

Oilfield Services

Quarterly Update | Q2 2024



Industry Overview

M&A Transactions & Performance

North American Mid-Market Oilfield Services - M&A Activity (Transaction Count)



Source: Capital IQ. Data as of June 30, 2024.

Above noted mid-market M&A activity includes disclosed transactions not exceeding a total transaction value of \$500 million.

Canadian Transactions

3

Canadian Transaction Value

\$23.9 million

(-74.9% vs. Q1 2024)

U.S. Transaction Value

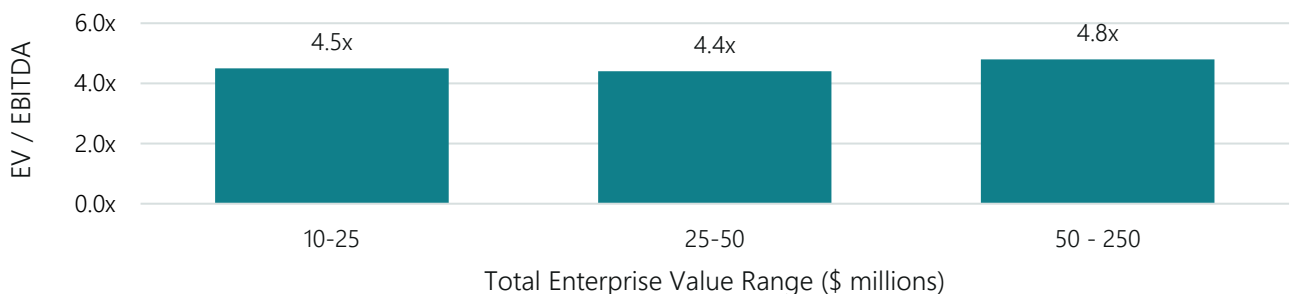
\$424.7 million

(711.6% vs. Q1 2024)

U.S. Transactions

6

Private Equity Deal Multiples (Support Activities for Oil and Gas)



Source: GF Data.

- Merger and acquisition (M&A) activity in Q2 2024 reached \$448.6 million in disclosed transaction value across 9 deals in Canada (3) and the U.S. (6). The average deal size among disclosed transactions was \$74.8 million, a 1.4% increase from \$73.8 million in Q1 2024. Strategic buyers accounted for 89% of the Q2 2024 transaction volume, while financial buyers comprised the remaining 11%.
- M&A activity is expected to increase in 2024, driven by the highly anticipated Trans Mountain Expansion project beginning commercial operations in May. This completion has led to record oil production in Alberta for the year-to-date period. Overall, increased pipeline capacity is expected to enhance the competitiveness of Canadian heavy oil in the market, improving sector earnings and valuations.

Market Update

Select Recent M&A Transactions

Ravenswood Investments

acquired



Announced	June 6, 2024
Transaction Value	\$5.6MM
TEV/EBITDA	3.67x
Location	Calgary, AB

- **Ravenswood Investments III, L.P. (Ravenswood)** acquired an additional 4.5% stake in Pulse Seismic Inc. (TSX:PSD) for \$5.6 million on June 6, 2024. Ravenswood owns approximately 21.3% of the common shares outstanding following the transaction.
- **Pulse Seismic Inc.** acquires, markets, and licenses two-dimensional and three-dimensional seismic data for the energy sector in Canada.

Enersol RSC Ltd.

acquired



Closed	June 11, 2024
Transaction Value	\$371.8MM
TEV/EBITDA	Not Disclosed
Location	Scott, LA

- **Enersol RSC LTD (Enersol)** agreed to acquire an additional 42.2% stake in Gordon Technologies, L.L.C. for approximately \$270 million on June 11, 2024. Approximately 80% of the consideration will be funded upon closing, with the remainder paid in the next two years, subject to certain performance conditions. The transaction will make Enersol the majority equity holder.
- **Gordon Technologies, L.L.C.** develops tools for the oil and gas industry. Its products include tools that help in measurements while drilling, preventing failures due to high shock, vibration, and high-temperature environments.



