RESEARCH UPDATE

NINE ENERGY SERVICE, INC. (NYSE: NINE)

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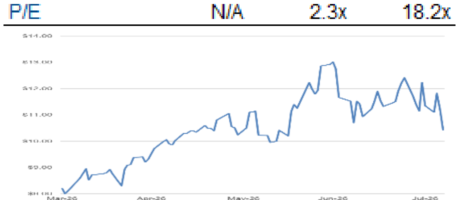
Market Statistics In USD	
Price	$ 10.43
52 week Range	$7.32 - $13.23
Daily Vol (3-mo. average)	70,286
Market Cap (M)	$ 145.5
Enterprise Value (M)	$ 227.6
Shares Outstanding: (M)	13.9

Financial Summary In USD	
Cash (M)	$ 16.8
Cash/Share	$ 0.81
Debt (M)	$ 99.0
Equity (M)	$ 134.0
Equity/Share	$ 9.60

Valuation In USD	
Valuation Range	$12.23 - $18.00
2027E Price Target	$ 14.76

FYE: Dec	2025	2026E	2027E
(all figures in M, expect per share information)			
Rev	$ 561.9	$ 552.0	$ 611.2
Chng%	1%	-2%	11%
Adj. EBITDA	$ 49.4	$ 31.4	$ 59.5
Net Income	$ (51.3)	$ 95.6	$ 8.2
EPS	$ (1.25)	$ 4.56	$ 0.57
EV/Revenue	N/A	0.4x	0.4x
EV/EBITDA	N/A	7.3x	3.8x
P/E	N/A	2.3x	18.2x



Company Description

Nine Energy Service, Inc. is a North American onshore completion and production services company focused on unconventional oil and gas development. The Company provides a range of downhole tools, completion technologies, and related services used to prepare horizontal, multistage wells for production across major U.S. and Canadian basins. Nine's core offerings include cementing, wireline, completion tools, and coiled tubing solutions designed to improve wellsite efficiency, execution, and reliability. Through its service footprint and technology portfolio, the Company is positioned to support customers across the completion cycle in shale and other unconventional resource plays.

Company Updates

NINE's 2Q26 EBITDA miss was less a demand signal than a stress test of scarce completion capacity. The loss of two large-diameter Coiled Tubing units, representing approximately 17% of that fleet, could not be backfilled with idle equipment, while retaining the associated skilled crews pressured near-term margins but preserved the ability to restore revenue when capacity returns. Revenue increased 9% q/q to $141.8M, near the midpoint of the $136M-$146M guidance range, while adjusted EBITDA improved to $8.6M from approximately $3.0M but fell below the $10M-$15M outlook; sequential comparability remains limited by NINE's March bankruptcy emergence and fresh-start accounting. The 2H earnings reset appears primarily timing-related, with potential operating leverage as Coiled tubing capacity returns and pricing catches up with inflation. Completion tools provides a more durable offset through domestic share gains, international growth, and greater dissolvable-plug adoption.

Quarterly Results: NINE reported a $4.9M net loss, adjusted gross profit of $19.9M, and operating cash usage of $2.3M. Coiled Tubing margins were pressured by the outages, while average costs across consumables, labor, repairs and maintenance increased approximately 12% q/q. Price increases were implemented, but the lag between customer negotiations and realized pricing left the business temporarily under-recovered. Liquidity was $46.8M, including $16.8M of cash and $30.0M of revolver availability.

End Markets / Activity: Completion tools delivered the strongest operating performance, with revenue increasing 44% q/q to $37.1M and stages rising 45% to 28,256. Growth reflected stronger international dissolvable-plug demand and domestic market-share gains, while international Completion Tools revenue increased 17% y/y in 1H26. Cementing revenue rose 3% to $55.3M as jobs increased 13%, partially offset by an 8% decline in revenue/job due to mix; materials and labor inflation also pressured margins. Wireline revenue declined 4% to $23.0M on 7% fewer stages, though Haynesville expansion continues. Coiled Tubing revenue declined 2% to $26.4M as days worked increased 16%, while average blended day rates fell 15% due to mix and additional white space.

Guidance: Management expects 3Q26 revenue of $133M-$143M and adjusted EBITDA flat to modestly lower q/q, reflecting the remaining Coiled Tubing outage, inflation continuing to outpace pricing, and retained labor costs. Rig activity should remain flat to slightly higher, while service pricing leverage could improve if the U.S. rig count approaches 600. FY26 CapEx remains $20M-$30M, with spending now expected toward the middle-to-lower end, and management anticipates cash-flow-neutral performance in 2H26. Key variables include capacity restoration, price-cost recovery, Completion Tools growth, and Haynesville pull-through in coming quarters.

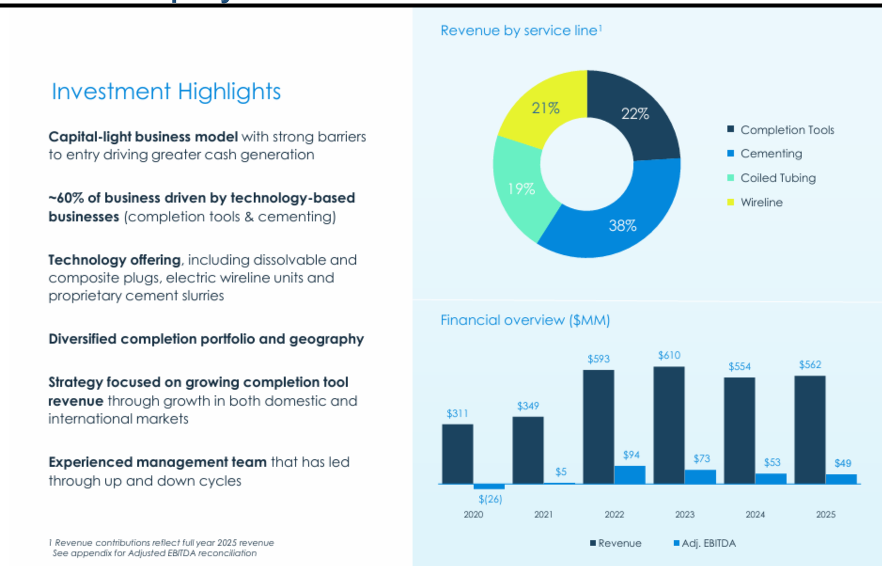
Valuation: We use a DCF Model to guide our valuation. Our DCF analysis produces a valuation range of $11.15 to $18.43 with a mid-point of $14.07. Using a simple average this arrives at a 2027E valuation range of $12.23 to $18.00 with a price target at the mid-point of $14.76. For further details please see the valuation page of this report.

Company History

Nine Energy Service (NYSE American: NINE) was formed in February 2013 through the combination of three oilfield service companies owned by SCF Partners, creating a completion-focused platform built around the U.S. unconventional market. The Company went public in January 2018 under ticker NINE, expanded as a North American completion-services provider focused on cementing, completion tools, wireline, and coiled tubing, and then restructured through a prepackaged Chapter 11 in early 2026 after a difficult 2025 marked by weaker activity, pricing pressure, and liquidity strain. Importantly, the current public equity reflects the reorganized company, not the pre-bankruptcy common, which was canceled in the restructuring.

Company Overview

Exhibit 1: Company Overview



Source: Company Reports

Nine is an asset-light, North American onshore completion-services company. It does not drill wells or produce hydrocarbons. Instead, it operates in the phase of the well lifecycle that sits after drilling and before production, supplying the tools, equipment, and field execution needed to cement the well, isolate stages, execute plug-and-perf completions, and prepare the wellbore for flowback and production.

That positioning is important because Nine is levered less to drilling economics in isolation and more to completion activity and service intensity. The Company's exposure is concentrated in the technically demanding parts of modern unconventional development, where longer laterals, higher stage counts, and more complex designs increase the amount of work required per well. Management has consistently framed the business around these trends, noting that extended-reach horizontals, rising stage counts, and denser pad development can support operating leverage by allowing more stages and jobs to be completed with the same crew and equipment base. Greater well complexity and the increased potential for costly mistakes or well integrity issues also elevate the importance of execution and reputation, which can benefit established providers with a track record of reliable performance.

The model is also more selective than it may initially appear. While Nine reports as a single Completions Solutions segment, the underlying portfolio is best understood through four service lines: cementing, completion tools, wireline, and coiled tubing. Those businesses are not equal in quality. In our view, cementing is the scale anchor and earliest-well entry point; completion tools is the most differentiated and scalable bucket; wireline is the cleanest direct lever on frac-stage execution; and coiled tubing broadens lifecycle exposure into cleanout and intervention but carries the greatest pure utilization sensitivity.

Financial Improvements

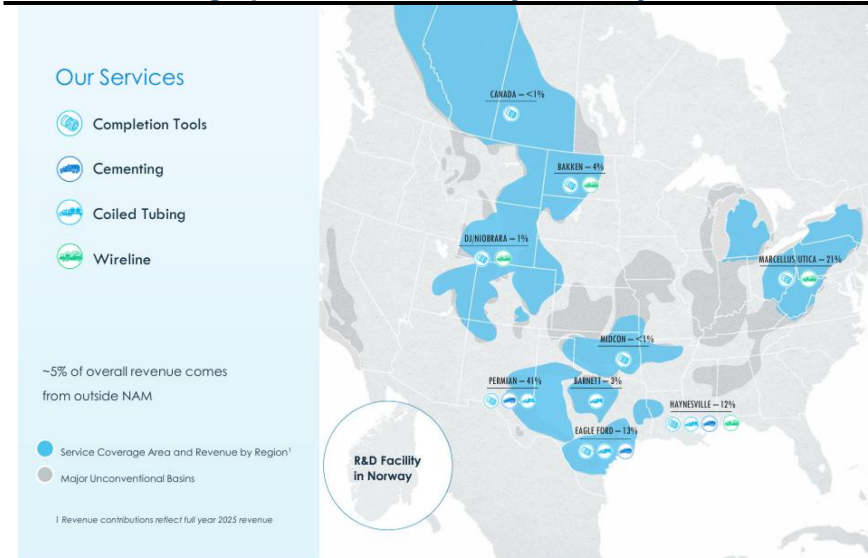
The business entered 2026 as a still-scaled North American completion-services platform, but one whose late-2025 equity story had become dominated by liquidity pressure, weaker activity, and an unsustainable capital structure. That changed with the prepackaged Chapter 11 filing on February 1, 2026, under which the prior common stock was canceled, the reorganization transferred ownership of the reorganized company to the former secured noteholders, and the Company emerged with a new $135M Exit ABL facility. In other words, the restructuring reset the balance sheet while preserving the operating platform.

