# Forum Energy Technologies Announces Third Quarter 2023 Results

November 2, 2023

- **Orders: $199 million and book-to-bill ratio of 111%**
- **Revenue: $179 million**
- **Net income: $8 million and diluted EPS of $0.77**
- **Adjusted EBITDA: $17 million**
- **Operating cash flow and free cash flow: $26 million and $24 million, respectively**

HOUSTON--(BUSINESS WIRE)--Nov. 2, 2023-- Forum Energy Technologies, Inc. (NYSE: FET) today announced third quarter 2023 revenue of $179 million, a 3% sequential decrease. Orders increased 7% sequentially to $199 million, with a book-to-bill ratio of 111%. The third quarter 2023 net income was $8 million, or $0.77 per diluted share, compared to a net loss of $7 million, or $0.64 per diluted share, for the second quarter 2023.

Pre-tax foreign exchange gains of $8 million comprise the majority of special items in the third quarter 2023. Excluding special items of $0.72 per diluted share, the quarter's adjusted net income was $0.05 per diluted share compared to the second quarter 2023 adjusted net income of $0.10 per diluted share. See Tables 1-5 for a reconciliation of GAAP to non-GAAP financial information.

Neal Lux, President and Chief Executive Officer, remarked, “FET’s international revenue grew 15%, significantly outpacing international rig count growth. Demand for our engineered products and solutions drove strong third quarter bookings, resulting in a book-to-bill ratio of 111%. All three segments increased their backlog. During the quarter, gross profit and EBITDA margins held steady as we maintained strong pricing levels. We also effectively managed our cost base, delivering over $1 million in sustainable cost savings. Finally, we generated $24 million of free cash flow, in line with our expectations.

“In the U.S., we had expected activity to bottom midway through the third quarter. However, rig count continued to decline and working hydraulic fracturing fleets were idled at a stronger than anticipated rate. This resulted in a sequential revenue decline of $14 million in our Stimulation and Intervention product line, driven primarily by lower sales of capital equipment including power ends, radiators, and manifold trailers.

“For the fourth quarter, we anticipate global activity to remain relatively flat with the third quarter. Therefore, we forecast fourth quarter 2023 revenue and adjusted EBITDA to be in the ranges of $170 to $190 million and $15 to $19 million, respectively. For the full year, we now expect adjusted EBITDA to be around $70 million. Importantly, we anticipate delivering strong free cash flow at our previous guidance of $50 million for the back half of 2023."

**Segment Results** *(unless otherwise noted, comparisons are third quarter 2023 versus second quarter 2023)*

Drilling & Downhole segment revenue was $81 million, a 1% increase, despite a slight decline in global rig count. Orders were $95 million, a 16% increase, due to higher bookings for new remotely operated vehicles in our Subsea Technologies product line, as well as increased demand for iron roughnecks in our Drilling Technologies product line. Segment adjusted EBITDA was $11 million, a 5% increase, due to higher sales volume and favorable sales mix in our Downhole Technologies product line. Drilling & Downhole segment operations focus primarily on capital equipment and consumable products for global well construction, artificial lift, and subsea markets.

Completions segment revenue was $63 million, a 13% decrease, primarily related to lower U.S. hydraulic fracturing activity levels. Orders were $65 million, a 4% increase, primarily related to increased demand of coiled tubing. Segment adjusted EBITDA was $8 million, a 18% decrease, resulting from lower revenue. The Completions segment designs and manufactures products for the coiled tubing, wireline, and stimulation markets.

Production segment revenue was $37 million, a 12% increase, related to due to higher demand for our processing equipment and technologies. Orders were $39 million, a 7% decrease, primarily related to the large volume of production equipment in the second quarter, partially offset by an increase in valves orders. Segment Adjusted EBITDA was $3 million, a 32% increase primarily related to the execution of production equipment projects and cost management. The Production segment manufactures land well site production equipment, desalination process equipment, and a wide range of valves for upstream, midstream and process industry customers.

*FET (Forum Energy Technologies) is a global company, serving the oil, natural gas, industrial and renewable energy industries. With headquarters located in Houston, Texas, FET provides value added solutions aimed at improving the safety, efficiency, and environmental impact of our customer’s operations. For more information, please visit [www.f-e-t.com](http://www.f-e-t.com).*

**Forward Looking Statements and Other Legal Disclosure**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the company expects, believes or anticipates will or may occur in the future are forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this press release specifically include the expectations of plans, strategies, objectives and anticipated financial and operating results of the company, including any statement about the company's future financial position, liquidity and capital resources, operations, performance, acquisitions, returns, capital expenditure budgets, new product development activities, costs and other guidance included in this press release.

