growth in international offshore-project activity and associated backlog conversion, partially offset by the impact of an industry-wide decline in U.S. well completions, – which has been ongoing since driven particularly by weak natural gas prices (the average spot price for Henry Hub natural gas was $2.15 per MMBtu in the start first quarter of 2023. 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. Management continues to implement measures in areas experiencing lower activity levels to reduce future costs.

Revenues. Consolidated total revenues in the third quarter first three months of 2023 increased $4.9 2024 decreased $28.9 million, or 3% 15%, from the third quarter first three months of 2022. 2023.

Consolidated product revenues in the third quarter first three months of 2023 increased $2.9 2024 decreased $5.5 million, or 3% 6%, from the third quarter first three months of 2022, driven primarily 2023, with the impact of lower customer demand for consumable completion products in the United States, partially offset by the conversion of higher customer demand for project-driven production facility products from backlog into revenue. and connector products. Consolidated service revenues in the third quarter first three months of 2023 increased $2.0 2024 decreased $23.4 million, or 2% 24%, from the third quarter first three months of 2022 2023 due primarily to increased lower U.S. land-based customer spending for project-driven services, partially offset by a decrease in U.S. customer demand for short-cycle services. investments.

The following table provides supplemental disaggregated revenue from contracts with customers by operating segment for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands):

	Offshore/ Manufactured Products		Well Site Services		Downhole Technologies		Total	
Three Months Ended September 30	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Project-driven:								
Products	$ 45,527	$ 38,911	$ —	$ —	$ —	$ —	$ 45,527	$ 38,911
Services	30,391	23,421	—	—	—	—	30,391	23,421
Total project-driven	75,918	62,332	—	—	—	—	75,918	62,332
Military and other products	7,195	9,995	—	—	—	—	7,195	9,995
Short-cycle:								
Products	27,930	23,710	—	—	21,984	27,127	49,914	50,837
Services	—	—	59,831	60,509	1,431	5,721	61,262	66,230
Total short-cycle	27,930	23,710	59,831	60,509	23,415	32,848	111,176	117,067
	$ 111,043	$ 96,037	$ 59,831	$ 60,509	$ 23,415	$ 32,848	$ 194,289	$ 189,394

Percentage of total revenue by type -

Offshore Manufactured Products

Three Months Ended March 31	**Three Months Ended March 31**	**Offshore Manufactured Products**		**Well Site Services**		**Downhole Technologies**		**Total**	
		2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Project-driven:									
Products									
Products									
Products	Products	73 %	76 %	— %	— %	94 %	83 %	53 %	53 %
Services	Services	27 %	24 %	100 %	100 %	6 %	17 %	47 %	47 %
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%, in the third quarter first three months of 2023 decreased $0.9 million, or 1%, 2024 compared to the level reported in the third quarter first three months of 2022. 2023.

Consolidated product costs in the third quarter first three months of 2023 2024 decreased $1.4 $3.5 million, or 2% 4%, from compared to the third quarter of 2022 due to a favorable shift in product sales mix. Consolidated service costs in the third quarter first three months of 2023 increased $0.5 million, or 1%, from the third quarter of 2022, due primarily to the reported revenue growth. decline. Consolidated service costs in the first three months of 2024 decreased $15.2 million, or 21%, compared to the first three months of 2023, due primarily to the impact of lower U.S. activity levels.

Selling, General and Administrative Expense. Selling, general and administrative expense was $22.5 million in the third quarter first three months of 2023 increased $0.9 2024, which included $0.4 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 4% 5%, from the level reported first three months of 2023, due primarily to reductions in the third quarter of 2022. short- and long-term incentive expenses.

Depreciation and Amortization Expense. Depreciation and amortization expense decreased $1.0 $1.1 million, or 6% 7%, in the third quarter first three months of 2023 2024 compared to the prior-year quarter, reflective of certain intangible assets reaching the end of their economic life in 2022. period. Note 10, "Segments "Segments and Related Information," to our Unaudited Condensed Consolidated Financial Statements presents depreciation and amortization expense by segment.

Other Operating Income, Net. In the third quarter of 2023, other operating income, net included gains on disposals of assets totaling $2.8 million, partially offset by charges of $1.6 million recognized in connection with our ongoing consolidation of certain manufacturing and service locations within our Offshore/Manufactured Products segment. Net other operating income for the third quarter of 2022 included a gain of $6.1 million recognized in connection with the settlement of outstanding

litigation against certain service providers within our Offshore/Manufactured Products segment and $0.4 million in gains on disposals of assets.

