



## Innovex Announces First Quarter 2025 Results

HOUSTON, May 6, 2025 – Innovex International, Inc. (NYSE: INVX) (“Innovex,” the “Company” or “we”) today announced financial and operating results for the first quarter of 2025.

### First Quarter Highlights

- Revenue of \$240 million, down 4% quarter over quarter
- Net Income of \$15 million, net income margin of 6%
- Adjusted EBITDA<sup>1</sup> of \$46 million and Adjusted EBITDA Margin<sup>1</sup> of 19%
- Net Cash Provided by Operating Activities of \$31 million
- Free Cash Flow<sup>1</sup> of \$24 million
- Income from Operations of \$22 million
- Return on Capital Employed<sup>1</sup> of 12%
- Closed on acquisition of SCF Machining Corporation (“SCF”)
- Completed first successful installation of VXTe™ Self-Orientating Vertical Tree

### Key Subsequent Events

- Entered into a definitive agreement to sell the legacy Dril-Quip Eldridge facility for \$95 million.
- As of May 5, 2025, we have repurchased 395,234 shares of Innovex common stock at an average price of \$14.94 per share

*(1) Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and Return on Capital Employed (“ROCE”) are non-GAAP measures. Reconciliations of Adjusted EBITDA to net income, Free Cash Flow to net cash provided by operating activities and ROCE to income from operations, the most directly comparable financial measures presented in accordance with GAAP, are outlined in the reconciliation tables accompanying this release.*

Adam Anderson, CEO commented, “We made substantial progress toward our vision to transform the legacy Dril-Quip business in the first quarter. The expected sale of the Eldridge facility will free up \$95 million of capital and be a key enabler of the next step-change in margins and operational performance for the subsea business. The DWS business, our recent acquisition in Q4 2024, continued to gain market share in the quarter, driving revenue growth in the North American Land market. Although activity declined more than anticipated in Mexico during the first quarter, the team did an excellent job of responding to changing market conditions. We founded Innovex with the belief that cycles are a feature, not a bug of the business model. We have a well-worn playbook for industry cycles, and are ready to take advantage of volatility, should it persist.”

Kendal Reed, CFO continued, “Our net-cash balance sheet, soon to be bolstered by the sale of the Eldridge facility, allows us to take advantage of accretive M&A and our recently announced share buyback program. Despite activity being lower than anticipated, we were able to maintain margins, highlighting the resilience of our capital-light business model. Importantly, we converted approximately 52% of our Adjusted EBITDA into Free Cash Flow, which further strengthened the balance sheet.”



## **Financial Summary**

(in thousands)

	<b>Three Months Ended</b>		
	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Revenue	\$ 240,415	\$ 250,687	\$ 127,997
Net Income	\$ 14,757	\$ 31,789	\$ 16,417
Net Income Margin	6%	13%	13%
Adjusted EBITDA <sup>(1)</sup>	\$ 45,921	\$ 49,063	\$ 32,505
Adjusted EBITDA Margin <sup>(1)</sup>	19%	20%	25%
Net cash provided by operating activities	\$ 31,090	\$ 36,345	\$ 12,605
Free Cash Flow <sup>(1)</sup>	\$ 24,034	\$ 28,718	\$ 10,183
Income from operations	\$ 21,850	\$ 26,912	\$ 22,311

	<b>Twelve Months Ended</b>		
	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
ROCE <sup>(1)</sup>	12%	12%	20%

(1) Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and Return on Capital Employed (“ROCE”) are non-GAAP financial measures. See definition of these measures and the reconciliation of GAAP to non-GAAP financial measures in the Supplemental Information tables below.

## **Operational & Financial Results**

Kendal Reed, CFO commented, “Softness in the Mexico market resulted in weaker revenues than originally anticipated. The NAM Land business grew 17% sequentially despite the US rig count staying relatively flat. This was due primarily to the inclusion of a full quarter of the DWS acquisition—which exemplifies the type of inorganic growth we pursue: high margin, high returns, and highly accretive. We continue to see an active M&A pipeline of companies that similarly fit our qualitative and quantitative requirements—including returns on capital of 20% or greater. Aside from M&A, we now also have a competing use of capital through our recently authorized \$100 million share repurchase program. As of May 5, 2025, we have repurchased approximately 395,234 shares at an average price of \$14.94.”

