



Total Energy Services Inc. Announces Q1 2025 Results

CALGARY, Alberta, May 08, 2025 -- Total Energy Services Inc. ("Total Energy" or the "Company") (TSX:TOT) announces its consolidated financial results for the three months ended March 31, 2025.

Financial Highlights

(\$000's except per share data, unaudited)

	Three months ended		
	March 31		
	2025	2024	Change
Revenue	\$ 251,909	\$ 204,686	23%
Operating income	26,063	22,030	18%
EBITDA ⁽¹⁾	50,488	43,290	17%
Cashflow	44,934	32,837	37%
Net income (loss)	18,952	15,463	23%
Attributable to shareholders	18,966	15,482	23%
Per Share Data (Diluted)			
EBITDA ⁽¹⁾	\$ 1.31	\$ 1.06	24%
Cashflow	\$ 1.16	\$ 0.80	45%
Attributable to shareholders:			
Net income (loss)	\$ 0.49	\$ 0.38	29%
Common shares (000's) ⁽⁴⁾			
Basic	38,041	39,971	(5%)
Diluted	38,685	40,796	(5%)

Financial Position at	March 31		December 31	Change
	2025	2024		
Total Assets	\$ 999,571	\$ 937,708		7%
Long-Term Debt and Lease Liabilities (excluding current portion)	78,941	78,171		-
Working Capital ⁽²⁾	83,552	78,737		6%
Net Debt ⁽³⁾	-	434		nm
Shareholders' Equity	586,256	571,043		3%

Notes 1 through 4 please refer to the Notes to the Financial Highlights set forth at the end of this release.

nm – calculation not meaningful

Total Energy's financial results for the first quarter of 2025 reflect relatively stable industry conditions in Canada and Australia and continued weakness in the United States. Improved Compression and Process Services segment performance and contributions from the acquisition of Saxon Energy Services Australia Pty. Ltd. ("Saxon") as well as several upgraded Australian drilling and service rigs that were reactivated during the second half of 2024 more than offset the decline in United States drilling and completion activity.

Contract Drilling Services ("CDS")

	Three months ended		
	March 31		
	2025	2024	Change
Revenue	\$ 91,087	\$ 81,211	12%
EBITDA ⁽¹⁾	\$ 25,228	\$ 22,346	13%
EBITDA ⁽¹⁾ as a % of revenue	28%	28%	-
Operating days ⁽²⁾	2,723	2,776	(2%)
Canada	1,889	2,011	(6%)
United States	144	359	(60%)

Australia		690	406	70%
Revenue per operating day ⁽²⁾ , dollars	\$	33,451	\$ 29,255	14%
Canada		27,245	27,473	(1%)
United States		30,507	28,914	6%
Australia		50,659	38,382	32%
Utilization		29%	31%	(6%)
Canada		28%	29%	(3%)
United States		13%	33%	(61%)
Australia		45%	56%	(20%)
Rigs, average for period		103	97	6%
Canada		74	77	(4%)
United States		12	12	-
Australia		17	8	113%

⁽¹⁾ See Note 1 of the Notes to the Financial Highlights set forth at the end of this release.

⁽²⁾ Operating days includes drilling and paid standby days.

First quarter CDS segment activity was modestly lower in 2025 compared to 2024 due to a substantial decline in U.S. activity, an early spring shutdown in Canada and the loss of market share in more competitive areas of the Canadian market. The decline in North American operating days was offset by a significant increase in Australian activity following the acquisition of Saxon in March of 2024 and the deployment of several upgraded drilling rigs during the second half of 2024. The year over year increase in first quarter Australian revenue per operating day reflects the addition of Saxon's deeper drilling rig fleet which receives higher day rates as well as increased rates received for upgraded drilling rigs.

Rentals and Transportation Services ("RTS")

		Three months ended March 31		
		2025	2024	Change
Revenue	\$	23,024	\$ 22,379	3%
EBITDA ⁽¹⁾	\$	8,426	\$ 9,715	(13%)
EBITDA ⁽¹⁾ as a % of revenue		37%	43%	(14%)
Revenue per utilized piece of equipment, dollars	\$	15,503	\$ 13,840	12%
Pieces of rental equipment		7,813	7,700	1%
Canada		6,879	6,790	1%
United States		934	910	3%
Rental equipment utilization		19%	21%	(10%)
Canada		16%	18%	(11%)
United States		41%	38%	8%
Heavy trucks		68	67	1%
Canada		47	46	2%
United States		21	21	-

⁽¹⁾ See Note 1 of the Notes to the Financial Highlights set forth at the end of this release.