Operating Income, Net. Our consolidated operating income was $6.2 million in the third quarter of 2023, which included the $1.6 million in facility consolidation charges reported within other operating income, net as discussed above. This compares to third quarter 2022 consolidated operating income of $5.1 million, which included the $6.1 million gain reported within other operating income, net, as discussed above.

Interest Expense, Net. Net interest expense totaled $1.9 million in the third quarter of 2023, which compares to $2.6 million in the same period of 2022. Interest expense as a percentage of total debt outstanding was approximately 7% in the third quarter of 2023, compared to 6% in the third quarter of 2022.

Income Tax. Income tax expense for the three months ended September 30, 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 September 30, 2023, our income tax provision was $0.2 million on pre-tax income of $4.4 million, which included certain non-deductible expenses, discrete tax items and a reduction in valuation allowances recorded against deferred tax assets. This compares to an income tax provision of $0.8 million on a pre-tax income of $2.9 million for the three months ended September 30, 2022.

Other ComprehensiveLoss. Reported comprehensive loss is the sum of reported net income and other comprehensive loss. Other comprehensive loss was $5.7 million in the third quarter of 2023 compared to comprehensive loss of $11.9 million in the third quarter of 2022 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 September 30, 2023 and 2022, currency translation adjustments recognized as a component of other comprehensive loss were primarily attributable to the United Kingdom and Brazil. During the third quarter of both 2023 and 2022, the exchange rates for both the British pound and the Brazilian real weakened compared to the U.S. dollar.

Segment Operating Results

Offshore/Manufactured Products

Revenues. Our Offshore/Manufactured Products segment revenues increased $15.0 million, or 16%, in the third quarter of 2023 compared to the third quarter of 2022 due primarily to the timing of conversion of production facility products from backlog into revenue as well as higher service and short-cycle product sales.

Operating Income. Our Offshore/Manufactured Products segment reported operating income of $17.8 million in the third quarter of 2023, which included the $1.6 million in facility consolidation charges, compared to operating income in the third quarter of 2022 of $13.4 million, which included a $6.1 million gain recognized in connection with the settlement of outstanding litigation. Excluding the charges and prior-year gain, operating income increased $12.2 million year-over-year driven primarily by the reported revenue growth and a favorable shift in product sales mix.

Backlog. Backlog in our Offshore/Manufactured Products segment totaled $348 million as of September 30, 2023, with third quarter 2023 bookings of $129 million and a quarterly book-to-bill ratio of 1.2x.

Well Site Services

Revenues. Our Well Site Services segment revenues decreased $0.7 million, or 1%, in the third quarter of 2023 compared to the prior-year period, driven primarily by lower U.S. customer activity levels and competitive market conditions.

Operating Income. Our Well Site Services segment reported operating income of $3.3 million in the third quarter of 2023, compared to operating income of $2.4 million in the third quarter of 2022. The segment's operating results improved $0.9 million from the prior-year period, due primarily to a favorable shift in service mix and a $0.4 million decrease in depreciation and amortization expense, partially offset by increased labor, material and other costs.

Downhole Technologies

Revenues. Our Downhole Technologies segment revenues decreased $9.4 million, or 29%, in the third quarter of 2023 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 $4.1 million in the third quarter of 2023, which compared to an operating loss of $0.3 million in the prior-year period. Operating loss increased $3.8 million year-over-year due primarily to the decline in reported revenue, lower manufacturing volumes and higher labor, material and other costs.

Corporate

Operating Loss. Corporate expenses increased $0.4 million, or 4%, in the third quarter of 2023 from the prior-year period.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

We reported net income for the nine months ended September 30, 2023 of $6.9 million, or $0.11 per share, which included facility consolidation charges of $1.6 million ($1.3 million after-tax, or $0.02 per share). These results compare to a net loss for the nine months ended September 30, 2022 of $12.4 million, or $0.20 per share, which included a gain of $6.1 million ($4.6 million after-tax, or $0.07 per share) recognized in connection with the settlement of a litigation matter.

Increased capital investments by our customers, together with our internal cost control and strict capital discipline measures and other corporate actions, resulted in significant improvements to our consolidated results in 2023. The favorable impact of continued growth in international offshore-project activity and associated backlog conversion was partially offset by the impact of an industry-wide decline in U.S. well completions – which has been ongoing since the start of 2023.

