

INITIATION OF COVERAGE
Dave Storms, CFA
Dave@stonegateinc.com

214-987-4121

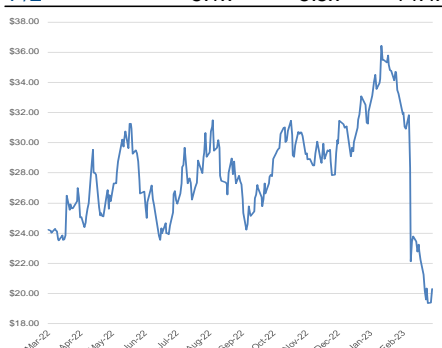
Market Statistics

| | |
|---------------------------|-------------------|
| Price | \$ 20.19 |
| 52 week Range | \$18.59 - \$36.88 |
| Daily Vol (3-mo. average) | 69,910 |
| Market Cap (\$M): | \$ 307.2 |
| Enterprise Value (\$M): | \$ 450.4 |
| Shares Outstanding: (\$M) | 15.2 |
| Float (M) | 7.9 |
| Public Ownership | 16.2% |
| Institutional Ownership | 60.9% |

Financial Summary

| | |
|--------------|-----------|
| Cash (\$) | \$ 8.0 |
| Cash/Share | \$ 0.52 |
| Debt (\$) | \$ 147.52 |
| Equity (\$) | \$ 303.70 |
| Equity/Share | \$ 19.72 |

| FYE: Dec | 2022 | 2023E | 2024E |
|-----------------|----------|-----------|----------|
| <i>(in \$M)</i> | | | |
| Rev | \$ 697.1 | \$ 641.9 | \$ 648.6 |
| Chng% | 17% | -8% | 1% |
| EBITDA | \$ 112.8 | \$ 91.7 | \$ 94.6 |
| Net Income | \$ 2.2 | \$ (3.6) | \$ 1.4 |
| EPS | \$ 0.16 | \$ (0.26) | \$ 0.10 |
| EV/Revenue | 0.6x | 0.7x | 0.7x |
| EV/EBITDA | 4.0x | 4.9x | 4.8x |
| P/E | 5.1x | -5.5x | 14.4x |


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

Significant Free Cash Flow Generation: The Company continues to maximize its generation of free cash flow. Civeo has been free cash flow positive every year since 2014 and is expected to maintain positive FCF going forward. In 2022 the Company generated \$82.6 million of free cash flow, and the current 2023 outlook guides to a FCF midpoint of \$51 million.

Returning Capital to Shareholders: Throughout 2022, Civeo initiated a share repurchase program as part of its plan to return capital to shareholders. The equivalent of approximately 1.5 million common shares were repurchased for \$45 million. During 4Q22, 40% of Class A Series 1 preferred shares, equal to 999,000 common, were repurchased. Since August 2021, 10% of fully diluted common shares have been repurchased.

Camp Demobilization: With the upcoming construction wind down of the TMX and Coastal GasLink pipelines, Civeo will begin demobilizing its mobile camps starting in 2Q23 and into 2024. The Company will incur demobilization costs of CAD\$13 million in 2023 and CAD\$7 million in 2024, which will impose a significant hit to EBITDA. Current 2023 outlook is guiding to an EBITDA midpoint of \$90 million, decreasing approximately 20% year-over-year.

Room Rates: The Canadian segment slightly increased its average daily room rates from \$99 to \$100/night in 2022, while the Australian segment saw a decline, dropping from \$79 to \$75/night. The movements in roommates were affected by the weakening of the Australian and Canadian dollars compared to the U.S. dollar. An increase in billed rooms helped offset struggling roommates. Total billed rooms in 2022 were roughly 4.78 million, up 12% year-over-year, compared to 4.25 million billed rooms in 2021. Management has not provided guidance for expected room occupancy in 2023 but is expected to provide more clarity during 2H23.

Continuing to Reduce Debt: The Company has steadily strengthened its balance sheet since 2019. Management has been transparent about prioritizing debt reduction and deleveraging. Net leverage ratio stands at 1.1x with total debt at \$132 million as of December 31, 2022. The healthy balance sheet positioning rides in the wake of consistent free cash flow generation.

Divesting U.S. Business: Civeo divested the U.S. segment's offshore and wellsite businesses in the 2nd half of 2022, leaving Killdeer and Acadian Acres as the two remaining lodges. The Company is actively seeking opportunities to divest the remaining portion of its U.S. segment.

Valuation: We are using both a DCF Analysis and Comp Analysis to frame valuation. Our DCF arrives at a valuation range of \$27.76 to \$35.70, with a mid-point of \$31.19. Our comp analysis uses an EV/EBITDA framework on our F24 estimates and arrives at a range of \$28.26 to \$34.48, with a mid-point at \$31.37.

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 26 lodges & villages with approximately 28,000 rooms.

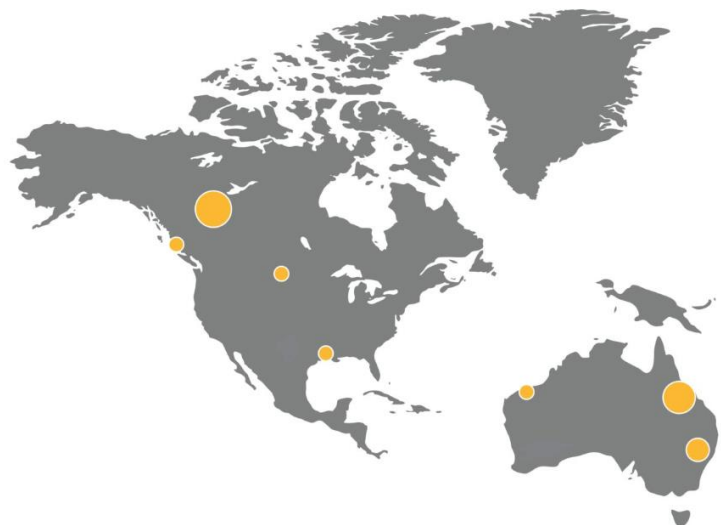
Company History

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. 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: Company Website

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. North America represented ~60% of the Company's revenue in FY22 while Australia accounted for ~40% of FY22 revenues. The Company has a solid roster of clients that include blue chip companies such as ConocoPhillips, Suncor Energy, Imperial Oil Limited, and Fortescue Metals Group Ltd.