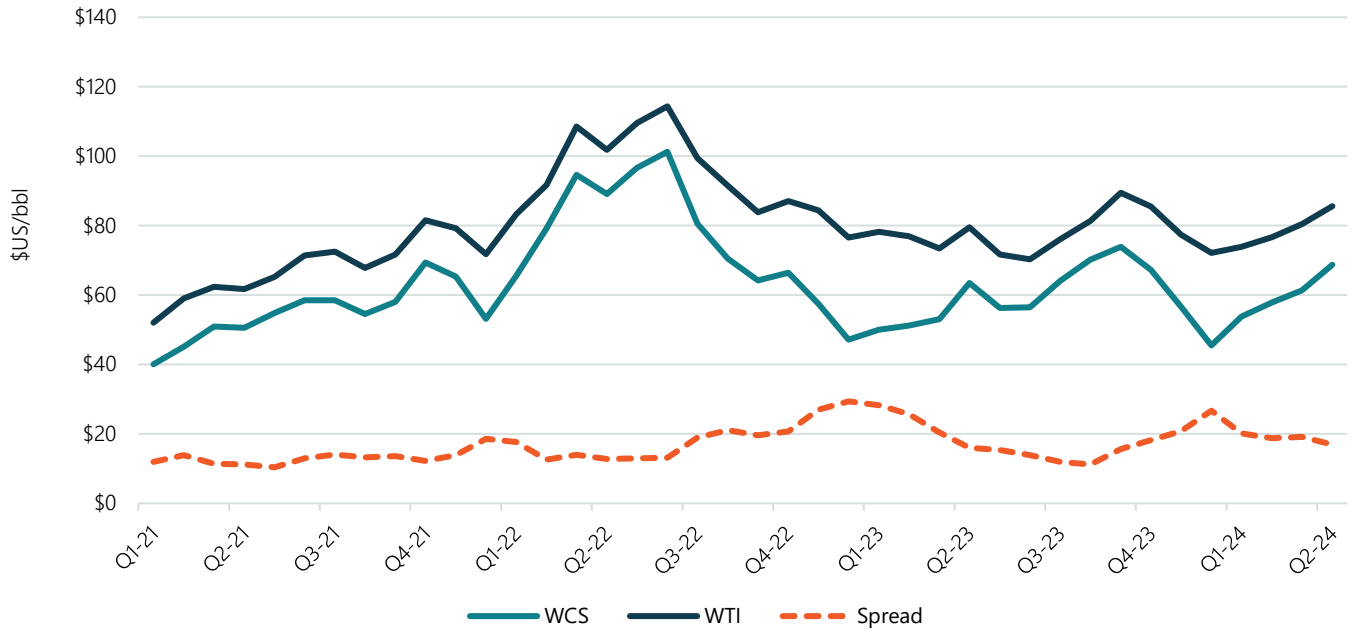
acquired



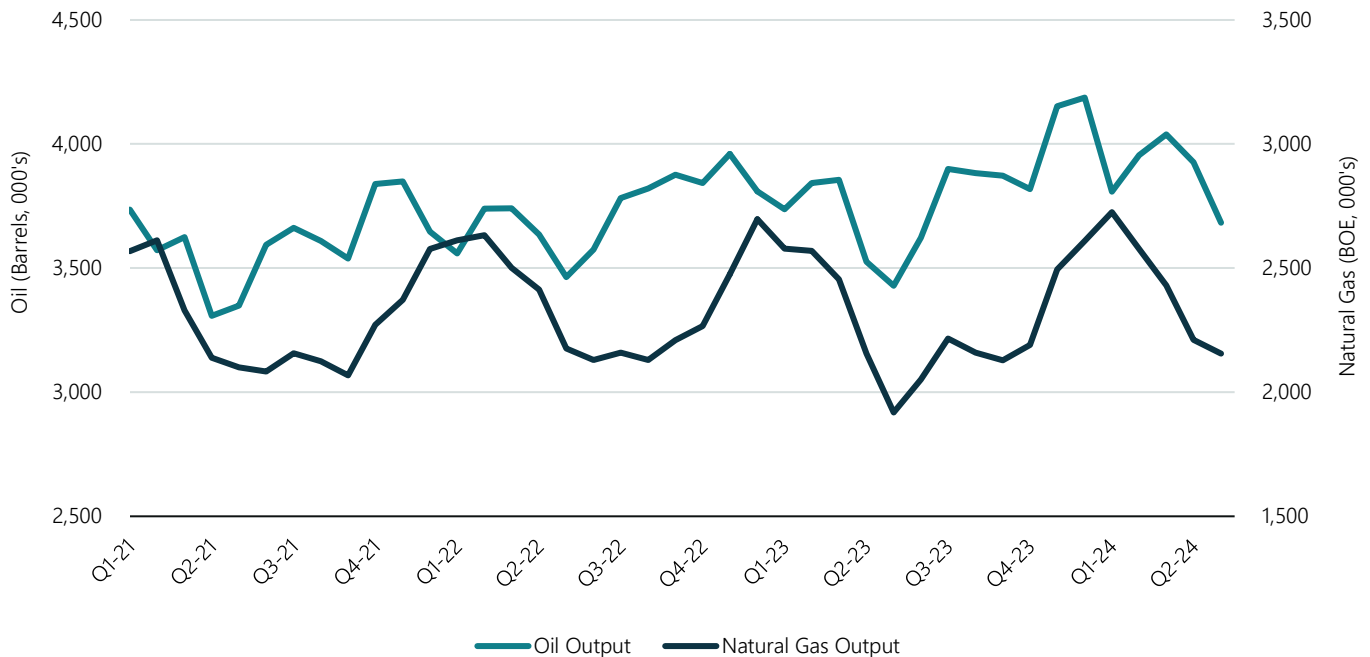
Announced	June 11, 2024
Transaction Value	\$18.2MM
TEV/EBITDA	3.42x
Location	Calgary, AB

- **Fairfax Financial Holdings Limited (TSX:FFH)** agreed to acquire an additional 4.24% stake in Ensign Energy Services Inc. (TSX:ESI) for \$18.2 million on June 11, 2024.
- **Ensign Energy Services Inc.** provides coring and oil sands drilling services to the mining, and oil and natural gas industries.

