



RESEARCH UPDATE

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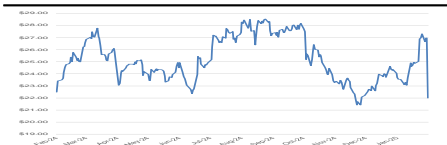
Market Statistics

Price	\$ 22.00
52 week Range	\$21.15 - \$28.92
Daily Vol (3-mo. average)	95,927
Market Cap (M):	\$ 303.0
Enterprise Value (M):	\$ 348.4
Shares Outstanding: (M)	13.8
Float (M)	9.4
Public Ownership	1.8%
Institutional Ownership	80.9%

Financial Summary

Cash (M)	\$ 5.2
Cash/Share	\$ 0.38
Debt (M)	\$ 43.3
Equity (M)	\$ 237.0
Equity/Share	\$ 17.21

FYE: Dec	2023	2024E	2025E
<i>(in \$M)</i>			
Rev	\$ 682.1	\$ 651.6	\$ 685.1
Chng%	-3%	-4%	5%
EBITDA	\$ 79.9	\$ 86.4	\$ 95.4
Net Income	\$ (17.1)	\$ (6.1)	\$ 13.4
EPS	\$ (1.19)	\$ (0.45)	\$ 1.01
EV/Revenue	0.5x	0.5x	0.5x
EV/EBITDA	4.4x	4.0x	3.7x
P/E	5.7x	-3.6x	1.6x



COMPANY DESCRIPTION

Civeo Corporation provides hospitality services to the natural resource industry in Canada, Australia, and the United States. The company develops lodges and villages; and mobile accommodations, including modular, skid-mounted accommodation, and central facilities that provide long-term and temporary work force accommodations. It owns and operates 26 lodges and villages with approximately 28,000 rooms; and a fleet of mobile accommodation assets. Civeo Corporation is headquartered in Houston, Texas.

CIVEO CORPORATION (NYSE: CVEO)

COMPANY UPDATES

Maintained Free Cash Flow Generation: Despite challenges in the Canadian Segment, CVEO remains a strong free cash flow generator, reporting \$68.4M in FCF for FY24. The Company announced its FCF guidance between \$30M to \$40M for 2025. Despite this, we believe that with disciplined capital allocation, a robust balance sheet, and continued expansion in Australia, Civeo is well-positioned to drive long-term value for shareholders, with an expected increase in FCF during the out years.

Quarterly Results: CVEO reported revenue, adj EBITDA, and adj EPS of \$151.0M, \$11.4M, and (\$1.10), respectively. This compares to our/consensus estimates of \$155.4M/\$162.6M, \$17.8M/\$18.8M, and (\$0.14)/(\$0.15), respectively. Consolidated revenue fell short of expectations; this underperformance was driven by weakness in both pricing and billed rooms volume in the Canadian segment, despite the robust performance observed in the Australian segment.

Capital Allocation: CVEO remained committed to returning capital to shareholders, repurchasing \$29.6M worth of shares in FY24, including \$5.6M in 4Q24. The Company reduced its net debt by \$24.1M y/y, achieving a net leverage ratio of 0.5x as of FY24. In addition, the Company maintained a quarterly dividend of \$0.25 per share, reflecting a 4.5% dividend yield.

Canadian Segment: The Canadian Segment experienced a 44% decline in revenues y/y, with Adj. EBITDA falling to (\$4.7M). This was driven by a 42% reduction in billed rooms following the sale of McClelland Lake Lodge and lower occupancy at Sitka Lodge. Heightened economic and political uncertainty has pressured customers, leading to lower CapEx spend in the region. In response, CVEO has announced restructuring efforts, including a \$3M one-time charge expected in 1Q25, reducing headcount by 25%, and cold-closing select lodges. Despite these challenges, the Company successfully renewed a major oil sands contract through June 2027.

Australian Segment: The Australian segment continues to be a bright spot for CVEO, with 4Q24 revenues surging by 23% y/y and Adj. EBITDA increasing to \$22.2M. Performance will be bolstered by a six-year, A\$1.4B integrated services contract renewal, which will cover 11 total villages. Further strengthening its position, CVEO executed a strategic acquisition in the Bowen Basin, purchasing four villages with 1,340 rooms and securing long-term contracts with major metallurgical coal producers. The acquisition, valued at ~\$67M, is expected to contribute an annualized revenue and EBITDA of ~\$32M and ~\$17M respectively upon closing, expected in 2Q25. Management anticipates immediate cash flow accretion from this transaction, further solidifying Civeo's growth trajectory in the region.

Guidance: CVEO announced its 2025 guidance with revenue projected to range from \$630M to \$660M and adj. EBITDA between \$80M and \$90M. We believe this is reasonable and have adjusted our model accordingly.

Valuation: We use both a DCF and EV/EBITDA comp analysis to guide our valuation. Our DCF analysis produces a valuation range of \$28.77 to \$31.92 with a mid-point of \$30.23. Our EV/EBITDA valuation results in a range of \$32.28 to \$35.74 with a mid-point of \$34.01.

Business Overview

Civeo Corporation provides workforce accommodations and hospitality services in the United States, Canada, and Australia. These services include lodging, catering/food service, housekeeping and maintenance at accommodation facilities either owned by Civeo or owned by the customer and leased by Civeo. Civeo serves oil, mining, engineering, and oilfield and mining service companies. The Company currently owns and operates 23 lodges & villages with approximately 26,000 rooms. Civeo also solely operates 21 villages in Australia with approximately 17,000 rooms, with expected expansion in 2025, after the Bowen Basin acquisition.

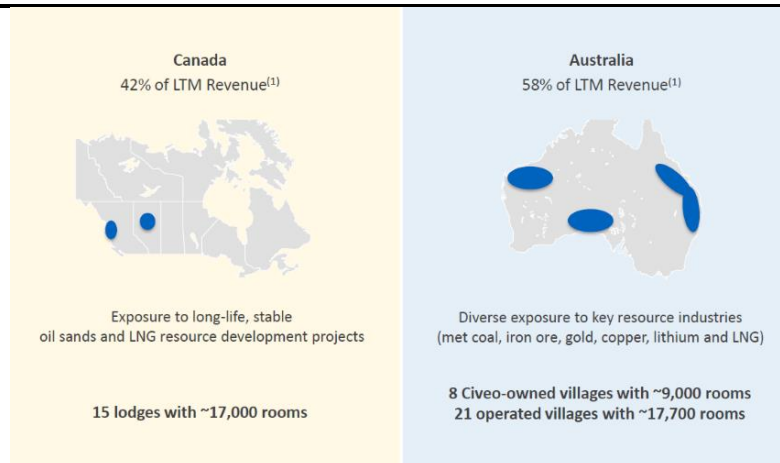
Company History

Civeo Corporation was originally founded in 1977, accommodating Canadian energy companies. In the following decades, Civeo expanded its business by increasing its permanent housing properties, helping customers manage their own assets, and improving properties by adding luxury amenities. The Company was a segment of Oil States International (NYSE: OIS), acting as its accommodations division before being spun-off on June 2, 2014, and operating as an independent publicly traded company.