Exhibit 2: Blue Chip Customer Base



Source: Company Presentation

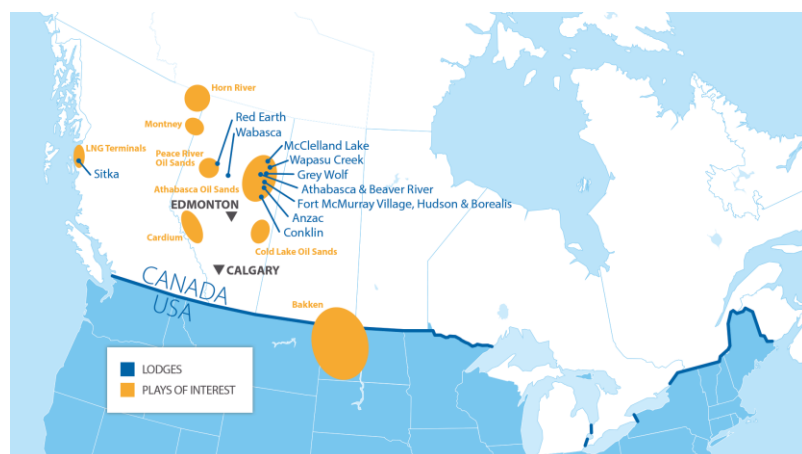
The majority of Civeo's contracts are take-or-pay or exclusivity. Take-or-pay contracts require customers to commit a minimum number of rooms over a specified time period while exclusivity contracts require that customers exclusively hire Civeo's services and/or use their facilities. Most of the contracts have minimum occupancy requirements. The length of these contracts is affected 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: 18 Lodges with over 18,500 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.

Exhibit 3: Canadian Operations



Source: Company Reports

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 Company is expecting mobile camp activity to decrease as TMX and CGL pipeline constructions ends in 2023 with the Civeo camps demobilized over the next 18 months. TMX pipeline construction is progressing but has seen delays, extending the project timeline and deferring the demobilization of its related mobile camps.

The American market is segmented and difficult to consolidate. From this, Civeo began divesting the U.S. segment’s offshore and wellsite businesses in 2H22, leaving Killdeer and Acadian Acres as the two remaining lodges. The Company is actively seeking opportunities to divest the remaining portion of its U.S. segment.

Australian Segment: 8 Villages with over 8000 Rooms

Civeo’s Australian segment is the largest third-party accommodations provider in Australia, controlling 34% of the Bowen Basin market. This segment’s owned village operations primarily serve met coal production in the Bowen Basin, as well as LNG and precious metals mining in Western Australia. The segment’s integrated services operations primarily service iron ore and precious metals mining in Western Australia.

Customer activity related to met coal and iron ore production is a primary demand driver in the Australian segment. Consistently robust met coal prices have sustained customer production and maintenance in the region, maintaining village occupancy levels. While 2022 saw a slight reversal in iron ore prices, activity levels in Western Australia have persisted.

Exhibit 4: Australian Operations



Source: Company Reports

The strong commodity environment could lead to increased expansion projects and capex spending by Civeo’s customers, growing the company’s occupancy in the region. Unlike the Canadian segment, the Australian segment is more fragmented with many smaller independent village operators. Since few companies provide the same breadth of services as Civeo, there is room for organic growth and M&A opportunities. This is visible with recent contract wins in the Integrated Services Business and Owned Villages Segment. The Integrated Services Segment recently

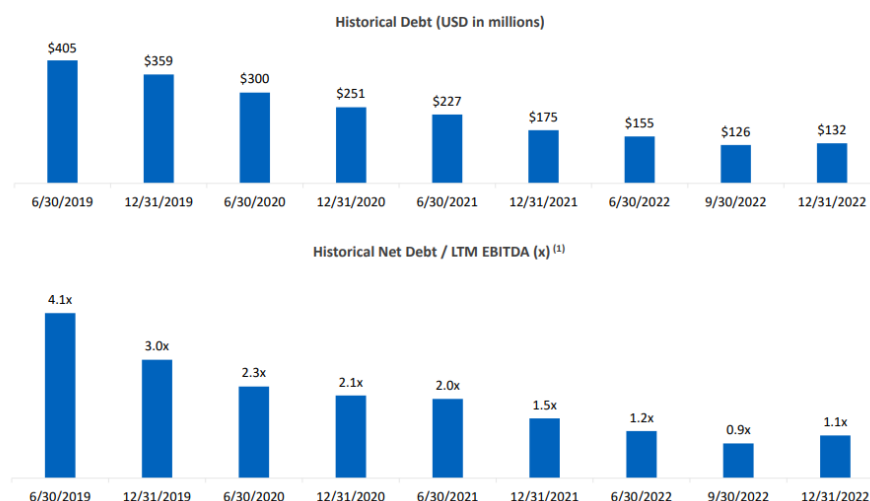
announced two five-year contracts totaling A\$720 million with current customers, with an additional 5-year contract worth A\$337 million announced in the owned Bowen Basin village. The contracts increased locations and room commitments in the iron ore market of Western Australia, while also taking share from competitors.

Free Cash Flow

Management prioritizes generating free cash flow, achieving free cash flow positivity every year since 2014. Civeo generated about \$83 million in free cash flow in 2022 and is guiding to a midpoint of roughly \$51 million in 2023. 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 \$132 million and its net leverage from 4.1x to 1.1x, in FY18 and FY22 respectively. In 2022, the Company used over 50% of FCF to repurchase the equivalent of 1.5 million common shares valued at \$45 million. Since management emphasizes reducing leverage and returning capital to shareholders, this trend is expected to continue.

Exhibit 5: Debt Reduction and Deleveraging



Source: Company Presentation

Operating Income

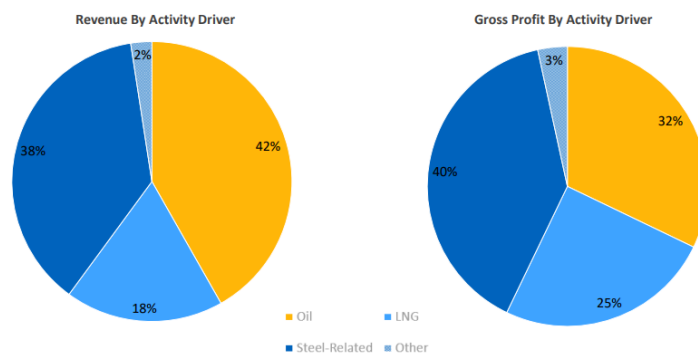
In 2022, Civeo generated \$17 million in operating income, an increase of 181% over 2021. However, the Company incurred an operating loss of roughly \$12 million in 4Q22. This was primarily influenced by a \$5.7 million impairment expense along with inflationary pressures that increased food, wage, fuel, and utility prices. Additionally, the weakening of the Australian and Canadian dollars to the U.S. dollar reduced revenues in both segments.