WTI Versus WCS



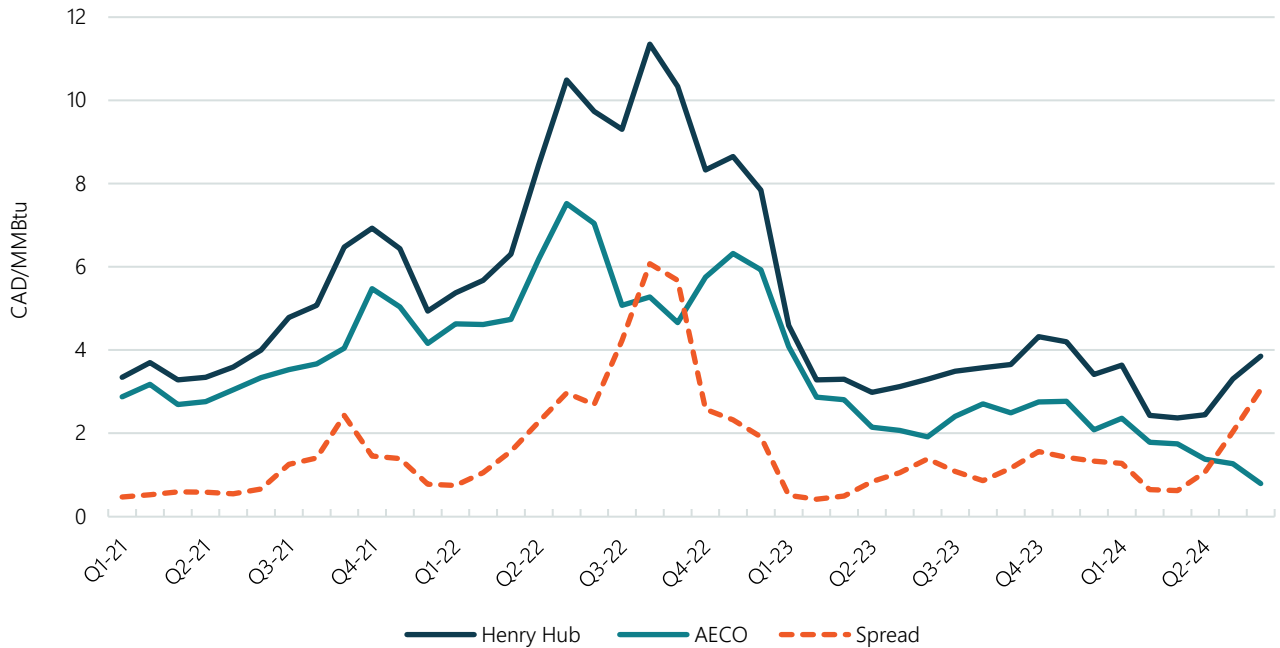
Average Barrel and BOE¹ Production Per Day in Alberta



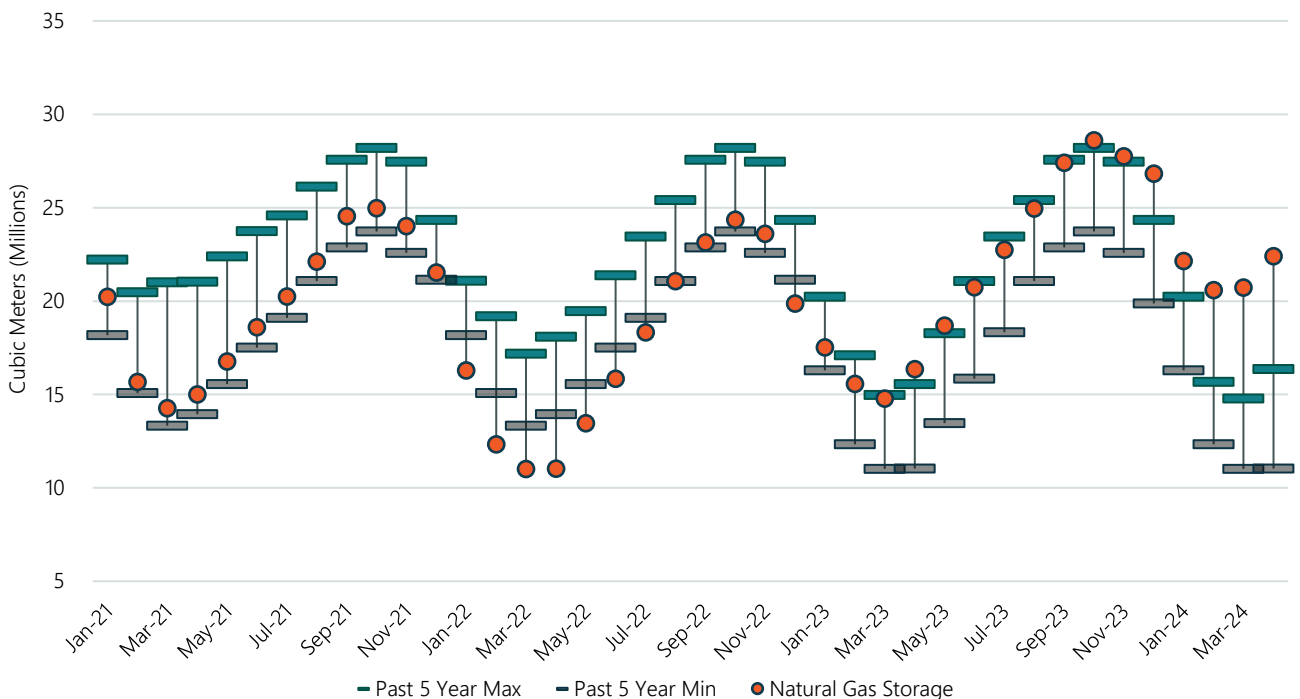
Note 1: Barrel of oil equivalent (BOE) summarizes the amount of energy of natural gas equivalent to that contained in a barrel of oil.

Sources: Government of Alberta – Oil Prices as of June 30, 2024,
Alberta Energy Regulator – Energy Resource Industries Monthly Statistics as of June 30, 2024.