Revenues. Consolidated total revenues in the first nine months of 2023 increased $38.7 million, or 7%, from the first nine months of 2022.

Consolidated product revenues in the first nine months of 2023 increased $10.6 million, or 4%, from the first nine months of 2022, driven primarily by higher customer demand for short-cycle products. Consolidated service revenues in the first nine months of 2023 increased $28.2 million, or 11%, from the first nine months of 2022 due primarily to increased customer spending in the U.S. shale play regions in the first half of 2023.

The following table provides supplemental disaggregated revenue from contracts with customers by operating segment for the nine months ended September 30, 2023 and 2022 (in thousands):

	Offshore/ Manufactured Products		Well Site Services		Downhole Technologies		Total	
Nine Months Ended September 30	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Project-driven:								

Products	$ 116,869	$ 113,853	$ —	$ —	$ —	$ —	$ 116,869	$ 113,853
Services	79,867	71,714	—	—	—	—	79,867	71,714
Total project-driven	196,736	185,567	—	—	—	—	196,736	185,567
Military and other products	22,157	23,104	—	—	—	—	22,157	23,104
Short-cycle:								
Products	84,435	67,945	—	—	71,645	79,635	156,080	147,580
Services	—	—	191,425	163,500	7,619	15,521	199,044	179,021
Total short-cycle	84,435	67,945	191,425	163,500	79,264	95,156	355,124	326,601
	$ 303,328	$ 276,616	$ 191,425	$ 163,500	$ 79,264	$ 95,156	$ 574,017	$ 535,272
Percentage of total revenue by type -								
Products	74 %	74 %	— %	— %	90 %	84 %	51 %	53 %
Services	26 %	26 %	100 %	100 %	10 %	16 %	49 %	47 %

Cost of Revenues (exclusive of Depreciation and Amortization Expense). Our consolidated total cost of revenues (exclusive of depreciation and amortization expense) increased $23.1 million, or 6%, in the first nine months of 2023 compared to the first nine months of 2022.

Consolidated product costs in the first nine months of 2023 increased $5.8 million, or 3%, compared to the first nine months of 2022 due primarily to the reported revenue growth as well as higher material, transportation, labor and other costs. Consolidated service costs in the first nine months of 2023 increased $17.4 million, or 9%, compared to the first nine months of 2022, due primarily to the impact of higher revenue levels and increased labor and other costs.

Selling, General and Administrative Expense. Selling, general and administrative expense in the first nine months of 2023 increased $0.8 million, or 1%, from the first nine months of 2022.

Depreciation and Amortization Expense. Depreciation and amortization expense decreased $5.3 million, or 10%, in the first nine months of 2023 compared to the prior-year period, reflective of certain intangible assets reaching the end of their economic life in 2022 and reduced capital investments made in our Well Site Services segment in recent years. 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 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, (Income) Expense, Net. In the first nine three months of 2023, 2024, other operating income, net included, among other items, gains on disposals of assets equipment totaling $3.3 $1.2 million partially offset by and charges of $1.6 $2.1 million recognized in connection with our ongoing consolidation and exit of certain manufacturing and service locations within our Offshore/ Offshore Manufactured Products segment. Net other operating income for the first nine months of 2022 included a gain of $6.1 million recognized in connection with the settlement of outstanding litigation against certain service providers within our Offshore/Manufactured Products segment and $1.5 million in gains on disposals of assets. Well Site Services segments.

Operating Income (Loss). Our consolidated operating income loss was $15.3 $11.2 million in the first nine three months of 2023, 2024, which included the $1.6 million a $10.0 million non-cash goodwill impairment charge and $2.5 million in facility consolidation charges reported within and other operating income, net. charges. This compares to a consolidated operating loss income of $0.4 $5.9 million which included the $6.1 million gain reported within other operating income, net, recognized in the first nine three months of 2022. 2023. Excluding the 2024 charges, operating income decreased $4.5 million year-over-year.

Interest Expense, Net. Net interest expense totaled $6.4 $2.1 million in the first nine three months of 2023, 2024, which compares to $7.9 $2.4 million in the first nine three months of 2022. 2023. Interest expense as a percentage of total debt outstanding was approximately 7% in the first nine three months of 2023, 2024, compared to 6% 7% in the first nine three months of 2022. 2023.