Seasonal factors may provide a slight rebound as Canada exits winter. This has the potential to decrease utilities costs and increase activity from Civeo's clients. The Australian segment continues to see increased village occupancy.

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 capitalizes on economies of scale and is cost-effective for their customers.

Exhibit 6: Commodity Exposure



Source: Company Presentation

Due to the cyclicity of 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 2022, the value of met coal exports in Australia have continued to rebound by increasing 191% Y/Y, 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 had 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 their services.

A Few Significant Customers – The Company relies on few significant customers. The loss of any of their largest customers could lead to significant reduction in revenues. In FY22 three 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 their 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 spend from customers on both production and maintenance, offset by the discussed headwinds. Our longer-term revenue growth is a more normalized between 4% to 4.5%.

Sensitivity Analysis:

| | | Terminal Growth Rates | | | | |
|---------------|--------|-----------------------|---------|---------|---------|---------|
| | | 0% | 1% | 2% | 3% | 4% |
| Discount rate | 11.00% | \$32.15 | \$33.87 | \$35.98 | \$38.62 | \$42.01 |
| | 11.50% | \$30.13 | \$31.64 | \$33.46 | \$35.70 | \$38.55 |
| | 12.00% | \$28.29 | \$29.61 | \$31.19 | \$33.12 | \$35.53 |
| | 12.50% | \$26.61 | \$27.76 | \$29.14 | \$30.80 | \$32.86 |
| | 13.00% | \$25.06 | \$26.08 | \$27.28 | \$28.72 | \$30.49 |

For our sensitivity analysis, we used a range of discount rates from 11.50% to 12.50% and terminal growth rates between 1% and 3%. We selected this discount rate to account for near-term risks, CVEO's smaller market cap, and the rising interest rate environment. These assumptions result in a valuation range of \$27.76 to \$35.70, with the mid-point at \$31.19.

Comparison Analysis

Comparative Analysis
(all figures in M, except per share information)

| Company Name | Symbol | Price ⁽¹⁾ | Market Cap | EV | EV/Revenue ^(2,3) | | | EV/EBITDA ^(2,3) | | | P/E ^(2,3) | | |
|-------------------------------------|--------|----------------------|-------------|----------------|-----------------------------|-------------|-------------|----------------------------|--------------|--------------|----------------------|-------------|-------------|
| | | | | | 2022 | 2023E | 2024E | 2022 | 2023E | 2024E | 2022 | 2023E | 2024E |
| Diversified Support Services | | | | | | | | | | | | | |
| ATCO Ltd. | ACO.X | \$ 40.80 | \$ 4,634.4 | \$ 12,940.4 | 3.57x | 3.43x | 3.27x | 8.1x | 8.1x | 7.8x | 0.11x | 0.10x | 0.10x |
| Black Diamond Group Limited | BDI | \$ 5.99 | \$ 361.7 | \$ 441.7 | 1.93x | 1.73x | 1.64x | 7.3x | 6.4x | 6.0x | 0.23x | 0.22x | 0.19x |
| Dexterra Group Inc. | DXT | \$ 5.01 | \$ 326.9 | \$ 327.2 | 0.46x | 0.42x | 0.41x | 6.3x | 5.1x | 4.5x | 1.46x | 0.15x | 0.11x |
| Target Hospitality Corp. | TH | \$ 16.61 | \$ 1,677.0 | \$ 1,848.1 | 3.68x | 3.18x | 3.67x | 6.9x | 5.1x | 6.7x | 0.22x | 0.10x | 0.13x |
| | | | | Average | 2.4x | 2.2x | 2.2x | 7.2x | 6.2x | 6.2x | 0.5x | 0.1x | 0.1x |
| | | | | Median | 2.7x | 2.5x | 2.5x | 7.1x | 5.8x | 6.3x | 0.2x | 0.1x | 0.1x |
| Food and Support Services | | | | | | | | | | | | | |
| Aramark | ARMK | \$ 33.37 | \$ 8,693.3 | \$ 16,846.9 | 1.03x | 0.92x | 0.87x | 13.6x | 11.2x | 9.7x | 0.15x | 0.07x | 0.05x |
| Compass Group PLC | CPG | \$ 20.08 | \$ 35,049.1 | \$ 46,552.8 | 1.49x | 1.23x | 1.14x | 16.6x | 13.1x | 11.6x | 0.02x | 0.01x | 0.01x |
| Sodexo S.A. | SW | \$ 88.38 | \$ 12,901.3 | \$ 17,675.1 | 0.78x | 0.69x | 0.67x | 10.4x | 9.1x | 8.6x | 0.13x | 0.11x | 0.09x |
| | | | | Average | 1.1x | 0.9x | 0.9x | 13.5x | 11.1x | 10.0x | 0.1x | 0.1x | 0.1x |
| | | | | Median | 1.0x | 0.9x | 0.9x | 13.6x | 11.2x | 9.7x | 0.1x | 0.1x | 0.0x |
| Civeo Corporation | CVEO | \$ 20.19 | \$ 307.24 | \$ 450.37 | 0.6x | 0.7x | 0.7x | 4.0x | 4.9x | 4.8x | 5.1x | -5.5x | 14.4x |

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) Forward estimates as of calendar year

Source: Company reports, Capital, Stonegate Capital Partners

We note that CVEO generated approximately 20% of revenue from Food and Other Services in FY22. While the Company only generated approximately 1.1% of GPM from the same revenue stream over the same time period, we believe it is appropriate to introduce a blended EBITDA to our Comparative Analysis. For this revenue stream we chose a valuation range between 8.0x to 9.0x with a midpoint of 8.5x. This values Civeo's Food and Other Services segment at a significant discount to the average Food and Support Services FY24 EV/EBITDA multiple. This accounts for the smaller size of CVEO vs comps.

| 2024 EV/EBITDA | | | |
|--------------------------------|-----------------|-----------------|-----------------|
| Diversified Support Services | 6.00x | 6.50x | 7.00x |
| Food and Support Services | 8.00x | 8.50x | 9.00x |
| % of GP from food segment | 1.1% | 1.1% | 1.1% |
| Blended EBITDA Multiple | 6.02x | 6.52x | 7.02x |
| Adj EBITDA | 94.6 | 94.6 | 94.6 |
| TEV | 569.6 | 616.9 | 664.2 |
| Cash | 8.0 | 8.0 | 8.0 |
| Debt | 147.5 | 147.5 | 147.5 |
| Mrkt Cap | 430.1 | 477.4 | 524.7 |
| S/O | 15.2 | 15.2 | 15.2 |
| Price | \$ 28.26 | \$ 31.37 | \$ 34.48 |

For the majority of CVEO's earnings we are using a 6.0x to 7.0x EV/EBITDA multiple range with a midpoint of 6.5x. This values CVEO at a premium to the comps, which we believe is appropriate due to Civeo's diversification and market share.

