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# SUPERIOR ENERGY SERVICES ANNOUNCES FOURTH QUARTER 2022 RESULTS AND CONFERENCE CALL

**Houston, March 15, 2023** – Superior Energy Services, Inc. (the "Company") filed its Form 10-K for the period ending December 31, 2022 on March 15, 2023. In accordance with the Company's Shareholders Agreement, it will host a conference call with shareholders on Tuesday, March 21, 2023.

For the fourth quarter of 2022, the Company reported net income from continuing operations of $175.0 million, or $8.69 per diluted share, and revenue of $239.1 million. This compares to net income from continuing operations of $48.5 million, or $2.41 per diluted share, and revenue of $222.3 million, for the third quarter of 2022. Net income from continuing operations for the fourth quarter includes a tax benefit of $110.5 million primarily driven from the recognition of a worthless stock deduction in the U.S. related to deductible outside basis differences in certain domestic subsidiaries.

For the year ended December 31, 2022, the Company's net income from continuing operations was $291.0 million, or $14.49 per diluted share, and revenue of $884.0 million. This compares to net income from continuing operations of $147.0 million in the combined year of 2021 on revenue of $694.7 million. The combined year of 2021 included $335.6 million of income related to reorganization items.

The Company's Adjusted EBITDA (a non-GAAP measure) was $79.9 million for the fourth quarter of 2022, an increase of 6% compared to $75.1 million in the third quarter of 2022. For the full year, Adjusted EBITDA was $282.1 million compared to $126.2 million in the combined year of 2021. Refer to page 12 for a Reconciliation of Adjusted EBITDA to GAAP results.

Brian Moore, Chief Executive Officer, commented, "I'm extremely proud of our team's execution during the quarter delivering a strong finish to an outstanding 2022 for Superior. Our leadership's commitment to free cash flow generation, businesses critical to our customers, and operational excellence enabled us to achieve our transformative strategic objectives including the $250 million distribution to shareholders in December, our debt free balance sheet and strong competitive positions, especially in our Rentals segment.

While we certainly benefited from a more favorable commodity price environment, our experienced and knowledgeable teams also effectively mitigated inflation and significant supply chain challenges with a disciplined approach to our businesses and processes aimed to deliver exceptional, sustainable performance through our industry's cycles."

**Fourth Quarter 2022 Geographic Breakdown**

U.S. land revenue was $49.4 million in the fourth quarter of 2022 compared to revenue of $49.5 million in the third quarter of 2022. Increases in market share and price for our premium drill pipe business were offset by a reduction in hydraulic workover activity and well control activity within our Well Services segment.

U.S. offshore revenue was $72.3 million in the fourth quarter of 2022, an increase of 18% compared to revenue of $61.4 million in the third quarter of 2022. This change was primarily driven by the delivery of a large Deepwater Gulf of Mexico Project in our completion services business unit.

International revenue was $117.4 million in the fourth quarter of 2022, an increase of 5% compared to revenue of $111.4 million in the third quarter of 2022. This increase was driven by increased tool rentals within our premium drill pipe business and an increase in well control activity in Latin America within the Well Services segment.

**Fourth Quarter 2022 Segment Reporting**

The Rentals segment revenue in the fourth quarter of 2022 was $105.9 million, a 1% increase compared to revenue of $104.6 million in the third quarter of 2022. Adjusted EBITDA of $62.6 million contributed 69% of the Company's total Adjusted EBITDA before including corporate costs. Fourth quarter Adjusted EBITDA Margin (a non-GAAP measure further defined on page 5) within Rentals was 59%, a 2% decrease from the third quarter margin of 61% driven by startup costs to ready accommodations units for deployment and reduction in activity in Canada for our bottom hole assembly business.

The Well Services segment revenue in the fourth quarter of 2022 was $133.2 million, a 13% increase compared to revenue of $117.7 million in the third quarter of 2022. Adjusted EBITDA for the fourth quarter of 2022 was $28.7 million for an Adjusted EBITDA Margin of 22%, roughly equal to the third quarter. An increase in margins for our completions services business was offset by lower well control margins internationally.

