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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission File Number: 001-02960

NPK International Inc.
(Exact name of registrant as specified in its charter)

Delaware	**72-1123385**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9320 Lakeside Boulevard, Suite 100	
The Woodlands, Texas	**77381**
(Address of principal executive offices)	(Zip Code)

(281) 362-6800
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	NPKI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☑
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

As of October 29, 2025, a total of 84,494,699 shares of common stock, $0.01 par value per share, were outstanding.

NPK INTERNATIONAL INC.

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FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2025

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. We also may provide oral or written forward-looking statements in other materials we release to the public. Words such as "will," "may," "could," "would," "should," "anticipates," "believes," "estimates," "expects," "plans," "intends," and similar expressions are intended to identify these forward-looking statements but are not the exclusive means of identifying them. These forward-looking statements reflect the current views of our management as of the filing date of this Quarterly Report on Form 10-Q; however, various risks, uncertainties, contingencies, and other factors, some of which are beyond our control, are difficult to predict and could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, these statements.

We assume no obligation to update, amend, or clarify publicly any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by securities laws. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed in this Quarterly Report on Form 10-Q might not occur.

For further information regarding these and other factors, risks, and uncertainties that could cause actual results to differ, we refer you to the risk factors set forth in Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024.

PART I FINANCIAL INFORMATION

ITEM 1. Financial Statements

NPK International Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(In thousands, except share data)	September 30, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	$ 35,636	$ 17,756
Receivables, net of allowance of $349 and $948, respectively	57,362	74,841
Inventories	9,668	14,659
Prepaid expenses and other current assets	5,152	5,728
Total current assets	107,818	112,984
Property, plant and equipment, net	210,521	187,483
Operating lease assets	10,840	11,793
Goodwill	47,481	47,222
Other intangible assets, net	8,868	10,331
Deferred tax assets	6,844	15,593
Other assets	12,087	8,276
Total assets	$ 404,459	$ 393,682
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current debt	$ 3,636	$ 2,900
Accounts payable	21,960	19,459
Accrued liabilities	23,392	22,300
Total current liabilities	48,988	44,659
Long-term debt, less current portion	5,906	4,827
Noncurrent operating lease liabilities	9,649	10,896
Deferred tax liabilities	1,820	1,203
Other noncurrent liabilities	4,173	5,602
Total liabilities	70,536	67,187
Commitments and contingencies (Note 10)		
Common stock, $0.01 par value (200,000,000 shares authorized and 111,669,464 and 111,669,464 shares issued, respectively)	1,117	1,117
Paid-in capital	630,802	633,239
Accumulated other comprehensive loss	(2,668)	(2,871)
Retained earnings (deficit)	(115,131)	(139,466)
Treasury stock, at cost (27,178,065 and 25,114,978 shares, respectively)	(180,197)	(165,524)
Total stockholders' equity	333,923	326,495
Total liabilities and stockholders' equity	$ 404,459	$ 393,682

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

NPK International Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except per share data)	**2025**	**2024**	**2025**	**2024**
Revenues	$ 68,838	$ 44,207	$ 201,848	$ 159,965
Cost of revenues	46,870	32,067	129,449	105,358
Selling, general and administrative expenses	13,279	11,005	38,682	35,335
Other operating (income) loss, net	(368)	(99)	(497)	(1,435)
Operating income from continuing operations	9,057	1,234	34,214	20,707
Foreign currency exchange (gain) loss	31	(562)	(909)	170
Interest (income) expense, net	(47)	943	(94)	2,612
Income from continuing operations before income taxes	9,073	853	35,217	17,925
Provision (benefit) for income taxes from continuing operations	3,010	(14,016)	9,995	(9,626)
Income from continuing operations	6,063	14,869	25,222	27,551
Loss from discontinued operations	(409)	(189,167)	(887)	(186,516)
Net income (loss)	$ 5,654	$ (174,298)	$ 24,335	$ (158,965)
Income (loss) per common share - basic:				
Income from continuing operations	$ 0.07	$ 0.17	$ 0.30	$ 0.32
Loss from discontinued operations	—	(2.19)	(0.01)	(2.18)
Net income (loss)	$ 0.07	$ (2.02)	$ 0.29	$ (1.86)
Income (loss) per common share - diluted:				
Income from continuing operations	$ 0.07	$ 0.17	$ 0.29	$ 0.32
Loss from discontinued operations	—	(2.16)	(0.01)	(2.13)
Net income (loss)	$ 0.07	$ (1.99)	$ 0.28	$ (1.82)

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

NPK International Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
Net income (loss)	$ 5,654	$ (174,298)	$ 24,335	$ (158,965)
Foreign currency translation adjustments, net of tax benefit (expense) of $0, $0, $0, $111	(166)	3,849	203	604
Recognition of Fluids Systems cumulative foreign currency translation losses	—	59,469	—	59,469
Comprehensive income (loss)	$ 5,488	$ (110,980)	$ 24,538	$ (98,892)

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

NPK International Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

(In thousands)	Common Stock	Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings (Deficit)	Treasury Stock	Total
Balance at June 30, 2025	$ 1,117	$ 629,952	$ (2,502)	$ (120,785)	$ (178,947)	$ 328,835
Net income	—	—	—	5,654	—	5,654
Employee stock options, restricted stock and employee stock purchase plan	—	(691)	—	—	2,188	1,497
Stock-based compensation expense	—	1,541	—	—	—	1,541
Treasury shares purchased at cost	—	—	—	—	(3,438)	(3,438)
Foreign currency translation, net of tax	—	—	(166)	—	—	(166)
Balance at September 30, 2025	$ 1,117	$ 630,802	$ (2,668)	$ (115,131)	$ (180,197)	$ 333,923
Balance at June 30, 2024	$ 1,117	$ 631,497	$ (66,084)	$ 26,137	$ (166,058)	$ 426,609
Net loss	—	—	—	(174,298)	—	(174,298)
Employee stock options, restricted stock and employee stock purchase plan	—	(329)	—	—	157	(172)
Stock-based compensation expense	—	997	—	—	—	997
Treasury shares purchased at cost	—	—	—	—	—	—
Foreign currency translation, net of tax	—	—	3,849	—	—	3,849
Recognition of Fluids Systems cumulative foreign currency translation losses	—	—	59,469	—	—	59,469
Balance at September 30, 2024	$ 1,117	$ 632,165	$ (2,766)	$ (148,161)	$ (165,901)	$ 316,454
Balance at December 31, 2024	$ 1,117	$ 633,239	$ (2,871)	$ (139,466)	$ (165,524)	$ 326,495
Net income	—	—	—	24,335	—	24,335
Employee stock options, restricted stock and employee stock purchase plan	—	(6,574)	—	—	5,977	(597)
Stock-based compensation expense	—	4,137	—	—	—	4,137
Treasury shares purchased at cost	—	—	—	—	(20,650)	(20,650)
Foreign currency translation, net of tax	—	—	203	—	—	203
Balance at September 30, 2025	$ 1,117	$ 630,802	$ (2,668)	$ (115,131)	$ (180,197)	$ 333,923
Balance at December 31, 2023	$ 1,117	$ 639,645	$ (62,839)	$ 10,773	$ (173,332)	$ 415,364
Net loss	—	—	—	(158,965)	—	(158,965)
Employee stock options, restricted stock and employee stock purchase plan	—	(11,599)	—	31	7,476	(4,092)
Stock-based compensation expense	—	4,119	—	—	—	4,119
Treasury shares purchased at cost	—	—	—	—	(45)	(45)
Foreign currency translation, net of tax	—	—	604	—	—	604
Recognition of Fluids Systems cumulative foreign currency translation losses	—	—	59,469	—	—	59,469
Balance at September 30, 2024	$ 1,117	$ 632,165	$ (2,766)	$ (148,161)	$ (165,901)	$ 316,454