When we blend these two multiple ranges, we arrive at a range of 6.02x to 7.02x with a midpoint of 6.52x, resulting in a price range of \$28.26 to \$34.48 with a midpoint of \$31.37.

DISCOUNTED CASH FLOW

Civeo Corporation

Discounted Cash Flow Model

(in \$M, except per share)

| Estimates: | 2021 | 2022 | 2023 E | 2024 E | 2025 E | 2026 E | 2027 E | 2028 E | 2029 E | 2030 E | 2031 E | 2032 E | 2033 E | Terminal Value |
|--------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
| Revenue | 594.5 | 697.1 | 641.9 | 648.6 | 661.5 | 678.1 | 698.4 | 726.3 | 755.4 | 785.6 | 821.0 | 857.9 | 896.5 | |
| Operating Income | 6.1 | 17.0 | 3.7 | 8.6 | 13.2 | 13.6 | 16.1 | 18.2 | 20.4 | 25.9 | 28.7 | 30.0 | 31.4 | |
| Less: Taxes (benefit) | 3.4 | 4.4 | (0.9) | 0.4 | 2.6 | 2.7 | 3.2 | 3.6 | 4.1 | 5.2 | 5.7 | 6.0 | 6.3 | |
| NOPAT | 2.7 | 12.6 | 4.6 | 8.3 | 10.6 | 10.8 | 12.9 | 14.5 | 16.3 | 20.7 | 23.0 | 24.0 | 25.1 | |
| Plus: Depreciation | 83.1 | 87.2 | 84.0 | 82.0 | 81.0 | 80.0 | 78.9 | 78.4 | 77.8 | 77.0 | 76.4 | 75.5 | 74.4 | |
| Plus: Non-Cash Charges | 8.2 | 5.8 | 0.2 | 0.2 | 6.0 | 6.1 | 6.3 | 6.5 | 6.8 | 7.1 | 7.4 | 7.7 | 8.1 | |
| Plus: Changes in WC | (8.8) | (13.9) | (12.8) | (13.0) | (13.2) | (13.6) | (14.0) | (14.2) | (14.4) | (14.5) | (15.2) | (15.9) | (16.6) | |
| Less: Capex | (1.3) | (9.1) | (25.7) | (25.9) | (24.5) | (21.7) | (21.0) | (20.3) | (18.1) | (15.7) | (16.4) | (12.9) | (9.0) | |
| Free Cash Flow | 84.0 | 82.6 | 50.3 | 51.5 | 59.9 | 61.7 | 63.1 | 65.0 | 68.4 | 74.6 | 75.1 | 78.5 | 82.0 | 836.7 |
| 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 | | | 0.89 | 0.80 | 0.71 | 0.64 | 0.57 | 0.51 | 0.45 | 0.40 | 0.36 | 0.32 | 0.29 | |
| PV of FCF | | | 44.9 | 41.1 | 42.6 | 39.2 | 35.8 | 32.9 | 31.0 | 30.1 | 27.1 | 25.3 | 23.6 | 240.5 |

Growth rate assumptions:

| | | | | | | | | | | | | |
|------------------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|------|------|
| Revenue | 17.3% | -7.9% | 1.0% | 2.0% | 2.5% | 3.0% | 4.0% | 4.0% | 4.0% | 4.5% | 4.5% | 4.5% |
| Operating Income | 181.2% | -78.2% | 131.5% | 53.7% | 2.5% | 18.5% | 13.0% | 12.3% | 27.1% | 10.8% | 4.5% | 4.5% |
| EBITDA | 16.9% | -15.8% | 3.3% | 4.0% | -0.7% | 1.5% | 1.7% | 1.7% | 4.8% | 2.1% | 0.4% | 0.3% |
| Free Cash Flow | | -1.7% | -39.1% | 2.4% | 16.2% | 3.1% | 2.3% | 3.0% | 5.3% | 8.9% | 0.8% | 4.5% |

Margin assumptions:

| | | | | | | | | | | | | | |
|--------------------------------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Operating Income | 1.0% | 2.4% | 0.6% | 1.3% | 2.0% | 2.0% | 2.3% | 2.5% | 2.7% | 3.3% | 3.5% | 3.5% | 3.5% |
| D&A as a % of sales | 14.0% | 12.5% | 13.1% | 12.6% | 12.3% | 11.8% | 11.3% | 10.8% | 10.3% | 9.8% | 9.3% | 8.8% | 8.3% |
| Non-Cash Charges as % of sales | 1.4% | 0.8% | 0.0% | 0.0% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% |
| EBITDA | 15.0% | 15.0% | 13.7% | 14.0% | 14.3% | 13.8% | 13.6% | 13.3% | 13.0% | 13.1% | 12.8% | 12.3% | 11.8% |
| Taxes | 55.8% | 25.9% | -24.5% | 4.1% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |
| Changes in WC | -1.5% | -2.0% | -2.0% | -2.0% | -2.0% | -2.0% | -2.0% | -2.0% | -1.9% | -1.9% | -1.9% | -1.9% | -1.9% |
| Capex as a % of sales | -0.2% | -1.3% | -4.0% | -4.0% | -3.7% | -3.2% | -3.0% | -2.8% | -2.4% | -2.0% | -2.0% | -1.5% | -1.0% |

Valuation:

| | |
|--------------------------------|----------------|
| Shares outstanding | 15.2 |
| PV of FCF | 373.6 |
| PV of Terminal Value | 240.5 |
| Enterprise Value | 614.2 |
| less: Net Debt | 139.6 |
| Estimated Total Value: | 474.6 |
| Est Equity Value/share: | \$31.19 |

Sensitivity Analysis:

| Discount rate | | Terminal Growth Rates | | | | |
|---------------|---------|-----------------------|---------|---------|---------|----|
| | | 0% | 1% | 2% | 3% | 4% |
| 11.00% | \$32.15 | \$33.87 | \$35.98 | \$38.62 | \$42.01 | |
| 11.50% | \$30.13 | \$31.64 | \$33.46 | \$35.70 | \$38.55 | |
| 12.00% | \$28.29 | \$29.61 | \$31.19 | \$33.12 | \$35.53 | |
| 12.50% | \$26.61 | \$27.76 | \$29.14 | \$30.80 | \$32.86 | |
| 13.00% | \$25.06 | \$26.08 | \$27.28 | \$28.72 | \$30.49 | |