These statements are based on certain assumptions made by the company based on management's experience and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. Among other things, these include the volatility of oil and natural gas prices, oilfield development activity levels, the availability of raw materials and specialized equipment, the company's ability to deliver backlog in a timely fashion, the availability of skilled and qualified labor, competition in the oil and natural gas industry, governmental regulation and taxation of the oil and natural gas industry, the company's ability to implement new technologies and services, the availability and terms of capital, and uncertainties regarding environmental regulations or litigation and other legal or regulatory developments affecting the company's business, impacts associated with COVID-19, and other important factors that could cause actual results to differ materially from those projected as described in the company's filings with the U.S. Securities and Exchange Commission.

Any forward-looking statement speaks only as of the date on which such statement is made and the company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

**Forum Energy Technologies, Inc.**
**Condensed consolidated statements of income (loss)**
(Unaudited)

| | Three months ended | | |
|---|---|---|---|
| | September 30, | | June 30, |
| *(in millions, except per share information)* | 2023 | 2022 | 2023 |
| Revenue | $ 179.3 | $ 181.8 | $ 185.4 |
| Cost of sales | 128.3 | 130.4 | 134.1 |
| Gross profit | 51.0 | 51.4 | 51.3 |
| **Operating expenses** | | | |
| Selling, general and administrative expenses | 45.5 | 43.7 | 44.4 |
| Loss (gain) on disposal of assets and other | (0.2) | — | 0.5 |
| Total operating expenses | 45.3 | 43.7 | 44.9 |
| **Operating income** | 5.7 | 7.7 | 6.4 |
| **Other expense (income)** | | | |
| Interest expense | 4.5 | 8.1 | 4.7 |
| Foreign exchange losses (gains) and other, net | (8.2) | (18.2) | 6.4 |
| Total other (income) expense, net | (3.7) | (10.1) | 11.1 |
| **Income (loss) before income taxes** | 9.4 | 17.8 | (4.7) |
| Income tax expense | 1.4 | 1.3 | 1.9 |
| **Net income (loss)** [(1)] | $ 8.0 | $ 16.5 | $ (6.6) |
| | | | |
| **Weighted average shares outstanding** | | | |
| Basic | 10.2 | 5.8 | 10.2 |
| Diluted | 10.4 | 10.6 | 10.2 |
| | | | |
| **Earnings (loss) per share** | | | |
| Basic | $ 0.78 | $ 2.85 | $ (0.64) |
| Diluted | $ 0.77 | $ 1.82 | $ (0.64) |

[(1)] Refer to Table 1 for schedule of adjusting items.

**Forum Energy Technologies, Inc.**
**Condensed consolidated statements of income (loss)**
(Unaudited)

| *(in millions, except per share information)* | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|
| Revenue | $ 553.7 | $ 509.3 |
| Cost of sales | 399.3 | 370.7 |
| Gross profit | 154.4 | 138.6 |
| **Operating expenses** | | |
| Selling, general and administrative expenses | 135.4 | 131.5 |
| Loss (gain) on disposal of assets and other | 0.1 | (0.9) |
| Total operating expenses | 135.5 | 130.6 |
| **Operating income** | 18.9 | 8.0 |
| **Other expense (income)** | | |
| Interest expense | 13.7 | 23.6 |
| Foreign exchange losses (gains) and other, net | 1.1 | (37.1) |
| Total other (income) expense, net | 14.8 | (13.5) |
| **Income before taxes** | 4.1 | 21.5 |
| Income tax expense | 6.2 | 5.0 |
| **Net income (loss)** [(1)] | $ (2.1) | $ 16.5 |
| | | |
| **Weighted average shares outstanding** | | |
| Basic | 10.2 | 5.7 |
| Diluted | 10.2 | 10.5 |
| | | |
| **Earnings (loss) per share** | | |
| Basic | $ (0.21) | $ 2.88 |
| Diluted | $ (0.21) | $ 2.37 |

[(1)] Refer to Table 2 for schedule of adjusting items.

