

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 2, 2023

FORUM ENERGY TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	001-35504 (Commission File Number)	61-1488595 (I.R.S. Employer Identification No.)
10344 Sam Houston Park Drive (Address of Principal Executive Offices)	Suite 300 Houston TX	77064 (Zip Code)

281 949-2500

Registrant's telephone number, including area code

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	FET	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 2, 2023, Forum Energy Technologies, Inc. (the “*Company*”) issued a press release announcing earnings for the quarter ended September 30, 2023. A copy of the release is furnished herewith as Exhibit 99.1 and incorporated herein by reference.

Exhibit 99.1 to this report contains “non-GAAP financial measures” as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”). The non-GAAP financial measures reflect earnings before interest, taxes, depreciation and amortization expense (“*EBITDA*”), adjusted EBITDA, adjusted operating income, adjusted net income, adjusted net income per diluted share (“*Adjusted Diluted EPS*”), book to bill ratio and free cash flow, before acquisitions (“*free cash flow*”). A reconciliation of EBITDA, adjusted EBITDA, adjusted operating income, adjusted net income, Adjusted Diluted EPS, book to bill ratio and free cash flow to the most directly comparable financial measures calculated and presented in accordance with Generally Accepted Accounting Principles in the United States (“*GAAP*”) is included as an attachment to the press release. The Company believes the presentation of EBITDA, adjusted EBITDA, adjusted operating income, adjusted net income, Adjusted Diluted EPS, book to bill ratio and free cash flow are useful to the Company’s investors because (i) each of these financial metrics are useful to investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of the Company’s normal operating results and (ii) EBITDA is an appropriate measure of evaluating the Company’s operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company’s securities and making strategic acquisitions. In addition, these benchmarks are widely used in the investment community.

The presentation of this additional information is not meant to be considered in isolation or as a substitute for the Company’s financial results prepared in accordance with GAAP.

The information contained in this Current Report shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Exhibit Title or Description
99.1	Press Release dated November 2, 2023.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 2, 2023

FORUM ENERGY TECHNOLOGIES, INC.

/s/ John C. Ivascu

John C. Ivascu

Executive Vice President, General Counsel, Chief Compliance Officer and
Corporate Secretary



Forum Energy Technologies Announces Third Quarter 2023 Results

- **Orders: \$199 million and book-to-bill ratio of 111%**
- **Revenue: \$179 million**
- **Net income: \$8 million and diluted EPS of \$0.77**
- **Adjusted EBITDA: \$17 million**
- **Operating cash flow and free cash flow: \$26 million and \$24 million, respectively**

HOUSTON, TEXAS, November 2, 2023 - Forum Energy Technologies, Inc. (NYSE: FET) today announced third quarter 2023 revenue of \$179 million, a 3% sequential decrease. Orders increased 7% sequentially to \$199 million, with a book-to-bill ratio of 111%. The third quarter 2023 net income was \$8 million, or \$0.77 per diluted share, compared to a net loss of \$7 million, or \$0.64 per diluted share, for the second quarter 2023.

Pre-tax foreign exchange gains of \$8 million comprise the majority of special items in the third quarter 2023. Excluding special items of \$0.72 per diluted share, the quarter's adjusted net income was \$0.05 per diluted share compared to the second quarter 2023 adjusted net income of \$0.10 per diluted share. See Tables 1-5 for a reconciliation of GAAP to non-GAAP financial information.

Neal Lux, President and Chief Executive Officer, remarked, "FET's international revenue grew 15%, significantly outpacing international rig count growth. Demand for our engineered products and solutions drove strong third quarter bookings, resulting in a book-to-bill ratio of 111%. All three segments increased their backlog. During the quarter, gross profit and EBITDA margins held steady as we maintained strong pricing levels. We also effectively managed our cost base, delivering over \$1 million in sustainable cost savings. Finally, we generated \$24 million of free cash flow, in line with our expectations.

"In the U.S., we had expected activity to bottom midway through the third quarter. However, rig count continued to decline and working hydraulic fracturing fleets were idled at a stronger than anticipated rate. This resulted in a sequential revenue decline of \$14 million in our Stimulation and Intervention product line, driven primarily by lower sales of capital equipment including power ends, radiators, and manifold trailers.