That distinction matters because the current debate is no longer whether Nine survives its balance sheet; it is whether a cleaner capital structure can unlock the earnings power of a still-relevant completion franchise. In our view, that is the right lens for the reorganized equity.

Operating Basins

Nine operates across the key North American unconventional basins, with revenue led by the Permian, Marcellus/Utica, and Eagle Ford as the three revenue leaders while Midcon and Canada each represent less than 1% of revenue. Less than 10% of total revenue comes from outside North America, and the Company's international exposure is primarily tied to completion tools rather than a broad international field-services footprint.

Exhibit 2: Geographic and Commodity Diversity

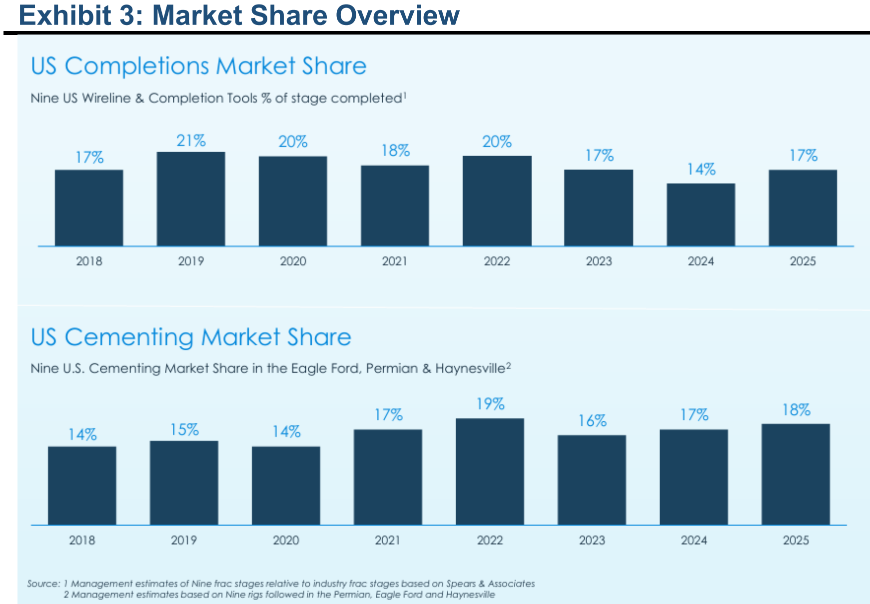


Source: Company Reports

That footprint matters because it gives Nine real exposure to both oil- and gas-weighted completion markets. The Permian, Bakken, and DJ/Niobrara are primarily oil basins, albeit with associated gas. The Marcellus/Utica, Haynesville, and Barnett are predominantly gas. The Eagle Ford, Midcon, and Canada provide mixed exposure. In practical terms, that means Nine is levered to both the dominant oil basin in North America and two of the most important gas basins, which helps diversify the activity mix even if the Company remains meaningfully tied to North American onshore completions overall.

The earnings implications are straightforward. Stronger gas-basin activity can support tools and wireline demand in the Northeast and Haynesville, while the Permian remains the key swing factor for broader North American oilfield services activity and pricing. In practice, this mix gives Nine exposure to both supportive gas-driven completions activity and the more cyclical oil-basin dynamics that tend to shape industry pricing and utilization.

Exhibit 3: Market Share Overview



Source: Company Reports

Business / Services Segments

Nine's portfolio spans much of the unconventional completion workflow, from securing casing and preparing the well for stimulation, to stage-by-stage execution and ultimately wellbore cleanout. That breadth matters because it gives the Company exposure across multiple steps in the completion chain rather than tying the story to a single product or isolated service line. In practical terms, this means Nine participates not only in overall well count, but in the amount of work, equipment, and execution required to move a well from drilled to producing. That distinction has become increasingly important in modern shale development, where longer laterals, higher stage counts, and more complex completion designs have made completion intensity and work per well more meaningful demand drivers than simple activity growth alone. As a result, the value of the portfolio lies not just in its range, but in its ability to provide exposure to the technical complexity, service content, and operational cadence embedded in today's unconventional wells.

Exhibit 4: Service Lines

Source: Company Reports

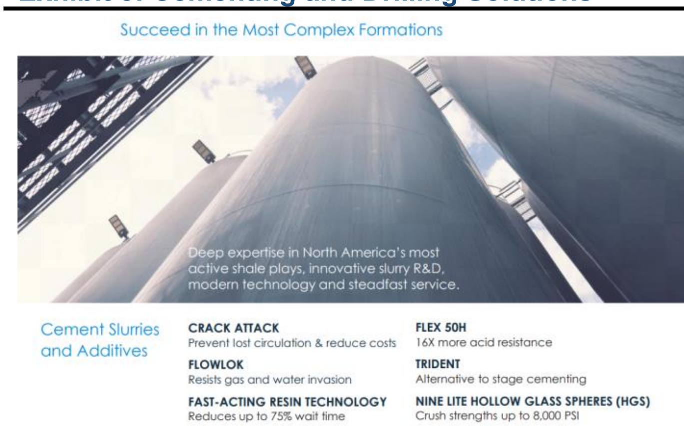
Cementing

Cementing is typically Nine's earliest point of engagement and remains the Company's largest service line. In practical terms, it is the business that most directly follows the drill, as it comes into play once casing has been run and the well is being prepared for the next stages of completion.

Operationally, cementing is mission-critical. After casing is run, a cement slurry is pumped into the annulus to secure the casing, isolate zones, and protect long-term well integrity. That process is more technically sensitive than it may appear, because the slurry has to be engineered with the right balance of properties, including viscosity, stability, thickening time, compressive strength, and fluid-loss control, in order to perform properly under specific downhole conditions. If the slurry is not designed correctly, operators can face poor zonal isolation, circulation issues, remediation risk, and ultimately impaired well performance.

In our view, that is one reason cementing is one of the more defensible parts of the portfolio. It is not simply a commodity service; it is an engineering-heavy offering where job design, execution, and service quality matter materially. Because the consequences of poor performance can be costly and long-lived, reputation becomes especially important, particularly in harder wells where customers place a premium on reliability and consistency.

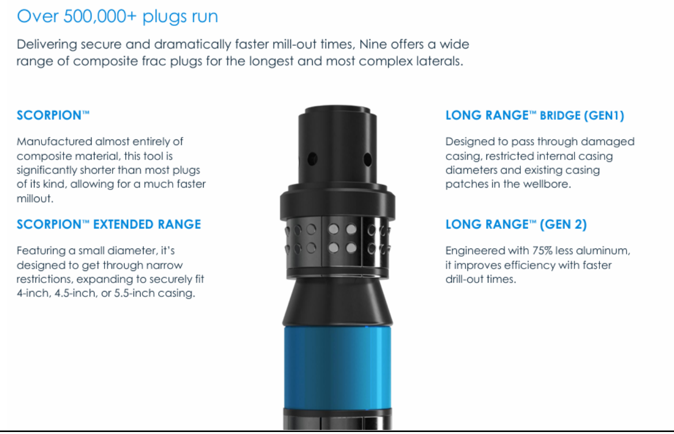
Exhibit 5: Cementing and Drilling Solutions



Source: Company Reports

Completion Tools

Exhibit 6: Dissolvable Plug



Source: Company Reports

Completion Tools is the most differentiated part of the portfolio and, in our view, is one of the clearest expressions of Nine's technology-led positioning. The business is anchored by composite, hybrid, and dissolvable frac plugs, along with broader completion hardware including liner hangers, frac sleeves, fracture isolation packers, stage-one prep tools, and related accessories.

Operationally, tools sit at the center of the multistage stimulation process. In unconventional wells, they are used to isolate stages, direct treatment to the intended interval, and support the stage-by-stage execution that defines modern plug-and-perf completions. That makes the segment important not just because it participates in completions activity, but because it helps determine how efficiently and reliably that activity is carried out.

Strategically, completion tools remains the most scalable business in the portfolio. Compared with the more labor- and utilization-sensitive service lines, tools offers greater differentiation and broader geographic scalability, including into international markets, without requiring a similarly broad field-services footprint. In our view, this is one reason it represents the highest-quality part of the business: where cementing is the scale anchor, tools is the clearest source of technology-driven upside, better mix, and more differentiated long-term growth. At the same time, the segment still depends on product relevance and ongoing adaptation as customer well designs evolve, which makes engineering quality and innovation central to sustaining its competitive position.

Wireline

Wireline is the execution layer of the plug-and-perf process and the clearest direct lever on frac-stage activity. Operationally, wireline sits at the heart of stage execution, as it is used to convey perforating guns and related tools into the wellbore once the well has been cased and cemented.