**Forum Energy Technologies, Inc.**
**Condensed consolidated balance sheets**
(Unaudited)

| *(in millions of dollars)* | September 30, 2023 | December 31, 2022 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ 37.2 | $ 51.0 |
| Accounts receivable—trade, net | 157.8 | 154.2 |
| Inventories, net | 302.3 | 269.8 |
| Other current assets | 33.9 | 37.9 |
| Total current assets | 531.2 | 512.9 |
| Property and equipment, net of accumulated depreciation | 61.4 | 63.0 |
| Operating lease assets | 56.4 | 57.3 |
| Intangible assets, net | 173.4 | 191.5 |
| Other long-term assets | 6.5 | 10.1 |
| **Total assets** | $ 828.9 | $ 834.8 |
| **Liabilities and equity** | | |
| Current liabilities | | |
| Current portion of long-term debt | $ 1.1 | $ 0.8 |
| Other current liabilities | 207.2 | 209.5 |
| Total current liabilities | 208.3 | 210.3 |
| Long-term debt, net of current portion | 128.5 | 239.1 |
| Other long-term liabilities | 75.0 | 78.3 |
| **Total liabilities** | 411.8 | 527.7 |

| | | |
|---|---|---|
| Total equity | 417.1 | 307.1 |
| **Total liabilities and equity** | $ 828.9 | $ 834.8 |

**Forum Energy Technologies, Inc.**
**Condensed consolidated cash flow information**
(Unaudited)

| *(in millions of dollars)* | Nine Months Ended September 30, 2023 | 2022 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net income (loss) | $ (2.1) | $ 16.5 |
| Depreciation and amortization | 26.0 | 28.2 |
| Inventory write down | 1.9 | 1.6 |
| Other noncash items and changes in working capital | (28.9) | (78.4) |
| **Net cash used in operating activities** | (3.1) | (32.1) |
| **Cash flows from investing activities** | | |
| Capital expenditures for property and equipment | (5.5) | (4.8) |
| Proceeds from sale of property and equipment | 1.3 | 2.7 |
| Payments related to business acquisitions and dispositions | — | (0.5) |
| **Net cash used in investing activities** | (4.2) | (2.6) |
| **Cash flows from financing activities** | | |
| Borrowings of debt | 351.6 | 423.9 |
| Repayments of debt | (352.5) | (414.0) |
| Repurchases of stock | (6.0) | (0.7) |
| **Net cash provided by (used in) financing activities** | (6.9) | 9.2 |
| Effect of exchange rate changes on cash | 0.3 | (1.6) |
| **Net decrease in cash, cash equivalents and restricted cash** | $ (13.9) | $ (27.1) |