On April 2, 2018, the Company acquired Noralta Lodge Ltd. As a result of this acquisition, the Company expanded its footprint in Canada and grew its customer base in the Oil and Gas industry. On July 1, 2019, it acquired Action Catering, whose relationship with blue chip mining customer and operations in Western Australia allowed Civeo to further expand its business and substantially grow its revenues in 2019 and 2020. Recently, on February 19, 2025, Civeo announced the acquisition of four villages in Australia’s Bowen Basin for A\$105M (US\$67M). The transaction includes 1,340 rooms and long-term contracts with major metallurgical coal producers. Expected to close in 2Q25, this acquisition further strengthens Civeo’s presence in this key resource region. Note, Civeo primarily operates in the Canadian oil sands, Canadian LNG, Australian met coal, and Australian iron ore markets.

Civeo’s business depends on commodity prices, customer’s capital spending, available infrastructure, headcount requirements, and competition, which all influence the demand for the Company’s services. Specifically, the production of oil sands deposits, met coal, and iron ore as well as activity levels in support of extractive industries such as liquefied natural gas (LNG) and related pipeline activity all significantly influence the Company’s business.

Exhibit 1: Geographic Positioning



Source: Nov 2024 Company Presentation

Business Segments

Overview

Civeo provides services to areas where traditional accommodations are inaccessible, inefficient, and not cost effective for companies to build. Over the last two decades natural resource companies have transitioned to outsourcing their accommodation and hospitality to third party providers. Civeo operates in 2 geographic regions: Australia and North America. As of September 30, 2024, North America contributed approximately 42% of the company’s revenue, with Australia making up the remaining 58%. The Company has a solid roster of clients that includes blue chip companies such as ConocoPhillips, Suncor Energy, Imperial Oil Limited, and Fortescue Metals Group Ltd.

Exhibit 2: Blue Chip Customer Base



Source: Nov 2024 Company Presentation

The majority of Civeo’s contracts are take-or-pay or exclusivity. Take-or-pay contracts require customers to commit a minimum number of rooms over a specified time period while exclusivity contracts require that customers exclusively hire Civeo’s services and/or use their facilities. Most of the contracts have minimum occupancy requirements. The length of these contracts depends on the type and size of projects serviced and can be influenced by seasonal changes. Civeo bills customers based on daily occupied room rates. The room rates are used to compensate the costs of hospitality services, including meals, housekeeping, utilities, etc.

North American Segment: 15 Lodges with about 17,000 Rooms

Civeo is Western Canada’s largest hospitality service provider for remote locations. It operates its own lodges, mobile assets, and customer owned locations for the LNG and oil sands markets as well as oil and natural gas drilling, mining, and other natural resource industries. Civeo primarily operates permanent lodges in the oil sands region in Alberta and mobile camps in British Columbia. The oil sands region represents one of the largest heavy oil reserves in the world and the Company currently controls ~47% of the third-party provider market share in the region.

Demand for services in the Canadian segment is primarily driven by the long-term outlook of crude oil prices. When there is a positive price outlook, companies commence new expansionary and exploratory projects, which are typically long-term and require large workforces. During 2Q22, Civeo renewed a take-or-pay contract at the oil sands Wapasu Lodge for 12-years totaling roughly C\$500 million. The renewal demonstrates continued confidence in the outlook for oil prices.

The Company’s mobile camps are tied to LNG and oil pipeline development. Civeo currently has contracted camps with Coastal GasLink (CGL) and Trans Mountain Pipeline (TMX). The TMX pipeline project has been completed as of May 1st, 2024, allowing for the demobilization of its related mobile camps.

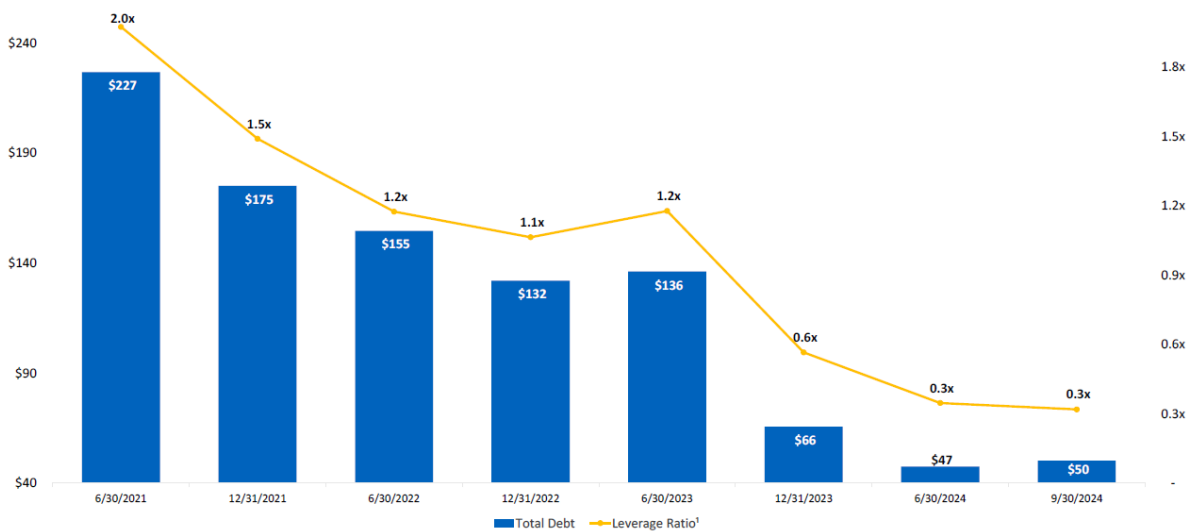
relationships. Lastly, in 4Q24, CVEO announced a six-year, A\$1.4B integrated services contract renewal, which saw the renewal of 7 existing properties as well as the addition of 4 new villages. These contracts increased locations and room commitments in the iron ore market of Western Australia, while also taking share from competitors.