That role makes wireline especially important in modern unconventional completions. In practical terms, it enables the stage-by-stage perforating process that defines plug-and-perf activity, meaning demand is closely tied to the number of stages being completed. Because of that, wireline provides one of the most direct ways to participate in completion activity and frac-stage intensity across key basins.

In our view, this makes wireline an important part of the portfolio. At the same time, the segment is more closely tied to job flow, crew utilization, and local pricing conditions than some of Nine's other service lines. As a result, performance can respond relatively quickly to changes in regional activity and customer cadence, making service quality, operational efficiency, and consistency key drivers of results.

Exhibit 7: Electric Wireline

Source: Company Reports

Coiled Tubing

Coiled Tubing rounds out the portfolio by extending Nine's exposure into the later-stage cleanout and intervention phase of the well lifecycle. Coiled tubing becomes most relevant after the frac has been completed and the well is moving closer to production.

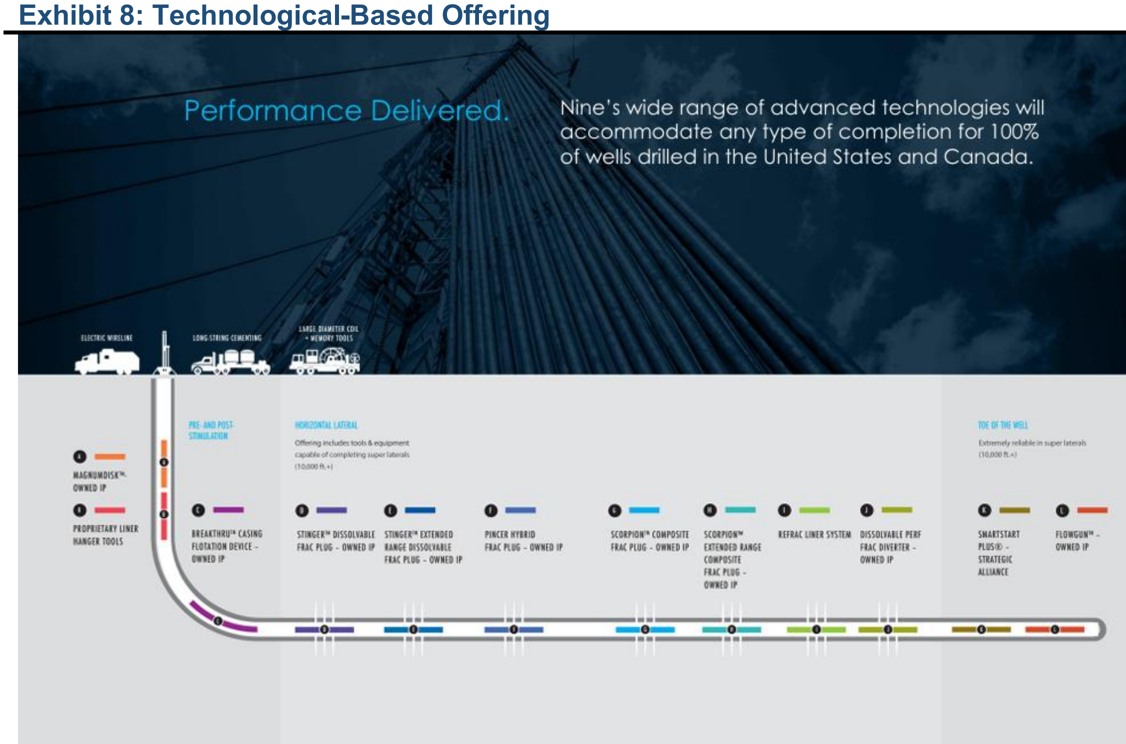
In the unconventional context, the most important use case is typically plug millout and wellbore cleanout after stimulation, though the segment also supports broader intervention activity. In practical terms, that means coiled tubing helps prepare the well for flowback and production, giving Nine exposure to a later step in the completion process rather than just the earlier stages of stimulation.

In our view, this makes coiled tubing an important part of the portfolio because it broadens Nine's role across the full completion workflow. At the same time, the segment is more closely tied to activity levels, utilization, and day-rate conditions, making operational efficiency and customer demand important drivers of performance. Even so, coil adds useful lifecycle breadth and helps position Nine as a more complete completion-oriented service provider.

Segments Takeaway

Taken together, the portfolio is broader than a single-product or single-service story. Cementing is the scale anchor and one of the more defensible parts of the business, while Completion Tools is the most differentiated and scalable bucket and the clearest source of technology-driven and international upside. Wireline and Coiled Tubing add important lifecycle breadth and direct exposure to completion activity, making Nine leveraged not simply to well count, but to completion complexity, stage density, and work across the broader completion workflow in North America.

Exhibit 8: Technological-Based Offering



Source: Company Reports

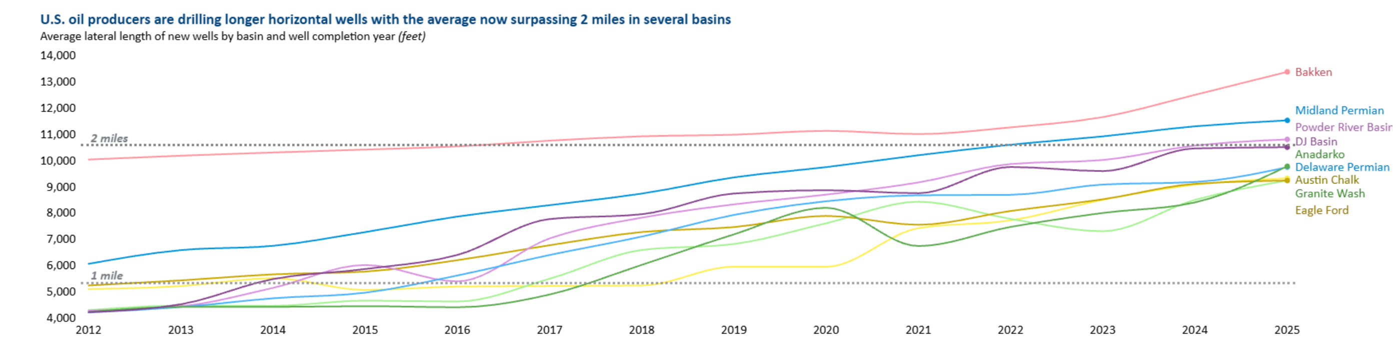
Key Catalysts

In our view, the upside case in Nine is driven by a short list of identifiable catalysts: (1) rising completion intensity, (2) a cleaner post-restructuring setup, (3) international completion tools growth, (4) improving gas-basin activity and mix, and (5) execution-led share stabilization. Importantly, these drivers do not require a broad-based boom in North American oilfield services; rather, they require a more constructive backdrop for the parts of the completion stack where Nine is already relevant.

Higher Completion Intensity

The clearest structural driver remains higher work per well. Longer laterals, denser pad development, and rising stage counts all increase demand for cementing design, stage-isolation tools, wireline activity, and post-frac intervention. For Nine, that means service content can grow even if well count remains relatively disciplined, which is an important distinction in the current market.

Exhibit 9: Longer Laterals Drilled Trends



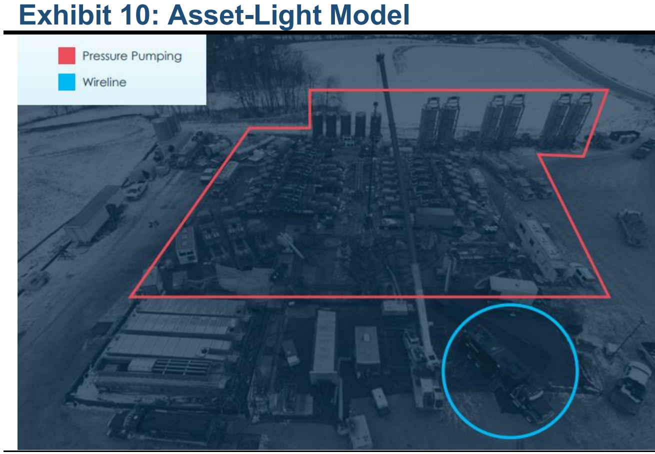
Source: American Petroleum Institute

We also think it is important to consider the mix of work inside the completion cycle, not just the number of wells. As operators continue pushing more complex well designs and look for ways to maximize recovery from existing acreage, the opportunity set can extend beyond initial completions into other leading-edge completion and intervention work, including refrac-related activity where applicable. We would not frame refrac as the core thesis today, but it fits the broader idea that Nine benefits when operators demand more technical completion work per well and across the life of the asset. That dynamic is directionally favorable for a company with exposure spanning cementing, tools, wireline, and coiled tubing.

Cleaner Post-Bankruptcy Setup

The more immediate catalyst is the reset capital structure. By late 2025, the balance sheet had become the dominant issue, overshadowing the operating franchise. Post-emergence, Nine is in a better position to focus on customers, execution, and selective growth rather than on near-term liquidity management, which should improve commercial flexibility if activity stabilizes.