Natural Gas Prices: Henry Hub vs. AECO



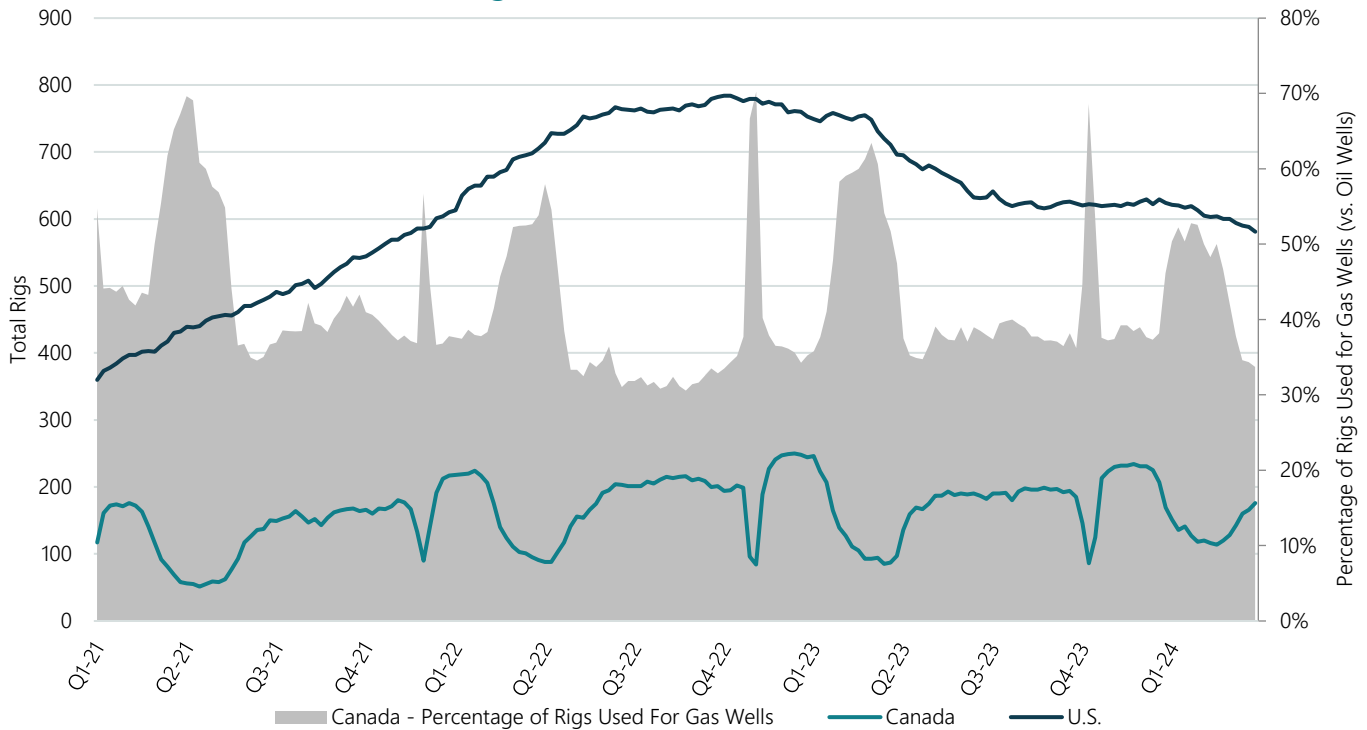
Canadian Natural Gas Storage



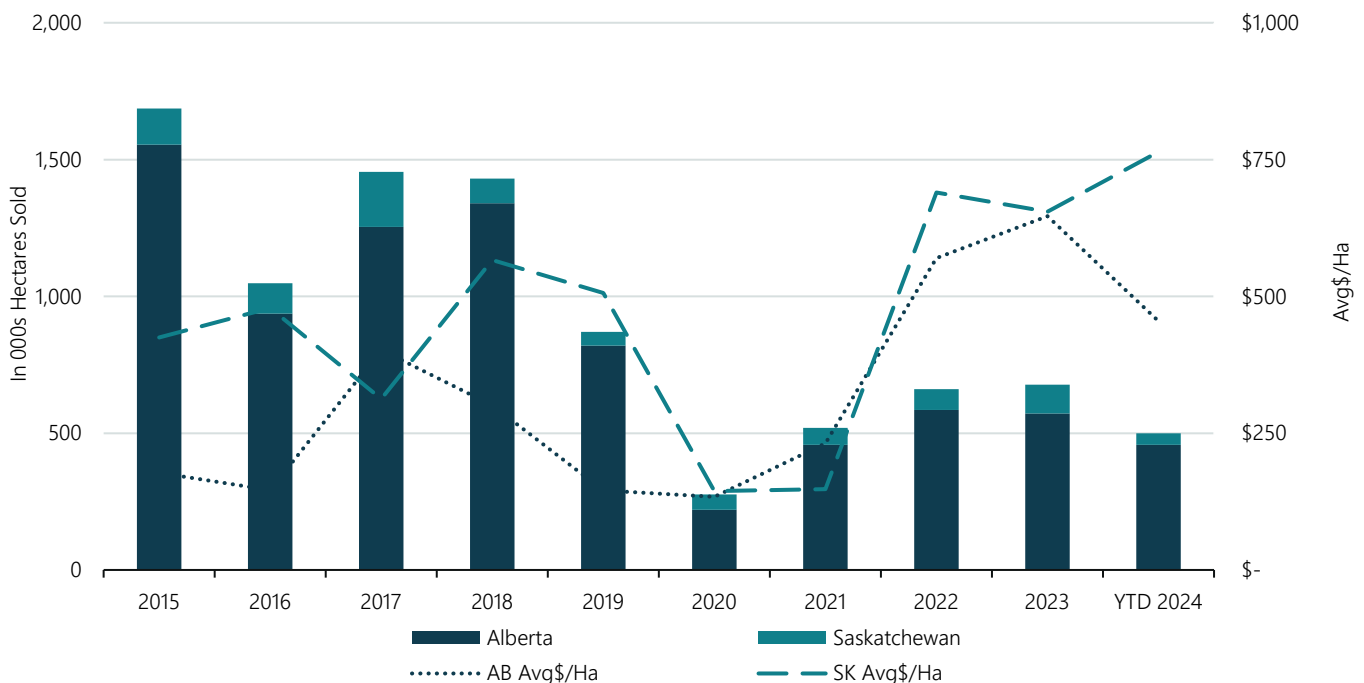
Industry Overview

Rig Count & Land Sales

Total Rig Count: Canada Vs. United States



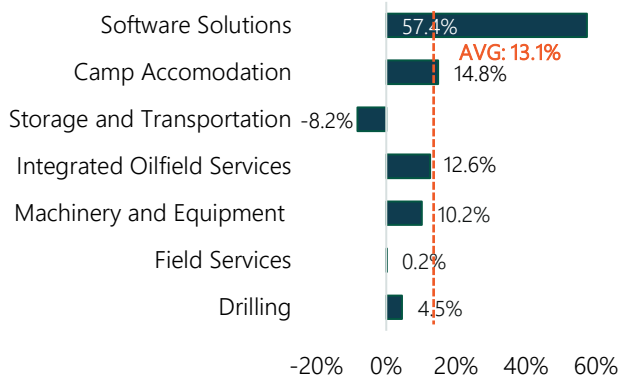
Oil & Gas Land Sales - AB and SK



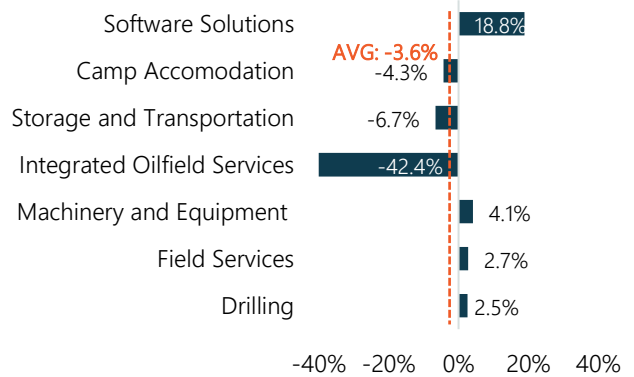