"For the fourth quarter, we anticipate global activity to remain relatively flat with the third quarter. Therefore, we forecast fourth quarter 2023 revenue and adjusted EBITDA to be in the ranges of \$170 to \$190 million and \$15 to \$19 million, respectively. For the full year, we now expect adjusted EBITDA to be around \$70 million.

Importantly, we anticipate delivering strong free cash flow at our previous guidance of \$50 million for the back half of 2023."

Segment Results (unless otherwise noted, comparisons are third quarter 2023 versus second quarter 2023)

Drilling & Downhole segment revenue was \$81 million, a 1% increase, despite a slight decline in global rig count. Orders were \$95 million, a 16% increase, due to higher bookings for new remotely operated vehicles in our Subsea Technologies product line, as well as increased demand for iron roughnecks in our Drilling Technologies product line. Segment adjusted EBITDA was \$11 million, a 5% increase, due to higher sales volume and favorable sales mix in our Downhole Technologies product line. Drilling & Downhole segment operations focus primarily on capital equipment and consumable products for global well construction, artificial lift, and subsea markets.

Completions segment revenue was \$63 million, a 13% decrease, primarily related to lower U.S. hydraulic fracturing activity levels. Orders were \$65 million, a 4% increase, primarily related to increased demand of coiled tubing. Segment adjusted EBITDA was \$8 million, a 18% decrease, resulting from lower revenue. The Completions segment designs and manufactures products for the coiled tubing, wireline, and stimulation markets.

Production segment revenue was \$37 million, a 12% increase, related to due to higher demand for our processing equipment and technologies. Orders were \$39 million, a 7% decrease, primarily related to the large volume of production equipment in the second quarter, partially offset by an increase in valves orders. Segment Adjusted EBITDA was \$3 million, a 32% increase primarily related to the execution of production equipment projects and cost management. The Production segment manufactures land well site production equipment, desalination process equipment, and a wide range of valves for upstream, midstream and process industry customers.

FET (Forum Energy Technologies) is a global company, serving the oil, natural gas, industrial and renewable energy industries. With headquarters located in Houston, Texas, FET provides value added solutions aimed at improving the safety, efficiency, and environmental impact of our customer's operations. For more information, please visit www.f-e-t.com.

Forward Looking Statements and Other Legal Disclosure

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the company expects, believes or anticipates will or may occur in the future are forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this press release specifically include the expectations of plans, strategies, objectives and anticipated financial and operating results of the company, including any statement about the company's future financial position, liquidity and capital resources, operations, performance, acquisitions, returns, capital expenditure budgets, new product development activities, costs and other guidance included in this press release.

These statements are based on certain assumptions made by the company based on management's experience and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. Among other things, these include the volatility of oil and natural gas prices, oilfield development activity levels, the availability of raw materials and specialized equipment, the company's ability to deliver backlog in a timely fashion, the availability of skilled and qualified labor, competition in the oil and natural gas industry, governmental regulation and taxation of the oil and natural gas industry, the company's ability to implement new technologies and services, the availability and terms of capital, and uncertainties regarding environmental regulations or litigation and other legal or regulatory developments affecting the company's business, impacts associated with COVID-19, and other important factors that could cause actual results to differ materially from those projected as described in the company's filings with the U.S. Securities and Exchange Commission.

Any forward-looking statement speaks only as of the date on which such statement is made and the company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Company Contact

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Forum Energy Technologies, Inc.
Condensed consolidated statements of income (loss)
(Unaudited)

<i>(in millions, except per share information)</i>	Three months ended		
	September 30,		June 30,
	2023	2022	2023
Revenue	\$ 179.3	\$ 181.8	\$ 185.4
Cost of sales	128.3	130.4	134.1
Gross profit	51.0	51.4	51.3
Operating expenses			
Selling, general and administrative expenses	45.5	43.7	44.4
Loss (gain) on disposal of assets and other	(0.2)	—	0.5
Total operating expenses	45.3	43.7	44.9
Operating income	5.7	7.7	6.4
Other expense (income)			
Interest expense	4.5	8.1	4.7
Foreign exchange losses (gains) and other, net	(8.2)	(18.2)	6.4
Total other (income) expense, net	(3.7)	(10.1)	11.1
Income (loss) before income taxes	9.4	17.8	(4.7)
Income tax expense	1.4	1.3	1.9
Net income (loss) ⁽¹⁾	\$ 8.0	\$ 16.5	\$ (6.6)
Weighted average shares outstanding			
Basic	10.2	5.8	10.2
Diluted	10.4	10.6	10.2
Earnings (loss) per share			
Basic	\$ 0.78	\$ 2.85	\$ (0.64)
Diluted	\$ 0.77	\$ 1.82	\$ (0.64)

⁽¹⁾ Refer to Table 1 for schedule of adjusting items.