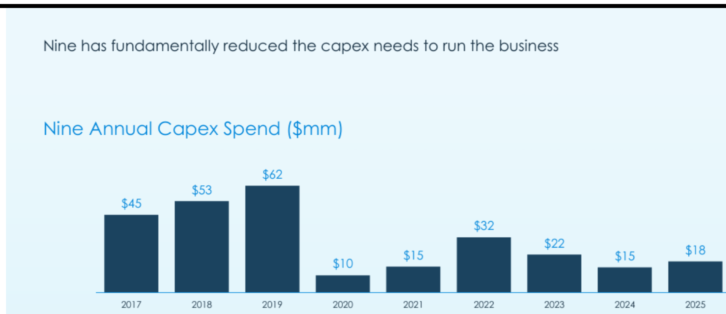
Exhibit 10: Asset-Light Model



Source: U.S. Energy Information Administration

That reset is more compelling when paired with the Company's asset-light model. Nine has emphasized that it operates with an asset-, emissions-, and labor-light model, and company materials show that average annual capex fell meaningfully from pre-2020 levels to a much lower run rate in the years that followed. In our view, that matters because the reorganized company does not need a heavy capital spending cycle to participate in improving completion activity or mix. A cleaner balance sheet layered onto a structurally lighter capital model should improve flexibility and potentially allow more of any incremental recovery to flow through to earnings and cash generation.

Exhibit 11: CAPEX Reduction



Revenue ($MM)	$544	$827	$833	$311	$349	$593	$610	$554	$562
CapEx as a % of rev	8%	6%	7%	3%	4%	5%	4%	3%	3%

Source: Company Reports

International Completion Tools Growth

The clearest company-specific growth vector remains international completion tools. Management has consistently emphasized growing completion tool revenue through both domestic and international markets, and 2025 commentary indicated that international tools continued to perform relatively well even as domestic conditions became more pressured.

In our view, this is one of the more attractive growth avenues in the story because tools are more scalable across geographies than field-service-heavy offerings and can expand without requiring a broad international services footprint. That matters not just for growth, but for mix: if international tools becomes a larger share of the business over time, it would further reinforce the idea that the best part of the portfolio is gaining weight inside the overall model.

Gas-Basin Recovery and Better Mix

Gas-basin improvement is better viewed as a mix and utilization catalyst than as a primary structural growth driver. Nine has meaningful exposure to the Marcellus/Utica and Haynesville, and management has been constructive on the medium- and long-term outlook for natural gas and gas-levered regions. Stronger gas-directed completions can support tools and wireline demand and improve regional mix, even if that benefit is not always large enough on its own to offset broader oil-basin weakness.

It is also worth remembering that the Permian is not purely an oil story. While it remains the key swing basin for broader North American oilfield services activity and pricing, it is also a major source of associated gas. As a result, an improving gas backdrop can matter to Nine not only through the Northeast and Haynesville, but also indirectly through activity and economics in the Permian system itself. We would still frame the Permian primarily as the dominant oil-basin driver, but the basin's gas component adds another layer to the Company's commodity mix and reinforces that Nine's exposure is not as one-dimensional as a simple "oil services" label might imply.

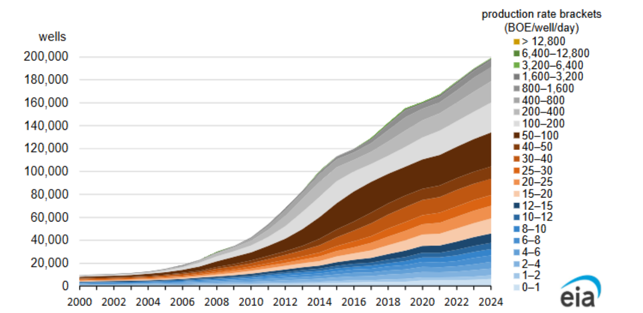
Execution-Led Share Stabilization

Finally, the story should improve if Nine can demonstrate share stabilization or selective share gains, particularly in the more differentiated and execution-sensitive parts of the portfolio. The Company has consistently emphasized service execution, safety, and technical performance as competitive levers, and company materials point to meaningful existing positions in U.S. completions market share for wireline and completion tools as well as cementing share in key basins. In our view, stronger customer retention, better traction in higher-value work, and continued product relevance would be important proof points that the reorganized platform is not merely financially cleaner, but commercially stronger as well.

Market Overview

Nine operates in the North American unconventional completions market, where demand is increasingly driven less by drilling activity alone and more by horizontal well intensity, pad density, and the amount of completion work embedded in each well. That matters because Nine is concentrated in the completion stack rather than in drilling or broad upstream services. As a result, the Company can benefit both from baseline well activity, since cementing follows the drill, and from rising completion complexity, which increases demand for stage-isolation tools, wireline execution, and post-frac intervention work.

Exhibit 12: U.S. Horizontal Wells by Production Rate Bracket

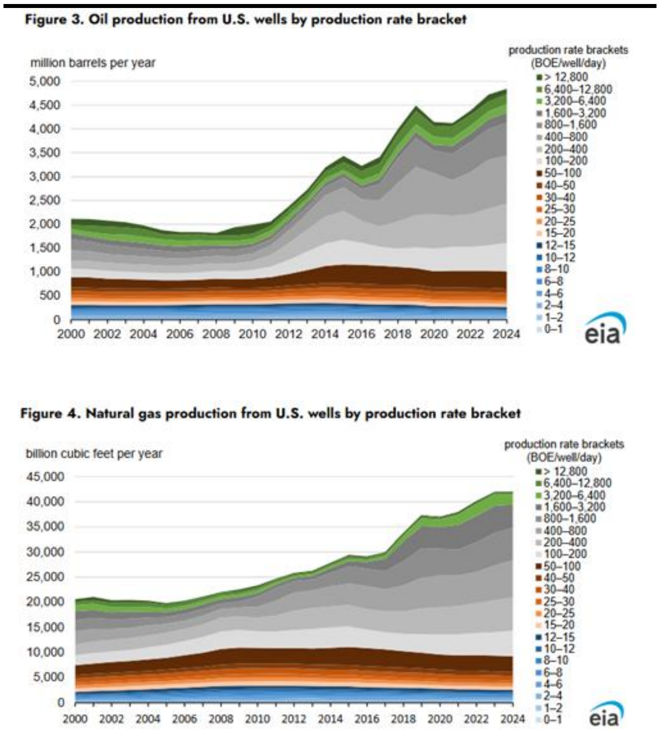


Source: U.S. Energy Information Administration

Over time, the market has shifted toward a development model that embeds more completion work into each well and each location. As wells have become more horizontal, laterals have become longer, and pad development has become denser, the amount of completion activity required per project has increased. For Nine, that is important because the Company is positioned in the part of the workflow where that added complexity shows up most directly: cementing follows the drill, while tools, wireline, and coiled tubing benefit as completion design becomes more intensive and technically demanding.

That intensity dynamic now matters at least as much as the raw activity backdrop. In a disciplined rig environment, production growth depends increasingly on longer laterals, denser completions, and higher well productivity rather than on simply adding more rigs. That is constructive for Nine because its exposure is tied less to drilling activity alone and more to completion intensity, service content, and work per well.

Exhibit 13: Production from U.S. Wells by Production Rate Bracket



Source: U.S. Energy Information Administration

The same is true on the gas side. Improving gas economics and stronger gas-directed development can support activity in regions such as the Marcellus/Utica and Haynesville, where Nine has meaningful exposure through tools and wireline. That matters because it can improve regional mix and utilization while reinforcing that the Company's opportunity is linked to completion demand rather than oil-directed drilling alone.

From a competitive standpoint, the market remains fragmented, but the most relevant parts of the completion stack are increasingly defined by technical execution, engineering complexity, and differentiated products rather than by pure commodity capacity. That is why Nine's existing scale matters. Company materials indicate meaningful U.S. completions market share in wireline and completion tools, measured as a share of stages completed, as well as meaningful cementing share in the Eagle Ford, Permian, and Haynesville. Those are relevant positions in a large and competitive market and support the view that the Company already operates at real scale in the service lines most important to its thesis.

Nine's market is best framed as a large, cyclical, and increasingly intensity-driven unconventional completions market. The core opportunity is no longer just "more rigs"; it is "more completion work per well." With horizontal wells dominating unconventional output, pad development becoming denser, and production increasingly tied to completion efficiency, Nine is positioned in a market where completion complexity, basin exposure, and technical execution matter more than simple capacity alone.

Risks

As with any investment, there are certain risks associated with Nine Energy Service's operations, as well as with the broader commodity and activity environment that drives the North American oilfield services market.

Commodity and Customer Spending Sensitivity - Nine's business is closely tied to customer capital spending and well completions in the onshore oil and gas market. Lower oil or natural gas prices can quickly reduce completion activity, delay work, and pressure demand across the Company's service lines.

Spot Market and Pricing Pressure - A meaningful portion of Nine's work is performed in the spot market, where pricing adjusts quickly to activity levels and competitive intensity. In weaker markets, customers can rebid work aggressively, compress margins, and create white space across fleets and crews.

Permian Concentration - The Company's revenue base is concentrated in a handful of major unconventional basins, most notably the Permian. While that exposure provides leverage to one of North America's most important completion markets, it also increases sensitivity to oil-driven slowdowns and localized pricing pressure.

Post-Restructuring Execution - Although the balance sheet has been reset through Chapter 11, the Company still needs to demonstrate that the reorganized platform can stabilize customer relationships, retain talent, and convert a cleaner capital structure into improved earnings power.

Technology and Execution Risk - Completion tools and cementing are among the more differentiated parts of the portfolio, but both depend on product relevance, engineering quality, and reliable field execution. Changes in customer completion design, market share losses, or operational underperformance could pressure results.

VALUATION

We are using a DCF Model to guide our valuation of NINE as we expect the Company to be a strong cash flow generator in the out year, supported by its asset light model. Currently our model assumes strong growth over the near term as the Company will be marked against softer year over year comps and the commodity outlook looks robust with FY27 crude futures above $70.00 per barrel. With the exception of the current year, we believe the Company will maintain its asset light model, keeping CapEx under control. Our model normalized growth rates in the 3% range and operating margins in the high single digits, both of which we believe are in-line with peer estimates. We apply a discount rate above the standard 10% to account for both the Company size as well as the overhang coming out of bankruptcy.