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

NPK International Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(In thousands)	**2025**	**2024**
Cash flows from operating activities:		
Net income (loss)	$ 24,335	$ (158,965)
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Loss on divestitures	—	195,729
Depreciation and amortization	18,235	21,804
Stock-based compensation expense	4,137	4,119
Provision for deferred income taxes	9,362	(22,290)
Credit loss expense	19	998
Gain on sale of assets	(2,203)	(2,412)
Gain on insurance recovery	—	(874)
Amortization of original issue discount and debt issuance costs	394	885
Change in assets and liabilities:		
Increase in receivables	(2,462)	(13,734)
Decrease in inventories	5,007	9,481
Increase in other assets	(3,711)	(1,027)
Increase in accounts payable	1,466	12,498
Increase (decrease) in accrued liabilities and other	405	(3,916)
Net cash provided by operating activities	54,984	42,296
Cash flows from investing activities:		
Capital expenditures	(34,419)	(29,940)
Proceeds from divestitures, net of cash disposed	14,485	48,499
Proceeds from sale of property, plant and equipment	3,819	3,188
Proceeds from insurance property claim	—	1,385
Other investing activities	3,089	—
Net cash provided by (used in) investing activities	(13,026)	23,132
Cash flows from financing activities:		
Borrowings on lines of credit	—	177,541
Payments on lines of credit	—	(224,292)
Debt issuance costs	(811)	(50)
Purchases of treasury stock	(22,695)	(4,504)
Proceeds from employee stock plans	1,497	17
Other financing activities	(2,639)	(9,538)
Net cash used in financing activities	(24,648)	(60,826)
Effect of exchange rate changes on cash	91	(119)
Net increase in cash, cash equivalents, and restricted cash	17,401	4,483
Cash, cash equivalents, and restricted cash at beginning of period	18,237	38,901
Cash, cash equivalents, and restricted cash at end of period	$ 35,638	$ 43,384

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

NPK INTERNATIONAL INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Basis of Presentation and Significant Accounting Policies

NPK International Inc. is a temporary worksite access solutions company that manufactures, sells, and rents recyclable composite matting products, along with a full suite of services, including planning, logistics, and site restoration. We previously operated a Fluids Systems business which was exited upon the sale of the business in September 2024 (as further described below).

The accompanying unaudited condensed consolidated financial statements of NPK International Inc. and our wholly-owned subsidiaries, which we collectively refer to as "NPK," the "Company," "we," "our," or "us," have been prepared in accordance with Rule 10-01 of Regulation S-X for interim financial statements required to be filed with the Securities and Exchange Commission, and do not include all information and footnotes required by the accounting principles generally accepted in the United States ("U.S. GAAP") for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2024. Our fiscal year end is December 31, our third quarter represents the three-month period ended September 30, and our first nine months represents the nine-month period ended September 30. The results of operations for the third quarter and first nine months of 2025 are not necessarily indicative of the results to be expected for the entire year. Unless otherwise noted, all currency amounts are stated in U.S. dollars.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments necessary to present fairly our financial position as of September 30, 2025, our results of operations for the third quarter and first nine months of 2025 and 2024, and our cash flows for the first nine months of 2025 and 2024. All adjustments are of a normal recurring nature. Our balance sheet at December 31, 2024 is derived from the audited consolidated financial statements at that date.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. For further information, see Note 1 in our Annual Report on Form 10-K for the year ended December 31, 2024.

Our business provides temporary worksite access solutions, including the rental of our recyclable composite matting systems, along with related site construction and services to customers in various markets including power transmission, oil and natural gas exploration and production, pipeline, renewable energy, petrochemical, construction and other industries within the United States and United Kingdom. We also sell our manufactured recyclable composite mats to customers around the world, with power transmission being the primary end market.

We previously operated a Fluids Systems business, which was historically reported as a separate operating segment, that provided drilling and completion fluids products and related technical services to customers for oil, natural gas, and geothermal projects primarily in Europe, the Middle East and Africa, and North America, as well as certain countries in Asia Pacific. On September 13, 2024, we completed the sale of substantially all of the Company's Fluids Systems segment (the "Sale Transaction") to SCF Partners (the "Purchaser"). The results of operations of Fluids Systems are reported in discontinued operations in the consolidated statements of operations. All results and information in the consolidated financial statements and related notes are presented for our continuing operations and exclude Fluids Systems unless otherwise noted specifically as discontinued operations. See Note 2 for additional information.

New Accounting Pronouncements

Standards Not Yet Adopted

Income Taxes: Improvements to Income Tax Disclosures. In December 2023, the FASB issued new guidance intended to enhance the transparency and decision usefulness of income tax disclosures. This guidance is effective for us for the year ending December 31, 2025. These requirements are not expected to have an impact on our consolidated financial statements but will impact our income tax disclosures.

Disaggregation of Income Statement Expenses. In November 2024, the FASB issued new guidance which requires entities to disclose additional information about specific expense categories, such as employee compensation and depreciation. This guidance will be effective for us for years beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted on either a prospective or retrospective basis. We are currently evaluating the impact of the new guidance on our consolidated financial statements and related disclosures.

Note 2 – Discontinued Operations

Sale of Fluids Systems Business

As discussed above in Note 1 and more fully described in Note 2 in our Annual Report on Form 10-K for the year ended December 31, 2024, on September 13, 2024, we completed the Sale Transaction. In connection with the Sale Transaction in the third quarter of 2024, we received $48.5 million in cash proceeds, net of cash disposed, and recognized a pre-tax loss on sale of $195.7 million, which included a $59.5 million non-cash charge for the reclassification of cumulative foreign currency translation losses related to the Fluids Systems business.

As of September 30, 2025 and December 31, 2024, approximately $3.6 million and $18.0 million, respectively, of net assets were included in the consolidated balance sheets, reflecting receivables and deferred consideration due from the Purchaser net of estimated liabilities due to the Purchaser.

Net assets related to the Sale Transaction consisted of the following:

(In thousands)	September 30, 2025	December 31, 2024
Receivables due from the Purchaser	$ 313	$ 15,978
Estimated deferred consideration due from the Purchaser	3,591	3,550
Note receivable due from the Purchaser	5,000	5,000
Estimated liabilities due to the Purchaser	(5,308)	(6,488)
Net assets due from the Purchaser	$ 3,596	$ 18,040

Receivables due from the Purchaser primarily reflects additional consideration for the actual working capital delivered at closing, of which $15.6 million was received in the first half of 2025. Estimated deferred consideration due from the Purchaser reflects certain pre-closing tax assets and other receivables that are expected to be substantially realized in the fourth quarter of 2025. The note receivable due from the Purchaser matures in March 2030 and bears interest at a rate of 12.5% per year. The receivables and deferred consideration due from the Purchaser are included in other receivables and the note receivable due from the Purchaser is included in other noncurrent assets in the consolidated balance sheet.

