



Civeo Corp (CVEO)

Expect Healthy Cash Flow To Fund Debt Repayments And Share Buybacks On Improving Canadian Activity; Widen 2021 Loss Estimate On Slower Australia Recovery; Maintain \$30 Target

	2020		2021E		2022E		2023E	
		OLD	NEW	OLD	NEW	OLD	NEW	
Mar.	(\$0.17)	(\$0.70)A		(\$0.25)	(\$0.26)		(\$0.14)	
June	0.10	(0.03)A		0.45	0.43		0.54	
Sep.	0.46	0.44	0.35	0.51	0.52		0.65	
Dec.	(0.16)	(0.17)	(0.20)	(0.21)	(0.20)		(0.06)	
EPS	\$0.23	(\$0.45)	(\$0.57)	\$0.51			\$1.00	
P/E				44.3x			22.6x	
EPS*								
FCF per share	\$6.34	\$4.32	\$4.36	\$3.70			\$4.75	
P / FCF				6.1x			4.8x	

Note: NR = Not Rated. Risk Ratings: H = Highly risky; M = Moderately risky. EPS may not add due to rounding. 2019 excludes \$1.89 in impairment and transaction costs. 2020 excludes \$10.20 in impairment costs and income of \$0.33 from the settlement of warranties. 2019 and 2020 EPS exclude share-based compensation of \$0.15 and \$0.18, respectively. Our 2021 and 2022 EPS estimates include share-based compensation of \$0.19 and \$0.20, respectively. *EPS including amortization expense.

Year	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Rev.(Mil.)	N/A	\$518.0	\$397.2	\$382.3	\$466.7	\$527.6	\$529.7	\$569.4	\$616.1	\$639.0
GAAP EPS*	N/A	(\$14.83)	(\$10.81)	(\$9.88)	(\$10.06)	(\$4.33)	(\$9.64)	(\$0.57)	\$0.51	\$1.00

* Oil States International (NYSE: OIS, NC) completed the spinoff of CVEO on June 2, 2014.

Description: Civeo Corporation (www.civeo.com) offers workforce accommodation to the natural resource industry in Canada, Australia and the U.S. In Canada, the company primarily caters to customers in the Canadian Oil Sands and offers mobile accommodation services to customers in various pipeline projects. In Australia, CVEO's core markets include supporting met coal producers in the Bowen Basin and iron ore producers in Western Australia. Headquarters are in Houston, TX.

Release Date	Conference Call	Time (Eastern)	Contact	Co. Guidance	Consensus
October 28	October 28	11:00 AM	877-423-9813	2021 Free cash flow: \$60-75M	0.30

- **We project strong free cash flow into 2023 as Canadian oil sands activity returns to normalcy and Civeo's Australian margins improve as travel restrictions are rescinded.**
- **We anticipate Civeo using growing cash flow for share buybacks and continuing debt reduction.**
- **We expect strengthening Canadian turnaround activity as we note that Alberta oil sands production was up 21% year over year in August and 11% year to date, supported by rising crude oil prices.**
- **While the lingering Australia-China trade dispute continues to pressure near-term growth for Australian operations, we still anticipate meaningful improvement by 2022 as met coal prices reach record highs due to pent-up demand and supply-chain issues.**
- **For 2021, however, we widen our loss per share estimate to \$0.57 from \$0.45 to reflect uncertain timing of a dispute resolution and its impact on Australian occupancy.**
- **We introduce our 2023 EPS and free cash flow per share estimates of \$1.00 and \$4.75, respectively, on 4% revenue growth and 100 basis points of operating margin expansion.**
- **We project 10% revenue growth year over year in 3Q:21 on improved Canadian activity compared to COVID-impacted 3Q:20 with EBITDA declining 17% as reduced Canadian government subsidies offset lower interest expense.**
- **We maintain our \$30 price target, based on 8x our 2022 free cash flow per share estimate of \$3.70, consistent with the 8x forward multiple for Civeo and its peer**