Our DCF analysis relies on a range of discount rates between 11.25% and 13.75% with a midpoint of 12.50%. This arrives at a valuation range of $11.15 to $18.43 with a mid-point of $14.07.

Sensitivity Analysis:

		Terminal Growth Rates				
		0%	1%	2%	3%	4%
Discount rate	10.00%	$18.13	$19.42	$21.02	$23.08	$25.83
	11.25%	$15.08	$15.98	$17.07	$18.43	$20.16
	12.50%	$12.65	$13.30	$14.07	$15.01	$16.16
	13.75%	$10.68	$11.15	$11.72	$12.38	$13.18
	15.00%	$9.04	$9.40	$9.82	$10.30	$10.88

						EV/Revenue [2, 3]			EV/EBITDA [2, 3]			FCF Yield [2, 3]		
Company Name	Symbol	Price [1]	Mrkt Cap	EV	BV/Share	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
DMC Global Inc.	BOOM	$ 7.52	$ 154.5	$ 417.2	$ 11.55	0.65x	0.68x	0.64x	9.9x	11.3x	8.7x	9.4%	0.7%	2.8%
Core Laboratories Inc.	CLB	$ 11.18	$ 513.0	$ 661.5	$ 5.94	1.70x	1.29x	1.23x	13.5x	11.5x	9.9x	2.9%	N/A	N/A
Forum Energy Technologies, Inc.	FET	$ 75.23	$ 846.1	$ 1,039.9	$ 25.73	0.78x	1.18x	1.12x	11.6x	8.8x	8.3x	13.0%	6.1%	6.9%
Halliburton Company	HAL	$ 32.51	$27,085.1	$ 33,278.1	$ 13.20	1.37x	1.49x	1.41x	7.4x	8.1x	7.1x	6.1%	5.8%	6.6%
Innovex International, Inc.	INVX	$ 30.70	$ 2,147.0	$ 1,999.5	$ 15.37	1.45x	1.99x	1.82x	8.1x	9.9x	8.2x	2.0%	3.4%	7.0%
KLX Energy Services Holdings, Inc	KLXE	$ 2.15	$ 42.8	$ 369.5	$ (4.83)	0.53x	0.55x	0.51x	5.2x	4.7x	3.7x	N/A	0.3%	4.9%
Natural Gas Services Group, Inc.	NGS	$ 36.40	$ 459.9	$ 684.1	$ 22.27	3.66x	3.18x	2.73x	8.2x	6.5x	5.5x	-9.3%	-1.4%	1.6%
Oil States International, Inc.	OIS	$ 8.31	$ 501.3	$ 517.7	$ 9.63	0.69x	0.80x	0.73x	7.4x	6.5x	5.7x	20.3%	7.3%	7.8%
Patterson-UTI Energy, Inc.	PTEN	$ 10.05	$ 3,832.9	$ 4,924.1	$ 8.13	0.71x	1.00x	0.96x	3.8x	5.2x	4.6x	10.9%	3.9%	8.6%
ProPetro Holding Corp.	PUMP	$ 10.95	$ 1,344.9	$ 1,418.9	$ 7.80	0.88x	1.15x	0.98x	5.7x	7.3x	4.3x	4.1%	-20.7%	-19.1%
RPC, Inc.	RES	$ 5.89	$ 1,283.3	$ 1,155.7	$ 5.09	0.67x	0.63x	0.62x	5.0x	4.5x	4.8x	4.8%	1.6%	5.9%
Ranger Energy Services, Inc.	RNGR	$ 16.04	$ 375.4	$ 420.3	$ 12.89	0.53x	0.62x	0.61x	4.7x	4.0x	3.8x	-2.5%	11.9%	8.3%
Solaris Energy Infrastructure, Inc.	SEI	$ 57.01	$ 3,493.7	$ 5,090.9	$ 13.39	4.81x	6.26x	4.15x	13.6x	13.7x	7.9x	-14.6%	-22.1%	-0.6%
SLB N.V.	SLB	$ 51.54	$76,492.7	$ 86,358.7	$ 17.57	1.90x	2.34x	2.17x	8.8x	10.7x	9.2x	6.1%	5.0%	5.9%
TETRA Technologies, Inc.	TTI	$ 8.59	$ 1,271.9	$ 1,339.9	$ 2.75	2.22x	2.01x	1.82x	14.5x	12.5x	9.4x	1.4%	-3.2%	4.6%
Cactus, Inc.	WHD	$ 68.54	$ 4,779.5	$ 4,932.2	$ 17.82	2.73x	2.88x	2.78x	8.9x	10.4x	9.9x	7.3%	6.0%	6.0%
				Average	$ 11.52	1.6x	1.8x	1.5x	8.5x	8.5x	6.9x	4.1%	0.3%	3.8%
				Median	$ 12.22	1.1x	1.2x	1.2x	8.2x	8.5x	7.5x	4.8%	3.4%	5.9%
Nine Energy Service, Inc.	NINE	$ 10.43	$ 145.5	$ 227.6	$ 9.60	N/A	0.4x	0.4x	N/A	7.3x	3.8x	N/A	-6.2%	13.5%

(1) Previous day's closing price
(2) Estimates are from Capital IQ
(3) Forward estimates as of calendar year
Source: Company reports, CapitalIQ, Stonegate Capital Partners

We are also using an EV/EBITDA framework to inform our NINE valuation. Currently NINE is trading at a 2027E EV/EBITDA of 3.8x compared to comps at an average of 6.9x. We are using our 2027E expected EBITDA, and an EV/EBITDA range of 4.5x to 5.5x with a midpoint of 5.0x which moves NINE closer to comp companies, while maintaining a reasonable discount to account for NINE's size and current restructuring activity. This arrives at a valuation range of $13.31 to $17.58 with a mid-point of $15.44.

When we combine these two valuation methods using a simple average it arrives at a 2027E valuation range of $12.23 to $18.00 with a price target at the mid-point of $14.76.

EV/EBITDA			
2027E	**4.50x**	**5.00x**	**5.50x**
Adj EBITDA	59.5	59.5	59.5
TEV	267.8	297.6	327.3
Cash	16.8	16.8	16.8
Debt	99.0	99.0	99.0
Mrkt Cap	185.7	215.4	245.2
S/O	13.9	13.9	13.9
Price	**$ 13.31**	**$ 15.44**	**$ 17.58**

DISCOUNTED CASH FLOW MODEL

Nine Energy Service, Inc.
Discounted Cash Flow Model
(in $M, except per share)

Estimates:	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	Terminal Value
Revenue	554.1	561.9	552.0	611.2	667.4	714.8	756.2	796.3	831.4	865.5	898.3	929.8	958.6	
Operating Income	8.9	2.3	(16.7)	15.1	17.4	19.7	22.6	24.7	26.2	29.4	32.8	34.4	35.9	
Less: Taxes (benefit)	0.2	(0.2)	0.9	(0.6)	0.9	2.0	5.7	6.2	6.5	7.4	8.2	8.6	9.0	
NOPAT	8.7	2.5	(17.5)	15.8	16.5	17.7	17.0	18.5	19.6	22.1	24.6	25.8	26.9	
Plus: Depreciation & Amortization	36.8	34.4	33.7	36.4	33.4	35.0	35.5	35.0	33.3	32.9	33.1	33.5	33.6	
Plus: Changes in WC	12.0	11.5	(2.8)	(4.6)	(1.0)	(3.6)	(3.8)	(4.0)	(4.2)	(4.3)	(4.5)	(4.6)	(4.8)	
Less: Capex	(14.2)	(13.6)	(27.5)	(16.8)	(14.7)	(15.0)	(15.1)	(15.9)	(15.8)	(15.1)	(15.3)	(15.8)	(15.8)	
Free Cash Flow	43.3	34.8	(14.1)	30.8	34.2	34.1	33.6	33.6	32.9	35.5	37.9	38.8	39.8	386.9
Discount period - months			6	18	30	42	54	66	78	90	102	114	126	
Discount period - years			0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	
Discount factor			0.94	0.84	0.74	0.66	0.59	0.52	0.47	0.41	0.37	0.33	0.29	
PV of FCF			(13.3)	25.8	25.5	22.6	19.8	17.6	15.3	14.7	13.9	12.7	11.6	112.3
Growth rate assumptions:														
Revenue		1.4%	-1.8%	10.7%	9.2%	7.1%	5.8%	5.3%	4.4%	4.1%	3.8%	3.5%	3.1%	
Operating Income		-73.7%	-809.2%	######	14.8%	13.3%	15.0%	9.2%	6.1%	12.4%	11.4%	4.9%	4.2%	
EBITDA		-19.6%	-53.7%	202.8%	-1.5%	7.8%	6.4%	2.7%	-0.5%	4.8%	5.7%	3.1%	2.3%	
Free Cash Flow		-19.6%	-140.6%	######	11.1%	-0.1%	-1.6%	0.1%	-2.1%	7.7%	6.8%	2.5%	2.6%	
Margin assumptions:														
Operating Income	1.6%	0.4%	-3.0%	2.5%	2.6%	2.8%	3.0%	3.1%	3.2%	3.4%	3.7%	3.7%	3.7%	
D&A as a % of sales	6.6%	6.1%	6.1%	6.0%	5.0%	4.9%	4.7%	4.4%	4.0%	3.8%	3.7%	3.6%	3.5%	
EBITDA	8.3%	6.5%	3.1%	8.4%	7.6%	7.7%	7.7%	7.5%	7.2%	7.2%	7.3%	7.3%	7.2%	
Taxes	2.2%	-7.3%	-5.3%	-4.3%	5.0%	10.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Changes in WC	2.2%	2.0%	-0.5%	-0.8%	-0.2%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	
Capex as a % of sales	-2.6%	-2.4%	-5.0%	-2.8%	-2.2%	-2.1%	-2.0%	-2.0%	-1.9%	-1.8%	-1.7%	-1.7%	-1.7%	

