

Acuren Corporation Announces First Half 2024 Results

Files S-4 Registration Statement in Anticipation of Relisting in the U. S.

Houston, Texas – November 4, 2024 –Acuren Corporation (“Acuren” or the “Company”) today announced financial results for ASP Acuren Holdings Inc. (“ASP Acuren”) for the six months ended June 30, 2024, along with the filing of the Company’s S-4 registration statement.

First Half 2024 Results Compared to First Half 2023 Results

- Revenue of \$532.4 million, up 3.5%
- Gross profit of \$136.5 million, up 17.3%
- Income from Operations of \$33.7 million, up 18.0%
- Adjusted EBITDA of \$94.6 million, up 14.6%
- Adjusted EBITDA Margin of 17.8%, compared to 16.1%

Tal Pizzey, CEO of Acuren stated, “Our results for the first half of 2024 reflect improvement in service revenues and margins, which include a balance of organic and acquired contributions, as well as favorable project mix and continued strong workforce utilization. We are working diligently towards our public market debut and look forward to building on our momentum within the markets we serve and capitalizing on the opportunities we see ahead to build a world leading testing, inspection, certification and compliance organization.”

Planned Relisting

On July 30, 2024, the Company completed its acquisition of ASP Acuren for \$1.88 billion in cash. Following the transaction, Acuren cancelled its listing on the London Stock Exchange on August 19, 2024 and announced today the public filing of its S-4 Registration Statement in connection with the Company’s domestication and relisting in the United States.

Although a registration statement has been filed with the Securities Exchange Commission it has not yet become effective. Securities offered under the registration statement may not be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective. This press release does not constitute an offer to sell, or a solicitation of an offer to buy any securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction. Any offers, solicitations or offers to buy, or any sales of securities will be made in accordance with the registration requirements of the Securities Act or 1933, as amended.

About Acuren Corporation

Acuren is a leading provider of critical asset integrity services. The company operates primarily in North America serving a broad range of industrial markets. It provides these essential and often compliance-mandated (often at customer locations) services in the industrial space and is focused

on the recurring maintenance needs of its customers. The work Acuren does fits in the service category referred to as Testing, Inspection and Certification (TIC) including Nondestructive Testing (“NDT”) in the field and the laboratory and in-lab destructive testing capabilities.

Non-GAAP Financial Measures

This press release contains EBITDA and Adjusted EBITDA, non-U.S. GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. As used in this press release, EBITDA is defined as earnings before interest, taxes, depreciation and amortization and Adjusted EBITDA defined as EBITDA excluding the impact of certain non-cash and other specifically identified items. The Company uses these non-U.S. GAAP financial measures and the additional financial information both in explaining its results to shareholders and the investment community and in its internal evaluation and management of its businesses. The Company’s management believes that these non-U.S. GAAP financial measures and the information they provide are useful to investors since these measures (a) permit investors to view the Company’s performance using the same tools that management uses to evaluate the Company’s past performance, reportable business segments and prospects for future performance, (b) permit investors to compare the Company with its peers, (c) determines certain elements of management’s incentive compensation, and (d) provide consistent period-to-period comparisons of the results.

While the Company believes these non-U.S. GAAP measures are useful in evaluating the Company’s performance, this information should be considered as supplemental in nature and not as a substitute for or superior to the related financial information prepared in accordance with U.S. GAAP. Additionally, these non-U.S. GAAP financial measures may differ from similar measures presented by other companies. A reconciliation of these non-U.S. GAAP financial measures is included later in this press release.

Contacts

Investor Relations

Dan Scott / Rodny Nacier

IR@acuren.com

Second Quarter 2024 Consolidated Results

ASP Acuren Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(amounts in thousands, except share and per share data)
(Unaudited)

	June 30, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 30,796	\$ 87,061
Accounts receivable, net	280,616	233,244
Prepaid expenses and other current assets	19,346	13,608
Total current assets	330,758	333,913
Property, plant and equipment, net	115,756	112,264
Operating lease right-of-use assets, net	25,079	22,441
Goodwill	528,182	511,501
Intangible assets, net	262,915	264,335
Deferred income tax asset	2,368	2,368
Other assets	13,949	15,793
Total assets	<u>\$ 1,279,007</u>	<u>\$ 1,262,615</u>
Liabilities and Equity		
Current liabilities		
Accounts payable	\$ 18,412	\$ 23,206
Accrued expenses and other current liabilities	71,102	65,775
Current portion long-term debt	7,280	7,280
Current portion of lease obligations	17,119	16,623
Total current liabilities	113,913	112,884
Long-term debt, net of current portion	683,528	668,031
Non-current lease obligations	40,148	38,061
Deferred income tax liability	38,961	35,294
Other liabilities	22,321	26,346
Total liabilities	898,871	880,616
Commitments and contingencies		
Equity		
Common stock, \$0.01 par value; 5,700,000 shares issued and 5,024,802 shares outstanding	50	50
Treasury stock, 7,769 common shares at cost	(1,029)	(1,029)
Additional paid-in capital	384,023	366,327
Accumulated earnings	10,726	17,447