**Forum Energy Technologies, Inc.**
**Supplemental schedule - Segment information**
(Unaudited)

| | As Reported | | | As Adjusted [3] | | |
|---|---|---|---|---|---|---|
| | Three months ended | | | Three months ended | | |
| *(in millions of dollars)* | September 30, 2023 | September 30, 2022 | June 30, 2023 | September 30, 2023 | September 30, 2022 | June 30, 2023 |
| **Revenue** | | | | | | |
| Drilling & Downhole | $ 81.2 | $ 75.7 | $ 80.7 | $ 81.2 | $ 75.7 | $ 80.7 |
| Completions | 62.5 | 72.2 | 72.1 | 62.5 | 72.2 | 72.1 |
| Production | 36.9 | 34.2 | 33.0 | 36.9 | 34.2 | 33.0 |
| Eliminations | (1.3) | (0.3) | (0.4) | (1.3) | (0.3) | (0.4) |
| **Total revenue** | $ 179.3 | $ 181.8 | $ 185.4 | $ 179.3 | $ 181.8 | $ 185.4 |
| **Operating income (loss)** | | | | | | |
| Drilling & Downhole | $ 8.4 | $ 9.5 | $ 8.3 | $ 8.5 | $ 9.8 | $ 8.1 |
| *Operating Margin %* | *10.3%* | *12.5%* | *10.3%* | *10.5%* | *12.9%* | *10.0%* |
| Completions | 2.1 | 5.9 | 4.2 | 2.0 | 4.8 | 4.3 |
| *Operating Margin %* | *3.4%* | *8.2%* | *5.8%* | *3.2%* | *6.6%* | *6.0%* |
| Production | 1.8 | 0.7 | 1.1 | 2.0 | 0.6 | 1.4 |
| *Operating Margin %* | *4.9%* | *2.0%* | *3.3%* | *5.4%* | *1.8%* | *4.2%* |
| Corporate | (6.8) | (8.4) | (6.7) | (6.3) | (7.3) | (6.6) |
| **Total segment operating income** | 5.5 | 7.7 | 6.9 | 6.2 | 7.9 | 7.2 |
| Other items not in segment operating income [1] | 0.2 | — | (0.5) | 0.2 | — | 0.3 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Total operating income** | $ 5.7 | $ 7.7 | $ 6.4 | $ 6.4 | $ 7.9 | $ 7.5 |
| *Operating Margin %* | *3.2%* | *4.2%* | *3.5%* | *3.6%* | *4.3%* | *4.0%* |
| | | | | | | |
| **EBITDA** [2] | | | | | | |
| Drilling & Downhole | $ 18.2 | $ 27.8 | $ 5.1 | $ 11.4 | $ 12.8 | $ 10.9 |
| *EBITDA Margin %* | *22.4%* | *36.7%* | *6.3%* | *14.0%* | *16.9%* | *13.5%* |
| Completions | 8.1 | 12.1 | 9.1 | 7.8 | 10.3 | 9.5 |
| *EBITDA Margin %* | *13.0%* | *16.8%* | *12.6%* | *12.5%* | *14.3%* | *13.2%* |
| Production | 2.3 | 1.5 | 1.6 | 2.5 | 1.2 | 1.9 |
| *EBITDA Margin %* | *6.2%* | *4.4%* | *4.8%* | *6.8%* | *3.5%* | *5.8%* |
| Corporate | (5.7) | (6.4) | (7.3) | (5.1) | (6.5) | (4.9) |
| **Total EBITDA** | $ 22.9 | $ 35.0 | $ 8.5 | $ 16.6 | $ 17.8 | $ 17.4 |
| *EBITDA Margin %* | *12.8%* | *19.3%* | *4.6%* | *9.3%* | *9.8%* | *9.4%* |

[1] Includes gain/(loss) on disposal of assets and other.

[2] The Company believes that the presentation of EBITDA is useful to the Company's investors because EBITDA is an appropriate measure for evaluating the Company's operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities, and making strategic acquisitions. In addition, EBITDA is a widely used benchmark in the investment community. See the attached separate schedule for the reconciliation of GAAP to non-GAAP financial information.

[3] Refer to Table 1 for schedule of adjusting items.

**Forum Energy Technologies, Inc.**
**Supplemental schedule - Segment information**
(Unaudited)

| | As Reported | | As Adjusted [3] | |
|---|---|---|---|---|
| | Nine months ended | | Nine months ended | |
| *(in millions of dollars)* | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| **Revenue** | | | | |
| Drilling & Downhole | $ 238.7 | $ 223.5 | $ 238.7 | $ 223.5 |
| Completions | 208.2 | 190.9 | 208.2 | 190.9 |
| Production | 108.9 | 95.6 | 108.9 | 95.6 |
| Eliminations | (2.1) | (0.7) | (2.1) | (0.7) |
| **Total revenue** | $ 553.7 | $ 509.3 | $ 553.7 | $ 509.3 |
| | | | | |
| **Operating income (loss)** | | | | |
| Drilling & Downhole | $ 25.2 | $ 24.0 | $ 25.2 | $ 24.3 |
| *Operating Margin %* | *10.6%* | *10.7%* | *10.6%* | *10.9%* |
| Completions | 9.9 | 8.8 | 10.6 | 7.2 |
| *Operating Margin %* | *4.8%* | *4.6%* | *5.1%* | *3.8%* |
| Production | 4.5 | (1.2) | 5.1 | (1.1) |
| *Operating Margin %* | *4.1%* | *(1.3)%* | *4.7%* | *(1.2)%* |
| Corporate | (20.5) | (24.6) | (19.8) | (19.4) |
| **Total segment operating income** | 19.1 | 7.0 | 21.1 | 11.0 |
| Other items not in segment operating income [1] | (0.2) | 1.0 | 0.7 | 0.2 |
| **Total operating income** | $ 18.9 | $ 8.0 | $ 21.8 | $ 11.2 |
| *Operating Margin %* | *3.4%* | *1.6%* | *3.9%* | *2.2%* |
| | | | | |
| **EBITDA** [2] | | | | |
| Drilling & Downhole | $ 31.8 | $ 67.0 | $ 33.7 | $ 34.0 |
| *EBITDA Margin %* | *13.3%* | *30.0%* | *14.1%* | *15.2%* |
| Completions | 26.0 | 26.1 | 27.2 | 23.9 |
| *EBITDA Margin %* | *12.5%* | *13.7%* | *13.1%* | *12.5%* |
| Production | 6.2 | 2.0 | 6.7 | 1.3 |
| *EBITDA Margin %* | *5.7%* | *2.1%* | *6.2%* | *1.4%* |