Free Cash Flow

Management prioritizes generating free cash flow, achieving free cash flow positivity every year since 2014. Civeo generated about \$68.4 million in free cash flow in 2024 and is guiding to a midpoint of roughly \$35.0 million in 2025. The Company uses its strong free cash flow generation to reduce its leverage, return capital to shareholders, and seek opportunities to expand its customer base and presence within core markets.

Since 2019, Civeo has significantly decreased its debt balance and leverage. Over the last four years, its debt position decreased from \$405 million to \$43.3M and its net leverage from 4.1x to 0.5x, in FY18 and 4Q24 respectively. In 2024, the Company used 65% of FCF for opportunistic share repurchases and quarterly dividend payments. Since management emphasizes reducing leverage and returning capital to shareholders, this trend is expected to continue through 2025.

Exhibit 5: Debt Reduction and Deleveraging

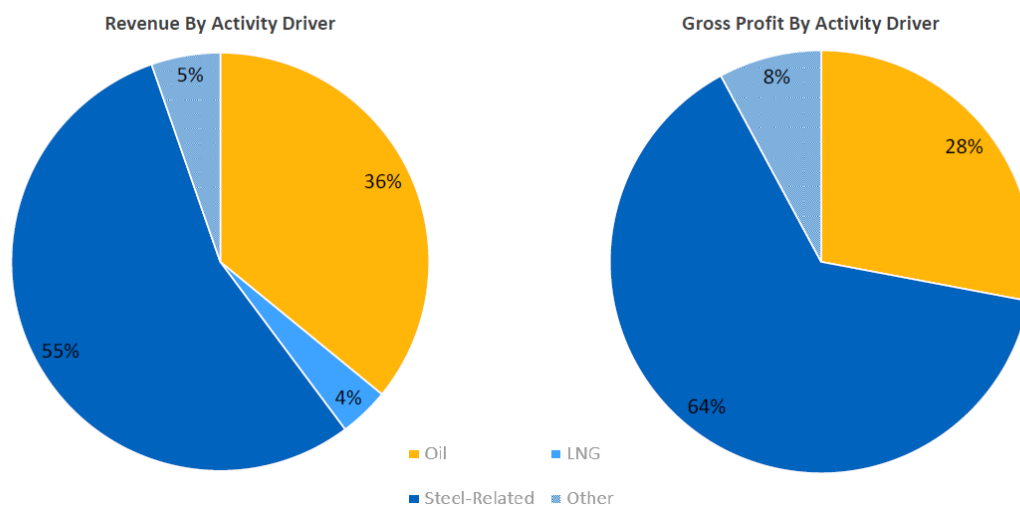


Source: May 2024 Company Presentation

Market Overview

Civeo Corporation operates in a competitive and fragmented market. Historically, natural resource extractors built and operated their own accommodations due to a lack of third-party providers. The Company estimates that over 50% of the market is represented by customer-owned rooms. However, these companies are currently transitioning to outsourcing their accommodations. While there are providers that offer pieces of customer accommodation needs, few offer a full array of services. This gives Civeo a competitive advantage as they can offer a wider range of services that capitalize on economies of scale and is cost-effective for their customers.

Exhibit 6: Commodity Exposure



Source: Nov 2024 Company Presentation

Due to the cyclical nature of the natural resource industry, diversification is key to sustained growth and reduced revenue volatility. The development of LNG projects in British Columbia is an important catalyst for the Sitka Lodge in Kitimat, which can support the long-term needs of large labor forces. Maintaining occupancy levels in the Sitka Lodge could help offset the demobilization of LNG pipeline camps.

For the Australian market, met coal prices were impacted by the Chinese embargo of Australian coal in 2020. However, Australian producers recovered by exporting to Europe and India, which restabilized the market. Despite this, healthy iron prices prompted strong customer activity, helping to mitigate the dip in revenues. As of December 2023, the value of met coal exports in Australia have continued to rebound with a CAGR of 7.2% since 2019, per the Australian Department of Science and Resources.

Expanding into new geographies and commodity markets will further diversify the business model and facilitate revenue growth. In this regard, management has made it clear that it will continue to seek to diversify revenue drivers through both organic growth and M&A opportunities.

Risks

As with any investment, there are certain risks associated with CVEO's operations as well as with the surrounding economic and regulatory environments common to the accommodations and hospitality industry and operating in foreign countries.

Highly Competitive Industry – Civeo operates in a highly competitive industry with several key players, many of which are larger than the Company. Should the Company fail to expand its customer base or lose its current customers, the business will suffer. An overall decrease in the demand for workforce accommodations can increase competition and shrink Civeo's market share.

Commodity Price Volatility – The business depends on the capex spending of its customers. If there is a negative outlook for commodity pricing, customers are less likely to continue producing current projects or develop new projects. Should current and potential customers reduce their capex spending, Civeo would struggle to retain and attract customers for its services.

A Few Significant Customers – The Company relies on few significant customers. The loss of any of its largest customers could lead to a significant reduction in revenues. In FY24 two separate companies each accounted for at least 10% of revenue. Additionally, the concentration of customers in the natural resource industry exposes Civeo to increased credit risk. Volatility in commodity prices could affect customers' ability to pay its obligations.

Regulatory Changes – The Company is exposed to regulatory changes. As governments change environmental regulations, Civeo's customer's business become more at risk, especially those in Canadian oil sand and the Australian met coal markets. Trade disputes or embargoes also expose the Company to a potential downturn in demand.

Remote Locations – Civeo operates in remote locations which exposes it to various climate and natural disaster related setbacks. Events such as floods, wildfires, and severe storms could limit the Company's access to supplies and utilities required to operate its facilities. Damage to surrounding infrastructure could also make it increasingly difficult for customers and labor to travel to Civeo's lodges/villages.

VALUATION SUMMARY

We use a DCF Analysis and Comparison Analysis to frame valuation.

DCF Analysis

We are modeling near-term revenue growth rates driven by continued spending from customers on both production and maintenance, offset by the discussed headwinds. Our longer-term revenue growth is normalized between 2% to 2.5%.