NR

Price Target: \$30

Price: \$22.61

Risk Rating: M

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Key Statistics

Analysts Covering	2
Market Cap (Mil)	\$320
Enterprise Value	\$623
52-Week Range (NYSE)	25-7
5-Year EPS CAGR	10%
Avg. Daily Trading Volume	31,000
Shares Out (Mil)	14.316
Float Shares (Mil)	11.824
Insider Ownership	19%
Institutional Holdings	60%
Annualized Dividend	Nil
Dividend Yield	N/A
FCF Per Share (2023E)	\$4.75
FCF Yield (2023E)	21.0%
Net Cash Per Share (2023E)	(\$3.90)
Price to Book Value	1.1x
Return on Equity (2023E)	4.4%
Total Debt to Capital	40%
Interest Coverage Ratio	3.0x
Short Interest %	0.3%
Short Interest Days To Cover	1.5
Russell 2000	2,290
Russell 2000 – Last 12 Months	41.5%
CVEO – Last 12 Months	204.1%



Source: FactSet Prices

group over the last five years.

- **Our Moderately Risky rating reflects the improving balance sheet as the company typically converts significantly more than 100% of EPS to cash flow and has reduced net debt by nearly \$170 million over the last two years.**

We expect increasing turnaround activity that will drive stronger Canadian results while record met coal prices lead to higher Australian revenue in 2022-2023. Higher crude oil prices have supported a rebound in Alberta oil sands production with 21% growth year over year in August from COVID-impacted 2020. We suggest that a reduction in COVID travel restrictions will lead to strong turnaround activity in 2021-2022. We think that expansion of the Trans Mountain pipeline could provide additional revenue as that government-owned project moves forward while COVID-related delays in Canada LNG construction likely mean continuing Sitka Lodge occupancy through 2023 with the potential for the construction of additional trains extending for at least an additional two years. While the Australia-Asia trade dispute lingers, impacting Australian mining activity, we think higher met coal prices should provide a boost. Supply chain issues and China's search for coal outside Australia have resulted in all-time high prices. Demand from Japan and South Korea is also bolstering prices to record levels, which could lead to increased village occupancy in 2022 even without a resolution between China and Australia. The Australian government projects Australian met coal exports grow more than 4% in 2022, and 3% in 2023 versus 2.5% in 2021 with demand from India helping to drive expansion. Reduced travel restrictions should also allow greater recruitment of out-of-country workers for Civeo as well, benefiting margins.

We model higher Canadian turnaround activity that drove revenue growth in 3Q:21 but widen our 2021 loss per share estimate to \$0.57 from \$0.45 on slower pickup of Australian occupancy. We project 18% Canadian revenue growth to \$157 million in 3Q:21 as COVID significantly reduced turnarounds in the oil sands in 2020 due to travel restrictions. We anticipate relatively flat Australian revenue as anxiety over the China-Australia trade dispute tempers activity growth. Higher oil prices should support some increased occupancy at U.S. lodges and mobile camps as rig count has nearly doubled from the subdued year-ago levels as of mid-October, per Baker Hughes. We expect declining Canadian COVID-related government subsidies to more than offset lower interest expense due to debt repayments. We model EBITDA down 17% to \$31 million in 3Q:21.

We expect Civeo to use free cash flow to buy back stock and continue to reduce debt. In August, Civeo announced a 5% share buyback authorization, the maximum permissible under Canadian securities law for normal course issuer bids. The board authorized the repurchase of up to 715,000 shares over the next 12 months. At the current share price, the repurchase would total about \$15.7 million. Given limited expected cap ex (only \$15-20 million) in 2021, we model free cash flow of \$4.36 per share (\$62.5 million). We anticipate that Civeo could explore additional ways to return capital to shareholders or consider tuck-in acquisitions, particularly in Australia. We model net leverage declining to 1.5x by the end of 1Q:22 (from 2x) and \$10 million per quarter in debt repayments. Management has guided free cash flow of \$60-75 million in 2022 and EBITDA of \$90-\$100 million.