Public Comparable Analysis

Growth, Margins & Multiples

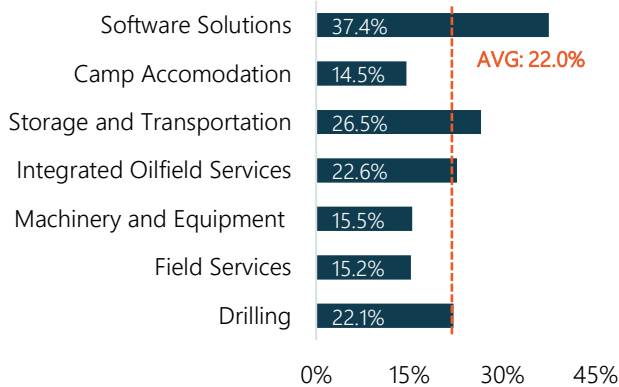
LTM Revenue Growth



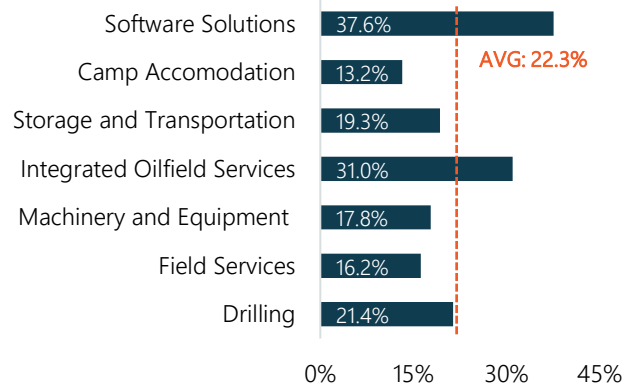
NTM Revenue Growth



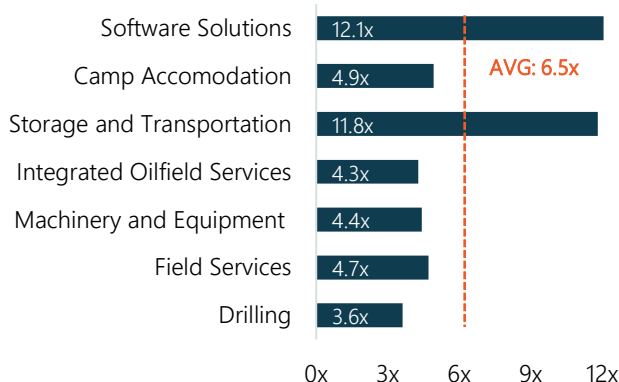
LTM EBITDA Margin



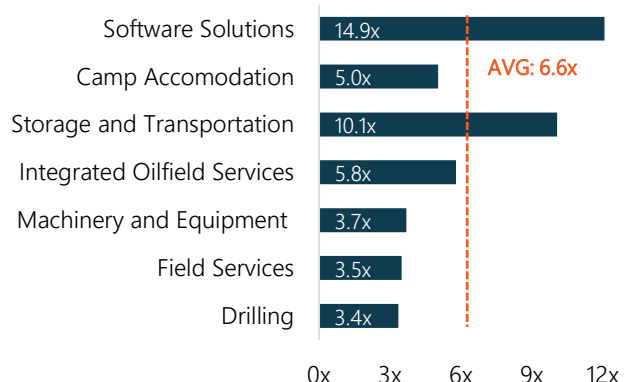
NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA



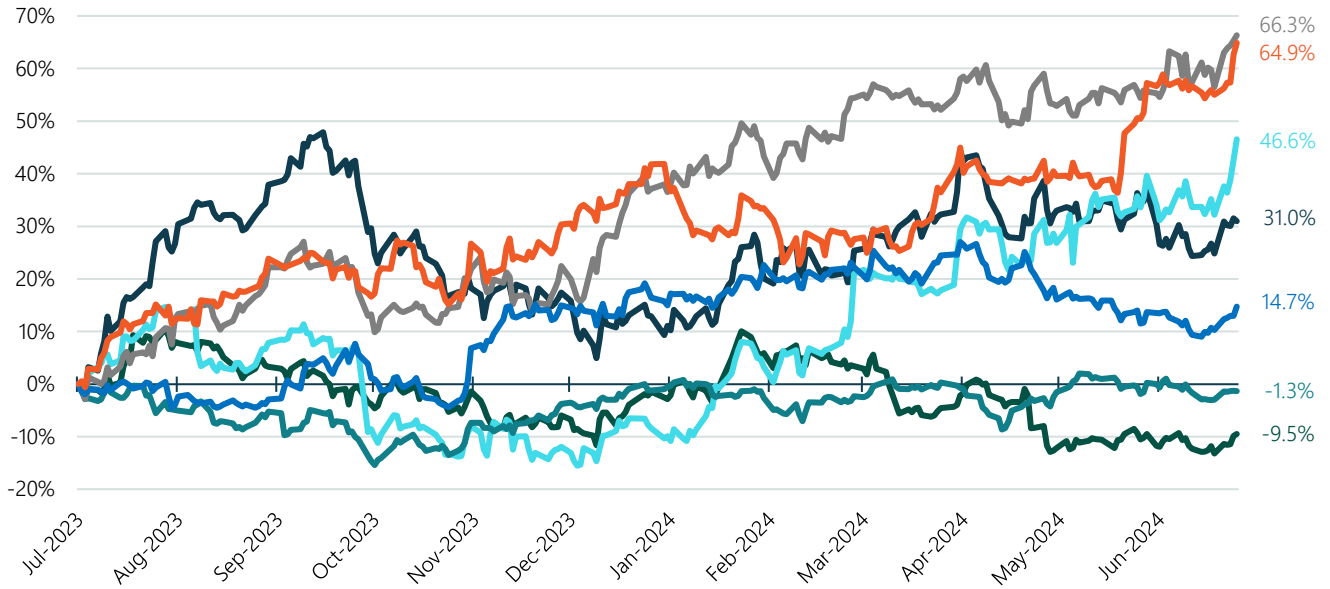
Source: Capital IQ. Data as of June 30, 2024.

Note: Above noted oilfield service peer groups are market capitalization weighted indexes. Valuation details provided on page 9. "LTM" refers to last twelve months. "NTM" refers to next twelve months. Figures above are based on median peer group metrics.