Sensitivity Analysis:

Discount rate	Terminal Growth Rates				
	1.0%	1.5%	2.0%	2.5%	3.0%
	10.50%	\$30.54	\$31.25	\$32.04	\$32.92
10.75%	\$29.72	\$30.38	\$31.11	\$31.92	\$32.85
11.00%	\$28.95	\$29.55	\$30.23	\$30.98	\$31.83
11.25%	\$28.20	\$28.77	\$29.39	\$30.09	\$30.87
11.50%	\$27.50	\$28.02	\$28.60	\$29.25	\$29.97

Comparison Analysis

Company Name	Symbol	Price ⁽¹⁾	Market Cap	EV	EV/Revenue ^(2,3)			EV/EBITDA ^(2,3)			P/E ^(2,3)		
					2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E
Diversified Support Services													
ATCO Ltd.	ACO.X	\$ 32.23	\$ 3,717.3	\$ 14,351.3	4.17x	3.61x	3.69x	8.8x	8.1x	7.9x	0.11x	0.10x	0.09x
Black Diamond Group Limited	BDI	\$ 5.86	\$ 358.7	\$ 537.7	2.21x	1.93x	1.81x	7.7x	6.7x	6.0x	0.37x	0.25x	0.22x
Dexterra Group Inc.	DXT	\$ 5.36	\$ 337.6	\$ 420.6	0.61x	0.57x	0.54x	5.8x	5.5x	5.2x	0.20x	0.15x	N/A
					Average	2.3x	2.0x	2.0x	7.5x	6.7x	6.4x	0.23x	0.17x
					Median	2.2x	1.9x	1.8x	7.7x	6.7x	6.0x	0.20x	0.15x
Food and Support Services													
Aramark	ARMK	\$ 36.46	\$ 9,665.7	\$ 15,367.3	0.85x	0.82x	0.79x	11.8x	10.9x	10.0x	0.11x	0.07x	0.06x
Compass Group PLC	CPG	\$ 34.89	\$59,212.5	\$ 64,349.0	1.17x	1.42x	1.33x	15.5x	14.2x	13.1x	0.02x	0.02x	0.01x
Sodexo S.A.	SDXAY	\$ -	\$11,218.7	\$ 14,700.5	0.63x	0.56x	0.53x	9.8x	8.2x	7.6x	0.00x	0.00x	0.00x
Smurfit Westrock Plc	SW	\$ 51.69	\$26,798.5	\$ 39,565.5	1.99x	1.30x	1.25x	9.3x	7.7x	7.1x	0.17x	0.03x	0.03x
					Average	1.2x	1.0x	1.0x	11.6x	10.3x	9.4x	0.07x	0.03x
					Median	1.0x	1.1x	1.0x	10.8x	9.6x	8.8x	0.06x	0.02x
Civeo Corporation	CVEO	\$ 22.00	\$ 303.00	\$ 348.38	0.5x	0.5x	0.5x	4.4x	4.0x	3.7x	5.7x	-3.6x	1.6x

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) All Values in USD at an exchange rate of \$1.44 CAD/USD

Our DCF analysis relies on a range of discount rates between 10.5% and 11.5% with a midpoint of 11.0% and terminal growth rates between 1.5% and 2.5%. We selected this discount rate to account for near term risks, CVEO's smaller market cap, and current interest rate environment. This arrives at a valuation range of \$28.77 to \$31.92 with a mid-point of \$30.23.

We note that CVEO generated approximately 38.0% of revenue from Food and Other Services in the TTM. While the Company generated approximately 15.5% of gross profit from the same revenue stream over the same period, we believe it is appropriate to include a blended EBITDA value in our Comparative Analysis. For this revenue stream we chose a valuation range between 6.8x to 7.3x with a midpoint of 7.0x. This

values Civeo's Food and Other Services segment at a significant discount to the average Food and Support Services FY26 EV/EBITDA multiple. This accounts for the smaller size of CVEO vs comps.

2026 EV/EBITDA			
Diversified Support Services	4.75x	5.00x	5.25x
Food and Support Services	6.75x	7.00x	7.25x
% of GP from food segment	15.5%	15.5%	15.5%
Blended EBITDA Multiple	5.06x	5.31x	5.56x
Adj EBITDA	95.4	95.4	95.4
TEV	482.7	506.5	530.4
Cash	5.2	5.2	5.2
Debt	43.3	43.3	43.3
Mrkt Cap	444.6	468.4	492.3
S/O	13.8	13.8	13.8
Price	\$ 32.28	\$ 34.01	\$ 35.74

For the majority of CVEO's earnings we are using a 4.8x to 5.3x EV/EBITDA multiple range with a midpoint of 5.0x. This moves CVEO closer to comp companies, which we believe is appropriate due to Civeo's diversification, market share, and market cap. When we blend these two multiple ranges, we arrive at a valuation range of 5.1x to 5.6x with a midpoint of 5.3x, resulting in a price range of \$32.28 to \$35.74 with a mid-point of \$34.01.