Income Tax. Income tax expense for the first nine three 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 nine three months of 2023, 2024, our income tax provision was $2.7 million $24 thousand on a pre-tax income loss of $9.6 $13.4 million, which included certain a $10.0 million goodwill impairment charge and other non-deductible expenses, discrete tax items and a reduction in valuation allowances recorded against deferred tax assets. expenses. This compares to an income tax provision of $6.0 $1.6 million on a pre-tax loss income of $6.4 $3.8 million for the first nine three months of 2022, 2023, which was negatively impacted by valuation allowances recorded against deferred tax assets as well as included certain non-deductible expenses and discrete tax items.

Other Comprehensive Income (Loss). Reported comprehensive income (loss) is the sum of reported net income (loss) and other comprehensive income (loss). Other comprehensive income loss was $1.7 $3.0 million in the first nine three months of 2023 2024 compared to comprehensive loss income of $23.8 $4.1 million in the first nine three months of 2022 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 nine three months of 2023 2024 and 2022, 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 nine three months of 2024, the exchange rates for the British pound and the Brazilian real weakened compared to the U.S. dollar. In the first three months of 2023, the exchange rates rate for the British pound and the Brazilian real strengthened compared to the U.S. dollar. During the first nine months of 2022, the exchange rate for the British pound weakened compared to the U.S. dollar, while the Brazilian real strengthened compared to the U.S. dollar.

Segment Operating Results

Offshore/ Offshore Manufactured Products

Revenues. Our Offshore/ Offshore Manufactured Products segment revenues increased $26.7 $6.4 million, or 10% 8%, in the first nine three months of 2023 2024 compared to the first nine three months of 2022 2023 due primarily to increased demand for short-cycle products international and offshore-project driven products and services.

Operating Income. Our Offshore/ Offshore Manufactured Products segment reported operating income of $40.1 $10.6 million in the first nine three months of 2023, 2024, which included the $1.6 million $1.5 million in facility consolidation charges. charges discussed above. This compares to operating income of $33.0 $7.7 million which included a $6.1 million gain recognized in connection with the settlement of outstanding litigation, in the first nine three months of 2022. 2023. Excluding the facility consolidation charges, and prior-year gain, operating income increased $14.9 $4.4 million year-over-year due primarily to the segment's reported revenue growth and lower bad debt expense, partially offset by the impact of higher material, transportation, labor and other costs. year-over-year.

Backlog. Backlog in our Offshore/ Offshore Manufactured Products segment totaled $348 $305 million as of September 30, 2023 March 31, 2024 compared to $308 $327 million as of December 31, 2022 December 31, 2023. Bookings during the first nine three months of 2023 2024 totaled $353 $66 million, yielding a year-to-date quarterly book-to-bill ratio of 1.2x. 0.8x.

Well Site Services

Revenues. Our Well Site Services segment revenues increased $27.9 decreased $19.8 million, or 17% 29%, in the first nine three months of 2023 2024 compared to the first nine three months of 2022, 2023, driven primarily by higher lower U.S. customer activity levels during the first half of 2023. (particularly in natural gas basins) and competitive market conditions.

Operating Income (Loss). Income. Our Well Site Services segment reported operating income of $15.0 million in the first nine months of 2023, compared to an operating loss of $0.4 million in the first nine three months of 2022. The segment's 2024, which included costs totaling $1.0 million associated with the exit of three facilities and the defense of patents. This compares to operating income of $7.0 million in the first three months of 2023. Excluding the costs discussed above, the Well Site Services segment's operating results improved $15.4 declined $6.3 million from the prior-year period, due to the reported revenue growth and a $3.0 million decrease in depreciation and amortization expense, partially offset by increased labor, material and other costs. revenue.

Downhole Technologies

Revenues. Our Downhole Technologies segment revenues decreased $15.9 $15.5 million, or 17% 32%, in the first nine three months of 2023 2024 from the first nine three months of 2022 2023 due primarily to lower U.S. customer demand for perforating and completion products.

Operating Loss. Our Downhole Technologies segment reported an operating loss of $8.2 $12.1 million in the first nine three months of 2023, compared 2024, which included the $10.0 million non-cash goodwill impairment charge related to an the first quarter of 2024 segment realignment. This compares to operating loss income of $3.3 $1.9 million reported in the first nine three months of 2022. This year-over-year increase in 2023. Excluding the goodwill impairment charge, the Downhole Technologies operating loss is results declined $4.0 million from the prior-year period, due primarily to the reported decrease in the segment's revenue as well as increased labor, material and other costs. lower manufacturing volumes.