**Calendar Year 2022 Segment Reporting**

The Rentals segment revenue in 2022 was $402.9 million, a 40% increase compared to revenue of $287.0 million in 2021. The increase was driven by higher utilization and price of our premium drill pipe and bottom hole assembly inventory across all regions. This was partially offset by the exit of our non-core US accommodations business in late-2021. Adjusted EBITDA of $237.7 million contributed 71% of the Company's total Adjusted EBITDA before including corporate costs. Full year 2022 Adjusted EBITDA Margin within Rentals was 59%, a 9% increase from the 2021 margin of 50%. The increase in margins was primarily driven by higher prices and utilization for our rentals businesses.

The Well Services segment revenue in 2022 was $481.0 million, an 18% increase compared to revenue of $407.6 million in 2021. Revenues increased with greater industry activity across all regions, with non-core divestitures offsetting much of this increase. Adjusted EBITDA for 2022 was $95.8 million for an Adjusted EBITDA Margin of 20%, a 12% increase from the 2021 margin of 8%. This increase was driven by higher activity in our completion services business unit, as well as the divestiture of non-core, low-margin businesses within the segment.

**Liquidity**

As of December 31, 2022, the Company had cash, cash equivalents, and restricted cash of approximately $339.1 million and the availability remaining under our ABL Credit Facility was approximately $85.1 million, assuming continued compliance with the covenants under our ABL Credit Facility. We had no balances outstanding under the Credit Facility at December 31, 2022.

Total cash proceeds received during the fourth quarter of 2022 from the disposal of all of our remaining shares of Select were $21.3 million, and we received $4.0 million in proceeds from the sale of non-core assets. Proceeds from the sale of non-core assets in the third quarter of 2022 were $31.2 million. No shares of Select were sold during the third quarter of 2022.

For the year ended December 31, 2022, proceeds from the sale of non-core assets were $50.4 million and we received $34.7 million from the sale of Select shares. In the combined year of 2021 we received proceeds from the sale of non-core assets of $98.3 million and $4.1 million from the sale of Select shares.

The Company remains focused on cash conversion. Free cash flow (net cash from operating activities less payments for capital expenditures) for the fourth quarter of 2022 totaled $30.5 million compared to $31.4 million for the third quarter of 2022. Free cash flow for the year ended December 31, 2022 totaled $109.6 million.

In the fourth quarter of 2022, our Board declared a special cash dividend of $12.45 per share on our outstanding Class A common stock. The special dividend, which totaled $250.0 million, was paid on December 28, 2022.

Capital expenditures for the fourth quarter of 2022 were $22.9 million compared to $22.4 million for the third quarter of 2022 and $65.8 million for the full year 2022. Approximately 79% of total 2022 capital expenditures were for the replacement of existing assets. Of the total capital expenditures, approximately 81% was invested in the Rentals segment.

**2023 Guidance**

Regarding 2023 guidance, we expect the first quarter 2023 results of our Rentals segment to be in-line with fourth quarter 2022 results. Our Well Services segment will be down, based on the non-repeat of a very strong fourth quarter from our completion services business unit. We expect first quarter revenue to come in between $210 million to $220 million and first quarter Adjusted EBITDA should be between $62 million and $70 million.

In regards to full year 2023 guidance, we expect revenue to come in at a range of $750 million to $850 million with Adjusted EBITDA in a range of $260 million to $330 million. Depreciation expense for 2023 is expected to align with annualized fourth quarter 2022 results. Full year capital spending is expected to be in a range of $75 million to $90 million.

**Strategic Outlook**

We continue to explore alternatives to enhance shareholder value, including through potential merger or acquisition opportunities. As part of this process, we remain in and continue to pursue preliminary or exploratory dialogue with various potential counterparties. Resources will be allocated accordingly should strategic alternatives, including meaningful consolidation opportunities, become actionable in 2023. Our Board has not set a timetable or made any decisions related to further actions or potential strategic alternatives at this time. Additionally, any potential transaction would depend upon entry into definitive agreements with a potential counterparty on terms acceptable to us. There can be no assurance that we will enter any such transaction or consummate or pursue any transaction or other strategic alternative.