| | | | | |
|---|---|---|---|---|
| Corporate | (20.2) | (21.8) | (16.0) | (17.0) |
| **Total EBITDA** | $ 43.8 | $ 73.3 | $ 51.6 | $ 42.2 |
| *EBITDA Margin %* | *7.9%* | *14.4%* | *9.3%* | *8.3%* |

(1) Includes gain/(loss) on disposal of assets, and other.

(2) The Company believes that the presentation of EBITDA is useful to the Company's investors because EBITDA is an appropriate measure for evaluating the Company's operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities, and making strategic acquisitions. In addition, EBITDA is a widely used benchmark in the investment community. See the attached separate schedule for the reconciliation of GAAP to non-GAAP financial information.

(3) Refer to Table 2 for schedule of adjusting items.

**Forum Energy Technologies, Inc.**
**Supplemental schedule - Orders information**
(Unaudited)

| | Three months ended | | |
|---|---|---|---|
| *(in millions of dollars)* | **September 30, 2023** | **September 30, 2022** | **June 30, 2023** |
| **Orders** | | | |
| Drilling & Downhole | $ 95.0 | $ 73.3 | $ 82.1 |
| Completions | 65.1 | 78.7 | 62.7 |
| Production | 38.7 | 45.7 | 41.5 |
| **Total orders** | $ 198.8 | $ 197.7 | $ 186.3 |
| | | | |
| **Revenue** | | | |
| Drilling & Downhole | $ 81.2 | $ 75.7 | $ 80.7 |
| Completions | 62.5 | 72.2 | 72.1 |
| Production | 36.9 | 34.2 | 33.0 |
| Eliminations | (1.3) | (0.3) | (0.4) |
| **Total revenue** | $ 179.3 | $ 181.8 | $ 185.4 |
| | | | |
| **Book to bill ratio** (1) | | | |
| Drilling & Downhole | 1.17 | 0.97 | 1.02 |
| Completions | 1.04 | 1.09 | 0.87 |
| Production | 1.05 | 1.34 | 1.26 |
| **Total book to bill ratio** | 1.11 | 1.09 | 1.00 |

(1) The book-to-bill ratio is calculated by dividing the dollar value of orders received in a given period by the revenue earned in that same period. The Company believes that this ratio is useful to investors because it provides an indication of whether the demand for our products is strengthening or declining. A ratio of greater than one is indicative of improving market demand, while a ratio of less than one would suggest weakening demand. In addition, the Company believes the book-to-bill ratio provides more meaningful insight into future revenues for our business than other measures, such as order backlog, because the majority of the Company's products are activity based consumable items or shorter cycle capital equipment, neither of which are typically ordered by customers far in advance.

**Forum Energy Technologies, Inc.**
**Reconciliation of GAAP to non-GAAP financial information**
(Unaudited)
**Table 1 - Adjusting items**

| | Three months ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **September 30, 2023** | | | **September 30, 2022** | | | **June 30, 2023** | | |
| *(in millions, except per share information)* | **Operating income** | **EBITDA** (1) | **Net income (loss)** | **Operating income** | **EBITDA** (1) | **Net income (loss)** | **Operating income** | **EBITDA** (1) | **Net income (loss)** |
| **As reported** | **$ 5.7** | **$ 22.9** | **$ 8.0** | **$ 7.7** | **$ 35.0** | **$ 16.5** | **$ 6.4** | **$ 8.5** | **$ (6.6)** |
| *% of revenue* | *3.2%* | *12.8%* | | *4.2%* | *19.3%* | | *3.5%* | *4.6%* | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Restructuring, transaction and other costs | 0.8 | 0.8 | 0.8 | 1.0 | 1.0 | 1.0 | 1.5 | 1.5 | 1.5 |
| Inventory and other working capital adjustments | (0.1) | (0.1) | (0.1) | (0.8) | (0.8) | (0.8) | (0.4) | (0.4) | (0.4) |
| Loss (gain) on foreign exchange, net [2] | — | (8.2) | (8.2) | — | (18.2) | (18.2) | — | 6.5 | 6.5 |
| Stock-based compensation expense | — | 1.2 | — | — | 0.8 | — | — | 1.3 | — |
| **As adjusted [1]** | **$ 6.4** | **$ 16.6** | **$ 0.5** | **$ 7.9** | **$ 17.8** | **$ (1.5)** | **$ 7.5** | **$ 17.4** | **$ 1.0** |
| *% of revenue* | *3.6%* | *9.3%* | | *4.3%* | *9.8%* | | *4.0%* | *9.4%* | |
| Diluted shares outstanding as reported | | | 10.4 | | | 10.6 | | | 10.2 |
| Diluted shares outstanding as adjusted | | | 10.4 | | | 6.0 | | | 10.2 |
| Diluted EPS - as reported | | | $ 0.77 | | | $ 1.82 | | | $ (0.64) |
| Diluted EPS - as adjusted | | | $ 0.05 | | | $ (0.25) | | | $ 0.10 |