RTS segment revenue and revenue per utilized piece of equipment both increased for the first quarter of 2025 compared to 2024 due to the mix of equipment operating and the deployment of new and upgraded equipment. First quarter segment EBITDA decreased in 2025 compared to the prior year due to the change in the mix of equipment operating and expenses incurred to deploy new and upgraded equipment.

Compression and Process Services ("CPS")

		Three months ended March 31		
		2025	2024	Change
Revenue	\$	106,216	\$ 77,526	37%
EBITDA ⁽¹⁾	\$	15,740	\$ 10,900	44%
EBITDA ⁽¹⁾ as a % of revenue		15%	14%	7%
Horsepower of equipment on rent at period end		43,558	48,376	(10%)
Canada		14,468	13,856	4%
United States		29,090	34,520	(16%)
Rental equipment utilization during the period (HP) ⁽²⁾		67%	73%	(8%)
Canada		62%	69%	(10%)
United States		74%	76%	(3%)

Sales backlog at period end, \$ million	\$	265.4	\$	185.7	43%
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⁽¹⁾ See Note 1 of the Notes to the Financial Highlights set forth at the end of this release.

⁽²⁾ Rental equipment utilization is measured on a horsepower basis.

2025 first quarter CPS segment revenue was higher compared to 2024 due primarily to increased fabrication and parts and service activity in both Canada and the U.S. Efficiencies arising from higher production levels contributed to the year over year increase in first quarter segment EBITDA. Sequentially, the quarter end fabrication sales backlog increased by \$76.4 million, or 40%, compared to the \$189.0 million backlog at December 31, 2024.

Well Servicing (“WS”)

		Three months ended March 31		
		2025	2024	Change
Revenue	\$	31,582	\$ 23,570	34%
EBITDA ⁽¹⁾	\$	5,306	\$ 4,314	23%
EBITDA ⁽¹⁾ as a % of revenue		17%	18%	(6%)
Service hours ⁽²⁾		29,068	24,564	18%
Canada		15,056	15,407	(2%)
United States		2,229	3,515	(37%)
Australia		11,783	5,642	109%
Revenue per service hour ⁽²⁾ , dollars	\$	1,086	\$ 960	13%
Canada		964	974	(1%)
United States		919	851	8%
Australia		1,275	989	29%
Utilization ⁽³⁾		31%	30%	7%
Canada		30%	30%	-
United States		21%	35%	(40%)
Australia		45%	22%	105%
Rigs, average for period		79	79	-
Canada		55	56	(2%)
United States		12	11	9%
Australia		12	12	-

⁽¹⁾ See Note 1 of the Notes to the Financial Highlights set forth at the end of this release.

⁽²⁾ Service hours is defined as well servicing hours of service provided to customers and includes paid rig move and standby.

⁽³⁾ The Company reports its service rig utilization for its operational service rigs in North America based on service hours of 3,650 per rig per year to reflect standard 10 hour operations per day. Utilization for the Company's service rigs in Australia is calculated based on service hours of 8,760 per rig per year to reflect standard 24 hour operations.

First quarter WS segment revenue increased in 2025 as compared to 2024 due to increased activity in Australia following the reactivation of several upgraded service rigs that offset a substantial decline in U.S. activity. Segment EBITDA for the first quarter of 2025 was higher compared to the prior year due to increased Australian activity and higher pricing received for upgraded Australian service rigs.

Corporate

During the first quarter of 2025, Total Energy remained focused on the safe and efficient operation of its business and execution of its 2025 capital expenditure program. \$34.5 million of capital expenditures were made during the first quarter, including \$16.6 million of capital commitments from 2024 that related primarily to the upgrade of several Australian drilling and service rigs.

Total Energy exited the first quarter of 2025 with \$83.6 million of positive working capital, including \$65.1 million of cash, and \$105.0 million of available credit under its \$175 million of revolving bank credit facilities. The weighted average interest rate on the Company's outstanding bank debt at March 31, 2025 was 4.09%.