Valuation:

Shares outstanding	13.9
PV of FCF	166.0
PV of Terminal Value	112.3
Enterprise Value	278.4
less: Net Debt	82.1
Estimated Total Value:	196.3
Est Equity Value/share:	**$14.07**
Price	$10.43

Sensitivity Analysis:

	Terminal Growth Rates					
Discount rate		0%	1%	2%	3%	4%
	10.00%	$18.13	$19.42	$21.02	$23.08	$25.83
	11.25%	$15.08	$15.98	$17.07	$18.43	$20.16
	12.50%	$12.65	$13.30	$14.07	$15.01	$16.16
	13.75%	$10.68	$11.15	$11.72	$12.38	$13.18
	15.00%	$9.04	$9.40	$9.82	$10.30	$10.88

Source: Company Reports; Stonegate Capital Markets

BALANCE SHEET

Nine Energy Service, Inc.
Consolidated Balance Sheets ($M)
Fiscal Year End: December

ASSETS	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26
Cash and cash equivalents	21.5	17.4	30.8	10.2	26.0	15.7	27.9	27.9	17.3	14.2	14.4	18.4	18.4	11.2	16.8
Restricted Cash	-	-	-	-	-	-	-	-	-	3.5	2.1	1.4	1.4	10.6	1.4
Accounts receivable	64.0	105.3	88.4	91.0	84.4	79.7	81.2	81.2	95.1	94.0	81.4	76.0	76.0	88.3	91.6
Inventories	42.2	62.0	54.5	56.3	59.7	55.8	50.8	50.8	51.2	54.2	56.8	56.6	56.6	50.6	48.8
Prepaid Expenses	10.2	11.2	9.4	9.8	7.5	5.8	10.0	10.0	9.2	8.4	6.2	13.5	13.5	12.1	11.3
Other current assets	1.4	0.7	0.5	0.3	0.7	0.6	0.7	0.7	1.8	1.4	2.0	2.9	2.9	2.1	1.4
Total Current Assets	**139.3**	**196.7**	**183.6**	**167.7**	**178.3**	**157.6**	**170.5**	**170.5**	**174.6**	**175.7**	**162.9**	**168.8**	**168.8**	**174.9**	**171.3**
Property and equipment, net	87.0	89.7	82.4	81.2	77.1	73.7	70.5	70.5	68.6	68.8	66.4	64.3	64.3	109.0	106.6
Operating lease right of use assets	35.1	36.3	42.1	40.6	38.5	37.0	37.3	37.3	37.1	37.9	35.9	34.1	34.1	32.5	30.3
Finance lease right of use assets	1.4	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0
Intangible assets	116.4	101.9	90.4	87.6	84.8	82.0	79.2	79.2	76.5	73.7	70.9	68.1	68.1	9.1	8.9
Other long-term assets	2.4	1.6	3.4	3.2	3.0	2.9	2.6	2.6	2.5	5.1	4.7	4.2	4.2	0.5	0.6
Total Assets	**381.6**	**426.8**	**402.0**	**380.4**	**381.7**	**353.2**	**360.1**	**360.1**	**359.2**	**361.2**	**340.7**	**339.5**	**339.5**	**326.0**	**317.7**
LIABILITIES AND SHAREHOLDERS' EQUITY															
Accounts payable	28.7	42.2	33.4	38.8	39.4	30.5	36.1	36.1	46.5	44.1	37.1	43.6	43.6	41.5	44.4
Accrued expenses	18.5	28.4	36.2	22.8	32.4	23.1	30.7	30.7	25.2	35.6	23.3	27.8	27.8	23.7	13.9
Income taxes payable	-	-	-	-	-	-	-	-	-	0.1	0.2	0.4	0.4	0.4	0.4
Current portion of long-term debt	2.1	2.3	2.9	1.8	0.7	-	3.6	3.6	2.3	0.9	-	6.3	6.3	4.0	1.6
Current portion of operating lease obligations	6.1	8.0	10.3	10.4	10.4	10.5	11.2	11.2	12.1	13.1	13.2	13.4	13.4	12.5	12.7
Current portion of finance lease obligations	1.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Total Current Liabilities	**56.5**	**81.0**	**82.8**	**73.9**	**83.0**	**64.1**	**81.5**	**81.5**	**86.0**	**93.9**	**73.8**	**91.4**	**91.4**	**82.0**	**73.1**
Long-term debt	332.3	338.0	320.5	317.1	318.7	318.5	317.3	317.3	319.1	323.5	339.4	341.6	341.6	90.4	97.3
Long-term operating lease obligations	30.4	29.4	32.6	30.9	28.7	27.1	26.7	26.7	25.6	25.4	23.3	21.4	21.4	19.6	17.2
Other long-term liabilities	1.7	1.9	1.7	1.9	1.0	1.1	0.6	0.6	0.5	0.1	0.1	0.1	0.1	0.0	0.5
Total Liabilities	**420.9**	**450.3**	**437.6**	**423.7**	**431.4**	**410.8**	**426.1**	**426.1**	**431.3**	**442.9**	**436.6**	**454.4**	**454.4**	**192.1**	**188.1**
Common stock	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.1	0.1
Additional paid-in capital	773.4	775.0	795.1	795.7	803.2	805.5	806.2	806.2	807.0	807.5	808.0	808.4	808.4	135.1	135.6
Accumulated other comprehensive loss	(4.5)	(4.8)	(4.9)	(5.1)	(5.0)	(5.0)	(5.4)	(5.4)	(5.1)	(4.9)	(4.9)	(5.2)	(5.2)	0.0	(0.1)
Accumulated deficit	(808.4)	(794.0)	(826.2)	(834.3)	(848.3)	(858.5)	(867.3)	(867.3)	(874.4)	(884.8)	(899.4)	(918.6)	(918.6)	(1.3)	(6.1)
Total Parent Net Equity	**(39.3)**	**(23.5)**	**(35.6)**	**(43.3)**	**(49.7)**	**(57.6)**	**(66.1)**	**(66.1)**	**(72.1)**	**(81.7)**	**(95.9)**	**(115.0)**	**(115.0)**	**134.0**	**129.6**
Total Consolidated Equity	**(39.3)**	**(23.5)**	**(35.6)**	**(43.3)**	**(49.7)**	**(57.6)**	**(66.1)**	**(66.1)**	**(72.1)**	**(81.7)**	**(95.9)**	**(115.0)**	**(115.0)**	**134.0**	**129.6**
Total Liabilities and Shareholders' Equity	**381.6**	**426.8**	**402.0**	**380.4**	**381.7**	**353.2**	**360.1**	**360.1**	**359.2**	**361.2**	**340.7**	**339.5**	**339.5**	**326.0**	**317.7**
Liquidity															
Current Ratio	2.5x	2.4x	2.2x	2.3x	2.1x	2.5x	2.1x	2.1x	2.0x	1.9x	2.2x	1.8x	1.8x	2.1x	2.3x
Quick Ratio	0.4x	0.2x	0.4x	0.1x	0.3x	0.2x	0.3x	0.3x	0.2x	0.2x	0.2x	0.2x	0.2x	1.1x	1.1x
Working Capital	82.85	115.72	100.88	93.83	95.37	93.52	88.92	88.92	88.55	81.80	89.10	77.42	77.42	92.88	98.21

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Nine Energy Service, Inc.
Consolidated Statements of Income (in $M, except per share amounts)
Fiscal Year End: December