DISCOUNTED CASH FLOW

Civeo Corporation														
Discounted Cash Flow Model														
<i>(in \$M, except per share)</i>														
Estimates:	2023	2024	2025 E	2026 E	2027 E	2028 E	2029 E	2030 E	2031 E	2032 E	2033 E	2034 E	2035 E	Terminal Value
Revenue	700.8	682.1	651.6	685.1	700.9	717.7	734.9	753.3	772.1	793.0	814.4	836.4	859.0	
Operating Income	44.4	1.3	10.3	22.0	11.1	14.4	14.7	15.1	15.4	15.9	16.3	16.7	17.2	
Less: Taxes (benefit)	10.6	12.5	14.8	7.0	15.9	5.0	5.1	5.3	5.4	5.6	5.7	5.9	6.0	
NOPAT	33.7	(11.2)	(4.5)	15.0	(4.8)	9.3	9.6	9.8	10.0	10.3	10.6	10.9	11.2	
Plus: Depreciation	75.1	68.0	67.0	67.0	72.1	78.9	80.1	80.6	78.8	77.7	77.0	78.2	80.3	
Plus: Non-Cash Charges	(21.6)	6.7	0.9	(2.0)	1.0	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.9	
Plus: Changes in WC	(1.6)	31.8	3.3	3.4	1.8	(3.6)	(7.3)	(7.5)	(13.5)	(13.9)	(14.3)	(16.7)	(17.2)	
Less: Capex	(14.9)	(15.1)	(27.5)	(27.4)	(31.5)	(30.1)	(30.9)	(30.9)	(30.9)	(30.1)	(30.1)	(30.1)	(30.1)	
Free Cash Flow	70.8	80.3	39.2	56.0	38.4	55.3	52.2	52.7	45.2	44.8	44.0	43.1	45.1	511.1
Discount period - months			12	24	36	48	60	72	84	96	108	120	132	
Discount period - years			1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	
Discount factor			0.90	0.81	0.73	0.66	0.59	0.53	0.48	0.43	0.39	0.35	0.32	
PV of FCF			35.3	45.5	28.1	36.4	31.0	28.2	21.8	19.4	17.2	15.2	14.3	162.2
Growth rate assumptions:														
Revenue		-2.7%	-4.5%	5.1%	2.3%	2.4%	2.4%	2.5%	2.5%	2.7%	2.7%	2.7%	2.7%	
Operating Income		-97.0%	673.8%	113.2%	-49.5%	29.5%	2.4%	2.5%	2.5%	2.7%	2.7%	2.7%	2.7%	
EBITDA		-41.9%	11.4%	15.1%	-6.5%	12.2%	1.6%	0.9%	-1.5%	-0.7%	-0.3%	1.8%	2.7%	
Free Cash Flow		13.3%	-51.2%	43.0%	-31.4%	43.9%	-5.6%	1.1%	-14.3%	-0.8%	-1.8%	-2.1%	4.7%	
Margin assumptions:														
Operating Income	6.3%	0.2%	1.6%	3.2%	1.6%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
D&A as a % of sales	10.7%	10.0%	10.3%	9.8%	10.3%	11.0%	10.9%	10.7%	10.2%	9.8%	9.5%	9.4%	9.4%	
Non-Cash Charges as % of sales	-3.1%	1.0%	0.1%	-0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
EBITDA	17.1%	10.2%	11.9%	13.0%	11.9%	13.0%	11.9%	13.0%	12.9%	12.7%	12.2%	11.8%	11.5%	
Taxes	24.0%	937.8%	143.6%	31.8%	143.6%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	
Changes in WC	-0.2%	4.7%	0.5%	0.5%	0.3%	-0.5%	-1.0%	-1.0%	-1.8%	-1.8%	-1.8%	-2.0%	-2.0%	
Capex as a % of sales	-2.1%	-2.2%	-4.2%	-4.0%	-4.5%	-4.2%	-4.2%	-4.1%	-4.0%	-3.8%	-3.7%	-3.6%	-3.5%	
Valuation:														
Shares outstanding	13.8													
PV of FCF	292.2													
PV of Terminal Value	162.2													
Enterprise Value	454.4													
less: Net Debt	38.1													
Estimated Total Value:	416.3													
Est Equity Value/share:	\$30.23													
Sensitivity Analysis:														
										Terminal Growth Rates				
										1.0%	1.5%	2.0%	2.5%	3.0%
Discount rate	10.50%	\$30.54	\$31.25	\$32.04	\$32.92	\$33.93								
	10.75%	\$29.72	\$30.38	\$31.11	\$31.92	\$32.85								
	11.00%	\$28.95	\$29.55	\$30.23	\$30.98	\$31.83								
	11.25%	\$28.20	\$28.77	\$29.39	\$30.09	\$30.87								
	11.50%	\$27.50	\$28.02	\$28.60	\$29.25	\$29.97								
Price	\$22.00													

