

Innovex Announces Second Quarter 2025 Results

HOUSTON, August 5, 2025 – Innovex International, Inc. (NYSE: INVX) (“Innovex,” the “Company” or “we”) today announced financial and operating results for the second quarter of 2025.

Second Quarter Highlights

- Revenue of \$224 million, down 7% quarter over quarter
- Net Income of \$15 million, net income margin of 7%
- Adjusted EBITDA¹ of \$47 million and Adjusted EBITDA Margin¹ of 21%
- Net Cash Provided by Operating Activities of \$59 million
- Free Cash Flow¹ of \$52 million
- Income from Operations of \$58 million (twelve months ended June 30, 2025)
- Return on Capital Employed¹ of 13%
- Closed on acquisition of Citadel Casing Solutions, LLC (“Citadel”)
- As of June 30, 2025, we have repurchased 624,531 shares of Innovex common stock at an average price of \$14.89 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, “This quarter demonstrates the strength of our diversified portfolio and industrial platform. Although revenues in the quarter were slightly below our expectations, we are pleased with our profitability and Free Cash Flow, which reflect the resilience of our portfolio and our flexible supply chain model. We followed our established downcycle playbook as we grew market share on US Land, generated strong Free Cash Flow and completed the Citadel acquisition, despite falling oil prices and macro uncertainty. Citadel brings us complementary cementing tool technologies and new, blue-chip customer relationships, which we expect will drive organic growth for our existing portfolio. Our market position in US Land grew organically, and we saw early wins on revenue synergies from both the DWS and Citadel acquisitions. We intend to build on this momentum in the coming quarters by leveraging our platform. Our net cash balance sheet allows us the flexibility to continue to evaluate inorganic opportunities, provided they fit within our disciplined M&A framework and our ‘big impact, small ticket’ value proposition. Our balance sheet, diversified supply chain, and low capex operating model is designed to exploit market volatility, and we are prepared to thrive across various commodity price scenarios.”

Kendal Reed, CFO continued, “Even after acquiring Citadel on May 30th in an all-cash \$70 million transaction, we continue to maintain a net-cash balance sheet. The acquisition was highly accretive even before expected synergies and demonstrates strong transaction-level returns. Citadel was purchased at a valuation of 3.8x LTM Adjusted EBITDA and was 8% accretive to Innovex’s EPS. Importantly, we are still targeting a Q3 2025 close on the sale of the Eldridge facility, which will further enhance our net cash position. Despite a decline in revenue, our capital-light business model enabled us to maintain margins and increase free cash flow, demonstrating the counter-cyclical cash flow profile of our businesses.”

Financial Summary

(in thousands)

	Three months ended		
	June 30, 2025	March 31, 2025	June 30, 2024
Revenue	\$ 224,234	\$ 240,415	\$ 130,302
Net Income	15,345	14,757	9,534
Net Income (Loss) % Revenue	7%	6%	7%
Adjusted EBITDA ⁽¹⁾	46,642	45,921	29,518
Adjusted EBITDA Margin ⁽¹⁾	21%	19%	23%
Net cash provided by operating activities	59,210	31,090	22,767
Free Cash Flow ⁽¹⁾	51,913	24,034	20,893
Income from operations	22,695	21,850	13,070

	Twelve Months Ended		
	June 30, 2025	December 31, 2024	June 30, 2024
ROCE ⁽¹⁾	13%	12%	17%

(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 continued, “Excluding Citadel, our US land revenue was flat sequentially despite a rig count decline of approximately 7%. Our Drilling Enhancement product line, which primarily consists of the legacy DWS business, continued to grow market share, and revenues also benefited from one full month of contribution from Citadel. Both acquisitions highlight our disciplined approach to M&A. Although M&A remains a major focus for us, we still have significant capacity remaining on our \$100 million share repurchase program as a competing use of capital. During the second quarter, we purchased 588,488 shares at an average price of \$14.70.”

Adam Anderson, CEO concluded, “While our US Land business outperformed the market, activity and revenues were weaker than anticipated. We continue focusing on synergy opportunities to grow revenue, profit and free cash flow across our entire platform. We have seen encouraging signs of market share growth in our subsea business and look forward to growing our market position in the coming years. We expect to continue to enter new markets by leveraging our flexible supply chain and global distribution platform.”