Our Moderately Risky rating reflects the improving balance sheet and strong cash flow generation. Civeo has reduced net debt by nearly \$170 million over the last two years; net leverage declined to 2x (from 4.7x) over that period. The company generated \$6.34 per share in free cash flow in COVID-weakened 2020 due in part to reduced cap ex and in part to tight working capital management. Despite modeling cap ex of \$19 million in 2021 (up from \$10 million in 2020), we still project healthy FCF per share of \$4.36 in 2021, \$3.70 in 2022, and \$4.75 in 2023. We project net leverage at only 1.2x at the end of 2022 and 0.5x at the end of 2023. The company also completed a refinancing of its credit agreement in September, extending the maturity until 2025.

	3Q:21 Estimate	3Q:20 Actual	YoY Change	% Change
Revenue (thou.)	\$156,976	\$142,857	\$14,119	9.9%
Canada	84,937	71,785	13,152	18.3%
Australia	65,163	64,685	478	0.7%
United States	6,876	6,387	489	7.7%
Operating income	8,868	7,090	1,778	25.1%
Profit margin	5.6%	5.0%		
EBITDA	30,045	36,018	(5,973)	-16.6%
Adjusted EPS	\$0.35	\$0.46	(\$0.11)	-23.2%

Sources: Company reports and Sidoti & Company, LLC estimates

Valuation	We maintain our \$30 price target, which is based on 8x our 2022 free cash flow estimate of \$3.70. We note that Civeo and peers have traded at about 8x forward free cash flow over the last five years. We could consider a higher multiple in view of the continued improvement in the balance sheet and stable cash flow. We could also reconsider our EPS and cash flow estimates if rising met coal prices result in stronger Australian activity.		
Key Risks	COVID-19	China/Australia trade dispute	Push for green energy

CIVEO CORP

Table 1. Civeo Corporation Income Statement

(\$s in thousands, except per share data)