Source: Company Reports; Stonegate Capital Markets

BALANCE SHEET

Civeo Corporation Consolidated Balance Sheets (\$Ms) Fiscal Year End: December														
ASSETS	FY 2019	FY 2020	FY 2021	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024
Cash and Equivalents	3.3	6.2	6.3	8.0	12.4	11.4	7.8	3.3	3.3	16.8	7.4	17.9	5.2	5.2
Accounts Receivable	99.5	89.8	114.9	119.8	123.0	140.1	153.9	143.2	143.2	131.5	124.3	106.7	89.0	89.0
Inventories	5.9	6.2	6.5	6.9	7.4	7.2	6.3	7.0	7.0	7.2	8.4	8.8	7.5	7.5
Assets held for sale	7.6	3.9	11.8	8.7	8.2	8.2	8.2	5.9	5.9	3.8	-	-	-	-
Prepaid expenses and other	15.2	13.2	17.8	10.3	7.7	9.0	14.4	15.8	15.8	9.6	11.5	12.1	8.7	8.7
Total Current Assets	131.4	119.2	157.2	153.5	158.6	175.9	190.6	175.2	175.2	168.9	151.6	145.5	110.5	110.5
Property Plant and Equipment	590.3	486.9	390.0	301.9	284.4	275.6	263.4	270.6	270.6	245.8	236.8	233.9	204.9	204.9
Goodwill	110.2	8.7	8.2	7.7	7.6	7.5	7.3	7.7	7.7	7.4	7.5	7.8	7.0	7.0
Other intangible	111.8	99.7	93.6	81.7	80.4	80.6	77.5	78.0	78.0	74.7	72.7	72.4	66.5	66.5
Operating lease	24.9	22.6	18.3	15.7	15.1	14.0	12.9	12.3	12.3	12.7	11.7	11.0	9.4	9.4
Other noncurrent assts	1.3	3.6	5.4	5.6	5.2	5.3	4.8	4.3	4.3	3.6	2.8	7.0	6.8	6.8
Total Assets	969.9	740.9	672.7	566.2	551.2	559.0	556.6	548.1	548.1	513.1	483.2	477.6	405.1	405.1
LIABILITIES AND SHAREHOLDERS' EQUITY														
Accounts payable	37.0	42.1	49.3	51.1	47.8	47.8	53.1	58.7	58.7	48.6	47.2	48.5	40.0	40.0
Accrued liabilities	21.8	27.3	33.6	39.2	21.3	27.5	48.7	40.5	40.5	26.1	32.2	36.5	34.9	34.9
Income taxes	0.3	0.2	0.2	0.2	0.2	0.1	0.2	3.8	3.8	7.4	9.7	14.0	10.9	10.9
Current portion of long-term debt	35.1	34.6	30.6	28.4	21.5	14.7	7.1	-	-	-	-	-	-	-
Deferred revenue	7.2	6.8	18.5	1.0	4.0	3.1	6.9	4.8	4.8	4.5	4.2	2.8	2.5	2.5
Other liabilities	8.7	5.8	4.8	8.3	8.4	9.5	9.3	6.3	6.3	6.2	4.9	5.0	4.4	4.4
Total Current Liabilities	110.0	116.8	136.9	128.3	103.2	102.7	125.3	114.2	114.2	92.9	98.1	106.8	92.6	92.6
Long-term debt	321.8	214.0	142.6	102.5	120.4	121.0	95.9	65.6	65.6	78.6	47.5	50.1	43.3	43.3
Deferred income tax	9.5	-	0.9	4.8	5.9	11.4	10.4	11.8	11.8	9.4	7.2	5.2	6.7	6.7
Operating lease liabilities	21.2	19.8	15.4	12.8	12.0	8.6	7.0	9.3	9.3	9.0	8.6	7.9	3.6	3.6
Other noncurrent liabilities	16.6	14.9	13.8	14.2	17.5	19.9	24.1	24.2	24.2	23.0	22.5	23.6	21.9	21.9
Total Liabilities	479.1	365.5	309.6	262.5	259.0	263.6	262.6	225.0	225.0	213.0	183.8	193.7	168.1	168.1
Preferred shares	58.1	60.0	61.9	-	-	-	-	-	-	-	-	-	-	-
Common shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional paid-in capital	1,572.2	1,578.3	1,582.4	1,624.5	1,625.4	1,626.6	1,627.8	1,629.0	1,629.0	1,629.5	1,630.1	1,630.9	1,631.8	1,631.8
Accumulated deficit	(771.6)	(907.7)	(913.0)	(930.1)	(940.2)	(940.0)	(935.9)	(919.0)	(919.0)	(931.1)	(933.3)	(956.5)	(980.7)	(980.7)
Treasury Stock	(5.5)	(6.9)	(8.1)	(9.1)	(9.1)	(9.1)	(9.1)	(9.1)	(9.1)	(10.1)	(10.1)	(10.1)	(10.1)	(10.1)
Accumulated other comprehensive loss	(363.2)	(349.0)	(361.9)	(385.2)	(387.4)	(385.4)	(392.1)	(380.7)	(380.7)	(390.9)	(389.2)	(382.0)	(404.6)	(404.6)
Total Parent Net Equity	490.1	374.7	361.5	300.1	288.7	292.2	290.7	320.2	320.2	297.4	297.4	282.2	236.4	236.4
Minority interest	0.7	0.7	1.6	3.6	3.5	3.2	3.2	2.9	2.9	2.7	2.0	1.8	0.6	0.6
Total Consolidated Equity	490.8	375.4	363.1	303.7	292.2	295.3	294.0	323.0	323.0	300.1	299.4	283.9	237.0	237.0
Total Liabilities and Shareholders' Equity	969.9	740.9	672.7	566.2	551.2	559.0	556.6	548.1	548.1	513.1	483.2	477.6	405.1	405.1
Liquidity														
Current Ratio	1.2x	1.0x	1.1x	1.2x	1.5x	1.7x	1.5x	1.5x	1.5x	1.8x	1.5x	1.4x	1.2x	1.2x
Quick Ratio	1.1x	1.0x	1.1x	1.1x	1.5x	1.6x	1.5x	1.5x	1.5x	1.7x	1.5x	1.3x	1.1x	1.1x
Working Capital (\$M)	21.4	2.4	20.3	25.3	55.4	73.2	65.3	61.0	61.0	76.0	53.5	38.7	17.8	17.8
Leverage														
Net Debt to Equity	76.4%	69.9%	50.2%	44.7%	48.5%	45.0%	34.8%	22.1%	22.1%	23.6%	16.2%	14.1%	17.6%	17.6%
Net Debt to Capital	43.2%	40.8%	33.1%	30.6%	32.0%	30.4%	25.5%	18.1%	18.1%	18.4%	13.8%	11.8%	14.7%	14.7%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Civeo Corporation																				
Consolidated Statements of Income (in \$M, except per share amounts)																				
Fiscal Year End: December																				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 E Mar-25	Q2 E Jun-25	Q3 E Sep-25	Q4 E Dec-25	FY 2025E	Q1 E Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E
Revenues	\$ 527.6	\$ 529.7	\$ 594.5	\$ 697.1	\$ 700.8	\$ 166.1	\$ 188.7	\$ 176.3	\$ 151.0	\$ 682.1	\$ 151.6	\$ 164.1	\$ 174.7	\$ 161.2	\$ 651.6	\$ 157.3	\$ 182.9	\$ 178.8	\$ 166.1	\$ 685.1
Total Revenues	527.6	529.7	594.5	697.1	700.8	166.1	188.7	176.3	151.0	682.1	151.6	164.1	174.7	161.2	651.6	157.3	182.9	178.8	166.1	685.1
Cost of sales and services	366.8	382.1	436.5	517.1	530.3	130.4	140.8	138.5	122.8	532.7	119.6	125.7	130.1	127.7	503.1	122.9	138.9	133.5	130.7	525.9
Gross Profit	160.7	147.6	158.0	180.0	170.5	35.7	47.9	37.8	28.1	149.5	32.0	38.4	44.5	33.5	148.5	34.4	44.0	45.3	35.4	159.2
SG&A	59.6	53.7	60.6	70.0	72.6	18.6	17.4	19.6	17.6	73.4	16.4	17.6	18.8	17.6	70.3	16.7	18.8	18.8	17.9	72.2
D&A	123.8	96.5	83.1	87.2	75.1	16.8	17.1	17.4	16.8	68.0	16.8	16.8	16.8	16.8	67.0	16.8	16.8	16.8	16.8	67.0
Other operating costs	0.3	0.5	0.3	0.1	(23.0)	(5.8)	0.3	0.7	(0.0)	(4.8)	(0.5)	(0.5)	(0.5)	(0.5)	(2.0)	(0.5)	(0.5)	(0.5)	(0.5)	(2.0)
Impairment Expense	26.1	144.1	7.9	5.7	1.4	7.8	-	-	3.8	11.6	2.9	-	-	2.9	-	-	-	-	-	-
Total Operating Expenses	209.8	294.8	151.9	163.0	126.2	37.5	34.8	37.8	38.1	148.1	35.5	33.8	35.0	33.8	138.2	32.9	35.1	35.0	34.2	137.2
Operating Income	(49.1)	(147.2)	6.1	17.0	44.4	(1.8)	13.1	0.0	(10.0)	1.3	(3.5)	4.6	9.5	(0.3)	10.3	1.5	9.0	10.2	1.3	22.0
Interest Expense	(27.4)	(16.7)	(13.0)	(11.5)	(13.2)	(2.4)	(2.2)	(1.7)	(1.7)	(8.0)	(1.3)	(1.3)	(1.3)	(1.3)	(5.2)	(1.3)	(1.3)	(1.3)	(1.3)	(5.2)
Interest and Invest. Income	0.1	0.0	0.0	0.0	0.2	0.0	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.2
Other gains/losses	7.3	20.4	12.8	5.1	9.0	0.5	0.3	0.2	(0.5)	0.5	0.8	0.8	0.8	0.8	3.0	0.8	0.8	0.8	0.8	3.0
Profit Before Taxes	(69.1)	(143.4)	5.9	10.7	40.4	(3.6)	11.3	(1.4)	(12.1)	(5.9)	(4.0)	4.1	9.0	(0.8)	8.3	1.0	8.5	9.7	0.8	20.0
Provision for Income Tax	10.7	10.6	(3.4)	(4.4)	(10.6)	(1.6)	(3.8)	(3.9)	(3.3)	(12.5)	(3.3)	(3.4)	(7.4)	(0.7)	(14.8)	(0.4)	(3.0)	(3.4)	(0.3)	(7.0)
Net Income	(58.3)	(132.8)	2.5	6.3	29.7	(5.2)	7.5	(5.3)	(15.4)	(18.4)	(7.3)	0.7	1.6	(1.5)	(6.5)	0.7	5.5	6.3	0.5	13.0
Minority Interest	0.2	1.5	1.1	2.3	(0.4)	(0.1)	(0.7)	(0.2)	(0.4)	(1.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Preferred Dividends	1.8	1.9	1.9	1.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income To Common Stkhdrs	(60.3)	(136.1)	(0.6)	2.2	30.2	(5.1)	8.2	(5.1)	(15.1)	(17.1)	(7.2)	0.8	1.7	(1.4)	(6.1)	0.8	5.6	6.4	0.6	13.4
Basic EPS	\$ (4.33)	\$ (9.64)	\$ (0.04)	\$ 0.16	\$ 2.02	\$ (0.35)	\$ 0.57	\$ (0.36)	\$ (1.10)	\$ (1.19)	\$ (0.53)	\$ 0.06	\$ 0.12	\$ (0.10)	\$ (0.45)	\$ 0.06	\$ 0.42	\$ 0.49	\$ 0.05	\$ 1.01
Diluted EPS	\$ (4.33)	\$ (9.64)	\$ (0.04)	\$ 0.16	\$ 2.01	\$ (0.35)	\$ 0.56	\$ (0.36)	\$ (1.12)	\$ (1.19)	\$ (0.53)	\$ 0.06	\$ 0.12	\$ (0.10)	\$ (0.45)	\$ 0.06	\$ 0.42	\$ 0.49	\$ 0.05	\$ 1.01
WTD Shares Out - Basic	13.9	14.1	14.2	14.0	14.9	14.7	14.5	14.3	13.7	14.3	13.6	13.6	13.5	13.4	13.5	13.3	13.3	13.2	13.1	13.2
WTD Shares Out - Diluted	13.9	14.1	14.2	14.0	15.0	14.7	14.6	14.3	13.7	14.3	13.6	13.6	13.5	13.4	13.5	13.3	13.3	13.2	13.1	13.2
EBITDA	81.8	(31.3)	101.2	107.0	128.9	15.5	31.2	17.9	6.6	71.2	14.1	22.2	27.1	17.3	80.7	19.1	26.6	27.8	18.9	92.4
Adjusted EBITDA	\$ 108.4	\$ 108.1	\$ 109.1	\$ 112.8	\$ 103.3	\$ 17.3	\$ 32.5	\$ 18.8	\$ 11.4	\$ 79.9	\$ 17.7	\$ 22.9	\$ 27.8	\$ 18.0	\$ 86.4	\$ 19.9	\$ 27.3	\$ 28.6	\$ 19.6	\$ 95.4

