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## **SUPERIOR ENERGY SERVICES ANNOUNCES SECOND QUARTER 2021 RESULTS AND CONFERENCE CALL**

**Houston, November 5, 2021** – Superior Energy Services, Inc. (the “Company”) filed its Form 10-Q for the period ending June 30, 2021 on October 29, 2021. In accordance with the Company’s Shareholders Agreement, it will host a conference call with shareholders on Tuesday, November 9, 2021.

The Company’s second quarter highlights the emerged Superior’s pristine balance sheet, with no debt and a growing balance of cash, cash equivalents, and restricted cash of \$285.9 million. Moreover, the focus and discipline to direct our considerable resources toward emerging growth opportunities are beginning to meet increased expectations for returns while enhancing the Company’s strong market positions in its most desirable product lines, premium downhole tubulars and bottom hole drilling assemblies, where demand has strengthened materially in response to higher oil and natural gas commodity prices. Mike McGovern, Executive Chairman of the Board and Principal Executive Officer, commented, “We’ve emerged from bankruptcy with a clean balance sheet into a market with significant growth opportunities in our core businesses. I’d like to thank our employees, the Board/shareholders, our customers and suppliers for their support and enabling the Company to be very well positioned for future.”

### **Second Quarter 2021 Results**

The Company emerged from bankruptcy on February 2, 2021. For clarity of comparison reporting, both predecessor (January 1, 2021 – February 2, 2021) and successor (February 3, 2021 – March 31, 2021) periods are combined throughout when referring to first quarter of 2021 results which is a non-GAAP financial measure. For a reconciliation of this non-GAAP measure to GAAP results for the predecessor and successor periods, refer to the consolidated Statements of Operations included on page 5.

The Company reported a loss from operations for the second quarter of 2021 of \$36.5 million on revenue of \$165.9 million. This compares to a loss from operations of \$33.4 million for the first quarter of 2021 on revenues of \$151.8 million. In the second quarter of 2020, the company reported a loss from operations of \$26.1 million on revenues of \$151.6 million.

Adjusted EBITDA (a non-GAAP measure) of \$30.0 million for the quarter was up compared to \$24.6 million in first quarter 2021 and \$2.6 million for second quarter 2020. Refer to page 9 for a Reconciliation of Adjusted EBITDA to GAAP results.

The valuation process under fresh start accounting caused certain fully depreciated assets to be assigned an estimated fair value of \$282.1 million and remaining useful life of less than 36 months. First and second quarter 2021 depreciation was \$48.4 million and \$59.0 million respectively. Depreciation expense for the remainder of 2021 is expected to be approximately \$104.6 million, and \$75.1 million and \$46.5 million for the years ended December 31, 2022 and 2023, respectively.

## **Second Quarter 2021 Geographic Breakdown**

U.S. land revenue was \$27.6 million in the second quarter of 2021, an increase of 28% compared with revenue of \$21.5 million in the first quarter of 2021. U.S. offshore revenue was \$53.5 million in the second quarter of 2021, a decrease of 3% compared with revenue of \$55.4 million in the first quarter of 2021. International revenue of \$84.9 million increased by 14%, as compared to revenue of \$74.8 million in the first quarter of 2021.

## **Segment Reporting**

In connection with our Transformation Project, which is discussed further below, and our ongoing disposition activities, during the second quarter of 2021, our reportable segments were changed to Rentals (inclusive of our Workstrings, Stabil Drill and HB Rentals brands), Well Services (inclusive of our Wild Well Control, ISS and Completions brands) and Corporate and other. The products and service offerings of Rentals are comprised of value-added engineering services and premium downhole tubular rentals, design engineering, manufacturing and rental of bottom hole assemblies and rentals of accommodation units. The products and service offerings of Well Services are comprised of risk management, well control and training solutions, hydraulic workover and snubbing services and, engineering and manufacturing of premium sand control tools, as well as a host of other service offerings, including coiled tubing, cased hole and mechanical wireline and production testing and optimization, focused on offshore and international markets

The Rentals segment revenue in the second quarter of 2021 was \$67.2 million, an 11% increase from first quarter 2021 revenue of \$60.8 million. The Well Services segment revenue in the second quarter of 2021 was \$98.7 million, an 8% increase from the first quarter 2021 revenue of \$91.0 million.