[1] The Company believes that the presentation of EBITDA, adjusted EBITDA, adjusted operating loss, adjusted net loss and adjusted diluted EPS are useful to the Company's investors because (i) each of these financial metrics are useful to investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of the Company's normal operating results and (ii) EBITDA is an appropriate measure of evaluating the company's operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities and making strategic acquisitions. In addition, these benchmarks are widely used in the investment community. See the attached separate schedule for the reconciliation of GAAP to non-GAAP financial information.

[2] Foreign exchange, net primarily relates to cash and receivables denominated in U.S. dollars by some of our non-U.S. subsidiaries that report in a local currency, and therefore the loss (gain) has no economic impact in dollar terms.

**Forum Energy Technologies, Inc.**
**Reconciliation of GAAP to non-GAAP financial information**
(Unaudited)
**Table 2 - Adjusting items**

| | Nine months ended | | | | | |
|---|---|---|---|---|---|---|
| | September 30, 2023 | | | September 30, 2022 | | |
| *(in millions, except per share information)* | Operating income | EBITDA [1] | Net income (loss) | Operating income | EBITDA [1] | Net income (loss) |
| **As reported** | **$ 18.9** | **$ 43.8** | **$ (2.1)** | **$ 8.0** | **$ 73.3** | **$ 16.5** |
| *% of revenue* | *3.4%* | *7.9%* | | *1.6%* | *14.4%* | |
| Restructuring, transaction and other costs | 3.4 | 3.4 | 3.4 | 6.1 | 6.1 | 6.1 |
| Inventory and other working capital adjustments | (0.5) | (0.5) | (0.5) | (2.9) | (2.9) | (2.9) |
| Stock-based compensation expense | — | 3.3 | — | — | 2.5 | — |
| Loss (gain) on foreign exchange, net [2] | — | 1.6 | 1.6 | — | (36.8) | (36.8) |
| **As adjusted [1]** | **$ 21.8** | **$ 51.6** | **$ 2.4** | **$ 11.2** | **$ 42.2** | **$ (17.1)** |
| *% of revenue* | *3.9%* | *9.3%* | | *2.2%* | *8.3%* | |
| Diluted shares outstanding as reported | | | 10.2 | | | 10.5 |
| Diluted shares outstanding as adjusted | | | 10.2 | | | 6.0 |
| Diluted EPS - as reported | | | $ (0.21) | | | $ 2.37 |
| Diluted EPS - as adjusted | | | $ 0.24 | | | $ (2.85) |

[1] The Company believes that the presentation of EBITDA, adjusted EBITDA, adjusted operating loss, adjusted net loss and adjusted diluted EPS are useful to the Company's investors because (i) each of these financial metrics are useful to investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of the

Company's normal operating results and (ii) EBITDA is an appropriate measure of evaluating the company's operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities and making strategic acquisitions. In addition, these benchmarks are widely used in the investment community. See the attached separate schedule for the reconciliation of GAAP to non-GAAP financial information.

(2) Foreign exchange, net primarily relates to cash and receivables denominated in U.S. dollars by some of our non-U.S. subsidiaries that report in a local currency, and therefore the loss (gain) has no economic impact in dollar terms.