Margin Analysis																				
Gross Margin	30.5%	27.9%	26.6%	25.8%	24.3%	21.5%	25.4%	21.4%	18.6%	21.9%	21.1%	23.4%	25.5%	20.8%	22.8%	21.9%	24.1%	25.3%	21.3%	23.2%
Operating Margin	-9.3%	-27.8%	1.0%	2.4%	6.3%	-1.1%	6.9%	0.0%	-6.7%	0.2%	-2.3%	2.8%	5.4%	-0.2%	1.6%	1.0%	4.9%	5.7%	0.8%	3.2%
EBITDA Margin	20.5%	20.4%	18.4%	16.2%	14.7%	10.4%	17.2%	10.6%	7.6%	11.7%	11.7%	14.0%	15.9%	11.2%	13.3%	12.6%	14.9%	16.0%	11.8%	13.9%
Pre-Tax Margin	-13.1%	-27.1%	1.0%	1.5%	5.8%	-2.2%	6.0%	-0.8%	-8.0%	-0.9%	-2.6%	2.5%	5.2%	-0.5%	1.3%	0.7%	4.6%	5.4%	0.5%	2.9%
Net Income Margin	-11.1%	-25.1%	0.4%	0.9%	4.2%	-3.1%	4.0%	-3.0%	-10.2%	-2.7%	-4.8%	0.4%	0.9%	-0.9%	-1.0%	0.4%	3.0%	3.5%	0.3%	1.9%
Tax Rate	-15.5%	-7.4%	-57.5%	-41.0%	-26.3%	42.6%	-33.6%	270.6%	27.1%	210.4%	82.5%	-82.5%	-82.5%	82.5%	-178.1%	-35.0%	-35.0%	-35.0%	-35.0%	-35.0%

Growth Rate Y/Y																				
Total Revenue	13.0%	0.4%	12.2%	17.3%	0.5%	-0.9%	5.5%	-3.9%	-11.6%	-2.7%	-8.7%	-13.1%	-0.9%	6.8%	-4.5%	3.8%	11.5%	2.3%	3.0%	5.1%
Total cost of revenues	-5.6%	40.5%	-48.5%	7.3%	-22.6%	-1.4%	-6.7%	1.4%	178.5%	17.4%	-5.2%	-2.8%	-7.2%	-11.3%	-6.7%	-7.3%	3.8%	0.0%	1.1%	-0.7%
Operating Income	-44.3%	200.1%	-104.1%	181.2%	160.6%	-54.4%	28.9%	-99.7%	-145.6%	-97.0%	96.4%	-64.8%	N/A	-96.8%	673.8%	-143.6%	94.3%	7.6%	-490.3%	113.2%
Pre-Tax Income	-39.0%	107.6%	-104.1%	82.7%	276.1%	-28.2%	60.0%	-117.8%	-139.9%	-114.7%	9.6%	-63.5%	-731.9%	-93.2%	-240.0%	-125.6%	105.7%	8.0%	-192.3%	140.4%
Net Income	-28.7%	127.6%	-101.9%	153.5%	369.7%	-17.7%	79.7%	-157.3%	-168.1%	-162.0%	40.4%	-90.4%	-129.8%	-90.3%	-64.8%	-109.1%	664.0%	301.2%	-132.9%	-300.0%
Adj. EBITDA	60.1%	-0.2%	nm	3.3%	-8.4%	-14.4%	2.8%	-45.0%	-34.1%	-22.6%	2.6%	-29.4%	48.1%	57.2%	8.1%	12.3%	19.2%	2.8%	9.1%	10.4%