Forum Energy Technologies, Inc.
Condensed consolidated statements of income (loss)
(Unaudited)

<i>(in millions, except per share information)</i>	Nine months ended	
	September 30,	
	2023	2022
Revenue	\$ 553.7	\$ 509.3
Cost of sales	399.3	370.7
Gross profit	154.4	138.6
Operating expenses		
Selling, general and administrative expenses	135.4	131.5
Loss (gain) on disposal of assets and other	0.1	(0.9)
Total operating expenses	135.5	130.6
Operating income	18.9	8.0
Other expense (income)		
Interest expense	13.7	23.6
Foreign exchange losses (gains) and other, net	1.1	(37.1)
Total other (income) expense, net	14.8	(13.5)
Income before taxes	4.1	21.5
Income tax expense	6.2	5.0
Net income (loss) ⁽¹⁾	\$ (2.1)	\$ 16.5
Weighted average shares outstanding		
Basic	10.2	5.7
Diluted	10.2	10.5
Earnings (loss) per share		
Basic	\$ (0.21)	\$ 2.88
Diluted	\$ (0.21)	\$ 2.37

⁽¹⁾ Refer to Table 2 for schedule of adjusting items.

Forum Energy Technologies, Inc.
Condensed consolidated balance sheets
(Unaudited)

<i>(in millions of dollars)</i>	September 30, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 37.2	\$ 51.0
Accounts receivable—trade, net	157.8	154.2
Inventories, net	302.3	269.8
Other current assets	33.9	37.9
Total current assets	<u>531.2</u>	<u>512.9</u>
Property and equipment, net of accumulated depreciation	61.4	63.0
Operating lease assets	56.4	57.3
Intangible assets, net	173.4	191.5
Other long-term assets	6.5	10.1
Total assets	<u>\$ 828.9</u>	<u>\$ 834.8</u>
Liabilities and equity		
Current liabilities		
Current portion of long-term debt	\$ 1.1	\$ 0.8
Other current liabilities	207.2	209.5
Total current liabilities	<u>208.3</u>	<u>210.3</u>
Long-term debt, net of current portion	128.5	239.1
Other long-term liabilities	75.0	78.3
Total liabilities	<u>411.8</u>	<u>527.7</u>
Total equity	417.1	307.1
Total liabilities and equity	<u>\$ 828.9</u>	<u>\$ 834.8</u>

Forum Energy Technologies, Inc.
Condensed consolidated cash flow information
(Unaudited)

<i>(in millions of dollars)</i>	Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities		
Net income (loss)	\$ (2.1)	\$ 16.5
Depreciation and amortization	26.0	28.2
Inventory write down	1.9	1.6
Other noncash items and changes in working capital	(28.9)	(78.4)
Net cash used in operating activities	(3.1)	(32.1)
Cash flows from investing activities		
Capital expenditures for property and equipment	(5.5)	(4.8)
Proceeds from sale of property and equipment	1.3	2.7
Payments related to business acquisitions and dispositions	—	(0.5)
Net cash used in investing activities	(4.2)	(2.6)
Cash flows from financing activities		
Borrowings of debt	351.6	423.9
Repayments of debt	(352.5)	(414.0)
Repurchases of stock	(6.0)	(0.7)
Net cash provided by (used in) financing activities	(6.9)	9.2
Effect of exchange rate changes on cash	0.3	(1.6)
Net decrease in cash, cash equivalents and restricted cash	\$ (13.9)	\$ (27.1)

Forum Energy Technologies, Inc.
Supplemental schedule - Segment information
(Unaudited)