Estimated liabilities due to the Purchaser includes certain payables for pre-closing tax liabilities and obligations attributable to the Fluids Systems business that are expected to be substantially settled in 2025, as well as an estimated liability for contractual indemnifications related to various pre-closing contingencies of the Fluids Systems business. These estimated liabilities due to the Purchaser are included in accrued liabilities and other noncurrent liabilities in the consolidated balance sheet.

Our estimates for the fair value of deferred consideration due from the Purchaser and liabilities due to the Purchaser may change and any income or expense associated with such changes will be presented in discontinued operations.

The criteria for discontinued operations presentation were met during the third quarter of 2024, and consequently, the results of the former Fluids Systems segment are reported as income (loss) from discontinued operations within the consolidated statements of operations for all periods presented. We elected not to adjust the consolidated statements of cash flows to separately present cash flows attributable to discontinued operations. Accordingly, we have disclosed the depreciation, capital expenditures and significant operating and investing non-cash items related to discontinued operations below.

The following table summarizes the significant items included in income (loss) from discontinued operations in the condensed consolidated statements of operations.

	Third Quarter				First Nine Months			
(In thousands)	2025		2024		2025		2024	
Revenues	$	—	$	102,944	$	—	$	335,302
Cost of revenues		—		89,102		—		290,482
Selling, general and administrative expenses		596		11,273		1,044		37,668
Other operating (income) loss, net		—		(345)		—		(1,447)
Operating income (loss) from discontinued operations		(596)		2,914		(1,044)		8,599
Foreign currency exchange (gain) loss		34		1,529		168		894
Interest (income) expense, net		(37)		756		(29)		2,633
Income (loss) from discontinued operations before income taxes		(593)		629		(1,183)		5,072
Loss on sale of discontinued operations before income taxes		—		(195,729)		—		(195,729)
Benefit for income taxes from discontinued operations		(184)		(5,933)		(296)		(4,141)
Loss from discontinued operations	$	(409)	$	(189,167)	$	(887)	$	(186,516)

For the first nine months of 2025 and 2024, significant operating and investing items related to the former Fluids Systems segment were as follows:

	First Nine Months			
(In thousands)	2025		2024	
Operating activities of discontinued operations:				
Depreciation and amortization	$	—	$	4,872
Investing activities of discontinued operations:				
Capital expenditures	$	—	$	3,645

Note 3 – Earnings Per Share

The following table presents the reconciliation of the numerator and denominator for calculating net income (loss) per share:

	Third Quarter		First Nine Months	
(In thousands, except per share data)	2025	2024	2025	2024
Numerator				
Income from continuing operations	$ 6,063	$ 14,869	$ 25,222	$ 27,551
Loss from discontinued operations	(409)	(189,167)	(887)	(186,516)
Net income (loss)	$ 5,654	$ (174,298)	$ 24,335	$ (158,965)
Denominator				
Weighted average common shares outstanding - basic	84,359	86,377	84,959	85,619
Dilutive effect of restricted stock awards and stock options	707	1,113	862	1,834
Weighted average common shares outstanding - diluted	85,066	87,490	85,821	87,453
Income (loss) per common share - basic:				
Income from continuing operations	$ 0.07	$ 0.17	$ 0.30	$ 0.32
Loss from discontinued operations	—	(2.19)	(0.01)	(2.18)
Net income (loss)	$ 0.07	$ (2.02)	$ 0.29	$ (1.86)
Income (loss) per common share - diluted:				
Income from continuing operations	$ 0.07	$ 0.17	$ 0.29	$ 0.32
Loss from discontinued operations	—	(2.16)	(0.01)	(2.13)
Net income (loss)	$ 0.07	$ (1.99)	$ 0.28	$ (1.82)

We excluded the following weighted-average potential shares from the calculations of diluted net income (loss) per share during the applicable periods because their inclusion would have been anti-dilutive for continuing operations:

	Third Quarter		First Nine Months	
(In thousands)	2025	2024	2025	2024
Restricted stock awards and stock options	—	330	343	399

Note 4 – Repurchase Program

Our Board of Directors has authorized a securities repurchase program available for repurchases of our common stock. On April 30, 2025, our Board of Directors increased the remaining authorization under the repurchase program to $100.0 million.

Our repurchase program authorizes us to purchase outstanding shares of our common stock in the open market or as otherwise determined by management, subject to certain limitations under the Credit Facility (as defined in Note 8) and other factors. The repurchase program has no specific term. Repurchases are expected to be funded from operating cash flows and available cash on hand. As part of the share repurchase program, our management has been authorized to establish trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934.

During the first nine months of 2025, we repurchased an aggregate of 3.0 million shares of our common stock under the repurchase program for a cost of $20.4 million. Due to restrictions associated with the Fluids Systems sale process and other events, no shares of common stock were repurchased under the repurchase program during the first nine months of 2024.

As of September 30, 2025, we had $91.7 million remaining under the program.

Note 5 – Stock-Based and Other Long-Term Incentive Compensation

During the second quarter of 2025, the Compensation Committee of our Board of Directors (“Compensation Committee”) approved equity-based compensation awards to executive officers and other key employees consisting of an aggregate of 0.6 million restricted stock units, which will vest in equal installments over a three-year period. In addition, nonemployee directors received grants of an aggregate of 0.1 million restricted stock awards, which will vest in full on the earlier of the day prior to the next annual meeting of stockholders following the grant date or the first anniversary of the grant date. The weighted average grant-date fair value was $8.45 per share for the restricted stock units and $8.28 per share for the restricted stock awards. At September 30, 2025, 3.0 million shares remained available for award under the 2015 Plan and 0.3 million shares remained available for awards under the 2014 Director Plan.

Also, during the second quarter of 2025, the Compensation Committee approved the issuance of 0.4 million performance-based restricted stock units to certain executive officers with the payout of shares for each executive ranging from 0% to 200% of target. The performance-based restricted stock units will be settled in shares of common stock, with 70% to be settled based on the relative ranking of the Company's total shareholder return ("TSR") as compared to the TSR of a designated peer group and 30% to be settled based on the Company's consolidated return on net capital employed ("RONCE"), each measured over a three-year performance period. TSR performance for the 2025 grants will be determined based on the Company's and peer group's average closing share price for the 30-calendar day period ending May 31, 2028, adjusted for dividends, as compared to the 30-calendar day period ending June 1, 2025. RONCE performance for the 2025 grants will be determined based on the Company's average three-year RONCE performance for the fiscal years ending December 31, 2025, 2026 and 2027.

The TSR portion of the performance-based restricted stock units had a grant-date fair value of $11.57 per share using a Monte-Carlo valuation model, which will be recognized ratably over the service period. Assumptions used in the model included a risk-free interest rate of 4.0%, an expected life of 3 years, and an expected volatility of 49.8%. The RONCE portion of the performance-based restricted stock units had a grant-date fair value of $8.45 per share, which will be recognized ratably over the service period using the probable number of shares expected to vest based on the RONCE performance condition.

Note 6 – Receivables

Receivables consisted of the following:

(In thousands)	September 30, 2025	December 31, 2024
Trade receivables:		
Gross trade receivables	$ 49,653	$ 46,819
Allowance for credit losses	(349)	(948)
Net trade receivables	49,304	45,871
Income tax receivables	1,681	2,049
Other receivables	6,377	26,921
Total receivables, net	$ 57,362	$ 74,841

Other receivables as of September 30, 2025 and December 31, 2024 included $4.1 million and $23.2 million, respectively, for amounts due from the Purchaser, including the receivables and estimated deferred consideration related to the Sale Transaction (see Note 2) as well as amounts due under the transition services agreement. Other receivables as of September 30, 2025 and December 31, 2024 also included an insurance receivable of $0.3 million and $1.7 million related to a cybersecurity event.

