



PRESS RELEASE

Oceaneering Reports Third Quarter 2023 Results

HOUSTON, October 25, 2023 – Oceaneering International, Inc. ("Oceaneering") (NYSE:OII) today reported net income of \$29.8 million, or \$0.29 per share, on revenue of \$635 million for the three months ended September 30, 2023. Adjusted net income was \$38.5 million, or \$0.38 per share, reflecting the impact of \$(0.9) million of pre-tax adjustments associated with foreign exchange gains recognized during the quarter, \$0.6 million tax effect on adjustments associated with foreign exchange gains and \$9.0 million of discrete tax adjustments, primarily due to changes in valuation allowances, uncertain tax positions and prior year estimates.

During the prior quarter ended June 30, 2023, Oceaneering reported net income of \$19.0 million, or \$0.19 per share, on revenue of \$598 million. Adjusted net income was \$18.7 million, or \$0.18 per share, reflecting the impact of \$4.8 million of pre-tax adjustments associated with foreign exchange losses recognized during the quarter, \$(2.3) million tax effect on adjustments associated with foreign exchange losses and \$(2.8) million of discrete tax adjustments, primarily due to changes in valuation allowances and uncertain tax positions.

Adjusted net income (loss) and earnings (loss) per share; EBITDA and adjusted EBITDA (as well as EBITDA and adjusted EBITDA margins); and free cash flow are non-GAAP measures that exclude the impacts of certain identified items. Reconciliations to the corresponding GAAP measures are shown in the tables Adjusted Net Income (Loss) and Diluted Earnings (Loss) per Share (EPS), EBITDA and Adjusted EBITDA and Margins, Free Cash Flow, 2023 and 2024 Adjusted EBITDA and 2023 Free Cash Flow Estimates, and EBITDA and Adjusted EBITDA and Margins by Segment. These tables are included below under the caption Reconciliations of Non-GAAP to GAAP Financial Information.

| Summary of Results | | | | | |
|---|----------------------------|------------|------------|---------------------------|--------------|
| <i>(in thousands, except per share amounts)</i> | | | | | |
| | For the Three Months Ended | | | For the Nine Months Ended | |
| | Sep 30, | | Jun 30, | Sep 30, | |
| | 2023 | 2022 | 2023 | 2023 | 2022 |
| Revenue | \$ 635,180 | \$ 559,671 | \$ 597,910 | \$ 1,770,077 | \$ 1,529,861 |
| Gross Margin | 114,697 | 95,754 | 101,080 | 293,342 | 217,275 |
| Income (Loss) from Operations | 57,929 | 46,875 | 49,199 | 133,878 | 68,686 |
| Net Income (Loss) | 29,812 | 18,303 | 19,002 | 52,874 | 2,813 |
| Diluted Earnings (Loss) Per Share | \$ 0.29 | \$ 0.18 | \$ 0.19 | \$ 0.52 | \$ 0.03 |

For the third quarter of 2023:

- Net income was \$29.8 million and consolidated adjusted EBITDA was \$84.1 million
- Consolidated operating income was \$57.9 million
- Cash position increased by \$52.4 million, from \$504 million to \$556 million

As of September 30, 2023:

- Remotely Operated Vehicles (ROV): fleet count was 250; Q3 utilization was 69%; and Q3 average revenue per day on hire was \$9,372
- Manufactured Products backlog was \$556 million

Revised full year 2023 guidance:

- Net income in the range of \$75 million to \$90 million
- Consolidated adjusted EBITDA in the range of \$275 million to \$295 million
- Free cash flow generation in the range of \$90 million to \$130 million
- Capital expenditures in the range of \$95 million to \$105 million

Initial full year 2024 Guidance:

- Consolidated EBITDA in the range of \$330 million to \$380 million
- Free cash flow generation to exceed that generated in 2023

Roderick A. Larson, President and Chief Executive Officer of Oceaneering, stated, "Our third quarter 2023 results, improved as compared to the second quarter of 2023, were primarily due to increased activity and improved pricing in our Offshore Projects Group (OPG) and Subsea Robotics (SSR) segments. In addition, we saw improvements in our Aerospace and Defense Technologies (ADTech) operating results. These results contributed to our adjusted consolidated EBITDA of \$84.1 million, which was at the upper end of our guided range and exceeded consensus estimates. For the full year of 2023, we forecast our adjusted EBITDA to be within the narrowed range of \$275 million to \$295 million and expect positive free cash flow to remain in our previously guided range of \$90 million to \$130 million.

"Consistent with our message over the last several quarters, we continue to see improvement in market conditions that support our expectation of generating consolidated EBITDA in 2024 in the range of \$330 million to \$380 million. At the respective midpoints of our 2023 and 2024 guidance, this represents a 25% year-over-year increase. In 2024, we also expect to generate positive free cash flow in excess of that generated in 2023."

Segment Results

Sequentially, SSR revenue and operating income in the third quarter of 2023 both increased, as expected, with lower ROV activity being offset by slight ROV pricing improvements and higher survey activity. SSR EBITDA margin of 31% improved over the 30% achieved in the second quarter of 2023.