As we focus our financial strength, flexibility, and leading market position on converting operating margins to free cash flow generation, we will continue to be opportunistic and disciplined in our approach to growth and strategic capital expenditure allocations intended to support our well established brands.

We are striving to build a sustainable future through our commitment to Environmental, Social, and Governance (ESG) initiatives. Our Shared Core Values are critical to achieving our ESG goals and helping our customers, suppliers, and business partners achieve theirs. We continue to advance our ESG initiatives for the benefit of stakeholders with plans to publish our inaugural 2023 Sustainability Report in 2024.

**Conference Call Information**

The Company's management team will host a conference call on Tuesday, March 21, 2023, at 10:00 a.m. Eastern Time. The call will be available via live webcast in the "Events" section at ir.superiorenergy.com. To access via phone, participants can register for the call here, where they will be provided a phone number and access code. The call will be available for replay until March 20, 2024 on Superior's website at ir.superiorenergy.com. If you are a shareholder and would like to submit a question, please email your question beforehand to Jamie Spexarth at 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.

**Non-GAAP Financial Measure**

To supplement Superior's consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principles in the United States ("GAAP"), the Company also uses Adjusted EBITDA and Adjusted EBITDA Margin. Management uses Adjusted EBITDA and Adjusted EBITDA Margin internally for financial and operational decision-making and as a means to evaluate period-to-period comparisons. The Company also believes these non-GAAP measures provide investors useful information about operating results, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. Non-GAAP financial measures are not recognized measures for financial statement presentation under U.S. GAAP and do not have standardized meanings and may not be comparable to similar measures presented by other public companies. Adjusted EBITDA and Adjusted EBITDA Margin should be considered as supplements to, and not as substitutes for, or superior to, the corresponding measures calculated in accordance with GAAP. We define Adjusted EBITDA as net income (loss) before net interest expense, income tax expense (benefit) and depreciation, amortization and depletion, adjusted for reduction in value of assets and other charges, which management does not consider representative of our ongoing operations. We define Adjusted EBITDA Margin as Adjusted EBITDA by segment as a percentage of segment revenues. For a reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP financial measure, please see the tables under "—*Superior Energy Services, Inc. and Subsidiaries Reconciliation of Adjusted EBITDA*" included on pages 12 and 13 of this press release.

Free cash flow is considered a non-GAAP financial measure under the SEC's rules. Management believes, however, that free cash flow is an important financial measure for use in evaluating the Company's financial performance, as it measures our ability to generate additional cash from our business operations. Free cash flow should be considered in addition to, rather than as a substitute for, net income as a measure of our performance or net cash provided by operating activities as a measure of our liquidity. Additionally, our definition of free cash flow is limited and does not represent residual cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt service and other obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as supplemental to our entire statement of cash flows.

The Company is unable to provide a reconciliation of the forward-looking non-GAAP financial measure, Adjusted EBITDA, contained in this press release to its most directly comparable GAAP financial measure, net income, as the information necessary for a quantitative reconciliation of the forward-looking non-GAAP financial measure to its respective most directly comparable GAAP financial measure is not (and was not, when prepared) available to the Company without unreasonable efforts due to the inherent difficulty and impracticability of predicting certain amounts required by GAAP with a reasonable degree of accuracy. Net income includes the impact of depreciation, income taxes and certain other items that impact comparability between periods, which may be significant and are difficult to project with a reasonable degree of accuracy. In addition, we believe such reconciliation could imply a degree of precision that might be confusing or misleading to investors. The probable significance of providing this forward-looking non-GAAP financial measure without the directly comparable GAAP financial measure is that such GAAP financial measure may be materially different from the corresponding non-GAAP financial measure.