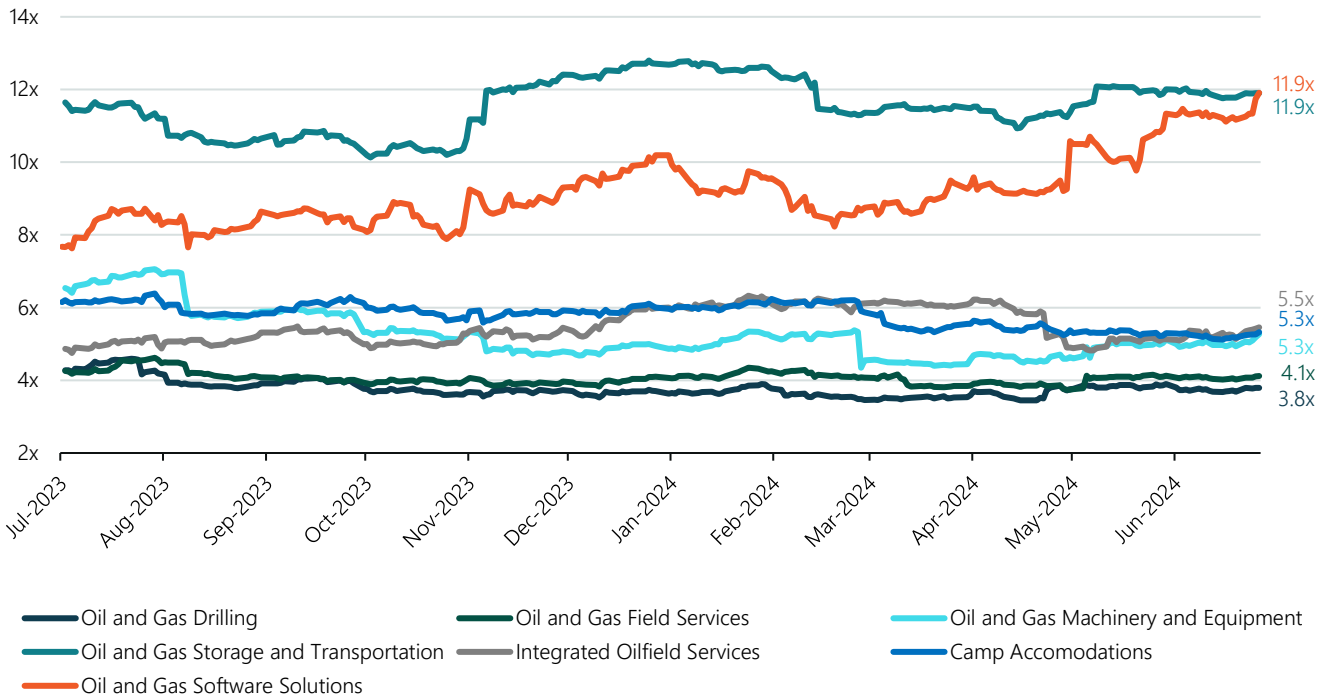
Public Comparable Analysis

Performance Analysis

Oilfield Service Group Share Prices



Oilfield Service Group EBITDA Multiples



Source: Capital IQ. Data as of June 30, 2024.

Note: Above noted oilfield service peer groups are market capitalization weighted indexes. Valuation details provided on page 9.
"LTM" refers to last twelve months.

Public Comparable Analysis

Trading Multiples & Operating Statistics

We have selected a group of publicly traded oil and gas entities for this high-level analysis. These public companies help act as a proxy for the industry and provide a strong industry context.

(Figures in \$CAD Millions, except percentages and ratios)

Company	Market Capitalization	Enterprise Value	LTM Operating Figures				NTM Consensus Estimates			Valuation	
			Revenue	Revenue Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Oil and Gas Drilling											
Precision Drilling Corporation	\$1,376	\$2,359	\$1,907	4.5%	\$548	28.7%	2.5%	28.7%	4.2x	4.3x	1.2x
Ensign Energy Services Inc.	\$421	\$1,619	\$1,739	0.6%	\$476	27.4%	(1.3%)	26.3%	3.7x	3.4x	0.9x
PHX Energy Services Corp.	\$428	\$459	\$656	10.8%	\$117	17.8%	(3.0%)	21.4%	3.4x	3.9x	0.7x
Western Energy Services Corp.	\$93	\$206	\$216	(5.6%)	\$41	19.2%	4.0%	21.1%	4.4x	5.0x	1.0x
AKITA Drilling Ltd.	\$54	\$111	\$207	(6.4%)	\$46	22.1%	6.4%	20.9%	2.4x	2.4x	0.5x
Stampede Drilling Inc.	\$48	\$77	\$88	12.5%	\$21	24.1%	7.4%	25.6%	3.2x	3.6x	0.9x
ACT Energy Technologies Ltd.	\$216	\$332	\$577	38.3%	\$100	17.3%	(0.3%)	20.6%	2.8x	3.3x	0.6x
Median	\$216	\$332	\$577	4.5%	\$100	22.1%	2.5%	21.4%	3.4x	3.6x	0.9x
Mean	\$377	\$738	\$770	7.8%	\$193	22.4%	2.2%	23.5%	3.4x	3.7x	0.8x
Oil and Gas Field Services											
Mullen Group Ltd.	\$1,155	\$1,930	\$1,959	(4.0%)	\$331	16.9%	4.9%	16.3%	5.8x	5.8x	1.0x
Calfrac Well Services Ltd.	\$364	\$645	\$1,701	0.2%	\$259	15.2%	(10.8%)	16.1%	2.6x	2.5x	0.4x
STEP Energy Services Ltd.	\$292	\$429	\$1,003	(2.9%)	\$191	19.0%	0.6%	19.6%	2.2x	2.2x	0.4x
Vertex Resource Group Ltd.	\$36	\$169	\$249	8.4%	\$36	14.4%	5.1%	14.8%	4.3x	4.7x	0.7x
Flint Corp.	\$3	\$328	\$652	1.0%	\$25	3.8%	N/A	N/A	N/A	13.1x	0.5x
Median	\$292	\$429	\$1,003	0.2%	\$191	15.2%	2.7%	16.2%	3.5x	4.7x	0.5x
Mean	\$370	\$700	\$1,113	0.5%	\$168	13.9%	(0.1%)	16.7%	3.7x	5.7x	0.6x
Oil and Gas Machinery and Equipment											
Enerflex Ltd.	\$915	\$2,022	\$3,200	40.2%	\$425	13.3%	(2.9%)	17.8%	3.7x	4.8x	0.6x
CES Energy Solutions Corp.	\$1,811	\$2,237	\$2,194	5.6%	\$307	14.0%	4.1%	15.5%	6.3x	7.3x	1.0x
Total Energy Services Inc.	\$378	\$492	\$859	2.8%	\$157	18.2%	14.0%	20.1%	2.5x	3.1x	0.6x
McCoy Global Inc.	\$55	\$48	\$69	14.8%	\$12	16.9%	N/A	N/A	N/A	4.1x	0.7x
Median	\$647	\$1,257	\$1,527	10.2%	\$232	15.5%	4.1%	17.8%	3.7x	4.4x	0.7x
Mean	\$790	\$1,200	\$1,581	15.9%	\$225	15.6%	5.1%	17.8%	4.2x	4.8x	0.7x
Integrated Oilfield Services											
Trican Well Service Ltd.	\$974	\$983	\$948	0.3%	\$230	24.2%	2.1%	24.1%	4.3x	4.3x	1.0x
Secure Energy Services Inc.	\$3,186	\$3,341	\$9,186	12.6%	\$542	5.9%	(86.8%)	37.8%	7.4x	6.2x	0.4x
High Arctic Energy Services Inc.	\$73	\$22	\$71	23.9%	\$16	22.6%	N/A	N/A	N/A	1.4x	0.3x
Median	\$974	\$983	\$948	12.6%	\$230	22.6%	(42.4%)	31.0%	5.8x	4.3x	0.4x
Mean	\$1,411	\$1,449	\$3,402	12.3%	\$263	17.6%	(42.4%)	31.0%	5.8x	3.9x	0.6x
Oil and Gas Storage and Transportation											
Enbridge Inc.	\$103,857	\$200,104	\$42,612	(15.3%)	\$16,048	37.7%	(40.1%)	72.3%	10.8x	12.5x	4.7x
TC Energy Corporation	\$53,804	\$126,030	\$16,249	5.5%	\$11,217	69.0%	1.4%	69.3%	11.1x	11.2x	7.8x
Pembina Pipeline Corporation	\$29,436	\$41,781	\$9,047	(11.2%)	\$3,156	34.9%	N/A	N/A	9.7x	13.2x	4.6x
Keyera Corp.	\$8,683	\$12,723	\$6,784	(5.2%)	\$1,228	18.1%	(6.7%)	19.3%	10.4x	10.4x	1.9x
Gibson Energy Inc.	\$3,779	\$6,372	\$11,937	11.4%	\$514	4.3%	(13.1%)	6.5%	9.5x	12.4x	0.5x
Tidewater Midstream and Infrastructure Ltd.	\$262	\$839	\$2,033	(28.2%)	\$84	4.1%	8.4%	8.5%	4.5x	10.0x	0.4x
Median	\$19,059	\$27,252	\$10,492	(8.2%)	\$2,192	26.5%	(6.7%)	19.3%	10.1x	11.8x	3.2x
Mean	\$33,303	\$64,641	\$14,777	(7.2%)	\$5,375	28.0%	(10.0%)	35.2%	9.3x	11.6x	3.3x
Camp Accomodations											
Dexterra Group Inc.	\$343	\$488	\$1,133	17.6%	\$99	8.7%	(4.3%)	9.3%	4.8x	4.9x	0.4x
Civeo Corporation	\$499	\$600	\$947	0.1%	\$137	14.5%	(4.4%)	13.2%	5.0x	4.3x	0.6x
Black Diamond Group Limited	\$496	\$708	\$386	14.8%	\$97	25.2%	0.5%	28.8%	6.3x	7.3x	1.8x
Median	\$496	\$600	\$947	14.8%	\$99	14.5%	(4.3%)	13.2%	5.0x	4.9x	0.6x
Mean	\$446	\$598	\$822	10.8%	\$111	16.2%	(2.7%)	17.1%	5.4x	5.5x	1.0x
Oil and Gas Software Solutions											
Pason Systems Inc.	\$1,466	\$1,401	\$376	4.8%	\$144	38.4%	15.7%	39.7%	7.5x	9.7x	3.7x
Computer Modelling Group Ltd.	\$1,074	\$1,048	\$109	47.2%	\$40	36.5%	22.0%	35.5%	22.3x	26.4x	9.6x
Dawson Geophysical Company	\$82	\$74	\$134	67.5%	\$5	3.8%	N/A	N/A	N/A	14.4x	0.5x
Pulse Seismic Inc.	\$127	\$114	\$39	145.0%	\$30	76.0%	N/A	N/A	N/A	3.8x	2.9x
Median	\$601	\$581	\$121	57.4%	\$35	37.4%	18.8%	37.6%	14.9x	12.1x	3.3x
Mean	\$687	\$659	\$165	66.1%	\$55	38.7%	18.8%	37.6%	14.9x	13.6x	4.2x