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Sequentially, third quarter 2023 ROV days on hire were 1% lower. Fleet utilization declined slightly to 69% for the quarter as compared to 70% during the second quarter. Fleet use during the quarter was 61% in drill support and 39% in vessel-based activity, the same as in the preceding quarter. Third quarter 2023 average ROV revenue per day on hire of \$9,372 was 3% higher than the average ROV revenue per day on hire in the second quarter of 2023.

Manufactured Products third quarter 2023 sequential operating results and margin, respectively, declined to \$8.2 million and 7%, on a 2% decrease in revenue. These declines were primarily due to changes in product mix. Order intake during the quarter was strong, with backlog on September 30, 2023 increasing to \$556 million from June 30, 2023 backlog of \$418 million. Book-to-bill ratio increased to 1.25 for the nine months ended September 30, 2023, and 1.41 for the trailing 12 months.

As expected, OPG saw strong seasonal demand and international activity during the third quarter of 2023, which resulted in higher operating income on a 15% increase in revenue as compared to the second quarter of 2023. OPG's operating income margin of 18% improved over the second quarter of 2023, reflecting increased global demand for vessel-based services, changes in service mix, and the successful resolution of a commercial dispute.

Sequentially, Integrity Management and Digital Solutions (IMDS) third quarter 2023 operating income declined slightly on a 5% increase in revenue. Operating income margin of 5% declined from the 6% recorded for the second quarter of 2023. ADTech third quarter 2023 operating income increased significantly over the second quarter on a 6% increase in revenue. Operating income margin of 14% improved from the second quarter of 2023. At the corporate level, Unallocated Expenses of \$42.2 million for the third quarter of 2023 were less than forecasted due to lower-than-expected accruals for performance-based incentive compensation.

Fourth Quarter and Full Year 2023 Outlook:

On a consolidated basis, Oceaneering forecasts fourth quarter 2023 EBITDA to decline on relatively flat revenue as compared to third quarter results. Sequential segment forecasts are for: relatively flat operating income on slightly lower revenue from SSR; higher revenue and significantly lower operating profitability from Manufactured Products; slightly lower revenue and significantly lower operating income from OPG; lower revenue and operating income from IMDS; and slightly lower revenue and lower operating income from ADTech. Oceaneering forecasts fourth quarter Unallocated Expenses to be in the low-\$40 million range.

For the full year of 2023, Oceaneering expects to generate adjusted EBITDA within the narrowed range of \$275 million to \$295 million. Revised guidance range for organic capital expenditures is \$95 million to \$105 million and revised guidance range for cash income tax payments is \$70 million to \$75 million. Oceaneering's guidance for positive free cash flow generation remains in the range of \$90 million to \$130 million for the full year of 2023.

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Initial 2024 Guidance:

For 2024, year over year, Oceaneering anticipates increased revenue and improved operating performance across each of its operating segments, led by gains from SSR and OPG. At this time, Oceaneering forecasts 2024 EBITDA to be in the range of \$330 million to \$380 million, driving meaningful levels of cash flow from operations. Oceaneering anticipates organic capital expenditures in 2024 to be flat to modestly higher than in 2023 as the company continues to focus on growth in its robotics platforms. Oceaneering also expects to generate positive free cash flow in excess of that generated in 2023. The company plans to provide more specific guidance on its expectations for 2024 in our fourth quarter 2023 earnings release and conference call.

Liquidity:

On September 20, 2023, the company initiated a series of transactions designed to address the maturity of its 2024 senior notes. Once the final transaction is completed in November 2023, Oceaneering will have significantly extended its debt maturity to February 2028 while maintaining substantial liquidity. Oceaneering's continuing commitment to managing its debt maturities, maintaining a strong balance sheet, and generating meaningful free cash flow supports its ability to fund future growth and shareholder return aspirations.

This release contains "forward-looking statements," as defined in the Private Securities Litigation Reform Act of 1995, including, without limitation, statements as to the expectations, beliefs, future expected business and financial performance and prospects of Oceaneering. More specifically, the forward-looking statements in this press release include the statements concerning Oceaneering's: full-year 2023 guidance ranges for net income, consolidated adjusted EBITDA, free cash flow generation, and capital expenditures; fourth quarter 2023 sequential directional guidance for consolidated adjusted EBITDA and revenue, operating segment revenues, operating results and operating profitability, and guidance for Unallocated Expenses; expected full-year 2023 guidance ranges for adjusted EBITDA, organic capital expenditures, cash income tax payments, and free cash flow; full-year 2024 sequential activity and operating performance across each operating segment, led by SSR and OPG; full-year 2024 EBITDA range anticipated to drive cash flow from operations; anticipated sequential direction of 2024 organic capital expenditures; expected free cash flow guidance; anticipated plans to provide more specific guidance on its expectations for 2024 during the year-end reporting process; completion of 2024 senior notes transaction; funding future growth and shareholder return aspirations; and characterization of market fundamentals, conditions and dynamics, robotics platforms, offshore energy activity levels, pricing levels, day rates, average ROV revenue per day on hire, growth, bidding activity, outlook, performance, opportunities, results, and financials as increasing, favorable, positive, encouraging, improving, seasonal, strong, supportive, robust, meaningful, healthy, or significant (which is used herein to indicate a change of 20% or greater).