## **Discontinued Operations**

On July 9, 2021, we entered into a Securities Purchase and Sale Agreement (the "Purchase Agreement") with SES Holdings, LLC (the "Parent"), Select Energy Services, Inc. ("Select") (solely to the extent stated therein), and Complete Energy Services, Inc. ("Complete"). Pursuant to the Purchase Agreement, Select acquired certain of our onshore oilfield services operations in the United States through the acquisition of 100% of the equity interests of Complete, for a purchase price of approximately \$14.0 million in cash and the issuance of 3.6 million shares of Class A common stock, \$0.01 par value, of Select, subject to customary post-closing adjustments. The sale included certain flowback and pressure testing assets of SPN Well Services ("SPW") as well.

On November 1, 2021, the Company completed an agreement with Axis Energy Services to sell the remaining assets of SPW. In exchange for these assets the company received proceeds of \$8.5 million of cash. Additionally, the Company retained working capital of the business attributable to pre-closing periods in the amount of approximately \$6.8 million.

The financial results of the Complete and SPW operations have historically been included in our Onshore Completion and Workover Services segment. Discontinuing the operations of Complete and SPW is aligned with our overall strategic objective to divest assets and service lines that do not compete for investment in the current market environment. During the second quarter of 2021, we recognized a reduction in value of assets related to Complete of approximately \$12.4 million.

The Company reported a net loss from discontinued operations for the second quarter of 2021 of \$25.0 million on revenue of \$45.1 million.

Related to the sale of non-core assets, exclusive of Complete and SPW transactions noted above, the Company has received approximately \$50.3 million in cash proceeds through November 3, 2021. In addition, we received \$14 million from the sale of Complete and \$8.5 million from the sale of SPW detailed above. Total proceeds received from the sale of non-core assets through November 1, 2021 are \$72.8 million.

## Transformation Project

The Company embarked on a transformation project that has reconfigured the operations and organization of the Company with the guiding objective to maximize margin growth and shareholder value. The transformation project has three sequential phases:

- **Business Unit Review** – focused on the product optimization and margin enhancement for the Company’s core product lines and business units, and the exit of those that are non-core;
- **Geographic Focus** – improve capital efficiency by focusing on low-risk, high reward geographies to maximize returns and the reduction of our footprint; and
- **Right Size Support** – consolidate and right size the Company’s operational footprint and administrative support to align the Company’s size with current and forecasted demand.

Management expects the evaluation and implementation of the Business Unit Reviews to be completed by the end of November 2021, resulting in lower revenue with increased margins. The Right Sizing Support and Geographic Focus components of the transformation project are in the early stages and should be completed over the next several months.

As discussed above, the Company’s decision to exit businesses was based on the ease of entry, anticipated compressed margins, and future capital requirements. As a result of the transformation project, the Company is expected to have lower revenue, but expects improved operating margins and an overall increase in EBITDA in 2022.

## Liquidity

As of November 3, 2021, the Company had cash, cash equivalents, and restricted cash of approximately \$366.6 million and availability remaining under our ABL Credit Facility of approximately \$84 million, assuming continued compliance with the covenants under our ABL Credit Facility.

As of November 3, 2021, the Company continued to own 3.6 million shares of Select Energy Services Class A common stock (NYSE: WTTR).

## Conference Call Information

The Company will host a conference call on Tuesday, November 9th, 2021 at 10:00 a.m. Eastern Time. To listen to the call via a live webcast, please visit Superior’s website at [ir.superiorenergy.com](http://ir.superiorenergy.com) and use access code 6478902. You may also listen to the call by dialing in at 1-877-800-3682 in the United States and Canada or 1-615-622-8047 for International calls and using access code 6478902. The call will be available for replay until November 30<sup>th</sup>, 2021 on Superior’s website at [ir.superiorenergy.com](http://ir.superiorenergy.com). If you are a shareholder and would like to submit a question, please email your question beforehand to Wendell York at [ir@superiorenergy.com](mailto:ir@superiorenergy.com).

## About Superior Energy Services

Superior Energy Services serves the drilling, completion and production-related needs of oil and gas companies worldwide through a diversified portfolio of specialized oilfield services and equipment that are used throughout the economic life cycle of oil and gas wells. For more information, visit: [www.superiorenergy.com](http://www.superiorenergy.com).