Outlook

Subsequent to March 31, 2025, oil prices have weakened following the announcement of substantial tariffs by the U.S. government on global trading partners and threats of retaliatory tariffs combined with the potential increase of OPEC oil supply despite near term global economic growth concerns. This political and economic uncertainty has impaired near term visibility for the energy services industry. Despite this uncertainty, industry conditions remain relatively stable in North America and Australia. Contributing to this stability is continuing investment in the expansion of North American energy infrastructure, as evidenced by the substantial increase in the CPS segment's fabrication sales backlog during the first quarter of 2025.

Total Energy continues to identify opportunities to upgrade and reactivate equipment as well as targeted opportunities to build

new equipment. In that regard, the Company has increased its 2025 capital expenditure budget to \$73.9 million. This \$12.0 million increase is directed towards growth opportunities and includes the upgrade and reactivation of an idle Australian drilling rig acquired as part of the Saxon acquisition that is scheduled to commence operations in the fourth quarter of 2025 under a long term contract, the upgrade of a Canadian drilling rig that recently commenced operations and \$3.9 million of new rental equipment for the RTS segment that is expected to be deployed by the fourth quarter of 2025. The Company expects to fund the remaining \$56.0 million of 2025 capital expenditure commitments with cash on hand and cashflow.

On April 29, 2025, Total Energy repaid \$40.4 million of mortgage debt that matured. Such repayment was funded by available cash on hand and the Company's existing credit facility.

Conference Call

At 9:00 a.m. (Mountain Time) on May 9, 2025 Total Energy will conduct a conference call and webcast to discuss its first quarter financial results. Daniel Halyk, President & Chief Executive Officer, will host the conference call. A live webcast of the conference call will be accessible on Total Energy's website at www.totalenergy.ca by selecting "Webcasts". Persons wishing to participate in the conference call may do so by calling (833) 752-3851 or (647) 846-8915. Those who are unable to listen to the call live may listen to a recording of it on Total Energy's website. A recording of the conference call will also be available until June 9, 2025 by dialing (855) 669-9658 (passcode 1220531).

Selected Financial Information

Selected financial information relating to the three months ended March 31, 2025 and 2024 is included in this news release. This information should be read in conjunction with the condensed interim consolidated financial statements of Total Energy and the notes thereto as well as management's discussion and analysis to be issued in due course and in the Company's 2024 Annual Report.

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

	March 31 2025	December 31 2024
	(unaudited)	(audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 65,081	\$ 38,419
Accounts receivable	164,273	149,048
Inventory	110,268	104,091
Prepaid expenses and deposits	19,254	17,640
	358,876	309,198
Property, plant and equipment	635,171	622,499
Deferred income tax asset	1,471	1,958
Goodwill	4,053	4,053
	\$ 999,571	\$ 937,708
Liabilities & Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 157,476	\$ 125,106
Deferred revenue	61,877	47,225
Contingent consideration on business acquisition	1,863	2,878
Income taxes payable	3,622	4,508
Dividends payable	3,790	3,429
Current portion of lease liabilities	6,277	6,368
Current portion of long-term debt	40,419	40,947
	275,324	230,461
Long-term debt	70,000	70,000
Lease liabilities	8,941	9,171
Deferred income tax liability	59,050	57,033
Shareholders' equity:		
Share capital	238,013	239,269
Contributed surplus	5,603	5,279
Accumulated other comprehensive loss	(9,433)	(11,219)

Non-controlling interest	231	245
Retained earnings	351,842	337,469
	586,256	571,043
	\$ 999,571	\$ 937,708

Consolidated Statements of Income

(in thousands of Canadian dollars except per share amounts)
(unaudited)

	Three months ended March 31	
	2025	2024
Revenue	\$ 251,909	\$ 204,686
Cost of services	189,128	148,229
Selling, general and administration	13,968	12,734
Other expense (income)	(308)	320
Share-based compensation	108	709
Depreciation	22,950	20,664
Operating income	26,063	22,030
Gain on sale of property, plant and equipment	1,475	596
Finance costs, net	(1,468)	(1,832)
Net income before income taxes	26,070	20,794
Current income tax expense	4,614	3,972
Deferred income tax expense	2,504	1,359
Total income tax expense	7,118	5,331
Net income	\$ 18,952	\$ 15,463
Net income (loss) attributable to:		
Shareholders of the Company	\$ 18,966	\$ 15,482
Non-controlling interest	(14)	(19)
Income per share		
Basic	\$ 0.50	\$ 0.39
Diluted	\$ 0.49	\$ 0.38

Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars except per share amounts)
(unaudited)