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

Civeo Corporation Consolidated Cash Flow Statements (\$Ms) Fiscal Year End: December														
CASH FLOW	FY 2019	FY 2020	FY 2021	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024
Operating Activities														
Net Income	(58.3)	(132.8)	2.5	6.3	(6.3)	4.2	9.2	22.7	29.7	(5.2)	7.5	(5.3)	(15.4)	(18.4)
Depreciation and Amortization	123.8	96.5	83.1	87.2	21.7	20.7	16.9	15.9	75.1	16.8	17.1	17.4	16.8	68.0
Impairment Charges	26.1	144.1	7.9	5.7	-	-	-	1.4	1.4	7.8	-	-	3.8	11.6
Loss on extinguishment of debt	-	0.4	0.4	-	-	-	-	-	-	-	-	-	-	-
Deferred income tax expense	(11.7)	(11.1)	3.1	4.2	1.2	2.8	(1.3)	4.1	6.8	(2.3)	(2.1)	(2.1)	(1.2)	(7.7)
Non-cash compensation charge	10.1	6.1	4.1	3.8	0.9	1.2	1.3	1.2	4.5	0.5	0.6	0.7	1.0	2.9
Gain on disposals of assets	(3.9)	(2.9)	(6.2)	(4.9)	(2.0)	(0.4)	4.7	(23.5)	(21.2)	(6.1)	(0.0)	(0.0)	(0.3)	(6.4)
Provision for loss on receivables	(0.0)	0.0	0.1	0.2	(0.1)	0.0	0.2	0.0	0.1	0.0	0.0	(0.0)	0.0	0.0
Other	2.7	(2.9)	2.2	3.2	0.6	0.7	0.7	(0.2)	1.7	0.7	0.5	0.6	(0.1)	1.7
Cash Flow from operating activities before working capital changes	88.7	97.5	97.3	105.7	15.9	29.1	31.6	21.5	98.1	12.3	23.6	11.3	4.5	51.7
Accounts receivable	(20.5)	13.7	(28.1)	(14.4)	(4.3)	(15.4)	(17.7)	15.1	(22.3)	7.4	7.8	20.5	8.5	44.2
Inventories	(0.1)	0.2	(0.5)	(1.8)	(0.5)	0.2	0.7	(0.4)	0.0	(0.5)	(1.0)	(0.2)	0.5	(1.2)
Accounts payable and accrued liabilities	8.5	6.9	15.4	12.3	(20.1)	5.4	19.5	2.7	7.4	(21.2)	4.0	3.6	(4.0)	(17.6)
Taxes payable	(0.1)	(0.1)	(0.0)	0.0	0.0	(0.1)	0.1	3.6	3.6	3.8	2.0	3.8	(1.8)	7.9
Other	(2.0)	(0.7)	4.5	(10.0)	9.3	0.2	2.7	(2.5)	9.7	4.2	(4.2)	(3.4)	1.9	(1.5)
Cash flow generated/(absorbed) from operating Activities	74.5	117.4	88.5	91.8	0.4	19.4	36.8	40.0	96.6	6.0	32.4	35.7	9.5	83.5
Investing Activities														
Capital expenditures	(29.8)	(10.1)	(15.6)	(25.4)	(4.8)	(6.9)	(9.5)	(10.5)	(31.6)	(5.6)	(5.3)	(7.5)	(7.7)	(26.1)
Proceeds from disposition of PP&E	5.9	3.7	14.3	16.3	2.3	0.5	4.4	9.7	16.7	6.8	3.8	0.1	0.3	11.0
Cash Acquisitions	(16.4)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1.8	4.6	0.6	0.2	-	-	-	0.4	0.4	-	0.2	-	-	0.2
Cash flow generated by Investing Activities	(38.6)	(1.8)	(0.7)	(8.9)	(2.5)	(6.5)	(5.1)	(0.4)	(14.5)	1.2	(1.3)	(7.4)	(7.4)	(14.9)
Financing Activities														
Term loan repayments	(34.9)	(39.9)	(125.5)	(30.4)	(7.4)	(7.6)	(7.4)	(7.6)	(29.9)	-	-	-	-	-
Revolving credit borrowings (repayments)	(3.5)	(70.3)	49.2	(3.4)	17.7	(1.7)	(22.7)	(31.1)	(37.8)	14.6	(30.4)	6.6	(7.9)	(17.1)
Dividends Paid	-	-	-	-	-	-	(3.7)	(3.7)	(7.4)	(3.7)	(3.7)	(3.6)	(3.4)	(14.4)
Debt issuance costs	(2.0)	(2.6)	(4.4)	-	-	-	-	-	-	-	-	(3.0)	-	(3.0)
Repurchase of common shares	-	-	(4.6)	(14.2)	(3.8)	(4.2)	(1.3)	(2.4)	(11.6)	(3.2)	(6.6)	(14.2)	(5.6)	(29.6)
Repurchase of preferred shares	-	-	-	(30.6)	-	-	-	-	-	-	-	-	-	-
Taxes Paid on Vested Shares	-	-	-	-	-	-	-	-	-	(1.1)	-	-	-	(1.1)
Other	(4.3)	(1.5)	(1.1)	(1.1)	-	-	-	-	-	-	-	-	-	-
Cash flow generated/(absorbed) by financing Activities	(44.6)	(114.2)	(86.5)	(79.7)	6.6	(13.5)	(35.1)	(44.8)	(86.8)	6.6	(40.7)	(14.2)	(16.9)	(65.2)
Effect of exchange rate changes on cash	(0.3)	1.4	(1.2)	(1.5)	(0.0)	(0.4)	(0.2)	0.7	0.1	(0.3)	0.3	(3.6)	2.1	(1.5)
Net Cash flow	(9.0)	2.8	0.1	1.7	4.4	(0.9)	(3.6)	(4.5)	(4.6)	13.4	(9.3)	10.5	(12.7)	1.9
Cash and Cash Equivalents														
Beginning Cash balance	12.4	3.3	6.2	6.3	8.0	12.4	11.4	7.8	8.0	3.3	16.8	7.4	17.9	3.3
Ending Cash balance	3.3	6.2	6.3	8.0	12.4	11.4	7.8	3.3	3.3	16.8	7.4	17.9	5.2	5.2

Source: Company Reports, Stonegate Capital Partners

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