Balance Sheet, Debt, Cash Flow & Other

Net cash provided by operating activities was \$59 million and capital expenditures were \$7 million (approximately 3% of revenue) for the second quarter of 2025.

Innovex generated free cash flow of \$52 million during the second quarter of 2025 and ended the quarter with \$69 million of cash and cash equivalents and \$41 million of total debt. Innovex ended the quarter with \$110 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 June 30, 2025 was \$58 million. Return on Capital Employed (“ROCE”) for the twelve months ended June 30, 2025 was 13%. We remain focused on capital efficiency, which we believe is a key driver of sustainable value creation for our stockholders.

Q3 2025 Guidance

Looking to the third quarter of 2025, Innovex expects to generate \$230 - \$240 million in total revenue. Innovex expects to generate Adjusted EBITDA of \$40 - \$45 million in the third quarter of 2025.

Conference Call Details

Management will host a conference call and a webcast to discuss the financial results on August 6, 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.

Date / Time: August 6, 2025 - 9:00 AM Central Time

Webcast: <https://events.q4inc.com/attendee/784692250>

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, August 13, 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 Dril-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 and of the Citadel acquisition. 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.

Investor Relations Contact

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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		
	June 30, 2025	March 31, 2025	June 30, 2024
Revenues	\$ 224,234	\$ 240,415	\$ 130,302
Cost of revenues	152,515	163,911	84,310
Selling, general and administrative expenses	28,835	32,349	18,582
(Gain) loss on sale of assets	(419)	148	(194)
Depreciation and amortization	14,974	14,945	6,589
Impairment of long-lived assets	503	2,924	3,522
Acquisition and integration costs	5,131	4,288	4,423
Income from operations	\$ 22,695	\$ 21,850	\$ 13,070
Interest expense	551	700	607
Other income, net	(92)	(214)	(653)
Equity method earnings	—	—	(744)
Income before income taxes	\$ 22,236	\$ 21,364	\$ 13,860
Income tax expense, net	6,891	6,607	4,326
Net income	\$ 15,345	\$ 14,757	\$ 9,534
Foreign currency translation adjustment	6,728	4,616	(1,789)
Comprehensive income	\$ 22,073	\$ 19,373	\$ 7,745
Earnings per common share			
Basic	\$ 0.22	\$ 0.21	\$ 0.31
Diluted	\$ 0.22	\$ 0.21	\$ 0.30
Weighted average common shares outstanding			
Basic	68,943,387	69,290,100	30,978,880
Diluted	69,147,457	69,477,519	32,316,502

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

	June 30, 2025	March 31, 2025	June 30, 2024
Assets			
Current assets			
Cash and cash equivalents	\$ 68,781	\$ 68,116	\$ 10,356
Trade receivable, net	220,966	236,020	119,637
Inventories, net	278,495	269,251	146,690
Other current assets	101,863	59,251	18,299
Total current assets	670,105	632,638	294,982
Noncurrent assets			
Property and equipment, net	150,670	188,426	51,808
Equity method investment	—	—	19,615
Goodwill and net intangibles	218,864	180,314	61,726
Right of use leases - operating, net	56,512	56,960	26,214
Deferred tax asset, net	122,129	128,992	15,116
Other long-term assets	8,801	8,673	2,168
Total noncurrent assets	556,976	563,365	176,647
Total assets	\$ 1,227,081	\$ 1,196,003	\$ 471,629
Liabilities and stockholders' equity			
Current liabilities			
Accounts payable	\$ 65,321	\$ 76,391	\$ 36,708
Accrued expenses	48,556	37,116	25,486
Operating lease liabilities	12,341	11,535	6,942
Other current liabilities	13,589	15,221	1,262
Current portion of long-term debt and finance lease obligations	5,938	5,556	10,301
Total current liabilities	145,745	145,819	80,699
Noncurrent liabilities			
Long-term debt and finance lease obligations	34,780	19,679	14,451
Operating lease liabilities	45,634	45,962	23,954
Other long-term liabilities	5,369	6,167	28
Total noncurrent liabilities	85,783	71,808	38,433
Total Liabilities	\$ 231,528	\$ 217,627	\$ 119,132
Total stockholders' equity	\$ 995,553	\$ 978,376	\$ 352,497
Total liabilities and stockholders' equity	\$ 1,227,081	\$ 1,196,003	\$ 471,629