Price \$20.19

Source: Company Reports; Stonegate Capital Markets

BALANCE SHEET

| Civeo Corporation Consolidated Balance Sheets (\$Ms) Fiscal Year End: December | | | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| ASSETS | FY 2019 | FY 2020 | Q1 Mar-21 | Q2 Jun-21 | Q3 Sep-21 | Q4 Dec-21 | FY 2021 | Q1 Mar-22 | Q2 Jun-22 | Q3 Sep-22 | Q4 Dec-22 | FY 2022 |
| Cash and Equivalents | 3.3 | 6.2 | 5.5 | 4.4 | 4.9 | 6.3 | 6.3 | 6.4 | 4.8 | 8.4 | 8.0 | 8.0 |
| Accounts Receivable | 99.5 | 89.8 | 87.8 | 114.2 | 108.1 | 114.9 | 114.9 | 124.5 | 134.8 | 122.3 | 119.8 | 119.8 |
| Inventories | 5.9 | 6.2 | 6.7 | 7.0 | 6.1 | 6.5 | 6.5 | 7.3 | 7.4 | 7.0 | 6.9 | 6.9 |
| Assets held for sale | 7.6 | 3.9 | - | 2.2 | 15.5 | 11.8 | 11.8 | 10.8 | 11.4 | 13.8 | 8.7 | 8.7 |
| Prepaid expenses and other | 15.2 | 13.2 | 8.7 | 15.5 | 23.4 | 17.8 | 17.8 | 12.9 | 11.3 | 13.3 | 10.3 | 10.3 |
| Total Current Assets | 131.4 | 119.2 | 108.7 | 143.3 | 158.0 | 157.2 | 157.2 | 161.8 | 169.7 | 164.7 | 153.5 | 153.5 |
| Property Plant and Equipment | 590.3 | 486.9 | 469.0 | 442.8 | 400.0 | 390.0 | 390.0 | 386.0 | 349.1 | 309.8 | 301.9 | 301.9 |
| Goodwill | 110.2 | 8.7 | 8.6 | 8.5 | 8.1 | 8.2 | 8.2 | 8.5 | 7.8 | 7.3 | 7.7 | 7.7 |
| Other intangible | 111.8 | 99.7 | 99.3 | 99.0 | 94.7 | 93.6 | 93.6 | 93.5 | 88.9 | 82.0 | 81.7 | 81.7 |
| Operating lease | 24.9 | 22.6 | 22.3 | 21.4 | 19.3 | 18.3 | 18.3 | 17.9 | 16.3 | 14.3 | 15.7 | 15.7 |
| Other noncurrent assts | 1.3 | 3.6 | 2.3 | 2.7 | 4.0 | 5.4 | 5.4 | 5.3 | 5.6 | 5.3 | 5.6 | 5.6 |
| Total Assets | 969.9 | 740.9 | 710.2 | 717.7 | 684.0 | 672.7 | 672.7 | 673.1 | 637.4 | 583.3 | 566.2 | 566.2 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | | | | | | |
| Accounts payable | 37.0 | 42.1 | 42.3 | 44.0 | 45.2 | 49.3 | 49.3 | 47.2 | 45.4 | 46.2 | 51.1 | 51.1 |
| Accrued liabilities | 21.8 | 27.3 | 20.8 | 24.0 | 31.1 | 33.6 | 33.6 | 22.8 | 28.3 | 32.4 | 39.2 | 39.2 |
| Income taxes | 0.3 | 0.2 | 0.3 | 0.2 | 0.3 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.2 | 0.2 |
| Current portion of long-term debt | 35.1 | 34.6 | 35.0 | 35.6 | 30.5 | 30.6 | 30.6 | 30.9 | 29.9 | 28.0 | 28.4 | 28.4 |
| Deferred revenue | 7.2 | 6.8 | 6.0 | 21.5 | 24.2 | 18.5 | 18.5 | 13.6 | 7.3 | 2.1 | 1.0 | 1.0 |
| Other liabilities | 8.7 | 5.8 | 6.4 | 6.0 | 5.7 | 4.8 | 4.8 | 4.4 | 8.5 | 8.9 | 8.3 | 8.3 |
| Total Current Liabilities | 110.0 | 116.8 | 110.8 | 131.2 | 136.9 | 136.9 | 136.9 | 119.2 | 119.4 | 117.7 | 128.3 | 128.3 |
| Long-term debt | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred income tax | 321.8 | 214.0 | 200.8 | 189.2 | 162.7 | 142.6 | 142.6 | 145.0 | 123.0 | 96.7 | 102.5 | 102.5 |
| Operating lease liabilities | 9.5 | - | - | - | - | 0.9 | 0.9 | 2.5 | 4.0 | 7.3 | 4.8 | 4.8 |
| Other noncurrent liabilities | 21.2 | 19.8 | 18.9 | 18.0 | 16.4 | 15.4 | 15.4 | 14.9 | 13.4 | 11.7 | 12.8 | 12.8 |
| Total Liabilities | 479.1 | 365.5 | 346.0 | 354.3 | 331.3 | 309.6 | 309.6 | 300.1 | 273.9 | 247.1 | 262.5 | 262.5 |
| Preferred shares | 58.1 | 60.0 | 60.5 | 61.0 | 61.5 | 61.9 | 61.9 | 62.4 | 62.9 | 63.4 | - | - |
| Common shares | - | - | - | - | - | - | - | - | - | - | - | - |
| Additional paid-in capital | 1,572.2 | 1,578.3 | 1,579.3 | 1,580.2 | 1,581.2 | 1,582.4 | 1,582.4 | 1,583.5 | 1,584.4 | 1,585.3 | 1,624.5 | 1,624.5 |
| Accumulated deficit | (771.6) | (907.7) | (917.7) | (918.2) | (918.5) | (913.0) | (913.0) | (912.0) | (903.5) | (911.9) | (930.1) | (930.1) |
| Treasury Stock | (5.5) | (6.9) | (8.1) | (8.1) | (8.1) | (8.1) | (8.1) | (9.1) | (9.1) | (9.1) | (9.1) | (9.1) |
| Accumulated other comprehensive loss | (363.2) | (349.0) | (350.6) | (352.2) | (364.4) | (361.9) | (361.9) | (353.9) | (373.8) | (394.4) | (385.2) | (385.2) |
| Total Parent Net Equity | 490.1 | 374.7 | 363.5 | 362.8 | 351.8 | 361.5 | 361.5 | 370.9 | 360.9 | 333.3 | 300.1 | 300.1 |
| Minority interest | 0.7 | 0.7 | 0.6 | 0.6 | 1.0 | 1.6 | 1.6 | 2.1 | 2.6 | 2.9 | 3.6 | 3.6 |
| Total Consolidated Equity | 490.8 | 375.4 | 364.1 | 363.4 | 352.8 | 363.1 | 363.1 | 373.0 | 363.5 | 336.2 | 303.7 | 303.7 |
| Total Liabilities and Shareholders' Equity | 969.9 | 740.9 | 710.2 | 717.7 | 684.0 | 672.7 | 672.7 | 673.1 | 637.4 | 583.3 | 566.2 | 566.2 |
| Liquidity | | | | | | | | | | | | |
| Current Ratio | 1.2x | 1.0x | 1.0x | 1.1x | 1.2x | 1.1x | 1.1x | 1.4x | 1.4x | 1.4x | 1.2x | 1.2x |
| Quick Ratio | 1.1x | 1.0x | 0.9x | 1.0x | 1.1x | 1.1x | 1.1x | 1.3x | 1.4x | 1.3x | 1.1x | 1.1x |
| Working Capital (\$M) | 21.4 | 2.4 | (2.1) | 12.0 | 21.1 | 20.3 | 20.3 | 42.7 | 50.4 | 47.0 | 25.3 | 25.3 |
| Leverage | | | | | | | | | | | | |
| Net Debt to Equity | 76.4% | 69.9% | 70.2% | 67.3% | 59.6% | 51.4% | 50.2% | 50.6% | 46.8% | 40.7% | 46.0% | 44.7% |
| Net Debt to Capital | 43.2% | 40.8% | 40.9% | 40.0% | 37.1% | 33.7% | 33.1% | 33.4% | 31.7% | 28.6% | 31.2% | 30.6% |