<i>(in millions of dollars)</i>	As Reported			As Adjusted ⁽³⁾		
	Three months ended			Three months ended		
	September 30, 2023	September 30, 2022	June 30, 2023	September 30, 2023	September 30, 2022	June 30, 2023
Revenue						
Drilling & Downhole	\$ 81.2	\$ 75.7	\$ 80.7	\$ 81.2	\$ 75.7	\$ 80.7
Completions	62.5	72.2	72.1	62.5	72.2	72.1
Production	36.9	34.2	33.0	36.9	34.2	33.0
Eliminations	(1.3)	(0.3)	(0.4)	(1.3)	(0.3)	(0.4)
Total revenue	\$ 179.3	\$ 181.8	\$ 185.4	\$ 179.3	\$ 181.8	\$ 185.4
Operating income (loss)						
Drilling & Downhole	\$ 8.4	\$ 9.5	\$ 8.3	\$ 8.5	\$ 9.8	\$ 8.1
<i>Operating Margin %</i>	10.3 %	12.5 %	10.3 %	10.5 %	12.9 %	10.0 %
Completions	2.1	5.9	4.2	2.0	4.8	4.3
<i>Operating Margin %</i>	3.4 %	8.2 %	5.8 %	3.2 %	6.6 %	6.0 %
Production	1.8	0.7	1.1	2.0	0.6	1.4
<i>Operating Margin %</i>	4.9 %	2.0 %	3.3 %	5.4 %	1.8 %	4.2 %
Corporate	(6.8)	(8.4)	(6.7)	(6.3)	(7.3)	(6.6)
Total segment operating income	5.5	7.7	6.9	6.2	7.9	7.2
Other items not in segment operating income ⁽¹⁾	0.2	—	(0.5)	0.2	—	0.3
Total operating income	\$ 5.7	\$ 7.7	\$ 6.4	\$ 6.4	\$ 7.9	\$ 7.5
<i>Operating Margin %</i>	3.2 %	4.2 %	3.5 %	3.6 %	4.3 %	4.0 %
EBITDA ⁽²⁾						
Drilling & Downhole	\$ 18.2	\$ 27.8	\$ 5.1	\$ 11.4	\$ 12.8	\$ 10.9
<i>EBITDA Margin %</i>	22.4 %	36.7 %	6.3 %	14.0 %	16.9 %	13.5 %
Completions	8.1	12.1	9.1	7.8	10.3	9.5
<i>EBITDA Margin %</i>	13.0 %	16.8 %	12.6 %	12.5 %	14.3 %	13.2 %
Production	2.3	1.5	1.6	2.5	1.2	1.9
<i>EBITDA Margin %</i>	6.2 %	4.4 %	4.8 %	6.8 %	3.5 %	5.8 %
Corporate	(5.7)	(6.4)	(7.3)	(5.1)	(6.5)	(4.9)
Total EBITDA	\$ 22.9	\$ 35.0	\$ 8.5	\$ 16.6	\$ 17.8	\$ 17.4
<i>EBITDA Margin %</i>	12.8 %	19.3 %	4.6 %	9.3 %	9.8 %	9.4 %

⁽¹⁾ Includes gain/(loss) on disposal of assets and other.

⁽²⁾ The Company believes that the presentation of EBITDA is useful to the Company's investors because EBITDA is an appropriate measure for evaluating the Company's operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities and making strategic acquisitions. In addition, EBITDA is a widely used benchmark in the investment community. See the attached separate schedule for the reconciliation of GAAP to non-GAAP financial information.

⁽³⁾ Refer to Table 1 for schedule of adjusting items.

Forum Energy Technologies, Inc.
Supplemental schedule - Segment information
(Unaudited)