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

	Three months ended		
	June 30, 2025	March 31, 2025	June 30, 2024
Cash flows from operating activities			
Net Income	\$ 15,345	\$ 14,757	\$ 9,534
Adjustments to reconcile net income to net cash provided by operating activities	29,375	29,045	11,777
Changes in operating assets and liabilities, net of amounts related to acquisitions	14,490	(12,712)	1,456
Net cash provided by operating activities	\$ 59,210	\$ 31,090	\$ 22,767
Cash flows used in investing activities			
Payments on acquisitions, net of cash acquired	(63,256)	(17,413)	—
Capital expenditures	(7,297)	(7,056)	(1,874)
Proceeds from sale of property and equipment	7,681	1,003	785
Net cash used in investing activities	\$ (62,872)	\$ (23,466)	\$ (1,089)
Cash flows provided by financing activities			
Net Borrowings (Repayments) on line of credit	13,400	1,600	(16,000)
Net Repayments on term loan	—	(11,429)	(1,250)
Payments on Finance Leases	(1,869)	(1,630)	(1,415)
Dividend payment	—	—	—
Other Financing	(9,089)	(1,940)	—
Net cash provided by (used in) financing activities	\$ 2,442	\$ (13,399)	\$ (18,665)
Effect of exchange rate changes on cash and cash equivalents	1,885	613	(292)
Net change in cash and cash equivalents	\$ 665	\$ (5,162)	\$ 2,721

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		
	June 30, 2025	March 31, 2025	June 30, 2024
Revenue	\$ 224,234	\$ 240,415	\$ 130,302
Net Income	15,345	14,757	9,534
Interest expense	551	700	607
Income tax expense	6,891	6,607	4,326
Depreciation and amortization	14,974	14,945	6,589
EBITDA	\$ 37,761	\$ 37,009	\$ 21,056
Other non-operating income, net (1)	(92)	(214)	(653)
(Gain)/Loss on sale of assets	(419)	148	(194)
Impairment of long-lived assets	503	2,924	3,522
Acquisition and integration costs (2)	5,131	4,288	4,423
Equity Method Adjustment (3)	—	—	916
Stock based compensation	3,758	1,766	448
Adjusted EBITDA	\$ 46,642	\$ 45,921	\$ 29,518
Net Income (Loss) % Revenue	7%	6%	7%
Adjusted EBITDA Margin	21%	19%	23%

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

(2) Consists of legal, accounting, advisory fees, and other integration costs associated with acquisitions, primarily related to Dril-Quip, DWS, SCF and Citadel. These 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 pertaining to our unconsolidated investment in DWS.

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

	Twelve Months Ended		
	June 30, 2025	December 31, 2024	June 30, 2024
Income from operations	\$ 58,239	\$ 49,075	\$ 82,664
Plus: Acquisition and integration costs	37,523	33,300	6,298
Less: Income tax expense	(6,536)	(2,487)	(22,369)
Adjusted income from operations, after tax	\$ 89,226	\$ 79,888	\$ 66,593
Beginning debt	24,752	50,390	93,042
Beginning equity	352,497	328,921	292,915
Ending debt	40,718	35,368	24,752
Ending equity	995,553	958,156	352,497
Average capital employed	\$ 706,760	\$ 686,418	\$ 381,603
ROCE	13%	12%	17%

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

	Three months ended		
	June 30, 2025	March 31, 2025	June 30, 2024
Net cash provided by (used in) operating activities	\$ 59,210	\$ 31,090	\$ 22,767
Capital expenditures	(7,297)	(7,056)	(1,874)
Free Cash Flow	\$ 51,913	\$ 24,034	\$ 20,893

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

	Three months ended		
	June 30, 2025	March 31, 2025	June 30, 2024
North America Onshore ("NAM")			
Product revenues	\$ 77,368	\$ 75,255	\$ 65,073
Rental revenues	26,698	28,513	1,848
Service revenues	15,901	16,749	12,161
Revenue - North America Onshore	119,967	120,517	79,082
International & Offshore			
Product revenues	72,081	92,095	44,655
Rental revenues	17,305	9,491	4,796
Service revenues	14,881	18,312	1,769
Revenue - International & Offshore	104,267	119,898	51,220
Total Revenue	\$ 224,234	\$ 240,415	\$ 130,302