	Mar	Jun	Sept	Dec	2020	Mar A	Jun A	Sept E	Dec E	2021E	Mar E	Jun E	Sept E	Dec E	2022E	Mar E	Jun E	Sept E	Dec E	2023E	
Revenue																					
Canada	79,348	52,986	71,785	65,530	269,649	61,885	83,281	84,937	64,883	294,986	68,427	87,944	91,789	75,834	323,994	70,672	91,557	95,955	78,943	337,127	
Australia	49,113	57,071	64,685	63,673	234,542	59,637	64,019	65,163	63,368	252,186	65,126	67,388	67,907	66,106	266,527	68,713	71,045	69,530	67,708	276,996	
United States	10,331	4,645	6,387	4,175	25,538	3,908	6,876	6,876	4,593	22,253	4,299	7,564	7,564	6,200	25,626	4,170	7,337	7,337	6,014	24,857	
Total revenue	138,792	114,702	142,857	133,378	529,729	125,430	154,176	156,976	132,844	569,425	137,852	162,896	167,259	148,140	616,147	143,555	169,939	172,821	152,665	638,980	
Costs & expenses																					
Cost of sales & services	103,313	83,133	97,434	98,208	382,088	99,810	108,002	108,534	97,744	414,090	103,047	110,971	113,359	110,373	437,749	106,821	115,972	116,616	112,813	452,222	
SG&A	13,937	11,490	13,462	14,767	53,656	14,181	14,703	18,196	14,393	61,474	14,553	19,234	19,583	16,935	70,305	14,904	19,611	19,842	17,145	71,501	
Depreciation and amortization	25,502	22,205	24,820	24,020	96,547	21,269	21,377	21,377	21,377	85,400	21,377	21,377	21,377	21,377	85,508	21,377	21,377	21,377	21,377	85,508	
Other operating expense	989	(285)	51	(249)	506	71	7,935			8,006					0					0	
Total operating expenses	143,741	116,543	135,767	136,746	532,797	135,331	152,017	148,107	133,514	568,969	138,977	151,581	154,318	148,685	593,562	143,102	156,961	157,835	151,334	609,231	
Operating income	(4,949)	(1,841)	7,090	(3,368)	(3,068)	(9,901)	2,129	8,868	(670)	426	(1,124)	11,314	12,941	(545)	22,585	453	12,978	14,986	1,331	29,748	
Adjusted EBITDA	20,320	28,094	36,018	23,710	108,142	16,223	32,232	30,045	20,507	96,007	20,139	32,563	34,157	20,681	107,541	21,692	34,211	36,215	22,562	114,680	
Other income/expense																					
Interest expense	(5,595)	(3,854)	(3,646)	(3,592)	(16,687)	(3,362)	(3,401)	(3,007)	(2,867)	(12,638)	(2,727)	(2,587)	(2,447)	(2,307)	(10,070)	(2,167)	(2,027)	(1,887)	(1,747)	(7,830)	
Loss on debt extinguishment			(383)		(383)					0											
Interest income	16	4			20		2			2											
Other income	25	7,952	4,542	3,614	16,133	4,914	788			5,702											
Pretax income	(10,503)	2,261	7,603	(3,346)	(3,985)	(8,349)	(482)	5,861	(3,538)	(6,508)	(3,852)	8,727	10,493	(2,853)	12,515	(1,714)	10,951	13,099	(417)	21,918	
Income tax (expense) benefit	8,811	(122)	(180)	2,126	10,635	(1,076)	492	(117)	1,415	714	770	(1,745)	(2,099)	571	(2,503)	343	(2,190)	(2,620)	83	(4,384)	
Net income (loss)	(1,692)	2,139	7,423	(1,220)	6,650	(9,425)	10	5,744	(2,123)	(5,794)	(3,081)	6,981	8,394	(2,282)	10,012	(1,371)	8,761	10,479	(334)	17,535	
Non-controlling interest	258	222	434	556	1,470	59	(3)	200	200	456	114	128	160	151	553	138	144	148	145	576	
Net income (loss) attrib. CVEO Corp.	(1,950)	1,917	6,989	(1,776)	5,180	(9,484)	13	5,544	(2,323)	(6,250)	(3,195)	6,854	8,234	(2,433)	9,459	(1,510)	8,616	10,331	(479)	16,959	
Dividends attributable to Class A preferred	468	471	472	476	1,887	478	480	480	479	1,917	479	479	479	479	1,917	479	479	479	479	1,917	
Net income (loss) attrib. CVEO common	(2,418)	1,446	6,517	(2,252)	3,293	(9,962)	(467)	5,064	(2,801)	(8,167)	(3,675)	6,374	7,755	(2,912)	7,543	(1,989)	8,137	9,851	(958)	15,042	
EPS:																					
Basic	(0.17)	0.10	0.46	(0.16)	0.23	(0.70)	(0.03)	0.35	(0.20)	(0.57)	(0.26)	0.44	0.53	(0.20)	0.52	(0.14)	0.56	0.67	(0.06)	1.03	
Diluted	(0.17)	0.10	0.46	(0.16)	0.23	(0.70)	(0.03)	0.35	(0.20)	(0.57)	(0.26)	0.43	0.52	(0.20)	0.51	(0.14)	0.54	0.65	(0.06)	1.00	
Shares:																					
Basic	14,043	14,151	14,160	14,161	14,149	14,211	14,265	14,306	14,354	14,284	14,403	14,452	14,499	14,547	14,475	14,596	14,645	14,693	14,742	14,669	
Diluted	14,043	14,166	14,212	14,161	14,129	14,211	14,278	14,377	14,354	14,305	14,403	14,524	14,571	14,547	14,511	14,596	14,718	14,767	14,742	14,706	
Growth analysis:																					
Revenue	27.9%	-6.1%	-3.6%	-10.3%	0.4%	-9.6%	34.4%	9.9%	-0.4%	7.5%	9.9%	5.7%	6.6%	11.5%	8.2%	4.1%	4.3%	3.3%	3.1%	3.7%	
EBITDA	27.8%	9.9%	-3.1%	-20.9%	-0.4%	-20.2%	14.7%	-16.6%	-13.5%	-11.2%	24.1%	1.0%	13.7%	0.9%	12.0%	7.7%	5.1%	6.0%	9.1%	6.6%	
Margin analysis:																					
Operating	-3.6%	-1.6%	5.0%	-2.5%	-0.6%	-7.9%	1.4%	5.6%	-0.5%	0.1%	-0.8%	6.9%	7.7%	-0.4%	3.7%	0.3%	7.6%	8.7%	0.9%	4.7%	
EBITDA	14.6%	24.5%	25.2%	17.8%	20.4%	12.9%	20.9%	19.1%	15.4%	16.9%	14.6%	20.0%	20.4%	14.0%	17.5%	15.1%	20.1%	21.0%	14.8%	17.9%	