The forward-looking statements included in this release are based on our current expectations and are subject to certain risks, assumptions, trends, and uncertainties that could cause actual results to differ materially from those indicated by the forward-looking statements. Among the factors that could cause actual results to differ materially include: factors affecting the level of activity in the oil and gas industry, including worldwide demand for and prices of oil and natural gas, oil and natural gas production growth

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and the supply and demand of offshore drilling rigs; actions by members of OPEC and other oil exporting countries; decisions about offshore developments to be made by oil and gas exploration, development and production companies; the use of subsea completions and our ability to capture associated market share; general economic and business conditions and industry trends; the strength of the industry segments in which we are involved; the continuing effects of the COVID-19 pandemic and variants thereof, and the governmental, customer, supplier, and other responses thereto; cancellations of contracts, change orders and other contractual modifications, force majeure declarations and the exercise of contractual suspension rights and the resulting adjustments to our backlog; collections from our customers; our future financial performance, including as a result of the availability, terms and deployment of capital; the consequences of significant changes in currency exchange rates; the volatility and uncertainties of credit markets; changes in tax laws, regulations and interpretation by taxing authorities; changes in, or our ability to comply with, other laws and governmental regulations, including those relating to the environment; the continued availability of qualified personnel; our ability to obtain raw materials and parts on a timely basis and, in some cases, from limited sources; operating risks normally incident to offshore exploration, development and production operations; hurricanes and other adverse weather and sea conditions; cost and time associated with drydocking of our vessels; the highly competitive nature of our businesses; adverse outcomes from legal or regulatory proceedings; the risks associated with integrating businesses we acquire; rapid technological changes; and social, political, military and economic situations in foreign countries where we do business and the possibilities of civil disturbances, war, other armed conflicts or terrorist attacks. For a more complete discussion of these and other risk factors, please see Oceaneering's latest annual report on Form 10-K and subsequent quarterly reports on Form 10-Q filed with the Securities and Exchange Commission. You should not place undue reliance on forward-looking statements. Except to the extent required by applicable law, Oceaneering undertakes no obligation to update or revise any forward-looking statement.

Oceaneering is a global technology company delivering engineered services and products and robotic solutions to the offshore energy, defense, aerospace, manufacturing, and entertainment industries.

For more information on Oceaneering, please visit www.oceaneering.com.

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OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

| | Sep 30, 2023 | Dec 31, 2022 |
|---|-----------------------|---------------------|
| | <i>(in thousands)</i> | |
| ASSETS | | |
| Current assets (including cash and cash equivalents of \$556,427 and \$568,745) | \$ 1,458,590 | \$ 1,297,060 |
| Net property and equipment | 421,820 | 438,449 |
| Other assets | 432,039 | 296,174 |
| Total Assets | \$ 2,312,449 | \$ 2,031,683 |
| LIABILITIES AND EQUITY | | |
| Current liabilities | \$ 800,474 | \$ 568,414 |
| Long-term debt | 568,471 | 700,973 |
| Other long-term liabilities | 371,169 | 236,492 |
| Equity | 572,335 | 525,804 |
| Total Liabilities and Equity | \$ 2,312,449 | \$ 2,031,683 |

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | For the Three Months Ended | | | For the Nine Months Ended | |
|--|---|------------------|------------------|---------------------------|-----------------|
| | Sep 30, 2023 | Sep 30, 2022 | Jun 30, 2023 | Sep 30, 2023 | Sep 30, 2022 |
| | <i>(in thousands, except per share amounts)</i> | | | | |
| Revenue | \$ 635,180 | \$ 559,671 | \$ 597,910 | \$ 1,770,077 | \$ 1,529,861 |
| Cost of services and products | 520,483 | 463,917 | 496,830 | 1,476,735 | 1,312,586 |
| Gross margin | 114,697 | 95,754 | 101,080 | 293,342 | 217,275 |
| Selling, general and administrative expense | 56,768 | 48,879 | 51,881 | 159,464 | 148,589 |
| Income (loss) from operations | 57,929 | 46,875 | 49,199 | 133,878 | 68,686 |
| Interest income | 3,724 | 1,396 | 4,154 | 12,344 | 2,959 |
| Interest expense | (9,802) | (9,552) | (9,517) | (28,602) | (28,614) |
| Equity in income (losses) of unconsolidated affiliates | 498 | 496 | 479 | 1,616 | 1,108 |
| Other income (expense), net | 968 | (1,222) | (5,846) | (4,800) | (195) |
| Income (loss) before income taxes | 53,317 | 37,993 | 38,469 | 114,436 | 43,944 |
| Provision (benefit) for income taxes | 23,505 | 19,690 | 19,467 | 61,562 | 41,131 |
| Net Income (Loss) | \$ 29,812 | \$ 18,303 | \$ 19,002 | \$ 52,874 | \$ 2,813 |
| Weighted average diluted shares outstanding | 102,206 | 101,310 | 102,004 | 102,086 | 101,372 |
| Diluted earnings (loss) per share | \$ 0.29 | \$ 0.18 | \$ 0.19 | \$ 0.52 | \$ 0.03 |

The above Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Operations should be read in conjunction with the Company's latest Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