<i>(in millions of dollars)</i>	As Reported		As Adjusted ⁽³⁾	
	Nine months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenue				
Drilling & Downhole	\$ 238.7	\$ 223.5	\$ 238.7	\$ 223.5
Completions	208.2	190.9	208.2	190.9
Production	108.9	95.6	108.9	95.6
Eliminations	(2.1)	(0.7)	(2.1)	(0.7)
Total revenue	\$ 553.7	\$ 509.3	\$ 553.7	\$ 509.3
Operating income (loss)				
Drilling & Downhole	\$ 25.2	\$ 24.0	\$ 25.2	\$ 24.3
<i>Operating Margin %</i>	10.6 %	10.7 %	10.6 %	10.9 %
Completions	9.9	8.8	10.6	7.2
<i>Operating Margin %</i>	4.8 %	4.6 %	5.1 %	3.8 %
Production	4.5	(1.2)	5.1	(1.1)
<i>Operating Margin %</i>	4.1 %	(1.3)%	4.7 %	(1.2)%
Corporate	(20.5)	(24.6)	(19.8)	(19.4)
Total segment operating income	19.1	7.0	21.1	11.0
Other items not in segment operating income ⁽¹⁾	(0.2)	1.0	0.7	0.2
Total operating income	\$ 18.9	\$ 8.0	\$ 21.8	\$ 11.2
<i>Operating Margin %</i>	3.4 %	1.6 %	3.9 %	2.2 %
EBITDA ⁽²⁾				
Drilling & Downhole	\$ 31.8	\$ 67.0	\$ 33.7	\$ 34.0
<i>EBITDA Margin %</i>	13.3 %	30.0 %	14.1 %	15.2 %
Completions	26.0	26.1	27.2	23.9
<i>EBITDA Margin %</i>	12.5 %	13.7 %	13.1 %	12.5 %
Production	6.2	2.0	6.7	1.3
<i>EBITDA Margin %</i>	5.7 %	2.1 %	6.2 %	1.4 %
Corporate	(20.2)	(21.8)	(16.0)	(17.0)
Total EBITDA	\$ 43.8	\$ 73.3	\$ 51.6	\$ 42.2
<i>EBITDA Margin %</i>	7.9 %	14.4 %	9.3 %	8.3 %

⁽¹⁾ Includes gain/(loss) on disposal of assets, and other.

⁽²⁾ The Company believes that the presentation of EBITDA is useful to the Company's investors because EBITDA is an appropriate measure for evaluating the Company's operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities and making strategic acquisitions. In addition, EBITDA is a widely used benchmark in the investment community. See the attached separate schedule for the reconciliation of GAAP to non-GAAP financial information.

⁽³⁾ Refer to Table 2 for schedule of adjusting items.

Forum Energy Technologies, Inc.
Supplemental schedule - Orders information
(Unaudited)

<i>(in millions of dollars)</i>	Three months ended		
	September 30, 2023	September 30, 2022	June 30, 2023
Orders			
Drilling & Downhole	\$ 95.0	\$ 73.3	\$ 82.1
Completions	65.1	78.7	62.7
Production	38.7	45.7	41.5
Total orders	\$ 198.8	\$ 197.7	\$ 186.3
Revenue			
Drilling & Downhole	\$ 81.2	\$ 75.7	\$ 80.7
Completions	62.5	72.2	72.1
Production	36.9	34.2	33.0
Eliminations	(1.3)	(0.3)	(0.4)
Total revenue	\$ 179.3	\$ 181.8	\$ 185.4
Book to bill ratio ⁽¹⁾			
Drilling & Downhole	1.17	0.97	1.02
Completions	1.04	1.09	0.87
Production	1.05	1.34	1.26
Total book to bill ratio	1.11	1.09	1.00

⁽¹⁾ The book-to-bill ratio is calculated by dividing the dollar value of orders received in a given period by the revenue earned in that same period. The Company believes that this ratio is useful to investors because it provides an indication of whether the demand for our products is strengthening or declining. A ratio of greater than one is indicative of improving market demand, while a ratio of less than one would suggest weakening demand. In addition, the Company believes the book-to-bill ratio provides more meaningful insight into future revenues for our business than other measures, such as order backlog, because the majority of the Company's products are activity based consumable items or shorter cycle capital equipment, neither of which are typically ordered by customers far in advance.