	Three months ended March 31	
	2025	2024
Net income	\$ 18,952	\$ 15,463
Foreign currency translation	1,786	1,635
Total other comprehensive income (loss) for the period	1,786	1,635
Total comprehensive income	\$ 20,738	\$ 17,098
Total comprehensive income (loss) attributable to:		
Shareholders of the Company	\$ 20,752	\$ 17,117

Consolidated Statements of Cash Flows(in thousands of Canadian dollars)
(unaudited)

	Three months ended March 31	
	2025	2024
Cash provided by (used in):		
Operations:		
Net income for the period	\$ 18,952	\$ 15,463
Add (deduct) items not affecting cash:		
Depreciation	22,950	20,664
Share-based compensation	108	709
Gain on sale of property, plant and equipment	(1,475)	(596)
Finance costs, net	1,468	1,832
Foreign currency translation	1,353	(270)
Current income tax expense	4,614	3,972
Deferred income tax expense	2,504	1,359
Income taxes paid	(5,540)	(10,296)
Cashflow	44,934	32,837
Changes in non-cash working capital items:		
Accounts receivable	(15,228)	(8,562)
Inventory	(6,177)	(14,747)
Prepaid expenses and deposits	(1,614)	3,712
Accounts payable and accrued liabilities	22,168	17,332
Deferred revenue	13,467	7,065
Cash provided by operating activities	57,550	37,637
Investing:		
Purchase of property, plant and equipment	(34,457)	(29,635)
Cash paid on acquisition	-	(47,350)
Proceeds on disposal of property, plant and equipment	2,492	627
Changes in non-cash working capital items	10,314	4,006
Cash used in investing activities	(21,651)	(72,352)
Financing:		
Advances of long-term debt	-	60,000
Repayment of long-term debt	(528)	(10,508)
Repayment of lease liabilities	(1,902)	(1,629)
Dividends to shareholders	(3,429)	(3,198)
Repurchase of common shares	(2,019)	(724)
Partnership distributions	-	(200)
Interest paid	(1,359)	(11,922)
Cash (used in) provided by financing activities	(9,237)	31,819
Change in cash and cash equivalents	26,662	(2,896)
Cash and cash equivalents, beginning of period	38,419	47,935
Cash and cash equivalents, end of period	\$ 65,081	\$ 45,039

Segmented Information

The Company provides a variety of products and services to the energy and other resource industries through five reporting segments, which operate substantially in three geographic regions. These reporting segments are Contract Drilling Services, which includes the contracting of drilling equipment and the provision of labor required to operate the equipment, Rentals and Transportation Services, which includes the rental and transportation of equipment used in energy and other industrial operations, Compression and Process Services, which includes the fabrication, sale, rental and servicing of gas compression

and process equipment and Well Servicing, which includes the contracting of service rigs and the provision of labor required to operate the equipment. Corporate includes activities related to the Company's corporate and public issuer affairs.

As at and for the three months ended March 31, 2025 (unaudited, in thousands of Canadian dollars)

	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate (1)	Total
Revenue	\$ 91,087	\$ 23,024	\$ 106,216	\$ 31,582	\$ -	\$ 251,909
Cost of services	63,943	12,340	87,185	25,660	-	189,128
Selling, general and administration	2,661	2,281	3,595	1,019	4,412	13,968
Other income	-	-	-	-	(308)	(308)
Share-based compensation	-	-	-	-	108	108
Depreciation	12,349	5,060	2,935	2,334	272	22,950
Operating income (loss)	12,134	3,343	12,501	2,569	(4,484)	26,063
Gain on sale of property, plant and equipment	745	23	304	403	-	1,475
Finance costs, net	7	(41)	(91)	(15)	(1,328)	(1,468)
Net income (loss) before income taxes	12,886	3,325	12,714	2,957	(5,812)	26,070
Goodwill	-	2,514	1,539	-	-	4,053
Total assets	449,682	167,067	291,774	85,352	5,696	999,571
Total liabilities	94,518	33,251	134,643	9,183	141,720	413,315
Capital expenditures	23,625	1,181	935	8,687	29	34,457

	Canada	United States	Australia	International	Total
Revenue	\$ 119,347	\$ 78,815	\$ 50,074	\$ 3,673	\$ 251,909
Non-current assets (2)	373,223	133,742	132,259	-	639,224