**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, depreciation expense, liquidity, strategic alternatives (including dispositions, acquisitions, and the timing thereof), 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, including but not limited to conditions in the oil and gas industry and the availability of third party buyers or other strategic partners, 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, 2022, Form 10-Q for any subsequent interim period, and those set forth from time to time in the Company's other current or periodic filings with the Securities and Exchange Commission, which are available at 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.

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF OPERATIONS**
(in thousands, except earnings per share amounts)
(unaudited)

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | December 31, | | September 30, | December 31, | |
| | 2022 | 2021 | 2022 | 2022 | 2021(1) |
| Revenues | $ 239,103 | $ 198,436 | $ 222,287 | $ 883,960 | $ 694,682 |
| Cost of revenues | 127,522 | 125,100 | 116,081 | 476,951 | 452,025 |
| Depreciation, depletion, amortization and accretion | 20,121 | 61,603 | 20,508 | 98,060 | 228,217 |
| General and administrative expenses | 34,204 | 33,158 | 31,841 | 128,294 | 128,627 |
| Restructuring expenses | 1,934 | 2,419 | 1,223 | 6,375 | 24,222 |
| Other (gains) and losses, net | 1,129 | 17,458 | (13,397) | (29,134) | 16,726 |
| Income (loss) from operations | 54,193 | (41,302) | 66,031 | 203,414 | (155,135) |
| Other income (expense): | | | | | |
| Interest income (expense), net | 5,702 | 937 | 3,373 | 11,713 | 2,533 |
| Reorganization items, net | - | - | - | - | 335,560 |
| Other income (expense) | 4,558 | (629) | (6,838) | (1,804) | (9,233) |
| Income (loss) from continuing operations before income taxes | 64,453 | (40,994) | 62,566 | 213,323 | 173,725 |
| Income tax benefit (expense) | 110,532 | 17,748 | (14,058) | 77,719 | (26,705) |
| Net income (loss) from continuing operations | 174,985 | (23,246) | 48,508 | 291,042 | 147,020 |
| Loss from discontinued operations, net of income tax | (4,389) | (6,102) | 17 | (4,577) | (40,421) |
| Net income (loss) | $ 170,596 | $ (29,348) | $ 48,525 | $ 286,465 | $ 106,599 |
| Income (loss) per share -basic | | | | | |
| Net income (loss) from continuing operations | $ 8.73 | | $ 2.42 | $ 14.53 | |
| Income (loss) from discontinued operations, net of income tax | (0.22) | | - | (0.22) | |
| Net income (loss) | $ 8.51 | | $ 2.42 | $ 14.31 | |
| Income (loss) per share - diluted: | | | | | |
| Net income (loss) from continuing operations | $ 8.69 | | $ 2.41 | $ 14.49 | |
| Income (loss) from discontinued operations, net of income tax | (0.21) | | 0.01 | (0.23) | |
| Net income (loss) | $ 8.48 | | $ 2.42 | $ 14.26 | |
| Weighted-average shares outstanding - basic | 20,049 | | 20,024 | 20,024 | |
| Weighted-average shares outstanding - diluted | 20,125 | | 20,090 | 20,087 | |

(1) Combines results from periods prior to our emergence from bankruptcy on February 2, 2021 and periods subsequent to emergence which is a non-GAAP financial measure. For further information regarding the breakdown of results, see our Annual Report on Form 10-K for the period ended December 31, 2022.

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**
(in thousands)
(unaudited)