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SEGMENT INFORMATION

| | | For the Three Months Ended | | | For the Nine Months Ended | | | | | |
|--|----|----------------------------|--------------|--------------|---------------------------|--------------|----|-----------|----|-----------|
| | | Sep 30, 2023 | Sep 30, 2022 | Jun 30, 2023 | Sep 30, 2023 | Sep 30, 2022 | | | | |
| (\$ in thousands) | | | | | | | | | | |
| Subsea Robotics | | | | | | | | | | |
| Revenue | \$ | 197,343 | \$ | 169,422 | \$ | 186,512 | \$ | 553,016 | \$ | 454,534 |
| Gross margin | \$ | 60,045 | \$ | 47,552 | \$ | 53,204 | \$ | 157,880 | \$ | 106,514 |
| Operating income (loss) | \$ | 47,818 | \$ | 37,069 | \$ | 42,227 | \$ | 123,699 | \$ | 74,559 |
| Operating income (loss) % | | 24 % | | 22 % | | 23 % | | 22 % | | 16 % |
| ROV days available | | 23,000 | | 23,000 | | 22,750 | | 68,250 | | 68,250 |
| ROV days utilized | | 15,932 | | 15,408 | | 16,032 | | 46,192 | | 41,881 |
| ROV utilization | | 69 % | | 67 % | | 70 % | | 68 % | | 61 % |
| Manufactured Products | | | | | | | | | | |
| Revenue | \$ | 122,877 | \$ | 94,039 | \$ | 124,882 | \$ | 360,698 | \$ | 282,187 |
| Gross margin | \$ | 16,916 | \$ | 12,170 | \$ | 19,020 | \$ | 55,690 | \$ | 31,090 |
| Operating income (loss) | \$ | 8,229 | \$ | 4,282 | \$ | 10,607 | \$ | 30,116 | \$ | 5,560 |
| Operating income (loss) % | | 7 % | | 5 % | | 8 % | | 8 % | | 2 % |
| Backlog at end of period | \$ | 556,000 | \$ | 365,000 | \$ | 418,000 | \$ | 556,000 | \$ | 365,000 |
| Offshore Projects Group | | | | | | | | | | |
| Revenue | \$ | 150,273 | \$ | 152,987 | \$ | 130,547 | \$ | 385,127 | \$ | 366,841 |
| Gross margin | \$ | 33,045 | \$ | 27,647 | \$ | 24,602 | \$ | 70,671 | \$ | 60,825 |
| Operating income (loss) | \$ | 26,745 | \$ | 20,310 | \$ | 17,132 | \$ | 49,391 | \$ | 38,511 |
| Operating income (loss) % | | 18 % | | 13 % | | 13 % | | 13 % | | 10 % |
| Integrity Management & Digital Solutions | | | | | | | | | | |
| Revenue | \$ | 66,056 | \$ | 58,465 | \$ | 63,166 | \$ | 189,305 | \$ | 174,473 |
| Gross margin | \$ | 9,961 | \$ | 8,371 | \$ | 10,264 | \$ | 29,074 | \$ | 26,792 |
| Operating income (loss) | \$ | 3,242 | \$ | 3,091 | \$ | 3,844 | \$ | 10,168 | \$ | 10,035 |
| Operating income (loss) % | | 5 % | | 5 % | | 6 % | | 5 % | | 6 % |
| Aerospace and Defense Technologies | | | | | | | | | | |
| Revenue | \$ | 98,631 | \$ | 84,758 | \$ | 92,803 | \$ | 281,931 | \$ | 251,826 |
| Gross margin | \$ | 20,295 | \$ | 19,431 | \$ | 17,675 | \$ | 53,070 | \$ | 52,045 |
| Operating income (loss) | \$ | 14,140 | \$ | 13,043 | \$ | 11,357 | \$ | 33,993 | \$ | 33,848 |
| Operating income (loss) % | | 14 % | | 15 % | | 12 % | | 12 % | | 13 % |
| Unallocated Expenses | | | | | | | | | | |
| Gross margin | \$ | (25,565) | \$ | (19,417) | \$ | (23,685) | \$ | (73,043) | \$ | (59,991) |
| Operating income (loss) | \$ | (42,245) | \$ | (30,920) | \$ | (35,968) | \$ | (113,489) | \$ | (93,827) |
| Total | | | | | | | | | | |
| Revenue | \$ | 635,180 | \$ | 559,671 | \$ | 597,910 | \$ | 1,770,077 | \$ | 1,529,861 |
| Gross margin | \$ | 114,697 | \$ | 95,754 | \$ | 101,080 | \$ | 293,342 | \$ | 217,275 |
| Operating income (loss) | \$ | 57,929 | \$ | 46,875 | \$ | 49,199 | \$ | 133,878 | \$ | 68,686 |
| Operating income (loss) % | | 9 % | | 8 % | | 8 % | | 8 % | | 4 % |

The above Segment Information does not include adjustments for non-recurring transactions. See the tables below under the caption "Reconciliations of Non-GAAP to GAAP Financial Information" for financial measures that our management considers in evaluating our ongoing operations.