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 | Q1 Mar-22 | Q2 Jun-22 | Q3 Sep-22 | Q4 Dec-22 | FY 2022 | Q1 E Mar-23 | Q2 E Jun-23 | Q3 E Sep-23 | Q4 E Dec-23 | FY 2023E | Q1 E Mar-24 | Q2 E Jun-24 | Q3 E Sep-24 | Q4 E Dec-24 | FY 2024E |
| Revenues | \$ 527.6 | \$ 529.7 | \$ 594.5 | \$ 165.7 | \$ 185.0 | \$ 184.2 | \$ 162.2 | \$ 697.1 | \$ 156.9 | \$ 169.3 | \$ 170.2 | \$ 145.5 | \$ 641.9 | \$ 151.3 | \$ 171.9 | \$ 174.0 | \$ 151.5 | \$ 648.6 |
| Other revenue & inc | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | 527.6 | 529.7 | 594.5 | 165.7 | 185.0 | 184.2 | 162.2 | 697.1 | 156.9 | 169.3 | 170.2 | 145.5 | 641.9 | 151.3 | 171.9 | 174.0 | 151.5 | 648.6 |
| Cost of sales and services | 366.8 | 382.1 | 436.5 | 125.8 | 130.1 | 133.5 | 127.7 | 517.1 | 121.0 | 127.8 | 128.5 | 111.7 | 488.9 | 115.0 | 129.1 | 130.7 | 115.6 | 490.4 |
| Gross Profit | 160.7 | 147.6 | 158.0 | 39.8 | 54.9 | 50.7 | 34.5 | 180.0 | 35.9 | 41.5 | 41.7 | 33.8 | 153.0 | 36.3 | 42.7 | 43.2 | 35.9 | 158.1 |
| SG&A | 59.6 | 53.7 | 60.6 | 15.2 | 17.7 | 17.7 | 19.4 | 70.0 | 15.7 | 17.4 | 17.4 | 14.6 | 65.0 | 15.1 | 18.0 | 18.3 | 15.9 | 67.3 |
| D&A | 123.8 | 96.5 | 83.1 | 20.1 | 23.1 | 22.6 | 21.4 | 87.2 | 21.0 | 21.0 | 21.0 | 21.0 | 84.0 | 20.5 | 20.5 | 20.5 | 20.5 | 82.0 |
| Other operating costs | 0.3 | 0.5 | 0.3 | 0.3 | (0.1) | (0.3) | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 |
| Impairment Expense | 26.1 | 144.1 | 7.9 | - | - | - | 5.7 | 5.7 | - | - | - | - | - | - | - | - | - | - |
| Total Operating Expenses | 209.8 | 294.8 | 151.9 | 35.6 | 40.7 | 39.9 | 46.8 | 163.0 | 36.7 | 38.4 | 38.5 | 35.6 | 149.2 | 35.7 | 38.6 | 38.8 | 36.5 | 149.5 |
| Operating Income | (49.1) | (147.2) | 6.1 | 4.2 | 14.2 | 10.8 | (12.2) | 17.0 | (0.8) | 3.1 | 3.2 | (1.8) | 3.7 | 0.6 | 4.2 | 4.4 | (0.6) | 8.6 |
| Interest Expense | (27.4) | (16.7) | (13.0) | (2.5) | (2.6) | (3.0) | (3.4) | (11.5) | (3.1) | (3.1) | (3.1) | (3.1) | (12.3) | (2.7) | (2.7) | (2.7) | (2.7) | (10.8) |
| Interest and Invest. Income | 0.1 | 0.0 | 0.0 | - | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | - | - | - | - | - | - | - |
| Other gains/loses | 7.3 | 20.4 | 12.8 | 1.7 | 0.4 | 2.2 | 0.9 | 5.1 | 1.0 | 1.0 | 1.0 | 1.0 | 4.0 | 1.0 | 1.0 | 1.0 | 1.0 | 4.0 |
| Profit Before Taxes | (69.1) | (143.4) | 5.9 | 3.5 | 12.1 | 10.0 | (14.8) | 10.7 | (2.9) | 1.0 | 1.1 | (3.9) | (4.6) | (1.1) | 2.4 | 2.7 | (2.3) | 1.8 |
| Provision for Income Tax | 10.7 | 10.6 | (3.4) | (1.6) | (1.8) | (3.7) | 2.7 | (4.4) | 0.6 | (0.2) | (0.2) | 0.8 | 0.9 | 0.2 | (0.5) | (0.5) | 0.5 | (0.4) |
| Net Income | (58.3) | (132.8) | 2.5 | 1.9 | 10.2 | 6.3 | (12.1) | 6.3 | (2.3) | 0.8 | 0.9 | (3.1) | (3.6) | (0.9) | 2.0 | 2.2 | (1.8) | 1.4 |
| Minority Interest | 0.2 | 1.5 | 1.1 | 0.5 | 0.7 | 0.5 | 0.6 | 2.3 | - | - | - | - | - | - | - | - | - | - |
| Preferred Dividends | 1.8 | 1.9 | 1.9 | 0.5 | 0.5 | 0.5 | 0.3 | 1.8 | - | - | - | - | - | - | - | - | - | - |
| Net Income To Common Stkhdrs | (60.3) | (136.1) | (0.6) | 0.9 | 9.1 | 5.2 | (13.0) | 2.2 | (2.3) | 0.8 | 0.9 | (3.1) | (3.6) | (0.9) | 2.0 | 2.2 | (1.8) | 1.4 |