	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Service	248.6	455.4	464.2	421.7	116.6	110.2	100.8	103.5	431.2	104.3	104.7	100.8	102.4	412.1	107.1	112.4	115.9	118.6	454.0
Product	100.8	138.0	145.3	132.4	33.8	37.0	31.2	28.6	130.7	25.7	37.1	38.2	38.8	139.9	39.0	39.2	39.4	39.6	157.2
Total Revenues	**$ 349.4**	**$ 593.4**	**$ 609.5**	**$ 554.1**	**$ 150.5**	**$ 147.3**	**$ 132.0**	**$ 132.2**	**$ 561.9**	**$ 130.0**	**$ 141.8**	**$ 139.0**	**$ 141.2**	**$ 552.0**	**$ 146.1**	**$ 151.6**	**$ 155.3**	**$ 158.2**	**$ 611.2**
Operating Expenses:																			
Cost of Services	228.3	350.7	379.4	355.6	95.6	93.3	87.9	88.2	365.0	88.9	93.1	87.3	83.3	352.7	86.8	91.6	94.7	96.0	369.0
Cost of Products	79.7	106.4	111.4	101.1	26.9	28.1	23.8	23.5	102.3	27.3	28.7	29.2	30.4	115.6	29.6	29.7	30.5	30.7	120.6
Gross Profit	**41.4**	**136.3**	**118.8**	**97.4**	**28.0**	**25.8**	**20.3**	**20.4**	**94.6**	**13.8**	**19.9**	**22.5**	**27.4**	**83.7**	**29.7**	**30.3**	**30.1**	**31.5**	**121.6**
General and administrative expenses	45.3	51.7	59.8	51.3	13.3	13.9	12.8	19.9	59.7	17.7	15.6	16.7	16.9	66.9	17.5	17.6	17.5	17.6	70.1
Depreciation	28.9	26.8	29.1	25.6	5.8	5.8	5.8	5.8	23.2	6.2	7.0	7.1	7.1	27.4	7.1	7.1	7.1	7.1	28.4
Amortization of intangibles	16.1	13.5	11.5	11.2	2.8	2.8	2.8	2.8	11.2	2.1	0.2	2.0	2.0	6.3	2.0	2.0	2.0	2.0	8.0
Loss on revaluation of contingent liability	0.5	0.5	0.4	0.1	0.0	0.0	0.1	0.0	0.2	-	-	-	-	-	-	-	-	-	-
Loss (gain) on sale of property and equipment	0.7	0.4	0.3	0.3	0.4	(0.1)	0.1	(2.6)	(2.1)	(0.2)	(0.0)	-	-	(0.2)	-	-	-	-	-
Total Operating Expenses	91.4	92.7	101.2	88.4	22.4	22.4	21.5	25.9	92.2	25.7	22.8	25.8	26.0	100.4	26.6	26.7	26.6	26.7	106.5
Operating Income	**(50.0)**	**43.6**	**17.6**	**8.9**	**5.6**	**3.4**	**(1.2)**	**(5.5)**	**2.3**	**(11.9)**	**(2.9)**	**(3.3)**	**1.4**	**(16.7)**	**3.2**	**3.6**	**3.5**	**4.9**	**15.1**
Interest Expense	32.5	32.5	51.1	51.3	12.9	14.7	13.7	13.9	55.2	5.8	1.9	2.0	2.0	11.6	2.0	2.0	2.0	2.0	7.9
Interest Income	(0.0)	(0.3)	(1.3)	(0.8)	(0.1)	(0.3)	(0.1)	(0.1)	(0.7)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Other Income	(17.9)	(3.6)	(0.6)	(0.6)	(0.2)	(0.2)	(0.2)	(0.2)	(0.7)	(124.2)	(0.2)	-	-	(124.4)	-	-	-	-	-
Profit Before Taxes	**(64.6)**	**14.9**	**(31.6)**	**(40.9)**	**(6.9)**	**(10.8)**	**(14.6)**	**(19.1)**	**(51.5)**	**106.6**	**(4.5)**	**(5.2)**	**(0.5)**	**96.5**	**1.3**	**1.7**	**1.6**	**3.0**	**7.6**
Provisioin (benefit) for income taxes	(0.0)	0.5	0.6	0.2	0.1	(0.5)	0.1	0.1	(0.2)	0.0	0.4	0.4	0.0	0.9	(0.1)	(0.1)	(0.1)	(0.3)	(0.6)
Net Income	**(64.6)**	**14.4**	**(32.2)**	**(41.1)**	**(7.1)**	**(10.4)**	**(14.6)**	**(19.2)**	**(51.3)**	**106.6**	**(4.9)**	**(5.6)**	**(0.5)**	**95.6**	**1.4**	**1.9**	**1.8**	**3.2**	**8.2**
Basic EPS	**$ (2.13)**	**$ 0.47**	**$ (0.97)**	**$ (1.11)**	**$ (0.18)**	**$ (0.25)**	**$ (0.35)**	**$ (0.47)**	**$ (1.25)**	**$ 2.56**	**$ (0.35)**	**$ (0.40)**	**$ (0.04)**	**$ 4.56**	**$ 0.10**	**$ 0.13**	**$ 0.12**	**$ 0.22**	**$ 0.57**
Diluted EPS	**$ (2.13)**	**$ 0.45**	**$ (0.97)**	**$ (1.11)**	**$ (0.18)**	**$ (0.25)**	**$ (0.35)**	**$ (0.47)**	**$ (1.25)**	**$ 2.56**	**$ (0.35)**	**$ (0.40)**	**$ (0.04)**	**$ 4.56**	**$ 0.10**	**$ 0.13**	**$ 0.12**	**$ 0.22**	**$ 0.57**
WTD Shares Out - Basic	30.3	30.9	33.3	37.2	40.2	40.9	41.3	40.9	40.9	41.7	13.9	14.1	14.2	21.0	14.3	14.4	14.4	14.5	14.4
WTD Shares Out - Diluted	30.3	32.3	33.3	37.2	40.2	40.9	41.3	40.9	40.9	41.7	13.9	14.1	14.2	21.0	14.3	14.4	14.4	14.5	14.4
EBITDA	**12.9**	**87.4**	**58.9**	**46.4**	**14.4**	**12.2**	**7.6**	**3.3**	**37.4**	**120.6**	**4.5**	**5.8**	**10.5**	**141.4**	**12.3**	**12.7**	**12.6**	**14.0**	**51.5**
Adjusted EBITDA	**$ 5.2**	**$ 93.7**	**$ 73.0**	**$ 53.2**	**$ 16.5**	**$ 14.1**	**$ 9.6**	**$ 9.1**	**$ 49.4**	**$ 3.0**	**$ 8.6**	**$ 8.1**	**$ 11.7**	**$ 31.4**	**$ 14.3**	**$ 14.7**	**$ 14.6**	**$ 16.0**	**$ 59.5**
Margin Analysis																			
Gross Margin	11.9%	23.0%	19.5%	17.6%	18.6%	17.5%	15.4%	15.5%	16.8%	10.7%	14.1%	16.2%	19.4%	15.2%	20.3%	20.0%	19.4%	19.9%	19.9%
Operating Margin	-14.3%	7.3%	2.9%	1.6%	3.7%	2.3%	-0.9%	-4.2%	0.4%	-9.1%	-2.0%	-2.4%	1.0%	-3.0%	2.2%	2.4%	2.3%	3.1%	2.5%
EBITDA Margin	3.7%	14.7%	9.7%	8.4%	9.6%	8.3%	5.7%	2.5%	6.7%	92.8%	3.2%	4.2%	7.4%	25.6%	8.4%	8.4%	8.1%	8.8%	8.4%
Pre-Tax Margin	-18.5%	2.5%	-5.2%	-7.4%	-4.6%	-7.4%	-11.1%	-14.5%	-9.2%	82.0%	-3.2%	-3.7%	-0.3%	17.5%	0.9%	1.1%	1.0%	1.9%	1.2%
Net Income Margin	-18.5%	2.4%	-5.3%	-7.4%	-4.7%	-7.1%	-11.1%	-14.5%	-9.1%	82.0%	-3.4%	-4.0%	-0.4%	17.3%	0.9%	1.2%	1.1%	2.0%	1.3%
Tax Rate	0.0%	3.7%	-1.8%	-0.5%	-1.7%	4.2%	-0.4%	-0.6%	0.3%	0.0%	-8.5%	-8.5%	-8.5%	0.9%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%
Growth Rate Y/Y																			
Total Revenue		69.8%	2.7%	-9.1%	5.9%	11.2%	-4.4%	-6.5%	1.4%	-13.6%	-3.7%	5.3%	6.8%	-1.8%	12.4%	6.9%	11.7%	12.1%	10.7%
Total cost of revenues		1.4%	9.1%	-12.6%	3.1%	3.0%	-3.5%	14.3%	4.3%	15.0%	1.8%	20.1%	0.4%	8.9%	3.3%	16.9%	3.1%	2.4%	6.1%
Operating Income		-187.1%	-59.7%	-49.1%	27.4%	-335.2%	-147.6%	-256.6%	-73.7%	-310.7%	-185.5%	183.1%	-125.5%	-809.2%	-126.6%	-224.3%	-206.0%	246.9%	-190.7%
Pre-Tax Income		-123.1%	-311.7%	29.3%	-12.1%	-22.0%	44.9%	112.1%	25.9%	-1635.3%	-58.5%	-64.5%	-97.5%	-287.4%	-98.8%	-138.0%	-131.3%	-724.1%	-92.1%
Net Income		-122.3%	-323.8%	27.5%	-12.3%	-26.0%	44.4%	117.4%	24.9%	-1610.1%	-52.9%	-61.6%	-97.3%	-286.3%	-98.7%	-138.0%	-131.3%	-724.1%	-91.4%

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

Nine Energy Service, Inc.
Consolidated Cash Flow Statements ($M)
Fiscal Year End: December