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SELECTED CASH FLOW INFORMATION

| | For the Three Months Ended | | | For the Nine Months Ended | |
|--|----------------------------|--------------|--------------|---------------------------|--------------|
| | Sep 30, 2023 | Sep 30, 2022 | Jun 30, 2023 | Sep 30, 2023 | Sep 30, 2022 |
| | <i>(in thousands)</i> | | | | |
| Capital Expenditures, including Acquisitions | \$ 25,945 | \$ 19,280 | \$ 22,428 | \$ 66,681 | \$ 55,094 |
| Depreciation and Amortization: | | | | | |
| Energy Services and Products | | | | | |
| Subsea Robotics | \$ 12,805 | \$ 16,013 | \$ 13,356 | \$ 41,101 | \$ 52,545 |
| Manufactured Products | 3,067 | 2,939 | 3,013 | 9,124 | 9,031 |
| Offshore Projects Group | 6,931 | 7,132 | 6,976 | 21,035 | 21,536 |
| Integrity Management & Digital Solutions | 909 | 1,695 | 939 | 2,706 | 3,759 |
| Total Energy Services and Products | 23,712 | 27,779 | 24,284 | 73,966 | 86,871 |
| Aerospace and Defense Technologies | 600 | 671 | 632 | 1,885 | 2,148 |
| Unallocated Expenses | 1,284 | 1,799 | 1,130 | 3,612 | 4,109 |
| Total Depreciation and Amortization | \$ 25,596 | \$ 30,249 | \$ 26,046 | \$ 79,463 | \$ 93,128 |

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RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION

In addition to financial results determined in accordance with U.S. generally accepted accounting principles ("GAAP"), this Press Release also includes non-GAAP financial measures (as defined under certain rules and regulations promulgated by the Securities and Exchange Commission). We have included Adjusted Net Income (Loss) and Diluted Earnings (Loss) per Share, each of which excludes the effects of certain specified items, as set forth in the tables that follow. As a result, these amounts are non-GAAP financial measures. We believe these are useful measures for investors to review because they provide consistent measures of the underlying results of our ongoing business. Furthermore, our management uses these measures as measures of the performance of our operations. We have also included disclosures of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), EBITDA Margins, 2023 Adjusted EBITDA Estimates, and Free Cash Flow, as well as the following by segment: EBITDA, EBITDA Margins, Adjusted EBITDA and Adjusted EBITDA Margins. We define EBITDA Margin as EBITDA divided by revenue. Adjusted EBITDA and Adjusted EBITDA Margins and related information by segment exclude the effects of certain specified items, as set forth in the tables that follow. EBITDA and EBITDA Margins, Adjusted EBITDA and Adjusted EBITDA Margins, and related information by segment are each non-GAAP financial measures. We define Free Cash Flow as cash flow provided by operating activities less organic capital expenditures (*i.e.*, purchases of property and equipment other than those in business acquisitions). We have included these disclosures in this press release because EBITDA, EBITDA Margins and Free Cash Flow are widely used by investors for valuation purposes and for comparing our financial performance with the performance of other companies in our industry, and the adjusted amounts thereof provide more consistent measures than the unadjusted amounts. Furthermore, our management uses these measures for purposes of evaluating our financial performance. Our presentation of EBITDA, EBITDA Margins and Free Cash Flow (and the Adjusted amounts thereof) may not be comparable to similarly titled measures other companies report. Non-GAAP financial measures should be viewed in addition to and not as substitutes for our reported operating results, cash flows or any other measure prepared and reported in accordance with GAAP. The tables that follow provide reconciliations of the non-GAAP measures used in this press release to the most directly comparable GAAP measures.

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION

(continued)

Adjusted Net Income (Loss) and Diluted Earnings (Loss) per Share (EPS)

| | For the Three Months Ended | | | | | |
|--|---|-------------|----------------------|-------------|----------------------|-------------|
| | Sep 30, 2023 | | Sep 30, 2022 | | Jun 30, 2023 | |
| | Net Income (Loss) | Diluted EPS | Net Income (Loss) | Diluted EPS | Net Income (Loss) | Diluted EPS |
| | <i>(in thousands, except per share amounts)</i> | | | | | |
| Net income (loss) and diluted EPS as reported in accordance with GAAP | \$ 29,812 | \$ 0.29 | \$ 18,303 | \$ 0.18 | \$ 19,002 | \$ 0.19 |
| Pre-tax adjustments for the effects of: | | | | | | |
| Foreign currency (gains) losses | (944) | | 1,145 | | 4,845 | |
| Total pre-tax adjustments | (944) | | 1,145 | | 4,845 | |
| Tax effect on pre-tax adjustments at the applicable jurisdictional statutory rate in effect for respective periods | 615 | | (174) | | (2,387) | |
| Discrete tax items: | | | | | | |
| Share-based compensation | — | | — | | (3) | |
| Uncertain tax positions | 13,076 | | 1,813 | | 4,312 | |
| Valuation allowances | 9,353 | | 452 | | (8,678) | |
| Other | (13,430) | | 2,162 | | 1,563 | |
| Total discrete tax adjustments | 8,999 | | 4,427 | | (2,806) | |
| Total of adjustments | 8,670 | | 5,398 | | (348) | |
| Adjusted Net Income (Loss) | \$ 38,482 | \$ 0.38 | \$ 23,701 | \$ 0.23 | \$ 18,654 | \$ 0.18 |
| Weighted average diluted shares outstanding utilized for Adjusted Net Income (Loss) | | 102,206 | | 101,310 | | 102,004 |