| Basic EPS | \$ (4.33) | \$ (9.64) | \$ (0.04) | \$ 0.07 | \$ 0.64 | \$ 0.38 | \$ 45.81 | \$ 0.16 | \$ (0.16) | \$ 0.06 | \$ 0.06 | \$ (0.22) | \$ (0.26) | \$ (0.06) | \$ 0.14 | \$ 0.15 | \$ (0.13) | \$ 0.10 |
| Diluted EPS | \$ (4.33) | \$ (9.64) | \$ (0.04) | \$ 0.06 | \$ 0.64 | \$ 0.37 | \$ (1.06) | \$ 0.16 | \$ (0.16) | \$ 0.06 | \$ 0.06 | \$ (0.22) | \$ (0.26) | \$ (0.06) | \$ 0.14 | \$ 0.15 | \$ (0.13) | \$ 0.10 |
| WTD Shares Out - Basic | 13.9 | 14.1 | 14.2 | 14.1 | 14.1 | 13.9 | 13.8 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 |
| WTD Shares Out - Diluted | 13.9 | 14.1 | 14.2 | 14.2 | 14.3 | 14.1 | 13.8 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 |
| EBITDA | 81.8 | (31.3) | 101.2 | 25.6 | 37.1 | 35.0 | 9.4 | 107.0 | 21.2 | 25.1 | 25.2 | 20.2 | 91.7 | 22.1 | 25.7 | 25.9 | 20.9 | 94.6 |
| Adjusted EBITDA | \$ 108.4 | \$ 108.1 | \$ 109.1 | \$ 25.6 | \$ 37.1 | \$ 35.0 | \$ 15.1 | \$ 112.8 | \$ 21.2 | \$ 25.1 | \$ 25.2 | \$ 20.2 | \$ 91.7 | \$ 22.1 | \$ 25.7 | \$ 25.9 | \$ 20.9 | \$ 94.6 |
| Margin Analysis | | | | | | | | | | | | | | | | | | |
| Gross Margin | 30.5% | 27.9% | 26.6% | 24.0% | 29.7% | 27.5% | 21.3% | 25.8% | 22.9% | 24.5% | 24.5% | 23.2% | 23.8% | 24.0% | 24.9% | 24.9% | 23.7% | 24.4% |
| Operating Margin | -9.3% | -27.8% | 1.0% | 2.6% | 7.7% | 5.9% | -7.6% | 2.4% | -0.5% | 1.8% | 1.9% | -1.2% | 0.6% | 0.4% | 2.4% | 2.5% | -0.4% | 1.3% |
| EBITDA Margin | 20.5% | 20.4% | 18.4% | 15.4% | 20.0% | 19.0% | 9.3% | 16.2% | 13.5% | 14.8% | 14.8% | 13.9% | 14.3% | 14.6% | 14.9% | 14.9% | 13.8% | 14.6% |
| Pre-Tax Margin | -13.1% | -27.1% | 1.0% | 2.1% | 6.5% | 5.4% | -9.1% | 1.5% | -1.8% | 0.6% | 0.7% | -2.6% | -0.7% | -0.7% | 1.4% | 1.6% | -1.5% | 0.3% |
| Net Income Margin | -11.1% | -25.1% | 0.4% | 1.2% | 5.5% | 3.4% | -7.4% | 0.9% | -1.5% | 0.5% | 0.5% | -2.1% | -0.6% | -0.6% | 1.1% | 1.2% | -1.2% | 0.2% |
| Tax Rate | -15.5% | -7.4% | -57.5% | -44.9% | -15.1% | -37.2% | -18.2% | -41.0% | -20.0% | -20.0% | -20.0% | -20.0% | -20.0% | -20.0% | -20.0% | -20.0% | -20.0% | -20.0% |
| Growth Rate Y/Y | | | | | | | | | | | | | | | | | | |
| Total Revenue | 13.0% | 0.4% | 12.2% | 32.1% | 20.0% | 18.8% | 1.5% | 17.3% | -5.3% | -8.5% | -7.6% | -10.3% | -7.9% | -3.6% | 1.5% | 2.2% | 4.1% | 1.0% |
| Total cost of revenues | -5.6% | 40.5% | -48.5% | 0.2% | -7.7% | 6.2% | 34.5% | 7.3% | 3.2% | -5.5% | -3.6% | -23.9% | -8.4% | -2.9% | 0.5% | 0.8% | 2.4% | 0.2% |
| Operating Income | -44.3% | 200.1% | -104.1% | -142.8% | 569.0% | 79.5% | -256.7% | 181.2% | -118.8% | -78.2% | -70.4% | -85.4% | -78.2% | -177.5% | 33.7% | 38.4% | -67.2% | 131.5% |
| Pre-Tax Income | -39.0% | 107.6% | -104.1% | -141.5% | -2600.2% | 257.3% | -223.9% | 82.7% | -182.8% | -91.4% | -88.7% | -73.9% | -142.5% | -61.9% | 135.8% | 140.6% | -40.4% | -138.5% |
| Net Income | -28.7% | 127.6% | -101.9% | -120.2% | ##### | 512.8% | -210.8% | 153.5% | -220.2% | -91.9% | -85.6% | -74.5% | -157.6% | -61.9% | 135.8% | 140.6% | -40.4% | -138.5% |
| Adj. EBITDA | 60.1% | -0.2% | nm | 57.6% | 15.0% | 33.8% | -56.2% | 3.3% | -17.1% | -32.3% | -28.1% | 33.9% | -18.7% | 4.3% | 2.2% | 2.9% | 3.5% | 3.1% |