Adam Anderson, CEO concluded, “We remain focused on identifying new synergies and new market opportunities to support organic growth. Our flexible supply chain model and “small ticket, big impact” product proposition gives us the adaptability and margin resilience to navigate a wide range of macro environments. We don’t claim to predict commodity prices or activity levels with precision—but we work hard to stay closely aligned with our customers’ evolving needs. Downcycles are an inherent part of our business; we use them to our advantage to create value for our shareholders—particularly during periods of uncertainty or low activity.”

## **Balance Sheet, Debt, Cash Flow & Other**

Net cash provided by operating activities was \$31 million and capital expenditures were \$7 million (approximately 3% of revenue) for the first quarter of 2025.



Innovex generated free cash flow of \$24 million during the first quarter of 2025 and ended the quarter with \$68 million of cash and cash equivalents and \$25 million of total debt. Innovex's net cash balance was \$43 million dollars at the end of the quarter, with \$103 million of availability under its revolving credit facility.

Innovex maintains conservative levels of leverage and ample liquidity to maximize strategic flexibility and to capitalize on M&A opportunities that meet our stringent quantitative and qualitative characteristics.

### **Return on Capital Employed ("ROCE")**

Innovex's efficient capital allocation and capital-light business model enable the Company to generate strong returns on our invested capital. Income from operations for the twelve months ended March 31, 2025 was \$49 million. Return on Capital Employed ("ROCE") for the twelve months ended March 31, 2025 was 12%. We remain focused on capital efficiency, which we believe is a key driver of sustainable value creation for our stockholders.

### **Q2 2025 Guidance**

Looking to the second quarter of 2025, Innovex expects to generate \$225 - \$235 million in total revenue, assuming continued softness in Mexico and slight activity declines in the NAM land market. Innovex expects to generate Adjusted EBITDA of \$40 - \$45 million in the second quarter of 2025.

### **Conference Call Details**

Management will host a conference call and a webcast to discuss the financial results on May 7, 2025, at 10:00 a.m. Eastern Daylight Time / 9:00 a.m. Central Daylight Time. The presentation is open to all interested parties and may include forward-looking information.

To access the call, please dial in approximately ten minutes before the start of the call.

Conference Call and Webcast Details

Date / Time: May 7, 2025 - 9:00 AM Central Time

Webcast: <https://events.q4inc.com/attendee/852779315>

U.S. Toll-Free Dial-In: (800) 715-9871

International Dial-In: +1 (646) 307-1963

Conference ID: 1774704

For those unable to participate in the live call, an audio replay will be available following the call through midnight Wednesday, May 14, 2025. To access the replay, please call (800) 770-2030 or +1 (609) 800-9909 (International) and enter playback ID 1774704 followed by the # key. A replay of the webcast will also be archived shortly after the call and can be accessed on the Company's website.



### **About Innovex International, Inc.**

Innovex International, Inc (NYSE: INVX) is a Houston-based company established in 2024 following the merger of Drill-Quip, Inc and Innovex Downhole Solutions, Inc.

Our comprehensive portfolio extends throughout the lifecycle of the well, and innovative product integration ensures seamless transitions from one well phase to the next, driving efficiency, lowering cost, and reducing the rig site service footprint for the customer.

With locations throughout North America, Latin America, Europe, the Middle East and Asia, no matter where you need us, our team is readily available with technical expertise, conventional and innovative technologies, and ever-present customer service.

### **Forward-Looking Statements**

*Certain statements contained in this press release and oral statements made regarding the matters addressed in this release constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of Innovex’s control, that could cause actual results to differ materially from the results discussed in the forward-looking statements.*

*Forward-looking statements can be identified by the use of forward-looking terminology including “may,” “believe,” “expect,” “intend,” “anticipate,” “plan,” “should,” “estimate,” “continue,” “potential,” “will,” “hope” or other similar words and include the Company’s expectation of future performance contained herein. These statements discuss future expectations, contain projections of results of operations or of financial condition, or state other “forward-looking” information, including without limitation statements regarding timing and ability to complete the sale of the Eldridge facility and the expected benefits of such sale. You are cautioned not to place undue reliance on any forward-looking statements, which can be affected by assumptions used or by risks or uncertainties. Consequently, no forward-looking statements can be guaranteed. When considering these forward-looking statements, you should keep in mind the risks related to the Company’s merger and acquisition activities, including the ultimate outcome and results of integrating operations, the effects of the Company’s merger and acquisition activities (including the Company’s future financial condition, results of operations, strategy and plans), potential adverse reactions or changes to business relationships resulting from the completion of mergers and acquisitions, expected benefits from mergers and acquisition and the ability of the Company to realize those benefits, the significant costs required to integrate operations, whether merger or acquisition-related litigation will occur and, if so, the results of any litigation, settlements and investigations, operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond our control; acts of terrorism, war or political or civil unrest in the United States or elsewhere; loss or corruption of our information or a cyberattack on our computer systems; the risks related to economic conditions and other factors noted in the Company’s Annual Report on Form 10-K, any Quarterly Reports on Form 10-Q and the other documents that the Company files with the Securities and Exchange Commission. The risk factors and other factors noted therein could cause actual results to differ materially from those contained in any forward-looking statement. Innovex disclaims any duty to update and does not intend to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this press release, except as may be required by law.*