Changes in our allowance for credit losses were as follows:

	First Nine Months	
(In thousands)	2025	2024
Balance at beginning of period	$ 948	$ 1,223
Credit loss expense	19	80
Write-offs, net of recoveries	(618)	(38)
Balance at end of period	$ 349	$ 1,265

Note 7 – Inventories

Inventories consisted of the following:

(In thousands)	September 30, 2025	December 31, 2024
Raw materials	$ 4,803	$ 5,721
Finished goods	4,865	8,938
Total inventories	$ 9,668	$ 14,659

Raw materials consist primarily of resins and other materials used to manufacture composite mats, as well as materials that are consumed in providing spill containment and other services to our customers. Finished goods consist primarily of our composite mats.

Note 8 – Financing Arrangements and Fair Value of Financial Instruments

Financing arrangements consisted of the following:

	September 30, 2025			December 31, 2024		
(In thousands)	Principal Amount	Unamortized Discount and Debt Issuance Costs	Total Debt	Principal Amount	Unamortized Discount and Debt Issuance Costs	Total Debt
Credit Facility	$ —	$ —	$ —	$ —	$ —	$ —
Amended ABL Facility	—	—	—	—	—	—
Finance leases	9,537	—	9,537	7,622	—	7,622
Other debt	5	—	5	106	(1)	105
Total debt	9,542	—	9,542	7,728	(1)	7,727
Less: current portion	(3,636)	—	(3,636)	(2,900)	—	(2,900)
Long-term debt	$ 5,906	$ —	$ 5,906	$ 4,828	$ (1)	$ 4,827

Credit Facility. On June 20, 2025, we entered into a U.S. senior secured revolving credit agreement (the "Credit Facility") with a group of lenders that provides financing of up to $150 million available for borrowings (inclusive of letters of credit), which can be increased up to $250 million, subject to certain conditions. The Credit Facility and the loans made under the Credit Facility are secured by a first priority lien on substantially all of the personal property of the Company and its significant U.S. subsidiaries as guarantors (subject to customary exceptions and exclusions). The Credit Facility will mature on June 20, 2030. The Credit Facility replaced the Amended ABL Facility (as defined below).

As of September 30, 2025, we had no outstanding borrowings and $5.7 million in outstanding letters of credit, resulting in $144.3 million of remaining availability under the Credit Facility.

Under the terms of the Credit Facility, we may elect to borrow at a variable interest rate based on either the Term SOFR rate or an alternate base rate plus, in each case, a per annum applicable margin. The applicable margin will range from 1.75% to 2.25% for Term SOFR loans and 0.75% to 1.25% for alternate base rate loans, based on the consolidated leverage ratio (as defined in the Credit Facility) as of the last day of the most recent fiscal quarter. We are also required to pay a commitment fee on the unused portion of the Credit Facility ranging from 0.25% to 0.35% per annum based on the consolidated leverage ratio.

As of September 30, 2025, the applicable margin for loans under the Credit Facility was 1.75% for Term SOFR loans and 0.75% for alternate base rate loans, and the applicable commitment fee was 0.25% per annum.

The Credit Facility requires compliance with a maximum consolidated leverage ratio and a minimum consolidated fixed charge coverage ratio, each as defined in the Credit Facility. In addition, at our option, we may choose to increase the maximum consolidated leverage ratio for a certain period following a significant acquisition, subject to certain limitations, as defined in the Credit Facility. As of September 30, 2025, we were in compliance with required ratios.

The Credit Facility contains various customary representations, warranties and covenants that, among other things and subject to certain specified circumstances and exceptions, restrict or limit the ability of the Company and its subsidiaries to incur indebtedness (including guarantees), grant liens, make investments, pay dividends or distributions with respect to capital stock or make other restricted payments, make prepayments on other indebtedness, engage in mergers or other fundamental changes, dispose of property, or change the nature of their business.

The Credit Facility includes various events of default (subject to certain materiality thresholds and/or grace periods), including non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations or warranties, cross-default to other material indebtedness, bankruptcy and insolvency events, invalidity or impairment of guarantees or security interests or invalidity of loan documents, certain ERISA events, unsatisfied or unstayed judgments and change of control.

Asset-Based Loan Facility. Our U.S. asset-based revolving credit agreement, as amended and restated in September 2024 (the "Amended ABL Facility") provided financing of up to $100 million available for borrowings (inclusive of letters of credit), with a term expiring May 2027. We terminated the Amended ABL Facility in June 2025 and replaced it with the Credit Facility, as described above. As of the date of termination, we had no outstanding borrowings under the Amended ABL Facility. In the second quarter of 2025, we recognized a charge of $0.2 million in interest expense for the write-off of debt issuance costs in connection with the termination of the Amended ABL Facility.

Other Financing Arrangements. We also maintain finance leases primarily related to transportation equipment. During the first nine months of 2025, we entered into $4.4 million of new finance lease liabilities in exchange for leased assets.

In addition, at September 30, 2025, we had $9.5 million in outstanding letters of credit (inclusive of the amount outstanding under the Credit Facility as described above), performance bonds, and other guarantees.

Interest income, net of $94 thousand for the first nine months of 2025 includes interest income of $1.5 million, net of interest expense of $1.4 million.

Fair Value of Financial Instruments. Our financial instruments include cash and cash equivalents, receivables, payables, and debt. We believe the carrying values of these instruments approximated their fair values at September 30, 2025 and December 31, 2024. Cash equivalents primarily consist of money market accounts which are measured at fair value on a recurring basis using a market approach based on quoted prices in active markets.

Note 9 – Income Taxes

The provision for income taxes from continuing operations was $10.0 million for the first nine months of 2025, reflecting an effective tax rate of 28%, compared to a benefit for income taxes from continuing operations of $9.6 million for the first nine months of 2024. The third quarter of 2024 included a $14.6 million benefit primarily related to the release of valuation allowances on U.S. net operating losses and tax credit carryforwards that are expected to be realized following the sale of the Fluids Systems business.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBB Act") was signed into law in the U.S., which contains a broad range of tax reform provisions affecting businesses. Based on our preliminary analysis of the legislation, we currently expect the legislation will not have a material impact on our estimated annual effective tax rate and expect the provisions providing accelerated tax deductions for certain capital investments to provide additional cash flow timing benefits which, coupled with our existing U.S. federal net operating loss and other carryforward tax benefits, should limit our cash tax obligations over the next several years.

Note 10 – Commitments and Contingencies

In the ordinary course of conducting our business, we become involved in litigation and other claims from private party actions, as well as judicial and administrative proceedings involving governmental authorities at the federal, state, and local levels. In addition, in connection with the Sale Transaction, we have agreed to indemnify the Purchaser for certain pre-closing contingencies of the Fluids Systems business. While the outcome of litigation or other proceedings against us, including pre-closing contingencies of the Fluids Systems business, cannot be predicted with certainty, management does not expect that any loss resulting from such litigation or other proceedings, in excess of any amounts accrued or covered by insurance, will have a material adverse impact on our consolidated financial statements.

The first nine months of 2024 included a $0.6 million gain related to a legal settlement as well as a $0.1 million gain related to the final insurance settlement associated with Hurricane Ida in August 2021.