Corporate

Operating Loss. Corporate expenses in the first nine three months of 2023 increased $2.0 2024 decreased $1.4 million, or 7% 13%, from the first nine three months of 2022, 2023, due primarily to higher personnel lower short- and marketing costs. 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 from used in operations totaled $52.4 $11.4 million during the first nine three months of 2023, 2024, compared to $19.0 $5.9 million provided by used in operations during the first nine three months of 2022. 2023.

During the first nine three months of 2023, $3.2 million was used to fund net working capital increases, with an activity-driven increase in inventories and the payment of accrued 2022 short-and long-term cash incentives in the first quarter of 2023 substantially offset by the favorable impact of a decrease in accounts receivable and an increase in deferred revenues. During the first nine months of 2022, $27.5 2024, $21.8 million was used to fund net working capital increases, primarily due to increases the payment of accrued 2023 short- and long-term cash incentives and a decrease in accounts receivable payable. During 2023, $25.6 million was used to fund net working capital increases, primarily due to the payment of accrued 2022 short- and inventories driven by higher activity levels. long-term cash incentives and an activity-driven increase in inventories.

Investing Activities

Net cash used in investing activities during the first nine three months of 2023 2024 totaled $19.1 $7.8 million, compared to $19.3 $6.4 million used in investing activities during the first nine three months of 2022. 2023.

Capital expenditures totaled $23.4 $10.1 million and $13.3 $6.6 million during the first nine three months of 2023 2024 and 2022, 2023, respectively. These investments were partially offset by proceeds from the sale of property and equipment of $4.4 $2.3 million and $2.2 $0.2 million during the first nine three months of 2024 and 2023, and 2022, respectively.

In the second quarter of 2022, we acquired E-Flow Control Holdings Limited, a global provider of fully integrated handling, control, monitoring and instrumentation solutions. The purchase price of $8.1 million (net of cash acquired) was funded with cash on-hand.

Within our Offshore/ Offshore Manufactured Products segment, we completed the consolidation of certain facilities in Houston, Texas during the third quarter of 2023 and are in the process of strategically relocating our Asian manufacturing and service operations from Singapore to Batam, Indonesia. With these consolidations, two facilities are classified as held-for-sale assets within prepaid expenses and other current assets at September 30, 2023 as of March 31, 2024.

With our Including the planned purchase construction of land and the start of construction on a new facility in Batam, in the fourth quarter of 2023, we currently expect to invest approximately $35 $40 million in capital expenditures during 2023. 2024. In late 2023 or early 2024, we also expect to sell the two held-for-sale facilities (in Singapore and Houston), with expected proceeds ranging between totaling approximately $35 million and $40 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 nine three months of 2023, 2024, net cash of $22.7 $3.7 million was used in financing activities, which included the repayment of the $17.3 million principal amount of our outstanding 2023 Notes and the repurchases of $3.0 million of the Company's common stock. activities. This compares to $17.9 $14.4 million of cash used in financing activities during the first nine three months of 2022, 2023, which included a cash payment the repayment of $10.0 million related to the settlement of a promissory note to the seller of GEODynamics, Inc. (discussed below) and the purchase of $6.5 $17.3 million principal amount of our outstanding 2023 Notes (as defined below).

On June 28, 2022, we entered into a settlement agreement with the seller of GEODynamics, Inc. (acquired in 2018), which provided for the full and final settlement of all amounts due under a promissory note to the seller of GEODynamics, Inc. Pursuant to the settlement agreement, on July 1, 2022, we paid the seller $10.0 million in cash and issued approximately 1.9 million shares of our common stock. Notes.

As of September 30, 2023 March 31, 2024, we had cash and cash equivalents totaling $52.9 $24.1 million, which compared to $42.0 $47.1 million as of December 31, 2022 December 31, 2023.