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**Innovex International, Inc.**  
**Condensed Consolidated Statements of Operations and Comprehensive Income**  
(in thousands, except share and per share amounts)  
(unaudited)

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
Revenues	\$ 240,415	\$ 250,687	\$ 127,997
Cost of revenues	163,911	165,817	78,907
Selling, general and administrative expenses	32,349	38,278	21,337
(Gain) loss on sale of assets	148	(167)	(124)
Depreciation and amortization	14,945	12,039	4,793
Impairment of long-lived assets	2,924	-	-
Acquisition and integration costs	4,288	7,808	773
Income from operations	\$ 21,850	\$ 26,912	\$ 22,311
Interest expense	700	375	719
Other expense (income), net	(214)	700	520
Equity method earnings	-	(386)	(468)
Reduction of bargain purchase	-	6,847	-
Gain on consolidation of equity method investment	-	(8,037)	-
Income before income taxes	\$ 21,364	\$ 27,413	\$ 21,540
Income tax expense (benefit)	6,607	(4,376)	5,123
<b>Net income</b>	<b>\$ 14,757</b>	<b>\$ 31,789</b>	<b>\$ 16,417</b>
Foreign currency translation adjustment	4,616	(10,607)	1,030
<b>Comprehensive income</b>	<b>\$ 19,373</b>	<b>\$ 21,182</b>	<b>\$ 17,447</b>
<b>Earnings per common share</b>			
Basic	\$ 0.21	\$ 0.47	\$ 0.53
Diluted	\$ 0.21	\$ 0.47	\$ 0.51
<b>Weighted average common shares outstanding</b>			
Basic	69,290,100	67,889,524	30,978,328
Diluted	69,477,519	68,044,174	32,292,887



**Innovex International, Inc.**  
**Condensed Consolidated Balance Sheets**  
(in thousands)  
(unaudited)

	March 31, 2025	December 31, 2024	March 31, 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 68,116	\$ 73,278	\$ 7,635
Trade receivable, net	236,020	239,506	121,339
Inventories, net	269,251	271,173	144,466
Other current assets	59,251	57,434	20,992
Total current assets	632,638	641,391	294,432
<b>Noncurrent assets</b>			
Property and equipment, net	188,426	190,786	55,485
Equity method investment	-	-	19,435
Goodwill and net intangibles	180,314	168,539	63,733
Right of use leases - operating, net	56,960	54,873	30,895
Deferred tax asset, net	128,992	134,540	14,694
Other long-term assets	8,673	7,354	2,140
Total noncurrent assets	563,365	556,092	186,382
<b>Total assets</b>	<b>\$ 1,196,003</b>	<b>\$ 1,197,483</b>	<b>\$ 480,814</b>
<b>Liabilities and stockholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 76,391	\$ 65,201	\$ 36,149
Accrued expenses	37,116	60,593	23,853
Operating lease liabilities	11,535	10,547	7,162
Other current liabilities	15,221	15,850	552
Current portion of long-term debt and finance lease obligations	5,556	10,467	10,482
Total current liabilities	145,819	162,658	78,198
<b>Noncurrent liabilities</b>			
Long-term debt and finance lease obligations	19,679	24,901	32,760
Operating lease liabilities	45,962	45,153	25,522
Other long-term liabilities	6,167	6,615	29
Total noncurrent liabilities	71,808	76,669	58,311
<b>Total Liabilities</b>	<b>\$ 217,627</b>	<b>\$ 239,327</b>	<b>\$ 136,509</b>
<b>Total stockholders' equity</b>	<b>\$ 978,376</b>	<b>\$ 958,156</b>	<b>\$ 344,305</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,196,003</b>	<b>\$ 1,197,483</b>	<b>\$ 480,814</b>