| | December 31, 2022 | December 31, 2021 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 258,999 | $ 314,974 |
| Accounts receivable, net | 249,808 | 182,432 |
| Income taxes receivable | 6,665 | 5,099 |
| Prepaid expenses | 17,299 | 15,861 |
| Inventory | 65,587 | 60,603 |
| Investment in equity securities | - | 25,735 |
| Other current assets | 6,276 | 6,701 |
| Assets held for sale | 11,978 | 37,528 |
| Total current assets | 616,612 | 648,933 |
| Property, plant and equipment, net | 282,376 | 356,274 |
| Notes receivable | 69,679 | 60,588 |
| Restricted cash | 80,108 | 79,561 |
| Operating lease right-of-use assets | 18,797 | 25,154 |
| Noncurrent deferred tax assets | 97,492 | 1,894 |
| Other long-term assets, net | 25,948 | 27,104 |
| Total assets | $ 1,191,012 | $ 1,199,508 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 31,570 | $ 43,080 |
| Accrued expenses | 116,575 | 108,610 |
| Income taxes payable | 11,682 | 8,272 |
| Current portion of decommissioning liability | 9,770 | - |
| Liabilities held for sale | 3,349 | 5,607 |
| Total current liabilities | 172,946 | 165,569 |
| Decommissioning liabilities | 150,901 | 190,380 |
| Deferred income taxes | 3,388 | 12,441 |
| Operating lease liability | 14,634 | 19,193 |
| Other long-term liabilities | 66,259 | 70,192 |
| Total liabilities | 408,128 | 457,775 |
| Total stockholders' equity | 782,884 | 741,733 |
| Total liabilities and stockholders' equity | $ 1,191,012 | $ 1,199,508 |

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
(in thousands)
(unaudited)

| | Three Months Ended | | Year Ended | |
|---|---|---|---|---|
| | December 31, 2022 | September 30, 2022 | December 31, 2022 | December 31, 2021(1) |
| Cash flows from operating activities | | | | |
| Net income | $ 170,596 | $ 48,525 | $ 286,465 | $ 106,599 |
| Adjustments to reconcile net income to net cash provided by operating activities | | | | |
| Depreciation, depletion, amortization and accretion | 20,121 | 20,508 | 98,060 | 261,860 |
| Reorganization items, net | - | - | - | (354,279) |
| Other non-cash items | (108,654) | (5,807) | (136,819) | 48,645 |
| Changes in operating assets and liabilities | (28,672) | (9,445) | (72,290) | 1,442 |
| Net cash from operating activities | 53,391 | 53,781 | 175,416 | 64,267 |
| Cash flows from investing activities | | | | |
| Payments for capital expenditures | (22,883) | (22,387) | (65,784) | (37,187) |
| Proceeds from sales of assets | 3,962 | 31,231 | 50,376 | 98,280 |
| Proceeds from sales of equity securities | 21,319 | - | 34,685 | 4,099 |
| Net cash from investing activities | 2,398 | 8,844 | 19,277 | 65,192 |
| Cash flows from financing activities | | | | |
| Distributions to Shareholders | (249,986) | - | (249,986) | - |
| Other | (135) | - | (135) | (3,419) |
| Net cash from financing activities | (250,121) | - | (250,121) | (3,419) |
| Effect of exchange rate changes on cash | - | - | - | 311 |
| Net change in cash, cash equivalents and restricted cash | (194,332) | 62,625 | (55,428) | 126,351 |
| Cash, cash equivalents and restricted cash at beginning of period | 533,439 | 470,814 | 394,535 | 268,184 |
| Cash, cash equivalents and restricted cash at end of period | $ 339,107 | $ 533,439 | $ 339,107 | $ 394,535 |
| Reconciliation of Free Cash Flow | | | | |
| Net cash from operating activities | $ 53,391 | $ 53,781 | $ 175,416 | $ 64,267 |
| Payments for capital expenditures | (22,883) | (22,387) | (65,784) | (37,187) |
| Free Cash Flow | $ 30,508 | $ 31,394 | $ 109,632 | $ 27,080 |

(1) Combines results from periods prior to our emergence from bankruptcy on February 2, 2021 and periods subsequent to emergence which is a non-GAAP financial measure. For further information regarding the breakdown of results, see our Annual Report on Form 10-K for the period ended December 31, 2022.