Adjusted Net Income (Loss) and Diluted Earnings (Loss) per Share (EPS)

| | For the Nine Months Ended | | | |
|--|---|-------------|----------------------|-------------|
| | Sep 30, 2023 | | Sep 30, 2022 | |
| | Net Income (Loss) | Diluted EPS | Net Income (Loss) | Diluted EPS |
| | <i>(in thousands, except per share amounts)</i> | | | |
| Net income (loss) and diluted EPS as reported in accordance with GAAP | \$ 52,874 | \$ 0.52 | \$ 2,813 | \$ 0.03 |
| Pre-tax adjustments for the effects of: | | | | |
| Foreign currency (gains) losses | 3,634 | | (189) | |
| Total pre-tax adjustments | 3,634 | | (189) | |
| Tax effect on pre-tax adjustments at the applicable jurisdictional statutory rate in effect for respective periods | (1,688) | | 58 | |
| Discrete tax items: | | | | |
| Share-based compensation | (1,370) | | 137 | |
| Uncertain tax positions | 17,477 | | 588 | |
| Valuation allowances | 4,251 | | 18,798 | |
| Other | (12,660) | | 2,529 | |
| Total discrete tax adjustments | 7,698 | | 22,052 | |
| Total of adjustments | 9,644 | | 21,921 | |
| Adjusted Net Income (Loss) | \$ 62,518 | \$ 0.61 | \$ 24,734 | \$ 0.24 |
| Weighted average diluted shares outstanding utilized for Adjusted Net Income (Loss) | | 102,086 | | 101,372 |

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RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION
(continued)

EBITDA and Adjusted EBITDA and Margins

| | For the Three Months Ended | | | For the Nine Months Ended | |
|---|----------------------------|--------------|--------------|---------------------------|--------------|
| | Sep 30, 2023 | Sep 30, 2022 | Jun 30, 2023 | Sep 30, 2023 | Sep 30, 2022 |
| | (\$ in thousands) | | | | |
| Net income (loss) | \$ 29,812 | \$ 18,303 | \$ 19,002 | \$ 52,874 | \$ 2,813 |
| Depreciation and amortization | 25,596 | 30,249 | 26,046 | 79,463 | 93,128 |
| Subtotal | 55,408 | 48,552 | 45,048 | 132,337 | 95,941 |
| Interest expense, net of interest income | 6,078 | 8,156 | 5,363 | 16,258 | 25,655 |
| Amortization included in interest expense | 51 | 39 | 37 | 114 | 73 |
| Provision (benefit) for income taxes | 23,505 | 19,690 | 19,467 | 61,562 | 41,131 |
| EBITDA | 85,042 | 76,437 | 69,915 | 210,271 | 162,800 |
| Adjustments for the effects of: | | | | | |
| Foreign currency (gains) losses | (944) | 1,145 | 4,845 | 3,634 | (189) |
| Total of adjustments | (944) | 1,145 | 4,845 | 3,634 | (189) |
| Adjusted EBITDA | \$ 84,098 | \$ 77,582 | \$ 74,760 | \$ 213,905 | \$ 162,611 |
| Revenue | \$ 635,180 | \$ 559,671 | \$ 597,910 | \$ 1,770,077 | \$ 1,529,861 |
| EBITDA margin % | 13 % | 14 % | 12 % | 12 % | 11 % |
| Adjusted EBITDA margin % | 13 % | 14 % | 13 % | 12 % | 11 % |

Free Cash Flow

| | For the Three Months Ended | | | For the Nine Months Ended | |
|---|----------------------------|--------------|--------------|---------------------------|--------------|
| | Sep 30, 2023 | Sep 30, 2022 | Jun 30, 2023 | Sep 30, 2023 | Sep 30, 2022 |
| | (in thousands) | | | | |
| Net Income (loss) | \$ 29,812 | \$ 18,303 | \$ 19,002 | \$ 52,874 | \$ 2,813 |
| Non-cash adjustments: | | | | | |
| Depreciation and amortization | 25,596 | 30,249 | 26,046 | 79,463 | 93,128 |
| Other non-cash | 6,381 | 4,171 | 2,923 | 9,116 | 5,551 |
| Other increases (decreases) in cash from operating activities | 17,819 | 33,176 | (27,520) | (84,313) | (140,075) |
| Cash flow provided by (used in) operating activities | 79,608 | 85,899 | 20,451 | 57,140 | (38,583) |
| Purchases of property and equipment | (25,945) | (19,280) | (22,428) | (66,681) | (55,094) |
| Free Cash Flow | \$ 53,663 | \$ 66,619 | \$ (1,977) | \$ (9,541) | \$ (93,677) |

- more -

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION
(continued)

2023 Adjusted EBITDA Estimates

| | For the Year Ending December 31, 2023 | |
|--|--|-------------------|
| | Low | High |
| | <i>(in thousands)</i> | |
| Income (loss) before income taxes | \$ 150,000 | \$ 160,000 |
| Depreciation and amortization | 105,000 | 115,000 |
| Subtotal | 255,000 | 275,000 |
| Interest expense, net of interest income | 20,000 | 20,000 |
| Adjusted EBITDA | <u>\$ 275,000</u> | <u>\$ 295,000</u> |