Note 11 – Supplemental Disclosures to the Statements of Cash Flows

Supplemental disclosures to the statements of cash flows are presented below:

	First Nine Months	
(In thousands)	2025	2024
Cash paid (received) for:		
Income taxes (net of refunds)	$ (196)	$ 9,728
Interest	$ (477)	$ 4,289

The amounts above for 2024 include payments for our former Fluids Systems segment, as we elected not to adjust the consolidated statements of cash flows to separately present cash flows attributable to discontinued operations. A substantial majority of cash tax payments in 2024 related to our former Fluids Systems segment's international operations.

Cash, cash equivalents, and restricted cash in the consolidated statements of cash flows consisted of the following:

(In thousands)	September 30, 2025	December 31, 2024
Cash and cash equivalents	$ 35,636	$ 17,756
Restricted cash (included in prepaid expenses and other current assets)	—	481
Cash, cash equivalents, and restricted cash	$ 35,636	$ 18,237

Note 12 – Segment Data

Following the sale of the Fluids Systems segment in September 2024, we have one reportable segment. See Note 2 for financial information for our previously reported Fluids Systems segment, now reported as discontinued operations. The Company's chief operating decision maker ("CODM"), its Chief Executive Officer, allocates resources and assesses financial performance on a consolidated basis. Consolidated income from continuing operations as presented in the consolidated statements of operations is used to measure performance.

The following table presents further disaggregated revenues by type:

	Third Quarter		First Nine Months	
(In thousands)	2025	2024	2025	2024
Rental revenues	$ 29,591	$ 18,873	$ 89,355	$ 63,787
Service revenues	14,688	13,535	44,629	40,198
Product sales revenues	24,559	11,799	67,864	55,980
Total revenues	$ 68,838	$ 44,207	$ 201,848	$ 159,965

The following table presents further disaggregated revenues by geography, based on the country in which the sale originates:

	Third Quarter		First Nine Months	
(In thousands)	2025	2024	2025	2024
United States	$ 65,407	$ 40,599	$ 189,402	$ 149,044
United Kingdom	3,431	3,608	12,446	10,921
Total revenues	$ 68,838	$ 44,207	$ 201,848	$ 159,965

The following table presents disaggregated expense information:

	Third Quarter		First Nine Months	
(In thousands)	2025	2024	2025	2024
Depreciation and amortization - Included in cost of revenues	$ 5,811	$ 5,054	$ 16,833	$ 15,274
Depreciation and amortization - Included in selling, general and administrative expenses	450	538	1,402	1,658
Total depreciation and amortization	$ 6,261	$ 5,592	$ 18,235	$ 16,932

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition, results of operations, liquidity, and capital resources should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included in this report as well as our Annual Report on Form 10-K for the year ended December 31, 2024. Our third quarter represents the three-month period ended September 30 and our first nine months represents the nine-month period ended September 30. Unless otherwise noted, all currency amounts are stated in U.S. dollars. The reference to a "Note" herein refers to the accompanying Notes to Unaudited Condensed Consolidated Financial Statements contained in Item 1 "Financial Statements."

Overview

NPK International Inc. ("NPK," the "Company," "we," "our," or "us") is a temporary worksite access solutions company that manufactures, sells, and rents recyclable composite matting products, along with a full suite of services, including planning, logistics, and site restoration. For the first nine months of 2025, 66% of our revenues were generated from the rental of our recyclable composite matting systems, along with related site construction and services to customers in various markets including power transmission, oil and natural gas exploration and production, pipeline, renewable energy, petrochemical, construction and other industries within the United States and United Kingdom. The remaining 34% of our revenues for the first nine months of 2025 were generated from the sale of our manufactured recyclable composite mats to customers around the world, with power transmission being the primary end market.

We previously operated a Fluids Systems business, which was historically reported as a separate operating segment, that provided drilling and completion fluids products and related technical services to customers for oil, natural gas, and geothermal projects primarily in Europe, the Middle East and Africa, and North America, as well as certain countries in Asia Pacific. On September 13, 2024, we completed the sale of substantially all of the Company's Fluids Systems segment (the "Sale Transaction") to SCF Partners, a leading private equity firm serving the global energy industry (the "Purchaser"). The results of operations of Fluids Systems are reported in discontinued operations in the consolidated statements of operations. All results and information in the consolidated financial statements and related notes are presented for our continuing operations and exclude Fluids Systems unless otherwise noted specifically as discontinued operations. See Note 2 for additional information.

2025 Priorities

Our long-term strategy includes key foundational elements that are intended to enhance long-term shareholder value creation:

- *Accelerate Organic Growth* – We seek to accelerate revenue growth primarily through the expansion of our rental business, which includes a combination of geographic expansion to new growth territories, primarily within the U.S., while also expanding customer market share within currently-served markets. As part of this effort, we have placed a particular emphasis on penetrating larger-scale, longer-term (six months or longer) projects, which we believe will help drive improvements in revenue stability and operational efficiency. Due in part to the success of these efforts, rental and service revenues increased $30 million, or 29%, year-over-year for the first nine months of 2025, including a 40% increase in rental revenues. The elevated growth in rental revenues has been primarily attributable to our success on larger-scale, longer-term projects with a key utilities customer, and consequently, this customer contributed 18% of our total revenues in the first nine months of 2025 compared to less than 10% in 2024. We prioritize investment capital to support our organic growth objective, where over the past several years, we have seen the strong market adoption of our specialty rental products and differentiated service offering. During the first nine months of 2025, we made net investments of $26 million in the expansion of our rental fleet, expanding the rental fleet by approximately 13%. Further, with our revenue growth and the favorable macro-environment, we have also accelerated our manufacturing capacity expansion planning efforts. As a result, during the third quarter of 2025, cost of revenues includes $0.3 million of expense associated with these efforts, with additional total costs of up to approximately $0.5 million anticipated during the fourth quarter of 2025 and into early 2026.
- *Pursue Inorganic Growth* – We seek to accelerate our growth and enhance shareholder value through strategically-aligned inorganic actions, leveraging our scale to increase our value and relevance to customers. Throughout 2025, we have continually evaluated inorganic opportunities that align with our objectives. As a result, during the third quarter of 2025, selling, general and administrative expenses expense ("SG&A") includes $0.3 million of costs in support of this effort.
- *Drive Operational Efficiency* – We are focused on efficiency improvements and operating cost optimization across every aspect of our business. With a simplified business model, we continue to evaluate and execute actions intended to streamline the organization and our cost structure, driving improvements in profitability, with the goal of driving SG&A as a percentage of revenue to a mid-teens range by early 2026. During the first nine months of 2025, we incurred $0.5 million of severance expense associated with our streamlining efforts. Additionally, during the third quarter of 2025, we began the rollout of our new cloud-based enterprise resource planning ("ERP") system, which is expected to be substantially completed in the first quarter of 2026. During the third quarter of 2025, SG&A includes

$0.2 million of expenses associated with the ERP rollout. In addition, we have capitalized $3.6 million of implementation costs for our cloud-based ERP system during the first nine-months of 2025 that are included in prepaid expenses and other current assets, as well as other assets, on the balance sheet. SG&A as a percentage of revenues was 19.2% for the first nine months of 2025 compared to 22.1% for the first nine months of 2024.

- *Enhance Return on Capital* – We are committed to maintaining a strong balance sheet, prioritizing organic investment to expand our rental business while evaluating accretive inorganic growth opportunities to accelerate growth and returning excess cash generation via programmatic share repurchases. In 2024, our share repurchase program was restricted due to the Fluids Systems sale process. During the first nine months of 2025, we utilized $20.4 million to repurchase 3.0 million shares (4% of our outstanding shares) under our repurchase program.