## **Forward-Looking Statements**

This press release contains, and future oral or written statements or press releases by the Company and its management may contain, certain forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Generally, the words “expects,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks” and “estimates,” variations of such words and similar expressions identify forward-looking statements, although not all forward-looking statements contain these identifying words. All statements other than statements of historical fact regarding the Company’s financial position, financial performance, liquidity, strategic alternatives, market outlook, future capital needs, capital allocation plans, business strategies and other plans and objectives of our management for future operations and activities are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company’s management in light of its experience and prevailing circumstances on the date such statements are made. Such forward-looking statements, and the assumptions on which they are based, are inherently speculative and are subject to a number of risks and uncertainties that could cause the Company’s actual results to differ materially from such statements. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties and factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements.

While the Company believes that the assumptions concerning future events are reasonable, it cautions that there are inherent difficulties in predicting certain important factors that could impact the future performance or results of its business.

These forward-looking statements are also affected by the risk factors, forward-looking statements and challenges and uncertainties described in the Company’s Form 10-K for the year ended December 31, 2020 and Forms 10-Q filed on September 30, 2021 and October 29, 2021 and those set forth from time to time in the Company’s other periodic filings with the Securities and Exchange Commission, which are available at [www.superiorenergy.com](http://www.superiorenergy.com). Except as required by law, the Company expressly disclaims any intention or obligation to revise or update any forward-looking statements whether as a result of new information, future events or otherwise.

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**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(in thousands, except per share data)  
(unaudited)

|  | Three months ended |                    |                            |                          |                   | Six months ended  |                     |
|--|--------------------|--------------------|----------------------------|--------------------------|-------------------|-------------------|---------------------|
|  | June 30,           |                    | March 31,                  |                          |                   | June 30,          |                     |
|  | 2021               | 2020               | Predecessor <sup>(1)</sup> | Successor <sup>(1)</sup> | Combined          | 2021              | 2020                |
| Revenues   | \$ 165,892         | \$ 151,582         | \$ 45,928                  | \$ 105,843               | \$ 151,771        | \$ 317,663        | \$ 385,821          |
| Cost of revenues   | 103,579            | 93,426             | 29,773                     | 67,868                   | 97,641            | 201,220           | 230,939             |
| Depreciation, depletion, amortization and accretion          | 59,018             | 28,708             | 8,358                      | 40,030                   | 48,388            | 107,406           | 60,889              |
| General and administrative expenses                          | 32,308             | 55,528             | 11,052                     | 18,438                   | 29,490            | 61,798            | 114,804             |
| Restructuring and other expenses                             | 7,438              | -                  | 1,270                      | 8,383                    | 9,653             | 17,091            | -                   |
| Reduction in value of assets                                 | -                  | -                  | -                          | -                        | -                 | -                 | 16,522              |
| Loss from operations   | (36,451)           | (26,080)           | (4,525)                    | (28,876)                 | (33,401)          | (69,852)          | (37,333)            |
| Other income   |                    |                    |                            |                          |                   |                   |                     |
| Interest income (expense), net                               | 535                | (24,757)           | 202                        | 212                      | 414               | 949               | (49,898)            |
| Reorganization items, net                                    | -                  | -                  | 335,560                    | -                        | 335,560           | 335,560           | -                   |
| Other income (expense)                                       | 2,570              | 821                | (2,105)                    | (2,845)                  | (4,950)           | (2,380)           | (3,411)             |
| Income (loss) from continuing operations before income taxes | (33,346)           | (50,016)           | 329,132                    | (31,509)                 | 297,623           | 264,277           | (90,642)            |
| Income taxes benefit   | 1,747              | 4,324              | (60,003)                   | 4,285                    | (55,718)          | (53,971)          | 14,160              |
| Net income (loss) from continuing operations                 | (31,599)           | (45,692)           | 269,129                    | (27,224)                 | 241,905           | 210,306           | (76,482)            |
| Loss from discontinued operations, net of tax                | (19,400)           | (19,414)           | (352)                      | (9,406)                  | (9,758)           | (29,158)          | (68,088)            |
| Net income (loss)  | <u>\$ (50,999)</u> | <u>\$ (65,106)</u> | <u>\$ 268,777</u>          | <u>\$ (36,630)</u>       | <u>\$ 232,147</u> | <u>\$ 181,148</u> | <u>\$ (144,570)</u> |

<sup>(1)</sup>Predecessor refers to periods prior to our emergence from bankruptcy on February 2, 2021. Successor refers to periods subsequent to emergence. For further information regarding the breakdown of results, see our Quarterly Report on Form 10-Q for the three months ended March 31, 2021.