Accumulated other comprehensive loss	<u>(13,634)</u>	<u>(796)</u>
Total equity	<u>380,136</u>	<u>381,999</u>
Total liabilities and equity	<u>\$ 1,279,007</u>	<u>\$ 1,262,615</u>

ASP Acuren Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(amounts in thousands)
(Unaudited)

	Six Months ended	
	June 30,	
	2024	2023
Service revenue	\$ 532,354	\$ 514,388
Cost of revenue	395,887	398,004
Gross profit	136,467	116,384
Selling, general and administrative expenses	102,724	87,797
Income from operations	33,743	28,587
Interest expense, net	33,551	23,643
Other expense (income), net	(286)	62
Income before provision for income taxes	478	4,882
Provision (benefit) for income taxes	7,199	(2,293)
Net income (loss)	\$ (6,721)	\$ 7,175

ASP Acuren Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(amounts in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income (loss)	\$ (6,721)	\$ 7,175
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision (reversals) for credit losses	(297)	859
Depreciation and amortization	38,763	47,946
Noncash lease expense	6,070	5,247
Share-based compensation expense	17,696	1,727
Amortization of deferred financing costs	2,043	1,625
Fair value adjustments on interest rate derivatives	3,102	(1,080)
Deferred income taxes	(5,401)	473
Other	(357)	71
Changes in operating assets and liabilities, net of effects of business acquisitions:		
Accounts receivable	(46,084)	(46,675)
Prepaid expenses and other current assets	(4,991)	(13,612)
Accounts payable	(7,052)	(1,809)
Accrued expenses and other current liabilities	3,710	7,266
Operating lease obligations	(6,369)	(4,574)
Other assets and liabilities	(2,866)	(6,376)
Net cash used in operating activities	(8,754)	(1,737)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(11,321)	(9,513)
Proceeds from sale of property, plant and equipment	974	684
Acquisition of businesses, net of cash acquired	(46,280)	—
Net cash used in investing activities	(56,627)	(8,829)
Cash flows from financing activities:		
Borrowings under long-term debt	30,000	25,000
Repayments of long-term debt	(16,346)	(52,743)
Principal payments on finance lease obligations	(4,904)	(5,021)
Net cash provided by (used in) financing activities	8,750	(32,764)

Net effect of exchange rate fluctuations on cash and cash equivalents	<u>366</u>	<u>6,178</u>
Net change in cash and cash equivalents	(56,265)	(37,152)
Cash and cash equivalents		
Beginning of period	<u>87,061</u>	<u>62,585</u>
End of period	<u>\$ 30,796</u>	<u>\$ 25,433</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ 7,377	\$ 10,925
Income taxes paid	\$ 16,723	\$ 13,403
Supplemental disclosure of non-cash operating and investing activities:		
Purchase of property and equipment accrued and not yet paid	\$ 1,795	\$ 1,704

ASP Acuren Holdings, Inc. and Subsidiaries
Reconciliation of Adjusted EBITDA to Net Income (Loss)
(amounts in thousands)
(Unaudited)

	Six Months ended	
	June 30,	
	2024	2023
Net income (loss)	\$ (6,721)	\$ 7,175
Provision (benefit) for income taxes	7,199	(2,293)
Interest expense, net	33,551	23,643
Depreciation and amortization	38,763	47,946
EBITDA	\$ 72,792	\$ 76,471
Expenses related to the seller ⁽¹⁾	18,828	3,915
Expenses related to acquisitions and integration of acquisitions ⁽²⁾	2,052	1,522
Restructuring, reorganization and severance ⁽³⁾	1,018	408
Normalization, currency and run rate adjustments ⁽⁴⁾	611	227
Other non-recurring (income) expenses	(657)	38
Adjusted EBITDA⁽⁵⁾	\$ 94,644	\$ 82,581

- (1) Adjustment includes equity-based compensation being paid at Closing and management fees of the seller of ASP Acuren.
- (2) Adjustment includes transaction costs and costs to integrate acquisitions.
- (3) Adjustment includes restructuring, reorganization and severance costs incurred that are not expected to recur.
- (4) Adjustment to present both periods at the same USD to CAD and USD to GBP exchange rates based on the exchange rates used for management's annual planning purposes in 2024.
- (5) Adjusted EBITDA does not include results from entities acquired by ASP Acuren prior to their acquisition date and does not include any estimates of public company expenses.