Third Quarter of 2025 Compared to Third Quarter of 2024

Consolidated Results of Operations

Summarized results of operations for the third quarter of 2025 compared to the third quarter of 2024 are as follows:

(In thousands)	Third Quarter 2025	Third Quarter 2024	2025 vs 2024 $	2025 vs 2024 %
Revenues	$ 68,838	$ 44,207	$ 24,631	56 %
Cost of revenues	46,870	32,067	14,803	46 %
Selling, general and administrative expenses	13,279	11,005	2,274	21 %
Other operating (income) loss, net	(368)	(99)	(269)	NM
Operating income from continuing operations	9,057	1,234	7,823	NM
Foreign currency exchange (gain) loss	31	(562)	593	NM
Interest (income) expense, net	(47)	943	(990)	NM
Income from continuing operations before income taxes	9,073	853	8,220	NM
Provision (benefit) for income taxes from continuing operations	3,010	(14,016)	17,026	NM
Income from continuing operations	6,063	14,869	(8,806)	NM
Loss from discontinued operations, net of tax	(409)	(189,167)	188,758	NM
Net income (loss)	$ 5,654	$ (174,298)	$ 179,952	NM

The following table presents further disaggregated revenues by type:

(In thousands)	Third Quarter 2025	Third Quarter 2024	2025 vs 2024 $	2025 vs 2024 %
Revenues				
Rental and service revenues	$ 44,279	$ 32,408	$ 11,871	37 %
Product sales revenues	24,559	11,799	12,760	108 %
Total revenues	$ 68,838	$ 44,207	$ 24,631	56 %

	Third Quarter 2025	Third Quarter 2024	Change
Total gross profit margin	31.9 %	27.5 %	440 bps

Revenues

Revenues increased 56% to $68.8 million for the third quarter of 2025, compared to $44.2 million for the third quarter of 2024, including a 37% increase in rental and service revenues and a 108% increase in product sales revenues. Rental revenues increased $10.7 million (57%), primarily due to higher rental volume driven by our organic growth efforts, partially offset by lower average pricing resulting primarily from a higher mix of larger-scale, longer-term rental projects. Service revenues increased $1.2 million (9%), primarily attributable to the increased level of customer rental projects, though at a lower rate than rental revenues, due to the lower relative service requirements on the higher mix of larger-scale, longer term rental projects. Product sales revenues increased $12.8 million (108%), reflecting continued strength in customer adoption of manufactured composite matting products relative to timber-based products that continue to be the primary solution used for temporary worksite access in the market. The majority of the 2025 and 2024 revenues were derived from customers in the power transmission sector.

Cost of revenues

Cost of revenues increased 46% to $46.9 million for the third quarter of 2025 (31.9% gross profit margin), compared to $32.1 million for the third quarter of 2024 (27.5% gross profit margin), primarily driven by the 56% increase in revenues described above. The improvement in gross profit margin is primarily attributable to the effects of an improved revenue mix, including a higher proportion of rental revenues and a lower proportion of service revenues. Cost of revenues in the third quarter of 2025 was negatively impacted by elevated cross-rent costs required to meet customer demand, approximately $1.0 million of elevated transportation costs required to meet customer project timelines, as well as $0.3 million of costs incurred with our manufacturing capacity planning efforts as described above. Cost of revenues for the third quarter of 2024 was negatively impacted by an unscheduled downtime event on one of the production lines at our manufacturing facility.

Selling, general and administrative expenses

Selling, general and administrative expenses increased to $13.3 million for the third quarter of 2025, compared to $11.0 million for the third quarter of 2024. Selling, general and administrative expenses as a percentage of revenues was 19.3% for the third quarter of 2025 compared to 24.9% for the third quarter of 2024. The increase in expense was primarily driven by higher performance-based incentives, including a $0.5 million charge related to performance-based awards measured on the Company's total shareholder return ("TSR") as compared to the TSR of a designated peer group. Additionally, the third quarter of 2025 includes $0.5 million of strategic planning and ERP implementation costs as described above.

Other operating (income) loss, net

Other operating (income) loss, net primarily includes gains and losses on sales of non-rental assets.

Foreign currency exchange

Foreign currency exchange for the third quarter of 2025 and 2024 reflects the impact of currency translation on assets and liabilities (including intercompany balances) that are denominated in currencies other than functional currencies, principally related to our U.K. operations.

Interest (income) expense, net

Interest income, net was minimal for the third quarter of 2025 compared to $0.9 million of interest expense, net for the third quarter of 2024. The decrease in interest expense is primarily due to interest income of $0.5 million earned in the third quarter of 2025 as well as a decrease in average debt outstanding. Discontinued operations in the third quarter of 2024 also included an allocation of interest expense of $0.5 million on corporate debt.

Provision (benefit) for income taxes from continuing operations

The provision for income taxes from continuing operations was $3.0 million for the third quarter of 2025, reflecting an effective tax rate of 33%, compared to a benefit for income taxes from continuing operations of $14.0 million for the third quarter of 2024. The third quarter of 2024 included a $14.6 million benefit primarily related to the release of valuation allowances on U.S. net operating losses and tax credit carryforwards that are expected to be realized following the sale of the Fluids Systems business.

Loss from discontinued operations, net of tax

Loss from discontinued operations, net of tax reflects the former Fluids Systems segment, which was sold in the third quarter of 2024. See Note 2 for additional information.

First Nine Months of 2025 Compared to First Nine Months of 2024

Consolidated Results of Operations

Summarized results of operations for the first nine months of 2025 compared to the first nine months of 2024 are as follows:

	First Nine Months		2025 vs 2024	
(In thousands)	2025	2024	$	%
Revenues	$ 201,848	$ 159,965	$ 41,883	26 %
Cost of revenues	129,449	105,358	24,091	23 %
Selling, general and administrative expenses	38,682	35,335	3,347	9 %
Other operating (income) loss, net	(497)	(1,435)	938	NM
Operating income from continuing operations	34,214	20,707	13,507	NM
Foreign currency exchange (gain) loss	(909)	170	(1,079)	NM
Interest (income) expense, net	(94)	2,612	(2,706)	NM
Income from continuing operations before income taxes	35,217	17,925	17,292	NM
Provision (benefit) for income taxes from continuing operations	9,995	(9,626)	19,621	NM
Income from continuing operations	25,222	27,551	(2,329)	NM
Loss from discontinued operations	(887)	(186,516)	185,629	NM
Net income (loss)	$ 24,335	$ (158,965)	$ 183,300	NM

The following table presents further disaggregated revenues by type:

	First Nine Months		2025 vs 2024	
(In thousands)	2025	2024	$	%
Revenues				
Rental and service revenues	$ 133,984	$ 103,985	$ 29,999	29 %
Product sales revenues	67,864	55,980	11,884	21 %
Total revenues	$ 201,848	$ 159,965	$ 41,883	26 %

	First Nine Months		Change
	2025	2024	
Total gross profit margin	35.9 %	34.1 %	180 bps

Revenues

Revenues increased 26% to $201.8 million for the first nine months of 2025, compared to $160.0 million for the first nine months of 2024, including a 29% increase in rental and service revenues and a 21% increase in product sales revenues. Rental revenues increased $25.6 million (40%), primarily due to higher rental volume driven by our organic growth efforts, partially offset by lower pricing resulting primarily from a higher mix of larger-scale, longer-term rental projects. Service revenues increased $4.4 million (11%), primarily attributable to the increased level of customer rental projects, though at a lower rate than rental revenues, due to the lower relative service requirements on the higher mix of larger-scale, longer-term rental projects. Product sales revenues increased $11.9 million (21%), reflecting continued strength in customer adoption of manufactured composite matting products relative to timber-based products that continue to be the primary solution used for temporary worksite access in the market. The majority of the 2025 and 2024 revenues were derived from customers in the power transmission sector.