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**
**REVENUE BY GEOGRAPHIC REGION BY SEGMENT**
(in thousands, except per share data)
(unaudited)

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | December 31, | | September 30, | December 31, | |
| | 2022 | 2021 | 2022 | 2022 | 2021(1) |
| **U.S. land** | | | | | |
| Rentals | $ 43,316 | $ 29,907 | $ 39,673 | $ 160,742 | $ 92,349 |
| Well Services | 6,051 | 4,588 | 9,808 | 24,558 | 23,512 |
| **Total U.S. land** | 49,367 | 34,495 | 49,481 | 185,300 | 115,861 |
| **U.S. offshore** | | | | | |
| Rentals | 33,968 | 27,356 | 37,829 | 140,881 | 111,842 |
| Well Services | 38,349 | 24,661 | 23,609 | 122,848 | 100,783 |
| **Total U.S. offshore** | 72,317 | 52,017 | 61,438 | 263,729 | 212,625 |
| **International** | | | | | |
| Rentals | 28,616 | 25,530 | 27,055 | 101,319 | 82,843 |
| Well Services | 88,803 | 86,394 | 84,313 | 333,612 | 283,353 |
| **Total International** | 117,419 | 111,924 | 111,368 | 434,931 | 366,196 |
| **Total Revenues** | $ 239,103 | $ 198,436 | $ 222,287 | $ 883,960 | $ 694,682 |

(1) Combines results from periods prior to our emergence from bankruptcy on February 2, 2021 and periods subsequent to emergence which is a non-GAAP financial measure. For further information regarding the breakdown of results, see our Annual Report on Form 10-K for the period ended December 31, 2022.

## SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
## SEGMENT HIGHLIGHTS
(in thousands)
(unaudited)

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | December 31, | | September 30, | December 31, | |
| | 2022 | 2021 | 2022 | 2022 | 2021(1) |
| **Revenues** | | | | | |
| Rentals | $ 105,900 | $ 82,793 | $ 104,557 | $ 402,942 | $ 287,034 |
| Well Services | 133,203 | 115,643 | 117,730 | 481,018 | 407,648 |
| Corporate and other | - | - | - | - | - |
| Total Revenues | $ 239,103 | $ 198,436 | $ 222,287 | $ 883,960 | $ 694,682 |
| **Loss from Operations** | | | | | |
| Rentals | $ 50,001 | $ 2,309 | $ 56,291 | $ 183,636 | $ (13,149) |
| Well Services | 20,998 | (25,560) | 26,249 | 84,529 | (59,913) |
| Corporate and other | (16,806) | (18,051) | (16,509) | (64,751) | (82,073) |
| Total loss from Operations | $ 54,193 | $ (41,302) | $ 66,031 | $ 203,414 | $ (155,135) |
| **Adjusted EBITDA** | | | | | |
| Rentals | $ 62,633 | $ 44,179 | $ 64,141 | $ 237,663 | $ 144,774 |
| Well Services | 28,738 | 9,511 | 25,179 | 95,819 | 32,323 |
| Corporate and other | (11,467) | (13,581) | (14,232) | (51,421) | (50,896) |
| Total Adjusted EBITDA | $ 79,904 | $ 40,109 | $ 75,088 | $ 282,061 | $ 126,201 |
| **Adjusted EBITDA Margin** | | | | | |
| Rentals | 59% | 53% | 61% | 59% | 50% |
| Well Services | 22% | 8% | 21% | 20% | 8% |
| Corporate and other | n/a | n/a | n/a | n/a | n/a |
| Total Adjusted EBITDA Margin | 33% | 20% | 34% | 32% | 18% |

(1) Combines results from periods prior to our emergence from bankruptcy on February 2, 2021 and periods subsequent to emergence which is a non-GAAP financial measure. For further information regarding the breakdown of results, see our Annual Report on Form 10-K for the period ended December 31, 2022.

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**
**RECONCILIATION OF ADJUSTED EBITDA**
(in thousands)
(unaudited)