As of September 30, 2023 March 31, 2024, we had no borrowings outstanding under our ABL Facility, $135.0 million principal amount of our 2026 Notes (as defined below) outstanding and other debt of $3.2 $2.9 million. Our reported interest expense included amortization of deferred financing costs of $1.3 $0.5 million during the first nine three months of 2023. 2024. For the first nine three months of 2023, 2024, our contractual cash interest expense was $5.8 $1.9 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 the four multiple U.S. bank failures which occurred in March, May and July 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 21, 2022 March 6, 2024, the SEC proposed new finalized rules relating to the disclosure of a range of climate-related information and risks. A final rule is expected (the “Rules”). The Rules were temporarily stayed by the SEC on April 4, 2024 pending judicial review. While subject to be released ongoing litigation, these new disclosure requirements are currently effective for us beginning with the year ending December 31, 2026, phased in the fourth quarter of 2023, but we cannot predict the final form and substance of the rule and its requirements at this time. over a five-year period. The ultimate impact on our business is uncertain and, upon finalization, 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 “Part I, Item 1A. Risk Factors" Factors” included in our 2023 Annual Report on Form 10-K for the year ended December 31, 2022 titled, "Our “Our and our customers' 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" provide,” “The Inflation Reduction Act of 2022 could accelerate the transition to a low carbon economy and "Increasing 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 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. As During the three months ended March 31, 2024, there were no repurchases of September 30, 2023, $3.0 million common stock under the program. The amount remaining under our share repurchase authorization as of share repurchases have been made under this authorization. March 31, 2024 was $18.1 million.

Revolving Credit Facility. On February 10, 2021, we entered into a Our senior secured credit facility with certain lenders, which provides for a $125.0 million asset-based revolving credit facility (the "ABL 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 (the "ABL Agreement" (as amended, the “ABL Agreement”). The ABL Agreement, as amended, matures on February 10, 2025 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 “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 September 30, 2023 March 31, 2024, we had $16.4 $15.9 million of outstanding letters of credit, but no borrowings outstanding under the ABL Agreement. The total amount available to be drawn as of September 30, 2023 March 31, 2024 was $84.5 $86.3 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" “2026 Notes”) pursuant to an indenture, dated as of March 19, 2021 (the "2026 Indenture" “2026 Indenture”), between us and Computershare Trust Company, National Association, as successor trustee. The 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 “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 September 30, 2023 March 31, 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 1.50% convertible senior notes due 2023 (the "2023 Notes") Notes matured and the outstanding $17.3 million in principal amount was repaid in full.

Our total debt represented 16% and 18% of our combined total debt and stockholders' stockholders’ equity as of September 30, 2023 March 31, 2024 and December 31, 2022, respectively. December 31, 2023.

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 “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 September 30, 2023 March 31, 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“Part II Item 7. Management'sManagement's Discussion and Analysis of Financial Condition and Results of Operations"Operations” in our Annual Report on Form 10-K for the year ended December 31, 2022December 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.

ItemITEM 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 September 30, 2023March 31, 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/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 ninethree months of 2023,2024, our reported foreign currency exchange lossesgains were $0.2 million and are included in "Other“other operating income, net"(income) expense, net” in the consolidated statements of operations.

Accumulated other comprehensive loss, reported as a component of stockholders'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 decreased $1.7increased $3.0 million from $78.9$70.0 million as of December 31, 2022December 31, 2023 to $77.3$73.0 million as of September 30, 2023March 31, 2024, due to changes in currency exchange rates. During the ninethree months ended September 30, 2023March 31, 2024, the exchange rates for the British pound and the Brazilian real strengthenedweakened by 1% and 4%3%, 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 September 30, 2023March 31, 2024 at the reasonable assurance level.

(ii) Changes in Internal Control Over Financial Reporting

During the three months ended September 30, 2023, certain processes and controls were modified in connection with our Downhole Technologies segment migration to an enterprise resource planning system used by our Offshore/Manufactured Products segment. We do not believe that such modifications materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

There have been no other changes in the Company'sCompany’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 September 30, 2023March 31, 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“Commitments and Contingencies."”

ITEM 1A. ***Risk Factors***

"“Part I, Item 1A. Risk Factors"Factors” of our Annual Report on Form 10-K for the year ended December 31, 2022December 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. Except as described below, thereThere have been no material changes to our risk factors as set forth in our 20222023 Annual Report on Form 10-K.

Adverse developments affecting the financial services industry, such as events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could adversely affect the Company's current and projected business operations and its financial condition and results of operations.

Events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about such events or other similar risks, have in the past and may in the future lead to acute or market-wide liquidity problems. In addition, if any of the Company's customers, suppliers or other business counterparties are unable to access funds held by such a financial institution, such parties' ability to pay their obligations to the Company or to enter into new commercial arrangements requiring additional payments to the Company could be adversely affected.