Sources: Company reports and Sidoti & Company, LLC.

Table 2. Civeo Corporation Cash Flow Statement

(\$s in thousands, except per share data)

	Mar	Jun	Sept	Dec	2020	Mar A	Jun A	Sept E	Dec E	2021E	2022E	2022E
Cash flows from operating activities:												
Net income	(145,812)	6,829	7,423	(1,220)	(132,780)	(9,425)	10	5,744	(2,123)	(5,794)	10,012	17,535
Adjustments:												
Depreciation & amortization	25,502	22,205	24,820	24,020	96,547	21,269	21,377	21,377	21,377	85,400	85,508	85,508
Impairment charges	144,120	0	0	0	144,120		7,935			7,935	0	0
Loss on debt extinguishment		0	383	0	383					0	0	0
Deferred income tax	(8,941)	0	0	(2,181)	(11,122)	1,041	(625)			416	0	0
Non-cash compensation charge	2,208	1,331	1,265	1,262	6,066	1,027	871			1,898	0	0
Gain on asset disposal	(21)	(1,798)	(762)	(324)	(2,905)	(1,902)	(39)			(1,941)	0	0
Loss (benefit) on receivables	54	(29)	20	(1)	44	193	(46)			147	0	0
Other, net	693	(3,933)	510	(143)	(2,873)	716	767			1,483	0	0
Working capital:												
Accounts receivable	(1,496)	11,727	(4,876)	8,324	13,679	1,806	(26,423)	(3,545)	12,785	(15,376)	(10,603)	(3,529)
Inventories	(740)	(1,155)	2,089	(23)	171	(526)	(304)	(891)	(1,450)	(3,171)	(1,367)	(326)
Accounts payable & accrued liabs.	6,280	(10,863)	5,830	5,643	6,890	(5,287)	4,724	(542)	571	(534)	165	976
Taxes payable	133	118	(200)	(185)	(134)	51	(30)	0	0	21	0	0
Other asstes/liabs, net	(1,143)	49	(1,145)	1,514	(725)	3,854	8,316	(788)	(367)	11,015	(1,466)	(438)
Operating cash flow	20,837	24,481	35,357	36,686	117,361	12,817	16,533	21,355	30,793	81,498	82,249	99,726
Cash flows from investing												
CAPEX	(2,651)	(1,196)	(2,397)	(3,839)	(10,083)	(3,372)	(3,158)	(6,000)	(6,500)	(19,030)	(28,700)	(30,000)
Acquisitions, net of cash		0	0	0						0	0	0
Disposal of PPE	72	1,825	1,439	354	3,690	6,651	361			7,012	0	0
Other, net		4,619	0	0	4,619					0	0	0
Investing cash flow	(2,579)	5,248	(958)	(3,485)	(1,774)	3,279	(2,797)	(6,000)	(6,500)	(12,018)	(28,700)	(30,000)
Financing cash flows												
Revolving credit borrowings	74,287	48,033	202,291	(324,611)	0					0	0	0
Revolving credit payments	(80,367)	(67,583)	(221,172)	298,812	(70,310)	(6,691)	(5,413)			(12,104)	0	0
Term loan repayments, net	(8,109)	(8,442)	(14,541)	(8,763)	(39,855)	(8,872)	(9,002)	(10,000)	(10,000)	(37,874)	(40,000)	(40,000)
Debt issuance costs		0	(2,583)	0	(2,583)					0	0	0
Other, net	(1,442)	(16)	0	0	(1,458)	(1,120)				(1,120)	0	0
Financing cash flow	(15,631)	(28,008)	(36,005)	(34,562)	(114,206)	(16,683)	(14,415)	(10,000)	(10,000)	(51,098)	(40,000)	(40,000)
FX changes	(400)	32	1,233	578	1,443	(113)	(362)			(475)	0	0
Net change in cash	2,227	1,753	(373)	(783)	2,824	(700)	(1,041)	5,355	14,293	17,907	13,549	29,726
Beginning cash	3,331	5,558	7,311	6,938	3,331	6,155	5,455	4,414	9,769	6,155	24,062	37,611
Ending cash	5,558	7,311	6,938	6,155	6,155	5,455	4,414	9,769	24,062	24,062	37,611	67,336
Free cash flow	18,186	23,285	32,960	32,847	107,278	9,445	13,375	15,355	24,293	62,468	53,549	69,726
Free cash flow per share	1.08	1.37	1.94	1.94	6.34	0.66	0.94	1.07	1.69	4.36	3.70	4.75