**Forum Energy Technologies, Inc.**
**Reconciliation of GAAP to non-GAAP financial information**
(Unaudited)
**Table 3 - Adjusting Items**

| | Three months ended | | |
|---|---|---|---|
| *(in millions of dollars)* | **September 30, 2023** | **September 30, 2022** | **June 30, 2023** |
| **EBITDA reconciliation (1)** | | | |
| Net income (loss) | $ 8.0 | $ 16.5 | $ (6.6) |
| Interest expense | 4.5 | 8.1 | 4.7 |
| Depreciation and amortization | 9.0 | 9.1 | 8.5 |
| Income tax expense | 1.4 | 1.3 | 1.9 |
| **EBITDA** | **$ 22.9** | **$ 35.0** | **$ 8.5** |

(1) The Company believes adjusted EBITDA is useful to investors because it is an appropriate measure of evaluating operating performance and liquidity. It reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities, and making strategic acquisitions. In addition, adjusted EBITDA is a widely used benchmark in the investment community.

**Forum Energy Technologies, Inc.**
**Reconciliation of GAAP to non-GAAP financial information**
(Unaudited)
**Table 4 - Adjusting Items**

| | Nine months ended | |
|---|---|---|
| *(in millions of dollars)* | **September 30, 2023** | **September 30, 2022** |
| **EBITDA reconciliation (1)** | | |
| Net income (loss) | $ (2.1) | $ 16.5 |
| Interest expense | 13.7 | 23.6 |
| Depreciation and amortization | 26.0 | 28.2 |
| Income tax expense | 6.2 | 5.0 |
| **EBITDA** | **$ 43.8** | **$ 73.3** |

(1) The Company believes adjusted EBITDA is useful to investors because it is an appropriate measure of evaluating operating performance and liquidity. It reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities, and making strategic acquisitions. In addition, adjusted EBITDA is a widely used benchmark in the investment community.

**Forum Energy Technologies, Inc.**
**Reconciliation of GAAP to non-GAAP financial information**
(Unaudited)
**Table 5 - Adjusting items**

| | Three months ended | Nine months ended | |
|---|---|---|---|
| *(in millions of dollars)* | **September 30, 2023** | **September 30, 2023** | **September 30, 2022** |
| **Free cash flow, before acquisitions, reconciliation (1)** | | | |
| Net cash used in operating activities | $ 26.4 | $ (3.1) | $ (32.1) |

| | | | |
|---|---|---|---|
| Capital expenditures for property and equipment | (2.7) | (5.5) | (4.8) |
| Proceeds from sale of property and equipment | 0.2 | 1.3 | 2.7 |
| Free cash flow, before acquisitions | **$ 23.9** | **$ (7.3)** | **$ (34.2)** |

(1) The Company believes free cash flow, before acquisitions is an important measure because it encompasses both profitability and capital management in evaluating results.

**Forum Energy Technologies, Inc.**
**Supplemental schedule - Product line revenue**
(Unaudited)

| | Three months ended | | | | | |
|---|---|---|---|---|---|---|
| *(in millions of dollars)* | **September 30, 2023** | | **September 30, 2022** | | **June 30, 2023** | |
| **Revenue** | $ | % | $ | % | $ | % |
| Drilling Technologies | $ 43.0 | 24.0% | $ 38.2 | 21.0% | $ 45.3 | 24.4% |
| Downhole Technologies | 23.5 | 13.1% | 21.9 | 12.0% | 22.1 | 11.9% |
| Subsea Technologies | 14.7 | 8.2% | 15.6 | 8.6% | 13.3 | 7.2% |
| Drilling & Downhole | 81.2 | 45.3% | 75.7 | 41.6% | 80.7 | 43.5% |
| Stimulation and Intervention | 32.6 | 18.2% | 43.6 | 24.0% | 46.4 | 25.0% |
| Coiled Tubing | 29.9 | 16.7% | 28.6 | 15.7% | 25.7 | 13.9% |
| Completions | 62.5 | 34.9% | 72.2 | 39.7% | 72.1 | 38.9% |
| Production Equipment | 21.7 | 12.1% | 18.5 | 10.2% | 17.7 | 9.5% |
| Valve Solutions | 15.2 | 8.5% | 15.7 | 8.6% | 15.3 | 8.3% |
| Production | 36.9 | 20.6% | 34.2 | 18.8% | 33.0 | 17.8% |
| Eliminations | (1.3) | (0.8)% | (0.3) | (0.1)% | (0.4) | (0.2)% |
| **Total revenue** | $ 179.3 | 100.0% | $ 181.8 | 100.0% | $ 185.4 | 100.0% |

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