



NEWS RELEASE

Innovex Expands Platform With Highly Accretive Acquisition of Citadel Casing Solutions

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HOUSTON--(BUSINESS WIRE)-- Innovex International, Inc. (NYSE: INVX) (the "Company" or "Innovex") is pleased to announce that it has completed the acquisition of Citadel Casing Solutions, LLC ("Citadel"), leveraging its unique, energy industrial platform. This investment meets all the criteria of the Company's disciplined M&A framework, including a focus on single-use, highly engineered products that share the Company's "Big Impact, Small Ticket" value proposition.

Founded in 2016 by a team of industry experts, Citadel is a leading provider of differentiated downhole technologies which are designed to improve its customers' economics by driving reduced cycle times through improved operational efficiencies.

The acquisition is financially attractive even prior to expected synergies. The transaction values Citadel at approximately 3.8x LTM Adjusted EBITDA¹ and is 8% accretive to Innovex's EPS². Innovex anticipates realizing approximately \$2 million of cost synergies within 3 months and anticipates further synergies longer term as the business is fully integrated.

"We are excited to add another strong team and complementary set of products to Innovex's portfolio," said Adam Anderson, CEO of Innovex. "Citadel has successfully grown its business through-cycle by adhering to a culture which is in line with our 'No-Barriers' approach. Citadel's products drive efficiencies by reducing cycle times, and its TrenchFoot™ Wet Shoe technology increases reservoir access resulting in increased production for our customers. As a result of its technology centric approach, Citadel has outgrown the market over the last few years, and we expect this to continue over the next few years. This acquisition bolsters our leadership position in the cementing tool market in US Land and supports our efforts to grow market share in the offshore and international markets."

“We are excited to accelerate our growth under the Innovex banner by tapping into its broad, complementary product portfolio and geographical exposure,” said Todd Stair, CEO of Citadel. “The combination of our teams and technologies will enhance our ability to help operators deliver efficient wells, furthering our like-minded mission to help bring reliable and affordable energy to the world.”

“The acquisition of Citadel fits perfectly within our M&A framework,” said Kendal Reed, CFO of Innovex. “Citadel’s portfolio of Big Impact, Small Ticket products has allowed it to achieve rapid, profitable growth while delivering exceptional returns on capital. We were able to acquire Citadel at a favorable multiple and strong acquisition-level returns even before considering revenue and cost synergies. Importantly, the transaction is highly accretive to our earnings and cash flow per share. Given our strong balance sheet and cash flow generative business model, we were able to acquire Citadel in an all-cash transaction while maintaining an extremely conservative leverage profile and an active corporate buyback program. We expect this acquisition to drive ROCE³ well in excess of idle balance sheet cash, improving long-term returns for our shareholders.”

Advisors

Akin Gump Strauss Hauer & Feld LLP served as legal advisor to Innovex.

Piper Sandler served as exclusive financial advisor to Citadel, and Troutman Pepper Locke LLP served as Citadel’s legal advisor.

About Innovex

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

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.

About Citadel

Founded in 2016, Citadel was established to revolutionize casing technology through continuous innovation.

Citadel's high-quality, reliable downhole tools are used globally, driving efficiency and performance in the Oil and Gas sector. By combining internal R&D with strategic partnerships, Citadel remains at the forefront of technological advancements in casing solutions.

Non-GAAP Financial Measures

Adjusted EBITDA is a non-GAAP financial measure. Innovex defines Citadel's Adjusted EBITDA as net income before interest expense, income tax expense, depreciation and amortization, deal costs and board retention agreements, net, further adjusted to exclude certain items which Citadel believes are not reflective of its ongoing performance or which are non-cash in nature. Citadel management used Adjusted EBITDA to assess the profitability of its business operations and to compare Citadel's operating performance to its competitors without regard to the impact of financing methods and capital structure and excluding costs that management believes do not reflect its ongoing operating performance. Adjusted EBITDA does not represent and should not be considered as an alternative to, or more meaningful than, net income or any other measure of financial performance presented in accordance with GAAP as measures of Citadel's financial performance. Innovex's computation of Citadel's Adjusted EBITDA may differ from computations of similarly titled measures of other companies.

Innovex utilizes Return on Capital Employed ("ROCE") (a non-GAAP measure) to assess the effectiveness of its capital allocation over time and to compare its capital efficiency to its competitors. Innovex defines 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.

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 or state other "forward-looking" information, including without limitation statements regarding the expected benefits of the 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. These statements reflect management's expectations based on currently available information and involve significant risks, uncertainties and assumptions that may cause actual results to differ materially. Factors that may cause such differences include, but are not limited 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. 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.

¹ Citadel's LTM Adjusted EBITDA as of 04/30/2025. Adjusted EBITDA is a non-GAAP measure. A reconciliation of Citadel's LTM Adjusted EBITDA to Citadel LTM net income, the most directly comparable financial measures presented in accordance with GAAP, is outlined in the reconciliation table accompanying this release.
Reflects LTM as-reported net income for both Innovex and Citadel as of 03/31/2025. The net income amount does not give effect to costs, charges, synergies, or other similar items that could result from a combined company. The share count uses Innovex's outstanding share count as of 03/31/2025. As Citadel is a passthrough entity, Citadel did not incur any income tax expenses. As a combined company, income tax expenses would be expected. Therefore, for the purpose of calculating EPS, an assumed tax rate of 21% was used.
Return on Capital Employed ("ROCE") is a non-GAAP measure.

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

	Citadel LTM April 30, 2025
Revenue	\$ 71,965
Net Income	\$ 15,098
Interest expense	513
Income tax expense	-
Depreciation and amortization	2,600
Other expense/income	-
EBITDA	\$ 18,212
Deal Costs	185
Board Retention Agreements	64
Adjusted EBITDA	\$ 18,461
Net Income (Loss) % Revenue	21%
Adjusted EBITDA Margin ¹	26%

Note: Figures shown above reflect unaudited results. A quality of earnings analysis was conducted to verify the figures shown.

(1) Underlying calculation is not rounded.

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Source: Innovex Downhole Solutions, Inc.