2023 Free Cash Flow Estimate

| | For the Year Ending December 31, 2023 | |
|---|--|-------------------|
| | Low | High |
| | <i>(in thousands)</i> | |
| Net income (loss) | \$ 75,000 | \$ 90,000 |
| Depreciation and amortization | 105,000 | 115,000 |
| Other increases (decreases) in cash from operating activities | 5,000 | 30,000 |
| Cash flow provided by (used in) operating activities | 185,000 | 235,000 |
| Purchases of property and equipment | (95,000) | (105,000) |
| Free Cash Flow | <u>\$ 90,000</u> | <u>\$ 130,000</u> |

2024 Adjusted EBITDA Estimates

| | For the Year Ending December 31, 2024 | |
|--|--|-------------------|
| | Low | High |
| | <i>(in thousands)</i> | |
| Income (loss) before income taxes | \$ 215,000 | \$ 245,000 |
| Depreciation and amortization | 105,000 | 120,000 |
| Subtotal | 320,000 | 365,000 |
| Interest expense, net of interest income | 10,000 | 15,000 |
| Adjusted EBITDA | <u>\$ 330,000</u> | <u>\$ 380,000</u> |

- more -

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION
(continued)

EBITDA and Adjusted EBITDA and Margins by Segment

For the Three Months Ended September 30, 2023

| | SSR | MP | OPG | IMDS | ADTech | Unallocated Expenses and other | Total |
|---|-------------------|------------------|------------------|-----------------|------------------|--------------------------------------|------------------|
| | (\$ in thousands) | | | | | | |
| Operating Income (Loss) as reported in accordance with GAAP | \$ 47,818 | \$ 8,229 | \$ 26,745 | \$ 3,242 | \$ 14,140 | \$ (42,245) | \$ 57,929 |
| Adjustments for the effects of: | | | | | | | |
| Depreciation and amortization | 12,805 | 3,067 | 6,931 | 909 | 600 | 1,284 | 25,596 |
| Other pre-tax | — | — | — | — | — | 1,517 | 1,517 |
| EBITDA | 60,623 | 11,296 | 33,676 | 4,151 | 14,740 | (39,444) | 85,042 |
| Adjustments for the effects of: | | | | | | | |
| Foreign currency (gains) losses | — | — | — | — | — | (944) | (944) |
| Total of adjustments | — | — | — | — | — | (944) | (944) |
| Adjusted EBITDA | <u>\$ 60,623</u> | <u>\$ 11,296</u> | <u>\$ 33,676</u> | <u>\$ 4,151</u> | <u>\$ 14,740</u> | <u>\$ (40,388)</u> | <u>\$ 84,098</u> |
| Revenue | \$ 197,343 | \$ 122,877 | \$ 150,273 | \$ 66,056 | \$ 98,631 | | \$ 635,180 |
| Operating income (loss) % as reported in accordance with GAAP | 24 % | 7 % | 18 % | 5 % | 14 % | | 9 % |
| EBITDA Margin | 31 % | 9 % | 22 % | 6 % | 15 % | | 13 % |
| Adjusted EBITDA Margin | 31 % | 9 % | 22 % | 6 % | 15 % | | 13 % |

For the Three Months Ended September 30, 2022

| | SSR | MP | OPG | IMDS | ADTech | Unallocated Expenses and other | Total |
|---|-------------------|-----------------|------------------|-----------------|------------------|--------------------------------------|------------------|
| | (\$ in thousands) | | | | | | |
| Operating Income (Loss) as reported in accordance with GAAP | \$ 37,069 | \$ 4,282 | \$ 20,310 | \$ 3,091 | \$ 13,043 | \$ (30,920) | \$ 46,875 |
| Adjustments for the effects of: | | | | | | | |
| Depreciation and amortization | 16,013 | 2,939 | 7,132 | 1,695 | 671 | 1,799 | 30,249 |
| Other pre-tax | — | — | — | — | — | (687) | (687) |
| EBITDA | 53,082 | 7,221 | 27,442 | 4,786 | 13,714 | (29,808) | 76,437 |
| Adjustments for the effects of: | | | | | | | |
| Foreign currency (gains) losses | — | — | — | — | — | 1,145 | 1,145 |
| Total of adjustments | — | — | — | — | — | 1,145 | 1,145 |
| Adjusted EBITDA | <u>\$ 53,082</u> | <u>\$ 7,221</u> | <u>\$ 27,442</u> | <u>\$ 4,786</u> | <u>\$ 13,714</u> | <u>\$ (28,663)</u> | <u>\$ 77,582</u> |
| Revenue | \$ 169,422 | \$ 94,039 | \$ 152,987 | \$ 58,465 | \$ 84,758 | | \$ 559,671 |
| Operating income (loss) % as reported in accordance with GAAP | 22 % | 5 % | 13 % | 5 % | 15 % | | 8 % |
| EBITDA Margin | 31 % | 8 % | 18 % | 8 % | 16 % | | 14 % |
| Adjusted EBITDA Margin | 31 % | 8 % | 18 % | 8 % | 16 % | | 14 % |