CASH FLOW	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26
Operating Activities															
Net Income	(64.6)	14.4	(32.2)	(8.1)	(14.0)	(10.1)	(8.8)	(41.1)	(7.1)	(10.4)	(14.6)	(19.2)	(51.3)	106.6	(4.9)
Depreciation	28.9	26.8	29.1	6.7	6.6	6.2	6.0	25.6	5.8	5.8	5.8	5.8	23.2	6.2	7.0
Amortization of intangibles	16.1	13.5	11.5	2.8	2.8	2.8	2.8	11.2	2.8	2.8	2.8	2.8	11.2	2.1	0.2
Amortization of of deferred financing costs and non-cash interest	8.0	8.7	7.4	1.8	1.9	1.9	2.0	7.6	2.1	4.2	3.9	5.0	15.2	2.6	1.9
Amortization of operating leases	2.6	2.5	12.5	3.3	3.3	3.3	3.3	13.3	3.4	3.7	4.0	3.3	14.4	4.0	3.6
Provision for doubtful accounts	(0.2)	(0.2)	0.3	(0.0)	0.3	0.1	0.1	0.5	0.0	0.0	-	(0.0)	0.0	0.1	0.0
Provision for inventory obsolescence	4.8	3.0	2.3	0.2	0.3	0.4	0.8	1.7	0.6	0.5	0.2	0.2	1.6	2.5	0.2
Stock-based compensation expense	5.4	2.4	2.2	0.6	0.8	0.8	0.7	2.9	0.8	0.5	0.5	0.5	2.2	1.9	0.6
Loss (gain) on sale of property and equipment	(17.6)	(2.8)	0.3	(0.0)	0.0	0.5	(0.2)	0.3	0.4	(0.1)	0.1	(2.6)	(2.1)	(0.2)	(0.0)
Loss on revaluation of contingent liability	0.7	0.4	0.4	(0.1)	(0.1)	0.4	(0.1)	0.1	0.0	0.0	0.1	0.0	0.2	-	-
Other	0.5	1.5	-	-	-	-	-	-	-	-	-	-	-	(139.2)	-
Cash Flow from operating activities before working capital changes	**(15.4)**	**70.1**	**33.9**	**7.3**	**2.0**	**6.4**	**6.5**	**22.1**	**8.9**	**7.2**	**2.6**	**(4.2)**	**14.5**	**(13.6)**	**8.6**
														-	-
Accounts receivable	(22.5)	(41.1)	16.5	(2.5)	6.2	4.6	(1.5)	6.7	(14.0)	1.1	12.5	5.5	5.2	(12.4)	(3.3)
Inventories	(8.6)	(23.0)	5.2	(2.2)	(3.7)	3.5	4.1	1.7	(0.9)	(3.4)	(2.8)	0.0	(7.1)	1.9	1.6
Prepaid expenses and other current assets	3.4	(0.8)	1.1	(0.4)	2.3	1.7	(4.6)	(1.0)	(0.4)	1.0	1.6	(7.7)	(5.4)	1.7	1.5
Accounts Payable and accrued expenses	12.4	19.5	1.1	(7.8)	10.5	(18.7)	13.9	(2.1)	4.7	7.9	(19.5)	9.6	2.7	14.1	(7.4)
Income taxes receivable/payable	-	0.7	0.3	0.1	(0.3)	0.1	0.3	0.2	0.1	0.3	0.0	0.2	0.6	0.0	0.0
Operating lease obligations	-	-	(12.3)	(3.3)	(3.3)	(3.3)	(3.3)	(13.1)	(3.4)	(3.7)	(4.0)	(4.1)	(15.1)	(4.0)	(3.6)
Other assets and liabilities	(9.6)	(8.6)	(0.2)	(0.0)	(0.8)	(0.1)	(0.5)	(1.4)	(0.3)	(0.4)	(0.5)	(1.5)	(2.7)	(0.0)	0.4
Cash flow generated/(absorbed) from operating Activities	**(40.4)**	**16.672**	**45.5**	**(8.8)**	**12.9**	**(5.9)**	**15.0**	**13.2**	**(5.3)**	**10.1**	**(9.9)**	**(2.2)**	**(7.3)**	**(12.4)**	**(2.3)**
Investing Activities															
Proceeds from sales of property and equipment	3.5	3.1	1.4	0.0	0.0	0.3	0.2	0.6	-	0.1	0.1	2.2	2.4	1.0	0.2
Purchases of property and equipment	(15.4)	(28.6)	(24.6)	(5.5)	(2.6)	(3.4)	(3.2)	(14.8)	(4.0)	(5.9)	(3.5)	(2.6)	(15.9)	(6.4)	(4.1)
Cash flow generated by Investing Activities	**(11.9)**	**(25.4)**	**(23.2)**	**(5.5)**	**(2.6)**	**(3.1)**	**(3.0)**	**(14.2)**	**(4.0)**	**(5.8)**	**(3.4)**	**(0.4)**	**(13.6)**	**(5.5)**	**(3.9)**
Financing Activities															
Proceeds for revolving credit facilities	15.0	24.0	40.0	-	-	3.0	-	3.0	4.0	48.9	13.0	-	65.9	-	-
Payments on revolving credit facilities	-	(7.0)	(15.0)	(5.0)	-	(5.0)	(3.0)	(13.0)	(4.0)	(47.0)	-	-	(51.0)	-	-
Proceeds from short-term debt	1.5	4.1	4.7	-	-	-	5.8	5.8	-	-	-	9.6	9.6	172.0	5.0
Payments of short-term debt	(1.4)	(3.9)	(4.1)	(1.1)	(1.1)	(0.7)	(2.2)	(5.0)	(1.3)	(1.3)	(0.9)	(3.3)	(6.8)	(152.2)	(2.4)
Cost of debt issuance	-	-	(6.3)	-	-	-	-	-	-	(4.5)	(0.1)	-	(4.6)	-	-
Principal payments on finance leases	(1.1)	(1.3)	(0.2)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Payments of contingent liability	(0.2)	(0.2)	(0.4)	(0.2)	(0.2)	(0.1)	(0.1)	(0.6)	(0.2)	-	-	-	(0.2)	-	-
Proceeds from issuance of common	-	-	279.8	-	6.8	1.5	-	8.2	-	-	-	-	-	-	-
Other	(8.8)	(10.9)	(307.3)	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow generated/(absorbed) by financing Activities	**5.0**	**4.8**	**(8.9)**	**(6.2)**	**5.5**	**(1.4)**	**0.4**	**(1.7)**	**(1.6)**	**(3.9)**	**12.0**	**6.3**	**12.9**	**19.7**	**2.6**
Impact of foreign currency exchange on cash	(0.1)	(0.2)	(0.1)	(0.1)	0.0	(0.0)	(0.2)	(0.3)	0.2	0.1	0.1	(0.3)	-	0.2	(0.1)
Net Cash flow in the year	**(47.4)**	**(4.1)**	**13.4**	**(20.6)**	**15.8**	**(10.4)**	**12.2**	**(3.0)**	**(10.6)**	**0.5**	**(1.3)**	**3.4**	**(8.0)**	**2.0**	**(3.6)**
Cash and Cash Equivalents															
Beginning Cash balance	68.9	21.5	17.4	30.8	10.2	26.0	15.7	30.8	27.9	17.3	17.8	16.5	27.9	19.8	21.9
Ending Cash balance	21.509	17.445	30.840	10.237	26.027	15.652	27.880	27.880	17.275	17.755	16.475	19.842	19.842	21.865	18.249

Source: Company Reports, Stonegate Capital Partners

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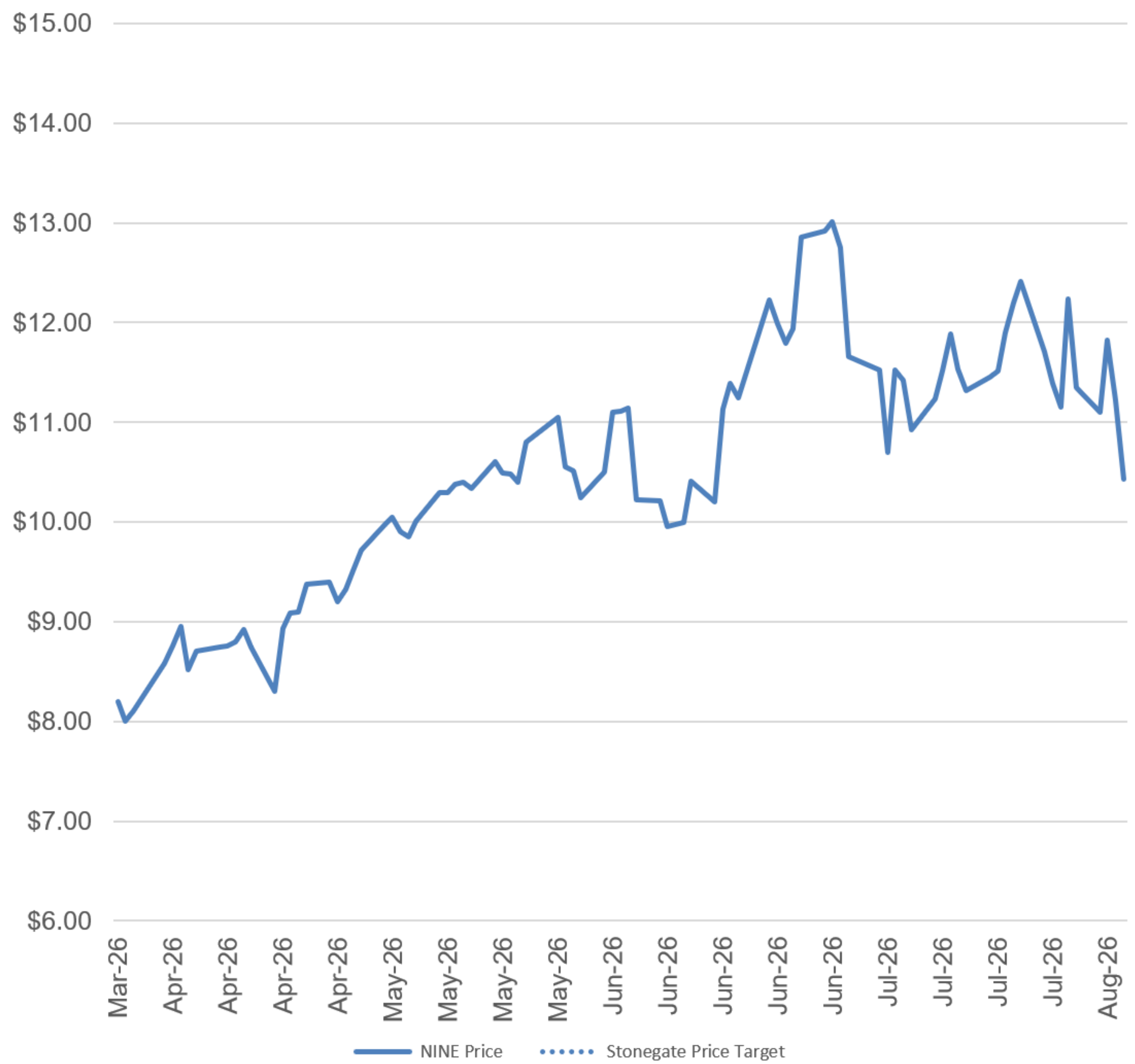
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