Cost of revenues

Cost of revenues increased 23% to $129.4 million for the first nine months of 2025 (35.9% gross profit margin), compared to $105.4 million for the first nine months of 2024 (34.1% gross profit margin), primarily driven by the 26% increase in revenues described above. The improvement in gross profit margin is primarily attributable to the effects of an improved revenue mix, including a higher proportion of rental revenues and a lower proportion of service revenues. Cost of revenues in 2025 was negatively impacted by elevated cross-rent costs required to meet customer demand, approximately $1.6 million of elevated transportation costs required to meet customer project timelines, as well as $0.6 million of costs incurred with our manufacturing capacity planning efforts as described above. Cost of revenues for the third quarter of 2024 was negatively impacted by an unscheduled downtime event on one of the production lines at our manufacturing facility.

Selling, general and administrative expenses

Selling, general and administrative expenses increased to $38.7 million for the first nine months of 2025, compared to $35.3 million for the first nine months of 2024. Selling, general and administrative expenses as a percentage of revenues was 19.2% for the first nine months of 2025 compared to 22.1% for the first nine months of 2024. The increase in expense was primarily driven by higher performance-based incentives, including $1.5 million in charges related to performance-based awards measured on the Company’s TSR as compared to the TSR of a designated peer group, while the first nine months of 2024 included a $0.8 million charge. Additionally, the third quarter of 2025 includes $0.5 million of strategic planning and ERP implementation costs as described above. The first nine months of 2025 also included $0.4 million of severance costs, compared to $0.6 million in the first nine months of 2024.

Other operating (income) loss, net

Other operating (income) loss, net primarily includes gains and losses on sales of non-rental assets. In addition, the first nine months of 2024 included a $0.6 million gain related to a legal settlement.

Foreign currency exchange

Foreign currency exchange for the first nine months of 2025 and 2024 reflects the impact of currency translation on assets and liabilities (including intercompany balances) that are denominated in currencies other than functional currencies, principally related to our U.K. operations.

Interest (income) expense, net

Interest income, net was $0.1 million for the first nine months of 2025 compared to $2.6 million of interest expense, net for the first nine months of 2024. The decrease in interest expense is primarily due to interest income of $1.5 million earned in the first nine months of 2025 as well as a decrease in average debt outstanding. Discontinued operations in the first nine months of 2024 also included an allocation of interest expense of $1.4 million on corporate debt.

Provision (benefit) for income taxes from continuing operations

The provision for income taxes from continuing operations was $10.0 million for the first nine months of 2025, reflecting an effective tax rate of 28%, compared to a benefit for income taxes from continuing operations of $9.6 million for the first nine months of 2024. The third quarter of 2024 included a $14.6 million benefit primarily related to the release of valuation allowances on U.S. net operating losses and tax credit carryforwards that are now expected to be realized following the sale of the Fluids Systems business.

Loss from discontinued operations, net of tax

Loss from discontinued operations, net of tax reflects the former Fluids Systems segment, which was sold in the third quarter of 2024. See Note 2 for additional information.

Liquidity and Capital Resources

We elected not to adjust the consolidated statements of cash flows to separately present cash flows attributable to discontinued operations. As a result, the below descriptions of net cash provided by or used in operating, investing, and financing activities represent the consolidated cash flows of the Company for such activities.

Net cash provided by operating activities was $55.0 million for the first nine months of 2025 compared to $42.3 million for the first nine months of 2024. Net income adjusted for non-cash items provided cash of $54.3 million in the first nine months of 2025, compared to $39.0 million in 2024. Changes in working capital provided cash of $0.7 million in the first nine months of 2025, compared to $3.3 million of cash provided in 2024.

Net cash used in investing activities was $13.0 million for the first nine months of 2025, which includes $34.4 million in capital expenditures partially offset by $14.5 million in additional proceeds from the sale of the Fluids Systems business. The substantial majority of our capital expenditures for the first nine months of 2025 and 2024 were directed to expanding our mat rental fleet. In addition, we received $3.8 million in proceeds from the sale of assets in the first nine months of 2025, primarily reflecting the sale of used mats from our mat rental fleet. Net cash provided by investing activities was $23.1 million for the first nine months of 2024, which included $48.5 million in initial net proceeds from the sale of the Fluids Systems business.

Net cash used in financing activities was $24.6 million for the first nine months of 2025, primarily reflecting $22.7 million in purchases of treasury stock, including purchases under our repurchase program and shares withheld upon vesting of employee equity awards for the settlement of tax obligations. Net cash used in financing activities was $60.8 million for the first nine months of 2024, primarily reflecting net repayments on our Amended ABL Facility and other existing financing arrangements.

Substantially all of the $35.6 million of cash on hand at September 30, 2025 resides in the U.S. We primarily manage our liquidity utilizing cash on hand and availability under our Credit Facility and other existing financing arrangements.

We expect future working capital requirements for our operations will generally fluctuate directionally with revenues, and we expect capital expenditures in 2025 to be $45 million to $50 million, with spending primarily focused on the expansion of our mat rental fleet to further support our market penetration efforts. We also expect to use a portion of our existing liquidity to return value to our shareholders and pursue our long-term strategic initiatives. We expect cash on hand and cash generated by operations, as well as the projected availability under our Credit Facility and other existing financing arrangements, to be adequate to fund our current operations during the next 12 months.

Our capitalization is as follows:

(In thousands)	September 30, 2025	December 31, 2024
Credit Facility	$ —	$ —
Other debt	9,542	7,728
Unamortized discount and debt issuance costs	—	(1)
Total debt	$ 9,542	$ 7,727
Stockholders' equity	333,923	326,495
Total capitalization	$ 343,465	$ 334,222
Total debt to capitalization	2.8 %	2.3 %

Credit Facility. On June 20, 2025, we entered into a U.S. senior secured revolving credit agreement (the "Credit Facility") with a group of lenders that provides financing of up to $150 million available for borrowings (inclusive of letters of credit), which can be increased up to $250 million, subject to certain conditions. The Credit Facility and the loans made under the Credit Facility are secured by a first priority lien on substantially all of the personal property of the Company and its significant U.S. subsidiaries as guarantors (subject to customary exceptions and exclusions). The Credit Facility will mature on June 20, 2030. The Credit Facility replaced the Amended ABL Facility (as defined below).

As of September 30, 2025, we had no outstanding borrowings and $5.7 million in outstanding letters of credit, resulting in $144.3 million of remaining availability under the Credit Facility.

Under the terms of the Credit Facility, we may elect to borrow at a variable interest rate based on either the Term SOFR rate or an alternate base rate plus, in each case, a per annum applicable margin. The applicable margin will range from 1.75% to 2.25% for Term SOFR loans and 0.75% to 1.25% for alternate base rate loans, based on the consolidated leverage ratio (as defined in the Credit Facility) as of the last day of the most recent fiscal quarter. We are also required to pay a commitment fee on the unused portion of the Credit Facility ranging from 0.25% to 0.35% per annum based on the consolidated leverage ratio.