No earnings per share information is presented due to the change in reporting entity as a result of our emergence from bankruptcy in the first quarter of 2021.

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands)

(unaudited)

|   | <b>June 30,<br/>2021</b> | <b>December 31,<br/>2020</b> |
|---|--------------------------|------------------------------|
| <b>ASSETS</b>   |                          |                              |
| Current assets:                                       |                          |                              |
| Cash and cash equivalents                             | \$ 205,748               | \$ 188,006                   |
| Accounts receivable, net                              | 171,480                  | 158,516                      |
| Income taxes receivable                               | -                        | 8,891                        |
| Prepaid expenses                                      | 34,540                   | 31,793                       |
| Inventory and other current assets                    | 93,826                   | 86,198                       |
| Assets held for sale                                  | 170,194                  | 242,104                      |
| Total current assets                                  | 675,788                  | 715,508                      |
| Property, plant and equipment, net                    | 455,079                  | 408,107                      |
| Operating lease right-of-use assets                   | 30,755                   | 33,317                       |
| Goodwill  | -                        | 138,677                      |
| Notes receivable                                      | 74,370                   | 72,129                       |
| Restricted cash                                       | 80,159                   | 80,179                       |
| Intangible and other long-term assets, net            | 24,436                   | 53,162                       |
| Total assets  | \$ 1,340,587             | \$ 1,501,079                 |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b> |                          |                              |
| Current liabilities:                                  |                          |                              |
| Accounts payable                                      | \$ 60,735                | \$ 50,330                    |
| Accrued expenses                                      | 115,069                  | 114,777                      |
| Income taxes payable                                  | 4,829                    | -                            |
| Liabilities held for sale                             | 35,730                   | 46,376                       |
| Total current liabilities                             | 216,363                  | 211,483                      |
| Decommissioning liabilities                           | 171,744                  | 134,436                      |
| Operating lease liabilities                           | 21,353                   | 29,464                       |
| Deferred income taxes                                 | 43,227                   | 5,288                        |
| Other long-term liabilities                           | 72,758                   | 123,261                      |
| Liabilities subject to compromise                     | -                        | 1,335,794                    |
| Total liabilities                                     | 525,445                  | 1,839,726                    |
| Total stockholders' equity (deficit)                  | 815,142                  | (338,647)                    |
| Total liabilities and stockholders' equity (deficit)  | \$ 1,340,587             | \$ 1,501,079                 |

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in thousands)

(unaudited)

|   | <b>Six months ended</b>   |                   |
|---|---------------------------|-------------------|
|   | <b>June 30,</b>           |                   |
|   | <b>2021<sup>(1)</sup></b> | <b>2020</b>       |
| Cash flows from operating activities  |                           |                   |
| Net income (loss)   | \$ 181,148                | \$ (144,570)      |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities |                           |                   |
| Depreciation, depletion, amortization and accretion                                     | 140,902                   | 78,141            |
| Reduction in value of assets  | 9,776                     | 65,883            |
| Reorganization items, net   | (354,279)                 | -                 |
| Other non-cash items  | 33,362                    | 14,614            |
| Changes in operating assets and liabilities   | 6,977                     | (14,641)          |
| Net cash from operating activities  | <u>17,886</u>             | <u>(573)</u>      |
| Cash flows from investing activities  |                           |                   |
| Payments for capital expenditures   | (14,030)                  | (30,518)          |
| Proceeds from sales of assets   | 16,975                    | 39,445            |
| Net cash from investing activities  | <u>2,945</u>              | <u>8,927</u>      |
| Cash flows from financing activities  |                           |                   |
| Other   | (3,419)                   | (208)             |
| Net cash from financing activities  | <u>(3,419)</u>            | <u>(208)</u>      |
| Effect of exchange rate changes on cash   | 311                       | (2,351)           |
| Net change in cash, cash equivalents and restricted cash                                | 17,723                    | 5,795             |
| Cash, cash equivalents and restricted cash at beginning of period                       | <u>268,184</u>            | <u>275,388</u>    |
| Cash, cash equivalents and restricted cash at end of period                             | <u>\$ 285,907</u>         | <u>\$ 281,183</u> |

<sup>(1)</sup> Combines results from Predecessor periods prior to our emergence from bankruptcy on February 2, 2021 and Successor periods subsequent to emergence. For further information regarding the breakdown of results, see our Quarterly Report on Form 10-Q for the six months ended June 30, 2021.