**Innovex International, Inc.**  
**Condensed Consolidated Statement of Cash Flows**  
**(in thousands, except share and per share amounts)**  
**(unaudited)**

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
<b>Cash flows from operating activities</b>			
Net Income	\$ 14,757	\$ 31,789	\$ 16,417
Adjustments to reconcile net income to net cash provided by operating activities	29,045	9,782	7,567
Changes in operating assets and liabilities, net of amounts related to acquisitions	(12,712)	(5,226)	(11,379)
Net cash provided by operating activities	\$ 31,090	\$ 36,345	\$ 12,605
<b>Cash flows used in investing activities</b>			
Payments on acquisitions, net of cash acquired	\$ (17,413)	\$ (65,521)	\$ -
Capital expenditures	(7,056)	(7,627)	(2,422)
Proceeds from sale of property and equipment	1,003	1,194	194
Equity method investment	-	-	-
Cash acquired in stock based business combination	-	-	-
Net cash used in investing activities	\$ (23,466)	\$ (71,954)	\$ (2,228)
<b>Cash flows provided by financing activities</b>			
Net Borrowings (Repayments) on line of credit	\$ 1,600	\$ 14,000	\$ (7,200)
Net Repayments on term loan	(11,429)	(1,249)	(1,250)
Payments on Finance Leases	(1,630)	(1,561)	(1,336)
Dividend payment	-	-	-
Other Financing	(1,940)	(50)	(471)
Net cash provided by (used in) financing activities	\$ (13,399)	\$ 11,140	\$ (10,257)
Effect of exchange rate changes on cash and cash equivalents	613	(2,148)	109
<b>Net change in cash and cash equivalents</b>	<b>\$ (5,162)</b>	<b>\$ (26,617)</b>	<b>\$ 229</b>



## **Non-GAAP Measures**

### ***Adjusted EBITDA and Adjusted EBITDA Margin***

We define Adjusted EBITDA (a non-GAAP measure) as net income before interest expense, income tax expense, depreciation and amortization, (gain)/loss on sale of assets and other expense, net, further adjusted to exclude certain items which we believe are not reflective of our ongoing performance or which are non-cash in nature. Management uses Adjusted EBITDA to assess the profitability of our business operations and to compare our operating performance to our competitors without regard to the impact of financing methods and capital structure and excluding costs that management believes do not reflect our ongoing operating performance. We track Adjusted EBITDA on an absolute dollar basis and as a percentage of revenue, which we refer to as Adjusted EBITDA Margin.

### ***Free Cash Flow***

We also utilize Free Cash Flow (a non-GAAP measure) to evaluate the cash generated by our operations and results of operations. We define Free Cash Flow as net cash provided by operating activities less capital expenditures, as presented in our Consolidated Statements of Cash Flows. Management believes Free Cash Flow is useful because it demonstrates the cash that was available in the period that was in excess of our needs to fund our capital expenditures. We track Free Cash Flow both on an absolute dollar basis and as a percentage of revenue. Free Cash Flow does not represent our residual cash flow available for discretionary expenditures, as we have non-discretionary expenditures, including, but not limited to, principal payments required under the terms of our credit facility, which are not deducted in calculating Free Cash Flow.

### ***Return on Capital Employed (ROCE)***

We utilize Return on Capital Employed ("ROCE") (a non-GAAP measure) to assess the effectiveness of our capital allocation over time and to compare our capital efficiency to our competitors. We define ROCE as Income from Operations, before acquisition and integration costs and after tax (resulting in Adjusted Income from Operations, after tax) divided by average capital employed. Capital employed is defined as the combined values of debt and stockholders' equity.

Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and ROCE do not represent and should not be considered alternatives to, or more meaningful than, net income and net cash provided by operating activities, or any other measure of financial performance presented in accordance with GAAP as measures of our financial performance. Our computation of Adjusted EBITDA, Free Cash Flow and ROCE may differ from computations of similarly titled measures of other companies. For a reconciliation of these non-GAAP measures to the most directly comparable GAAP measure, see tables below.