Forum Energy Technologies, Inc.
Reconciliation of GAAP to non-GAAP financial information
(Unaudited)

Table 1 - Adjusting items

<i>(in millions, except per share information)</i>	Three months ended								
	September 30, 2023			September 30, 2022			June 30, 2023		
	Operating income	EBITDA ⁽¹⁾	Net income (loss)	Operating income	EBITDA ⁽¹⁾	Net income (loss)	Operating income	EBITDA ⁽¹⁾	Net income (loss)
As reported	\$ 5.7	\$ 22.9	\$ 8.0	\$ 7.7	\$ 35.0	\$ 16.5	\$ 6.4	\$ 8.5	\$ (6.6)
% of revenue	3.2 %	12.8 %		4.2 %	19.3 %		3.5 %	4.6 %	
Restructuring, transaction and other costs	0.8	0.8	0.8	1.0	1.0	1.0	1.5	1.5	1.5
Inventory and other working capital adjustments	(0.1)	(0.1)	(0.1)	(0.8)	(0.8)	(0.8)	(0.4)	(0.4)	(0.4)
Loss (gain) on foreign exchange, net ⁽²⁾	—	(8.2)	(8.2)	—	(18.2)	(18.2)	—	6.5	6.5
Stock-based compensation expense	—	1.2	—	—	0.8	—	—	1.3	—
As adjusted ⁽¹⁾	<u>\$ 6.4</u>	<u>\$ 16.6</u>	<u>\$ 0.5</u>	<u>\$ 7.9</u>	<u>\$ 17.8</u>	<u>\$ (1.5)</u>	<u>\$ 7.5</u>	<u>\$ 17.4</u>	<u>\$ 1.0</u>
% of revenue	3.6 %	9.3 %		4.3 %	9.8 %		4.0 %	9.4 %	
Diluted shares outstanding as reported			10.4			10.6			10.2
Diluted shares outstanding as adjusted			10.4			6.0			10.2
Diluted EPS - as reported			\$ 0.77			\$ 1.82			\$ (0.64)
Diluted EPS - as adjusted			\$ 0.05			\$ (0.25)			\$ 0.10

⁽¹⁾ The Company believes that the presentation of EBITDA, adjusted EBITDA, adjusted operating loss, adjusted net loss and adjusted diluted EPS are useful to the Company's investors because (i) each of these financial metrics are useful to investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of the Company's normal operating results and (ii) EBITDA is an appropriate measure of evaluating the company's operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities and making strategic acquisitions. In addition, these benchmarks are widely used in the investment community. See the attached separate schedule for the reconciliation of GAAP to non-GAAP financial information.

⁽²⁾ Foreign exchange, net primarily relates to cash and receivables denominated in U.S. dollars by some of our non-U.S. subsidiaries that report in a local currency, and therefore the loss (gain) has no economic impact in dollar terms.

Forum Energy Technologies, Inc.
Reconciliation of GAAP to non-GAAP financial information
(Unaudited)

Table 2 - Adjusting items

<i>(in millions, except per share information)</i>	Nine months ended					
	September 30, 2023			September 30, 2022		
	Operating income	EBITDA ⁽¹⁾	Net income (loss)	Operating income	EBITDA ⁽¹⁾	Net income (loss)
As reported	\$ 18.9	\$ 43.8	\$ (2.1)	\$ 8.0	\$ 73.3	\$ 16.5
% of revenue	3.4 %	7.9 %		1.6 %	14.4 %	
Restructuring, transaction and other costs	3.4	3.4	3.4	6.1	6.1	6.1
Inventory and other working capital adjustments	(0.5)	(0.5)	(0.5)	(2.9)	(2.9)	(2.9)
Stock-based compensation expense	—	3.3	—	—	2.5	—
Loss (gain) on foreign exchange, net ⁽²⁾	—	1.6	1.6	—	(36.8)	(36.8)
As adjusted ⁽¹⁾	\$ 21.8	\$ 51.6	\$ 2.4	\$ 11.2	\$ 42.2	\$ (17.1)
% of revenue	3.9 %	9.3 %		2.2 %	8.3 %	
Diluted shares outstanding as reported			10.2			10.5
Diluted shares outstanding as adjusted			10.2			6.0
Diluted EPS - as reported			\$ (0.21)			\$ 2.37
Diluted EPS - as adjusted			\$ 0.24			\$ (2.85)

⁽¹⁾ The Company believes that the presentation of EBITDA, adjusted EBITDA, adjusted operating loss, adjusted net loss and adjusted diluted EPS are useful to the Company's investors because (i) each of these financial metrics are useful to investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of the Company's normal operating results and (ii) EBITDA is an appropriate measure of evaluating the company's operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities and making strategic acquisitions. In addition, these benchmarks are widely used in the investment community. See the attached separate schedule for the reconciliation of GAAP to non-GAAP financial information.