Sources: Company reports and Sidoti & Company, LLC.

CIVEO CORP

Table 3. Civeo Corporation Balance sheet

(\$s in thousands, except per share data)

	Mar	Jun	Sept	2020	Mar A	Jun A	Sept E	2021E	2022E	2023E
Assets										
Cash & equivalents	5,558	7,311	6,938	6,155	5,455	4,414	9,769	24,062	37,611	67,336
Accounts receivable	91,874	85,553	92,754	89,782	87,783	114,187	117,732	104,946	115,549	119,078
Inventories	6,050	7,683	5,775	6,181	6,677	6,958	7,849	9,299	10,666	10,992
Prepaid expenses	4,996	7,482	9,369	6,501	4,515	2,205	10,988	11,956	11,851	12,213
Other current assets	11,378	9,910	7,737	6,684	4,230	15,513	8,502	6,657	8,888	9,160
Assets held for sale	6,332			3,910				0	0	0
Total current assets	126,188	117,939	122,573	119,213	108,660	143,277	154,839	156,920	184,566	218,780
PPE	465,087	486,815	481,394	486,930	468,961	442,819	427,442	412,565	355,757	300,249
Goodwill	6,909	7,778	8,086	8,729	8,601	8,474	8,474	8,474	8,474	8,474
Other intangible assets	98,944	100,423	98,907	99,749	99,269	98,967	98,967	98,967	98,967	98,967
Operating leases	21,558	21,065	20,426	22,606	22,338	21,445	21,445	21,445	21,445	21,445
Other non-current assets	837	563	1,550	3,626	2,349	2,705	2,705	2,705	2,705	2,705
Total Assets	719,523	734,583	732,936	740,853	710,178	717,687	713,872	701,076	671,914	650,620
Liabilities & stockholders' equity										
Accounts payable	43,258	35,168	37,116	42,056	42,336	43,956	43,414	43,985	44,149	45,125
Accrued liabilities	16,163	16,910	22,229	27,349	20,801	23,983	23,983	23,983	23,983	23,983
Income taxes	448	571	379	203	255	225	225	225	225	225
Current portion of LT debt	32,142	33,510	32,978	34,585	35,047	35,593	35,593	35,593	35,593	35,593
Deferred revenue	8,250	7,853	7,801	6,812	5,983	21,486	21,486	21,486	21,486	21,486
Other current liabilities	5,785	5,484	6,353	5,760	6,354	5,997	6,981	5,737	6,398	6,593
Total current liabilities	106,046	99,496	106,856	116,765	110,776	131,240	131,682	131,009	131,834	133,005
LT debt less current	280,939	264,522	236,876	214,000	200,756	189,228	179,228	169,228	129,228	89,228
Deferred income taxes				0				0	0	0
Operating leases	18,527	18,541	18,035	19,834	18,941	17,997	17,997	17,997	17,997	17,997
Other non-current liabilities	17,066	17,781	17,557	14,897	15,566	15,817	15,817	15,817	15,817	15,817
Total liabilities	422,578	400,340	379,324	365,496	346,039	354,282	344,724	334,051	294,876	256,047
Shareholders' equity										
Total CVEO shareholders' equity	296,393	333,619	352,976	374,685	363,491	362,810	368,554	366,431	376,443	393,978
Noncontrolling interest	552	624	636	672	648	595	595	595	595	595
Total shareholders' equity	296,945	334,243	353,612	375,357	364,139	363,405	369,149	367,026	377,038	394,573
Total liabilities & shareholders' equity	719,523	734,583	732,936	740,853	710,178	717,687	713,872	701,076	671,914	650,620
Financial Ratios										
Current ratio	1.2	1.2	1.1	1.0	1.0	1.1	1.2	1.2	1.4	1.6
Total debt to capital	51.3%	47.1%	43.3%	39.8%	39.3%	38.2%	36.8%	35.8%	30.4%	24.0%
Net leverage ratio	2.7	2.5	2.3	2.2	2.2	2.0	2.0	1.8	1.2	0.5
Book value per share	21.11	23.55	24.84	26.52	25.58	25.41	25.63	25.62	25.94	26.79
Net debt	(307,523)	(290,721)	(262,916)	(242,430)	(230,348)	(220,407)	(205,052)	(180,759)	(127,210)	(57,484.56)
Net cash (debt) per share	(21.90)	(20.52)	(18.50)	(17.16)	(16.21)	(15.44)	(14.26)	(12.64)	(8.74)	(3.90)
ROE				1.2%				-1.7%	2.5%	4.4%