Management has provided outlook regarding Adjusted EBITDA, which is a non-GAAP financial measure and excludes certain charges. A reconciliation of this non-GAAP financial measure to the corresponding GAAP financial measure has not been provided because guidance for the various reconciling items is not provided. The Company is unable to provide guidance for these reconciling items because they cannot determine their probable significance, as certain items are outside of the Company's control and cannot be reasonably



predicted since these items could vary significantly from period to period. Accordingly, reconciliations to the corresponding GAAP financial measures are not available without unreasonable effort.

**Innovex International, Inc.**  
**Reconciliation of Net Income to Adjusted EBITDA**  
**(in thousands)**  
**(Unaudited)**

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
Revenue	\$ 240,415	\$ 250,687	\$ 127,997
Net Income	\$ 14,757	\$ 31,789	\$ 16,417
Interest expense	700	375	719
Income tax expense	6,607	(4,376)	5,123
Depreciation and amortization	14,945	12,039	4,793
EBITDA	\$ 37,009	\$ 39,827	\$ 27,052
Other non-operating (income) expense, net (1)	(214)	700	520
(Gain)/Loss on sale of assets	148	(167)	(124)
Impairment of long-lived assets	2,924	-	-
Acquisition and integration costs (2)	4,288	7,808	773
Equity Method Adjustment (3)	-	661	831
(Gain on) reduction of bargain purchase	-	6,847	-
Gain on consolidation of equity method investment	-	(8,037)	-
Stock based compensation	1,766	1,424	468
IPO Preparation Expenses (4)	-	-	2,985
<b>Adjusted EBITDA</b>	<b>\$ 45,921</b>	<b>\$ 49,063</b>	<b>\$ 32,505</b>
Net Income (Loss) % Revenue	6%	13%	13%
Adjusted EBITDA Margin	19%	20%	25%

(1) Primarily represents foreign currency exchange gain/loss, gain/loss on lease terminations, and other non-operating items

(2) Consists of legal, accounting, advisory fees, and other integration costs associated with acquisitions, primarily related to Dril-Quip, DWS and SCF. These Acquisition and integration costs are one-time in nature and represent expenses that we do not view as normal operating expenses necessary to operate our business.

(3) Reflects the elimination of our percentage of interest expense, depreciation, amortization and other non-recurring expenses included within Equity method earnings relating to our unconsolidated investment in DWS.

(4) Reflects legal, consulting and accounting fees and expenses related to IPO preparation.



**Innovex International, Inc.**  
**Reconciliation of Income from Operations to ROCE**  
**(in thousands)**  
**(Unaudited)**

	Twelve Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
Income from operations	\$ 48,614	\$ 49,075	\$ 97,228
Plus: Acquisition and integration costs	36,815	33,300	2,554
Less: Income tax expense	(3,971)	(2,487)	(24,709)
Adjusted income from operations, after tax	\$ 81,458	\$ 79,888	\$ 75,073
Beginning debt	\$ 43,242	\$ 50,390	\$ 82,799
Beginning equity	344,305	328,921	270,771
Ending debt	25,235	35,368	43,242
Ending equity	978,376	958,156	344,305
Average capital employed	\$ 695,579	\$ 686,418	\$ 370,559
<b>ROCE</b>	<b>12%</b>	<b>12%</b>	<b>20%</b>

**Innovex International, Inc.**  
**Reconciliation of Net Cash from Operations to Free Cash Flow**  
**(in thousands)**  
**(Unaudited)**

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
Net cash provided by (used in) operating activities	\$ 31,090	\$ 36,345	\$ 12,605
Capital expenditures	\$ (7,056)	\$ (7,627)	\$ (2,422)
<b>Free Cash Flow</b>	<b>\$ 24,034</b>	<b>\$ 28,718</b>	<b>\$ 10,183</b>



**Innovex International, Inc.**  
**Geographic Revenue Details**  
(in thousands)  
(Unaudited)

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
<b>North America Onshore ("NAM")</b>			
Product revenues	\$ 75,255	\$ 75,397	\$ 66,665
Rental revenues	28,513	10,123	2,107
Service revenues	16,749	17,254	12,126
Revenue - North America Onshore	\$ 120,517	\$ 102,774	\$ 80,898
<b>International &amp; Offshore</b>			
Product revenues	\$ 92,095	\$ 108,675	\$ 40,286
Rental revenues	9,491	17,039	4,969
Service revenues	18,312	22,199	1,844
Revenue - International & Offshore	\$ 119,898	\$ 147,913	\$ 47,099
<b>Total Revenue</b>	<b>\$ 240,415</b>	<b>\$ 250,687</b>	<b>\$ 127,997</b>