As of September 30, 2025, the applicable margin for loans under the Credit Facility was 1.75% for Term SOFR loans and 0.75% for alternate base rate loans, and the applicable commitment fee was 0.25% per annum.

The Credit Facility requires compliance with a maximum consolidated leverage ratio and a minimum consolidated fixed charge coverage ratio, each as defined in the Credit Facility. In addition, at our option, we may choose to increase the maximum consolidated leverage ratio for a certain period following a significant acquisition, subject to certain limitations, as defined in the Credit Facility. As of September 30, 2025, we were in compliance with required ratios.

The Credit Facility contains various customary representations, warranties and covenants that, among other things and subject to certain specified circumstances and exceptions, restrict or limit the ability of the Company and its subsidiaries to incur indebtedness (including guarantees), grant liens, make investments, pay dividends or distributions with respect to capital stock or make other restricted payments, make prepayments on other indebtedness, engage in mergers or other fundamental changes, dispose of property, or change the nature of their business.

The Credit Facility includes various events of default (subject to certain materiality thresholds and/or grace periods), including non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations or warranties, cross-default to other material indebtedness, bankruptcy and insolvency events, invalidity or impairment of guarantees or security interests or invalidity of loan documents, certain ERISA events, unsatisfied or unstayed judgments and change of control.

Asset-Based Loan Facility. Our U.S. asset-based revolving credit agreement, as amended and restated in September 2024 (the "Amended ABL Facility") provided financing of up to $100 million available for borrowings (inclusive of letters of credit), with a term expiring May 2027. We terminated the Amended ABL Facility in June 2025 and replaced it with the Credit Facility, as described above. As of the date of termination, we had no outstanding borrowings under the Amended ABL Facility. In the second quarter of 2025, we recognized a charge of $0.2 million in interest expense for the write-off of debt issuance costs in connection with the termination of the Amended ABL Facility.

Other Financing Arrangements. We also maintain finance leases primarily related to transportation equipment. During the first nine months of 2025, we entered into $4.4 million of new finance lease liabilities in exchange for leased assets.

In addition, at September 30, 2025, we had $9.5 million in outstanding letters of credit (inclusive of the amount outstanding under the Credit Facility as described above), performance bonds, and other guarantees.

Critical Accounting Estimates and Policies

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts and disclosures. Significant estimates used in preparing our consolidated financial statements include estimated cash flows and fair values used for impairments of long-lived assets, including goodwill and other intangibles, and valuation allowances for deferred tax assets. Our estimates are based on historical experience and on our future expectations that we believe to be reasonable. The combination of these factors forms the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from our current estimates and those differences may be material.

For additional discussion of our critical accounting estimates and policies, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2024. Our critical accounting estimates and policies have not materially changed since December 31, 2024.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates and changes in foreign currency exchange rates. A discussion of our primary market risk exposure in financial instruments is presented below.

Interest Rate Risk

We are primarily exposed to interest rate risk through our Credit Facility, which is subject to variable interest rates as determined by the debt agreement. At September 30, 2025, we had no borrowings under our Credit Facility.

Foreign Currency Risk.

Following the Fluids Systems sale in September 2024, our principal foreign operations are currently conducted in the U.K., which contributed approximately 6% of our consolidated revenues for the first nine months of 2025. We have foreign currency exchange risks associated with these operations, which are conducted principally in British pounds. Historically, we have not used off-balance sheet financial hedging instruments to manage foreign currency risks when we enter into a transaction denominated in a currency other than our local currencies.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this quarterly report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2025, the end of the period covered by this quarterly report.

Changes in Internal Control Over Financial Reporting

There were no changes in internal control over financial reporting during the quarter ended September 30, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. Legal Proceedings

In the ordinary course of conducting our business, we become involved in litigation and other claims from private party actions, as well as judicial and administrative proceedings involving governmental authorities at the federal, state, and local levels. While the outcome of litigation or other proceedings against us cannot be predicted with certainty, management does not expect that any loss resulting from such litigation or other proceedings, in excess of any amounts accrued or covered by insurance, will have a material adverse impact on our consolidated financial statements.

ITEM 1A. Risk Factors

There have been no material changes during the period ended September 30, 2025 to our “Risk Factors” as discussed in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

a) Not applicable

b) Not applicable

c) The following table details our repurchases of shares of our common stock for the three months ended September 30, 2025:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under Plans or Programs ($ in Millions)
July 2025	401,897	$ 8.45	401,897	$ 91.7
August 2025	—	$ —	—	$ 91.7
September 2025	—	$ —	—	$ 91.7
Total	401,897		401,897	

Our Board of Directors has authorized a securities repurchase program available for repurchases of our common stock. On April 30, 2025, our Board of Directors increased the remaining authorization under the repurchase program to $100.0 million.

Our repurchase program authorizes us to purchase outstanding shares of our common stock in the open market or as otherwise determined by management, subject to certain limitations under the Credit Facility (as defined in Note 8) and other factors. The repurchase program has no specific term. Repurchases are expected to be funded from operating cash flows and available cash on hand. As part of the share repurchase program, our management has been authorized to establish trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934. All shares purchased are held as treasury stock.

There were 401,897 shares of common stock repurchased under the repurchase program during the three months ended September 30, 2025. As of September 30, 2025, we had $91.7 million of authorization remaining under the program.

We did not purchase any shares surrendered in lieu of taxes under vesting of restricted shares during the three months ended September 30, 2025. When these purchases do occur, such shares are not acquired pursuant to our securities repurchase program described above.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

Insider Trading Arrangements

During the quarter ended September 30, 2025, no director or officer of the Company adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. Exhibits

The exhibits listed are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

*31.1	Certification of Matthew S. Lanigan pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of Gregg S. Piontek pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
**32.1	Certification of Matthew S. Lanigan pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
**32.2	Certification of Gregg S. Piontek pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
*101.SCH	Inline XBRL Schema Document
*101.CAL	Inline XBRL Calculation Linkbase Document
*101.DEF	Inline XBRL Definition Linkbase Document
*101.LAB	Inline XBRL Label Linkbase Document
*101.PRE	Inline XBRL Presentation Linkbase Document
*104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

Date: October 31, 2025

NPK International Inc.
(Registrant)

By: /s/ Matthew S. Lanigan
Matthew S. Lanigan
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Gregg S. Piontek
Gregg S. Piontek
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Douglas L. White
Douglas L. White
Vice President, Chief Accounting Officer and Treasurer
(Principal Accounting Officer)

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Matthew S. Lanigan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NPK International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 31, 2025

/s/ Matthew S. Lanigan
Matthew S. Lanigan
President and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Gregg S. Piontek, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NPK International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2025

/s/ Gregg S. Piontek

Gregg S. Piontek

Senior Vice President and Chief Financial Officer

Exhibit 32.1

Certification
Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the period ended September 30, 2025, of NPK International Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Matthew S. Lanigan, President and Chief Executive Officer (Principal Executive Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 31, 2025

/s/ Matthew S. Lanigan
Matthew S. Lanigan
President and Chief Executive Officer

Exhibit 32.2

Certification
Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the period ended September 30, 2025, of NPK International Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Gregg S. Piontek, Senior Vice President and Chief Financial Officer (Principal Financial Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 31, 2025

/s/ Gregg S. Piontek
Gregg S. Piontek
Senior Vice President and Chief Financial Officer