Sources: Company reports and Sidoti & Company, LLC.

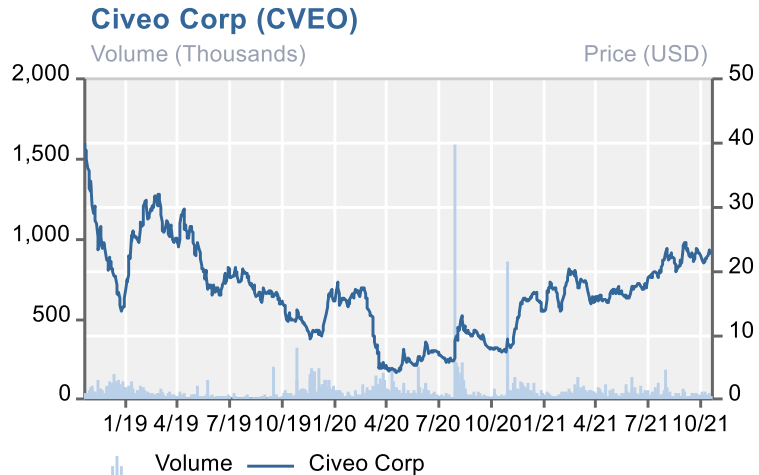
Appendix
Required Disclosures

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Civeo Corp (CVEO-\$22.61) NR Price Target: \$30 Risk Rating: M

Rating and Price Target History Table

Action	Date	Px	Rating	PT	Risk Rating
Initiation	5/17/21	16.8	NR	22	M
PT	5/28/21	16		22	
PT	6/7/21	17.7		26	
ACHG	6/21/21	17.6	NR	26	
PT	7/26/21	19.9		30	
PT	8/2/21	21.7		30	
PT	8/31/21	21.4		30	



Source: FactSet Prices

Valuation	We maintain our \$30 price target, which is based on 8x our 2022 free cash flow estimate of \$3.70. We note that Civeo and peers have traded at about 8x forward free cash flow over the last five years. We could consider a higher multiple in view of the continued improvement in the balance sheet and stable cash flow. We could also reconsider our EPS and cash flow estimates if rising met coal prices result in stronger Australian activity.		
Key Risks	COVID-19	China/Australia trade dispute	Push for green energy

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