



Civeo to Acquire Four Villages in Australian Bowen Basin

February 19, 2025

Civeo executes on growth strategy with disciplined and accretive acquisition

Highlights:

- Transaction expands Civeo's Australian owned-village portfolio in the world's premier metallurgical coal basin, the Bowen Basin;
- Civeo enters the Blackwater region, extending its unmatched presence and capabilities across the wider Bowen Basin;
- Solid contract coverage with new and existing, blue-chip, metallurgical coal producers under take-or-pay contracts;
- Civeo will purchase the four villages for A\$105 million, or approximately US\$67 million, funded with cash on hand and borrowings under the Company's existing credit agreement; and
- Expects annualized revenue and EBITDA of approximately A\$50 million and A\$27 million, or approximately US\$32 million and US\$17 million, respectively.

HOUSTON--(BUSINESS WIRE)--Feb. 19, 2025-- Civeo Corporation (NYSE:CVEO) announced today that it has entered into a definitive asset purchase agreement with a private seller for Civeo to acquire four villages with 1,340 rooms in Australia's Bowen Basin and the associated long-term customer contracts.

Under the terms of the agreement, Civeo would acquire the assets and customer contracts for total cash consideration of A\$105 million, or approximately US\$67 million, funded with cash on hand and borrowings from its existing revolving credit facility.

"This acquisition strengthens our presence in Australia's Bowen Basin, where we have experienced significant occupancy growth in our existing owned-village portfolio over the last few years," said Bradley J. Dodson, Civeo's President and Chief Executive Officer. "These villages provide an attractive entry point into the Blackwater region of the Bowen Basin not currently served by our existing villages, supported by contracts with blue-chip metallurgical coal producers with significant investments in this region.

Mr. Dodson concluded, "Upon closing, we expect the transaction to be immediately accretive to operating cash flow. We have strategically built a capital structure that enables us to allocate capital where we see attractive returns, balancing value-enhancing growth and continuing to return capital to shareholders through our dividend and share repurchase program. We look forward to discussing this announcement on our upcoming earnings call later this month."

This transaction is anticipated to close in the second quarter of 2025, subject to regulatory approvals and customary conditions.

About Civeo:

Civeo Corporation is a leading provider of hospitality services with prominent market positions in the Canadian oil sands and the Australian natural resource regions. Civeo offers comprehensive solutions for lodging hundreds or thousands of workers with its long-term and temporary accommodations and provides food services, housekeeping, facility management, laundry, water and wastewater treatment, power generation, communications systems, security and logistics services. Civeo currently owns and operates a total of 24 lodges and villages in North America and Australia with an aggregate of approximately 26,000 rooms. In addition, Civeo operates and provides hospitality services at 22 customer-owned locations with more than 18,000 rooms. Civeo is publicly traded under the symbol CVEO on the New York Stock Exchange. For more information, please visit Civeo's website at www.civeo.com

Forward Looking Statements:

This news release contains forward-looking statements within the meaning of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are those that do not state historical facts and are, therefore, inherently subject to risks and uncertainties. The forward-looking statements herein, include the statements regarding the proposed transaction; its benefits; estimated annualized revenues and EBITDA of the transaction; contract coverage; and anticipated closing date. Such risks and uncertainties include, among other things, risks associated with the general nature of the accommodations industry, risks associated with the level of supply and demand for oil, coal, iron ore and other minerals, including the level of activity, spending and developments in the Canadian oil sands, the level of demand for coal and other natural resources from, and investments and opportunities in, Australia, and fluctuations or sharp declines in the current and future prices of oil, natural gas, coal, iron ore and other minerals, risks associated with failure by our customers to reach positive final investment decisions on, or otherwise not complete, projects with respect to which we have been awarded contracts, which may cause those customers to terminate or postpone contracts, risks associated with currency exchange rates, risks associated with inflation and volatility in the banking sector, risks associated with the company's ability to integrate any future acquisitions, risks associated with labor shortages, risks associated with the development of new projects, including whether such projects will continue in the future, risks associated with the trading price of the company's common shares, availability and cost of capital, risks associated with general global economic conditions, geopolitical events, inflation, global weather conditions, natural disasters, including wildfires, global health concerns, and security threats and changes to government and environmental regulations, including climate change, and other factors discussed in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections of Civeo's most recent annual report on Form 10-K and other reports the company may file from time to time with the U.S. Securities and Exchange Commission. Each forward-looking statement contained herein speaks only as of the date of this release. Except as required by law, Civeo expressly disclaims any intention or obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Information

EBITDA is a non-GAAP financial measure that is defined as net income (loss) attributable to Civeo Corporation plus interest, taxes, depreciation and amortization. Civeo is unable to provide a quantitative reconciliation of forward-looking EBITDA to its most directly comparable forward-looking GAAP measure because management cannot reliably predict certain of the necessary components of such forward-looking GAAP measure. Civeo has included forward-looking EBITDA as a supplemental disclosure because its management believes that EBITDA provides useful information regarding its ability to service debt and to fund capital expenditures and provide investors a helpful measure for comparing Civeo's operating performance with the performance of other companies that have different financing and capital structures or tax rates. Because non-GAAP financial information is not standardized, it may not be possible to directly compare these financial measures with other companies' non-GAAP financial measures.

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