- more -

EBITDA and Adjusted EBITDA and Margins by Segment

| For the Three Months Ended June 30, 2023 | | | | | | |
|--|-----------|-----------|----------|-----------|--------------------------------|-----------|
| SSR | MP | OPG | IMDS | ADTech | Unallocated Expenses and other | Total |
| (\$ in thousands) | | | | | | |
| \$ 42,227 | \$ 10,607 | \$ 17,132 | \$ 3,844 | \$ 11,357 | \$ (35,968) | \$ 49,199 |
| 13,356 | 3,013 | 6,976 | 939 | 632 | 1,130 | 26,046 |
| — | — | — | — | — | (5,330) | (5,330) |
| 55,583 | 13,620 | 24,108 | 4,783 | 11,989 | (40,168) | 69,915 |
| — | — | — | — | — | 4,845 | 4,845 |
| — | — | — | — | — | 4,845 | 4,845 |
| \$ 55,583 | \$ 13,620 | \$ 24,108 | \$ 4,783 | \$ 11,989 | \$ (35,323) | \$ 74,760 |

| | | | | | | |
|---|------------|------------|------------|-----------|-----------|------------|
| Revenue | \$ 186,512 | \$ 124,882 | \$ 130,547 | \$ 63,166 | \$ 92,803 | \$ 597,910 |
| Operating income (loss) % as reported in accordance with GAAP | 23 % | 8 % | 13 % | 6 % | 12 % | 8 % |
| EBITDA Margin | 30 % | 11 % | 18 % | 8 % | 13 % | 12 % |
| Adjusted EBITDA Margin | 30 % | 11 % | 18 % | 8 % | 13 % | 13 % |

RECONCILIATIONS OF NON-GAAP TO GAAP FINANCIAL INFORMATION
(continued)

EBITDA and Adjusted EBITDA and Margins by Segment

| For the Nine Months Ended September 30, 2023 | | | | | | |
|---|-------------------|------------|------------|------------|------------|--------------------------------|
| | SSR | MP | OPG | IMDS | ADTech | Unallocated Expenses and other |
| | (\$ in thousands) | | | | | Total |
| Operating Income (Loss) as reported in accordance with GAAP | \$ 123,699 | \$ 30,116 | \$ 49,391 | \$ 10,168 | \$ 33,993 | \$ (113,489) |
| Adjustments for the effects of: | | | | | | |
| Depreciation and amortization | 41,101 | 9,124 | 21,035 | 2,706 | 1,885 | 3,612 |
| Other pre-tax | — | — | — | — | — | (3,070) |
| EBITDA | 164,800 | 39,240 | 70,426 | 12,874 | 35,878 | (112,947) |
| Adjustments for the effects of: | | | | | | |
| Foreign currency (gains) losses | — | — | — | — | — | 3,634 |
| Total of adjustments | — | — | — | — | — | 3,634 |
| Adjusted EBITDA | \$ 164,800 | \$ 39,240 | \$ 70,426 | \$ 12,874 | \$ 35,878 | \$ (109,313) |
| Revenue | \$ 553,016 | \$ 360,698 | \$ 385,127 | \$ 189,305 | \$ 281,931 | \$ 1,770,077 |
| Operating income (loss) % as reported in accordance with GAAP | 22 % | 8 % | 13 % | 5 % | 12 % | 8 % |
| EBITDA Margin | 30 % | 11 % | 18 % | 7 % | 13 % | 12 % |
| Adjusted EBITDA Margin | 30 % | 11 % | 18 % | 7 % | 13 % | 12 % |

| For the Nine Months Ended September 30, 2022 | | | | | | |
|---|-------------------|------------|------------|------------|------------|--------------------------------|
| | SSR | MP | OPG | IMDS | ADTech | Unallocated Expenses and other |
| | (\$ in thousands) | | | | | Total |
| Operating Income (Loss) as reported in accordance with GAAP | \$ 74,559 | \$ 5,560 | \$ 38,511 | \$ 10,035 | \$ 33,848 | \$ (93,827) |
| Adjustments for the effects of: | | | | | | |
| Depreciation and amortization | 52,545 | 9,031 | 21,536 | 3,759 | 2,148 | 4,109 |
| Other pre-tax | — | — | — | — | — | 986 |
| EBITDA | 127,104 | 14,591 | 60,047 | 13,794 | 35,996 | (88,732) |
| Adjustments for the effects of: | | | | | | |
| Foreign currency (gains) losses | — | — | — | — | — | (189) |
| Total of adjustments | — | — | — | — | — | (189) |
| Adjusted EBITDA | \$ 127,104 | \$ 14,591 | \$ 60,047 | \$ 13,794 | \$ 35,996 | \$ (88,921) |
| Revenue | \$ 454,534 | \$ 282,187 | \$ 366,841 | \$ 174,473 | \$ 251,826 | \$ 1,529,861 |
| Operating income (loss) % as reported in accordance with GAAP | 16 % | 2 % | 10 % | 6 % | 13 % | 4 % |
| EBITDA Margin | 28 % | 5 % | 16 % | 8 % | 14 % | 11 % |
| Adjusted EBITDA Margin | 28 % | 5 % | 16 % | 8 % | 14 % | 11 % |