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**  
**REVENUE BY GEOGRAPHIC REGION BY SEGMENT**

(in thousands, except per share data)

(unaudited)

|                                | Three months ended |            |                     |
|--------------------------------|--------------------|------------|---------------------|
|                                | June 30,           |            | March 31,           |
|                                | 2021               | 2020       | 2021 <sup>(1)</sup> |
| <b>U.S. land</b>               |                    |            |                     |
| Rentals                        | \$ 20,789          | \$ -       | \$ 16,026           |
| Well Services                  | 6,781              | -          | 5,505               |
| Drilling Products and Services | -                  | 19,538     | -                   |
| Production Services            | -                  | 6          | -                   |
| Technical Solutions            | -                  | 3,166      | -                   |
| <b>Total U.S. land</b>         | 27,570             | 22,710     | 21,531              |
| <b>U.S. offshore</b>           |                    |            |                     |
| Rentals                        | 26,890             | -          | 28,599              |
| Well Services                  | 26,574             | -          | 26,792              |
| Drilling Products and Services | -                  | 28,587     | -                   |
| Production Services            | -                  | 6,363      | -                   |
| Technical Solutions            | -                  | 23,611     | -                   |
| <b>Total U.S. offshore</b>     | 53,464             | 58,561     | 55,391              |
| <b>International</b>           |                    |            |                     |
| Rentals                        | 19,558             | -          | 16,162              |
| Well Services                  | 65,300             | -          | 58,687              |
| Drilling Products and Services | -                  | 19,225     | -                   |
| Production Services            | -                  | 37,033     | -                   |
| Technical Solutions            | -                  | 14,053     | -                   |
| <b>Total International</b>     | 84,858             | 70,311     | 74,849              |
| <b>Total Revenues</b>          | \$ 165,892         | \$ 151,582 | \$ 151,771          |

<sup>(1)</sup> Combines results from Predecessor periods prior to our emergence from bankruptcy on February 2, 2021 and Successor periods subsequent to emergence. For further information regarding the breakdown of results, see our Quarterly Report on Form 10-Q for the three months ended March 31, 2021.



**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF ADJUSTED EBITDA**

(in thousands)

(unaudited)

|   | <b>Three months ended</b> |             |                           |
|---|---------------------------|-------------|---------------------------|
|   | <b>June 30,</b>           |             | <b>March 31,</b>          |
|   | <b>2021</b>               | <b>2020</b> | <b>2021<sup>(1)</sup></b> |
| Net income (loss) from continuing operations        | \$ (31,599)               | \$ (45,692) | \$ 241,905                |
| Depreciation, depletion, amortization and accretion | 59,018                    | 28,708      | 48,388                    |
| Interest (income) expense, net                      | (535)                     | 24,757      | (414)                     |
| Income taxes  | (1,747)                   | (4,324)     | 55,718                    |
| Reorganization items, net                           | -                         | -           | (335,560)                 |
| Restructuring and other expenses                    | 7,438                     | -           | 9,653                     |
| Other (income) expense                              | (2,570)                   | (821)       | 4,950                     |
| Adjusted EBITDA                                     | \$ 30,005                 | \$ 2,628    | \$ 24,640                 |

We define EBITDA as income (loss) from continuing operations adjusted for the impact of depreciation, depletion, amortization and accretion, interest and income taxes. Additionally, our definition of Adjusted EBITDA adjusts for the impact of reorganization items and restructuring and other expenses and other income/expense.

<sup>(1)</sup> Combines results from Predecessor periods prior to our emergence from bankruptcy on February 2, 2021 and Successor periods subsequent to emergence. For further information regarding the breakdown of results, see our Quarterly Report on Form 10-Q for the three months ended March 31, 2021.