As at and for the three months ended March 31, 2024 (unaudited, in thousands of Canadian dollars)

	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate (1)	Total
Revenue	\$ 81,211	\$ 22,379	\$ 77,526	\$ 23,570	\$ -	\$ 204,686
Cost of services	55,892	10,915	63,551	17,871	-	148,229
Selling, general and administration	3,006	2,261	3,126	1,385	2,956	12,734
Other expense	-	-	-	-	320	320
Share-based compensation	-	-	-	-	709	709
Depreciation	10,343	5,064	2,589	2,399	269	20,664
Operating income (loss)	11,970	4,139	8,260	1,915	(4,254)	22,030
Gain on sale of property, plant and equipment	33	512	51	-	-	596
Finance costs, net	(22)	(41)	(102)	(23)	(1,644)	(1,832)
Net income (loss) before income taxes	11,981	4,610	8,209	1,892	(5,898)	20,794
Goodwill	-	2,514	1,539	-	-	4,053
Total assets	452,036	162,178	259,241	62,321	5,914	941,690
Total liabilities	87,200	32,233	100,016	6,867	171,407	397,723

Capital expenditures	12,801	2,785	10,455	3,594	-	29,635
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	Canada	United States	Australia	International	Total
Revenue	\$ 103,064	\$ 79,117	\$ 22,505	\$ -	\$ 204,686
Non-current assets ⁽²⁾	389,623	137,198	95,241	-	622,062

(1) Corporate includes the Company's corporate activities and obligations pursuant to long-term credit facilities.

(2) Includes property, plant and equipment, lease asset (excluding current portion) and goodwill.

Total Energy provides contract drilling services, equipment rentals and transportation services, well servicing and compression and process equipment and service to the energy and other resource industries from operation centers in North America and Australia. The common shares of Total Energy are listed and trade on the TSX under the symbol TOT.

For further information, please contact Daniel Halyk, President & Chief Executive Officer at (403) 216-3921 or Yuliya Gorbach, Vice-President Finance and Chief Financial Officer at (403) 216-3920 or by e-mail at: investorrelations@totalenergy.ca or visit our website at www.totalenergy.ca

Notes to the Financial Highlights

(1) EBITDA means earnings before interest, taxes, depreciation and amortization and is equal to net income (loss) before income taxes plus finance costs plus depreciation. EBITDA is not a recognized measure under IFRS. Management believes that in addition to net income (loss), EBITDA is a useful supplemental measure as it provides an indication of the results generated by the Company's primary business activities prior to consideration of how those activities are financed, amortized or how the results are taxed in various jurisdictions as well as the cash generated by the Company's primary business activities without consideration of the timing of the monetization of non-cash working capital items. Readers should be cautioned, however, that EBITDA should not be construed as an alternative to net income determined in accordance with IFRS as an indicator of Total Energy's performance. Total Energy's method of calculating EBITDA may differ from other organizations and, accordingly, EBITDA may not be comparable to measures used by other organizations.

(2) Working capital equals current assets minus current liabilities.

(3) Net Debt equals long-term debt plus lease liabilities plus current liabilities minus current assets. Management believes this measure provides a useful indication of the Company's liquidity.

(4) Basic and diluted shares outstanding reflect the weighted average number of common shares outstanding for the periods. See note 6 to the Company's Condensed Interim Consolidated Financial Statements.

Certain statements contained in this press release, including statements which may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts are forward-looking statements. Forward-looking statements are based upon the opinions and expectations of management of Total Energy as at the effective date of such statements and, in some cases, information supplied by third parties. Although Total Energy believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from third parties is reliable, it can give no assurance that those expectations will prove to have been correct.

*In particular, this press release contains forward-looking statements concerning industry activity levels, including expectations regarding Total Energy's future activity levels, market share and compression and process production activity. Such forward-looking statements are based on a number of assumptions and factors including fluctuations in the market for oil and natural gas and related products and services, political and economic conditions, central bank interest rate policy, the demand for products and services provided by Total Energy, Total Energy's ability to attract and retain key personnel and other factors. **Such forward-looking statements involve known and unknown risks and uncertainties which may cause the actual results, performance or achievements of Total Energy to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements.** Reference should be made to Total Energy's most recently filed Annual Information Form and other public disclosures (available at <http://www.sedarplus.ca/>) for a discussion of such risks and uncertainties.*

The TSX has neither approved nor disapproved of the information contained herein.