Inflation and rapid increases in interest rates have led to a decline in the trading value of previously issued government securities with interest rates below current market interest rates. Although the U.S. Department of Treasury, Federal Deposit Insurance Corporation ("FDIC") and Federal Reserve Board have announced a program to mitigate the risk of potential losses on the sale of such instruments, widespread demands for customer withdrawals or other needs of financial institutions for immediate liquidity may exceed the capacity of such program. Additionally, the Company maintains cash balances at third-party financial institutions in excess of FDIC standard insurance limits, and there is no guarantee that the U.S. Department of Treasury, FDIC and Federal Reserve Board will provide access to uninsured funds in the future in the event of the closure of such banks or financial institutions, or that they would do so in a timely fashion.

Access to funding sources and other credit arrangements in amounts adequate to finance the Company's business operations could be significantly impaired by the foregoing factors that affect the Company, any financial institutions with which the Company enters into credit agreements or arrangements directly, or the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry.

The results of events or concerns that involve one or more of these factors could include a variety of material and adverse impacts on the Company's current and projected business operations and the Company's financial condition and results of operations. These risks include, but may not be limited to, the following:

- delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets;
- inability to enter into credit facilities or other working capital resources;
- potential or actual breach of contractual obligations that require the Company to maintain letters of credit or other credit support arrangements; or
- termination of cash management arrangements and/or delays in accessing or actual loss of funds subject to cash management arrangements.

In addition, investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for the Company to acquire financing on acceptable terms or at all. Any decline in available funding or access to cash and liquidity resources could, among other risks, adversely impact the Company's ability to meet operating expenses or other obligations, financial or otherwise, result in breaches of the Company's financial and/or contractual obligations, or result in violations of federal or state wage and hour laws. In addition, any further deterioration in the macroeconomic economy or financial services industry could lead to losses or defaults by the Company's customers, vendors or suppliers. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors, could have material adverse impacts on the Company's liquidity and its current and/or projected business operations and financial condition and results of operations.

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 orPrograms(2)
July 1 through July 31, 2023	—	$	—	—	$	21,998,595
August 1 through August 31, 2023	—		—	—		21,998,595
September 1 through September 30, 2023	—		—	—		21,998,595
Total	—	$	—	—		

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	—		

(1) No All shares were purchased during the three-month period ended September 30, 2023. March 31, 2024 were acquired 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) On February 16, 2023, the Company's In February 2023, our Board of Directors authorized $25.0 million for the repurchases of the Company's our common stock, par value $0.01 per share, through February 2025. As of September 30, 2023 March 31, 2024, $3.0 million $6.9 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 September 30, 2023 March 31, 2024, no director or executive officer adopted or terminated a "Rule “Rule 10b5-1 trading arrangement" arrangement” or "non-Rule “non-Rule 10b5-1 trading arrangement" 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 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 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 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)

----

* 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, 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

---

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

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

Date: October 27, 2023

By: President and Chief Executive Officer /s/ LLOYD A. HAJDIK

Oil States International, Inc.

Lloyd A. Hajdik

EMPLOYEE

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

38 -4-

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 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 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 Registrant’s internal control over financial reporting that occurred during the Registrant's Registrant’s most recent fiscal quarter (the Registrant's 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 Registrant’s internal control over financial reporting; and

5. The Registrant's 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 Registrant’s auditors and the audit committee of the Registrant's 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 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 Registrant’s internal control over financial reporting.

/s/ Cindy B. Taylor

Name: Cindy B. Taylor
President and Chief Executive Officer
Date: October 27, 2023 April 26, 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 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 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 Registrant’s internal control over financial reporting that occurred during the Registrant's Registrant’s most recent fiscal quarter (the Registrant's 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 Registrant’s internal control over financial reporting; and

5. The Registrant's 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 Registrant’s auditors and the audit committee of the Registrant's 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 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 Registrant’s internal control over financial reporting.

/s/ Lloyd A. Hajdik

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

Date: October 27, 2023 April 26, 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 September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report" “Report”), I, Cindy B. Taylor, President and Chief Executive Officer of Oil States International, Inc. (the "Company" “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: October 27, 2023 April 26, 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 September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report" “Report”), I, Lloyd A. Hajdik, Executive Vice President, Chief Financial Officer and Treasurer of Oil States International, Inc. (the "Company" “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:	October 27, 2023 April 26, 2024

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.