⁽²⁾ Foreign exchange, net primarily relates to cash and receivables denominated in U.S. dollars by some of our non-U.S. subsidiaries that report in a local currency, and therefore the loss (gain) has no economic impact in dollar terms.

Forum Energy Technologies, Inc.
Reconciliation of GAAP to non-GAAP financial information
(Unaudited)

Table 3 - Adjusting Items

<i>(in millions of dollars)</i>	Three months ended		
	September 30, 2023	September 30, 2022	June 30, 2023
EBITDA reconciliation ⁽¹⁾			
Net income (loss)	\$ 8.0	\$ 16.5	\$ (6.6)
Interest expense	4.5	8.1	4.7
Depreciation and amortization	9.0	9.1	8.5
Income tax expense	1.4	1.3	1.9
EBITDA	\$ 22.9	\$ 35.0	\$ 8.5

⁽¹⁾ The Company believes adjusted EBITDA is useful to investors because it is an appropriate measure of evaluating operating performance and liquidity. It reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities, and making strategic acquisitions. In addition, adjusted EBITDA is a widely used benchmark in the investment community.

Forum Energy Technologies, Inc.
Reconciliation of GAAP to non-GAAP financial information
(Unaudited)

Table 4 - Adjusting Items

<i>(in millions of dollars)</i>	Nine months ended	
	September 30, 2023	September 30, 2022
EBITDA reconciliation ⁽¹⁾		
Net income (loss)	\$ (2.1)	\$ 16.5
Interest expense	13.7	23.6
Depreciation and amortization	26.0	28.2
Income tax expense	6.2	5.0
EBITDA	\$ 43.8	\$ 73.3

⁽¹⁾ The Company believes adjusted EBITDA is useful to investors because it is an appropriate measure of evaluating operating performance and liquidity. It reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities, and making strategic acquisitions. In addition, adjusted EBITDA is a widely used benchmark in the investment community.

Forum Energy Technologies, Inc.
Reconciliation of GAAP to non-GAAP financial information
(Unaudited)

Table 5 - Adjusting items

<i>(in millions of dollars)</i>	Three months ended	Nine months ended	
	September 30, 2023	September 30, 2023	September 30, 2022
Free cash flow, before acquisitions, reconciliation ⁽¹⁾			
Net cash used in operating activities	\$ 26.4	\$ (3.1)	\$ (32.1)
Capital expenditures for property and equipment	(2.7)	(5.5)	(4.8)
Proceeds from sale of property and equipment	0.2	1.3	2.7
Free cash flow, before acquisitions	\$ 23.9	\$ (7.3)	\$ (34.2)

⁽¹⁾ The Company believes free cash flow, before acquisitions is an important measure because it encompasses both profitability and capital management in evaluating results.

Forum Energy Technologies, Inc.
Supplemental schedule - Product line revenue
(Unaudited)

<i>(in millions of dollars)</i>	Three months ended					
	September 30, 2023		September 30, 2022		June 30, 2023	
Revenue	\$	%	\$	%	\$	%
Drilling Technologies	\$ 43.0	24.0 %	\$ 38.2	21.0 %	\$ 45.3	24.4 %
Downhole Technologies	23.5	13.1 %	21.9	12.0 %	22.1	11.9 %
Subsea Technologies	14.7	8.2 %	15.6	8.6 %	13.3	7.2 %
Drilling & Downhole	81.2	45.3 %	75.7	41.6 %	80.7	43.5 %
Stimulation and Intervention	32.6	18.2 %	43.6	24.0 %	46.4	25.0 %
Coiled Tubing	29.9	16.7 %	28.6	15.7 %	25.7	13.9 %
Completions	62.5	34.9 %	72.2	39.7 %	72.1	38.9 %
Production Equipment	21.7	12.1 %	18.5	10.2 %	17.7	9.5 %
Valve Solutions	15.2	8.5 %	15.7	8.6 %	15.3	8.3 %
Production	36.9	20.6 %	34.2	18.8 %	33.0	17.8 %
Eliminations	(1.3)	(0.8)%	(0.3)	(0.1)%	(0.4)	(0.2)%
Total revenue	\$ 179.3	100.0 %	\$ 181.8	100.0 %	\$ 185.4	100.0 %