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 | Q1 Mar-21 | Q2 Jun-21 | Q3 Sep-21 | Q4 Dec-21 | FY 2021 | Q1 Mar-22 | Q2 Jun-22 | Q3 Sep-22 | Q4 Dec-22 | FY 2022 |
| Operating Activities | | | | | | | | | | | | |
| Net Income | (58.3) | (132.8) | (9.4) | 0.0 | 1.0 | 10.9 | 2.5 | 1.9 | 10.2 | 6.3 | (12.1) | 6.3 |
| Deperciation and Amortization | 123.8 | 96.5 | 21.3 | 21.4 | 20.3 | 20.2 | 83.1 | 20.1 | 23.1 | 22.6 | 21.4 | 87.2 |
| Impairment Charges | 26.1 | 144.1 | - | 7.9 | - | - | 7.9 | - | - | - | 5.7 | 5.7 |
| Loss on extinguishment of debt | - | 0.4 | - | - | 0.4 | - | 0.4 | - | - | - | - | - |
| Deferred income tax expense | (11.7) | (11.1) | 1.0 | (0.6) | 1.7 | 1.0 | 3.1 | 1.5 | 1.8 | 3.7 | (2.8) | 4.2 |
| Non-cashcompensation charge | 10.1 | 6.1 | 1.0 | 0.9 | 1.0 | 1.2 | 4.1 | 1.0 | 0.9 | 0.9 | 0.9 | 3.8 |
| Gain on disposals of assets | (3.9) | (2.9) | (1.9) | (0.0) | (0.4) | (3.9) | (6.2) | (1.5) | (0.4) | (2.2) | (0.8) | (4.9) |
| Provision for loss on receivables | (0.0) | 0.0 | 0.2 | (0.0) | 0.0 | (0.0) | 0.1 | (0.0) | (0.0) | 0.0 | 0.2 | 0.2 |
| Other | 2.7 | (2.9) | 0.7 | 0.8 | 1.0 | (0.2) | 2.2 | 0.7 | 0.9 | 0.9 | 0.8 | 3.2 |
| Cash Flow from operating activities before working capital changes | 88.7 | 97.5 | 12.9 | 30.3 | 25.0 | 29.1 | 97.3 | 23.7 | 36.5 | 32.1 | 13.4 | 105.7 |
| Accounts receivable | (20.5) | 13.7 | 1.8 | (26.4) | 3.1 | (6.6) | (28.1) | (7.1) | (16.0) | 4.0 | 4.7 | (14.4) |
| Inventories | (0.1) | 0.2 | (0.5) | (0.3) | 0.6 | (0.3) | (0.5) | (0.6) | (0.6) | (0.4) | (0.3) | (1.8) |
| Accounts payable and accrued liabilities | 8.5 | 6.9 | (5.3) | 4.7 | 10.4 | 5.6 | 15.4 | (13.7) | 7.0 | 10.2 | 8.8 | 12.3 |
| Taxes payable | (0.1) | (0.1) | 0.1 | (0.0) | 0.0 | (0.1) | (0.0) | 0.1 | (0.2) | 0.0 | 0.1 | 0.0 |
| Other | (2.0) | (0.7) | 3.9 | 8.3 | (5.3) | (2.4) | 4.5 | (0.4) | (5.1) | (7.2) | 2.7 | (10.0) |
| Cash flow generated/(absorbed) from operating Activities | 74.5 | 117.4 | 12.8 | 16.5 | 33.9 | 25.3 | 88.5 | 2.0 | 21.7 | 38.7 | 29.4 | 91.8 |
| Investing Activities | | | | | | | | | | | | |
| Capital expenditures | (29.8) | (10.1) | (3.4) | (3.2) | (3.1) | (5.9) | (15.6) | (3.6) | (5.1) | (8.8) | (8.0) | (25.4) |
| Proceeds from disposition of PP&E | 5.9 | 3.7 | 6.7 | 0.4 | 0.5 | 6.8 | 14.3 | 2.4 | 0.9 | 8.7 | 4.3 | 16.3 |
| Cash Acquisitions | (16.4) | - | - | - | - | - | - | - | - | - | - | - |
| Other | 1.8 | 4.6 | - | - | - | 0.6 | 0.6 | 0.2 | - | - | - | 0.2 |
| Cash flow generated by Investing Activities | (38.6) | (1.8) | 3.3 | (2.8) | (2.6) | 1.4 | (0.7) | (1.0) | (4.1) | (0.1) | (3.6) | (8.9) |
| Financing Activities | | | | | | | | | | | | |
| Term loan repayments | (34.9) | (39.9) | (8.9) | (9.0) | (9.7) | (7.9) | (125.5) | (8.0) | (7.8) | (7.3) | (7.4) | (30.4) |
| Revolving credit borrowings (repayments) | (3.5) | (70.3) | (6.7) | (5.4) | 74.6 | (13.3) | 49.2 | 7.7 | (10.3) | (12.2) | 11.5 | (3.4) |
| Debt issuance costs | (2.0) | (2.6) | - | - | (4.4) | (0.0) | (4.4) | - | - | - | - | - |
| Repurchase of common shares | - | - | - | - | (0.4) | (4.2) | (4.6) | (0.0) | (0.5) | (13.7) | - | (14.2) |
| Repurchase of preferred shares | - | - | - | - | - | - | - | - | - | - | (30.6) | (30.6) |
| Other | (4.3) | (1.5) | (1.0) | 1.2 | (1.3) | - | (1.1) | (1.0) | - | - | (0.1) | (1.1) |
| Cash flow generated/(absorbed) by financing Activities | (44.6) | (114.2) | (16.6) | (13.2) | (31.3) | (25.4) | (86.5) | (1.3) | (18.5) | (33.2) | (26.6) | (79.7) |
| Effect of exchange rate changes on cash | (0.3) | 1.4 | 0.6 | (1.0) | (0.8) | 0.1 | (1.2) | 0.6 | (0.7) | (1.8) | 0.4 | (1.5) |
| Net Cash flow | (9.0) | 2.8 | 0.1 | (0.5) | (0.8) | 1.3 | 0.1 | 0.1 | (1.6) | 3.6 | (0.4) | 1.7 |
| Cash and Cash Equivalents | | | | | | | | | | | | |
| Beginning Cash balance | 12.4 | 3.3 | 6.2 | 6.2 | 5.7 | 4.9 | 6.2 | 6.3 | 6.4 | 4.8 | 8.4 | 6.3 |
| Ending Cash balance | 3.3 | 6.2 | 6.2 | 5.7 | 4.9 | 6.3 | 6.3 | 6.4 | 4.8 | 8.4 | 8.0 | 8.0 |

Source: Company Reports, Stonegate Capital Partners

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For Additional Information Contact:

Stonegate Capital Markets, Inc.
Dave Storms, CFA
Dave@stonegateinc.com
214-987-4121

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