Source: Capital IQ. Data as of June 30, 2024.

Note: In order to derive more accurate valuation multiples, MNP Corporate Finance Inc. has eliminated results which skew the averages excessively. "LTM" refers to last twelve months. "NTM" refers to next twelve months.

About Us



MNP Corporate Finance (MNPCF) has a dedicated team of over 100 M&A, capital markets, and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

Our typical transactions range in value between \$3 million and \$300 million.

Deal Experience

Since our inception, our team has advised on hundreds of transactions, in a wide range of industries with diverse enterprise values. In the past 10 years alone, we have completed over 285 transactions worth almost \$5 billion (not including due diligence engagements).

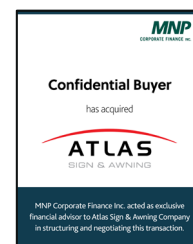
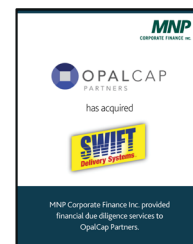
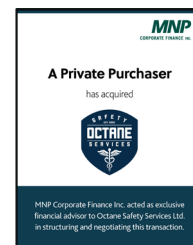
Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Healthcare
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

Services

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

Recently Closed Deals (National)



About Us

Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes and overall progress.

Integrated Service Offering

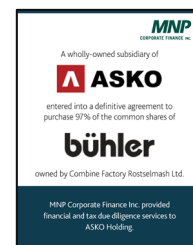
We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

Local and International Reach

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting and tax advisory services worldwide.



Recently Closed Deals (National)

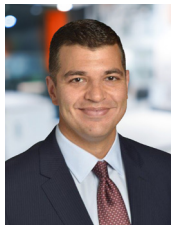


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