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | December 31, | | September 30, | December 31, | |
| | 2022 | 2021 | 2022 | 2022 | 2021(1) |
| Net income (loss) from continuing operations | $ 174,985 | $ (23,246) | $ 48,508 | $ 291,042 | $ 147,020 |
| Depreciation, depletion, amortization and accretion | 20,121 | 61,603 | 20,508 | 98,060 | 228,217 |
| Interest (income) expense, net | (5,702) | (937) | (3,373) | (11,713) | (2,533) |
| Income taxes | (110,532) | (17,748) | 14,058 | (77,719) | 26,705 |
| Reorganization items | - | - | - | - | (335,560) |
| Restructuring expenses | 1,934 | 2,419 | 1,223 | 6,375 | 24,222 |
| Other gains (losses), net | 1,129 | 17,458 | (13,397) | (29,134) | 16,726 |
| Other (income) expense | (4,558) | 629 | 6,838 | 1,804 | 9,233 |
| Other adjustments [2] | 2,527 | (69) | 723 | 3,346 | 12,171 |
| Adjusted EBITDA | $ 79,904 | $ 40,109 | $ 75,088 | $ 282,061 | $ 126,201 |

We define EBITDA as income (loss) from continuing operations excluding the impact of depreciation, depletion, amortization and accretion, interest and income taxes. Additionally, our definition of Adjusted EBITDA adjusts for the impact of restructuring expenses, other gains and losses, other (income) expenses and other adjustments.

(1) Combines results from periods prior to our emergence from bankruptcy on February 2, 2021 and periods subsequent to emergence which is a non-GAAP financial measure. For further information regarding the breakdown of results, see our Annual Report on Form 10-K for the period ended December 31, 2022.

(2) Other adjustments relate to normal recurring gains and losses from the disposal of assets, which are comprised primarily of machinery and equipment.

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**
**RECONCILIATION OF ADJUSTED EBITDA BY SEGMENT**
(in thousands)
(unaudited)

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | December 31, | | September 30, | December 31, | |
| | 2022 | 2021 | 2022 | 2022 | 2021(1) |
| **Rentals** | | | | | |
| Income (loss) from operations | $ 50,001 | $ 2,309 | $ 56,291 | $ 183,636 | $ (13,149) |
| Depreciation, depletion, amortization and accretion | 12,632 | 40,469 | 12,554 | 58,731 | 156,522 |
| Restructuring expenses | - | - | - | - | - |
| Other adjustments | - | 1,401 | (4,704) | (4,704) | 1,401 |
| Adjusted EBITDA | 62,633 | 44,179 | 64,141 | 237,663 | 144,774 |
| **Wells Services** | | | | | |
| Income (loss) from operations | 20,998 | (25,560) | 26,249 | 84,529 | (59,913) |
| Depreciation, depletion, amortization and accretion | 6,551 | 19,083 | 6,900 | 34,841 | 64,740 |
| Restructuring expenses | - | - | - | - | - |
| Other adjustments | 1,189 | 15,988 | (7,970) | (23,551) | 27,496 |
| Adjusted EBITDA | 28,738 | 9,511 | 25,179 | 95,819 | 32,323 |
| **Corporate** | | | | | |
| Income (loss) from operations | (16,806) | (18,051) | (16,509) | (64,751) | (82,073) |
| Depreciation, depletion, amortization and accretion | 938 | 2,051 | 1,054 | 4,488 | 6,955 |
| Restructuring expenses | 1,934 | 2,419 | 1,223 | 6,375 | 24,222 |
| Other adjustments | 2,467 | - | - | 2,467 | - |
| Adjusted EBITDA | (11,467) | (13,581) | (14,232) | (51,421) | (50,896) |
| **Total** | | | | | |
| Income (loss) from operations | 54,193 | (41,302) | 66,031 | 203,414 | (155,135) |
| Depreciation, depletion, amortization and accretion | 20,121 | 61,603 | 20,508 | 98,060 | 228,217 |
| Restructuring expenses | 1,934 | 2,419 | 1,223 | 6,375 | 24,222 |
| Other adjustments | 3,656 | 17,389 | (12,674) | (25,788) | 28,897 |
| Adjusted EBITDA | $ 79,904 | $ 40,109 | $ 75,088 | $ 282,061 | $ 126,201 |

(1) Combines results from periods prior to our emergence from bankruptcy on February 2, 2021 and periods subsequent to emergence which is a non-GAAP financial measure. For further information regarding the breakdown of results, see our Annual Report on Form 10-K for the period ended December 31, 2022.