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

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 22, 2022** (February 21, 2022)

HELIX ENERGY SOLUTIONS GROUP, INC.

(Exact name of registrant as specified in its charter)

Minnesota	**001-32936**	**95-3409686**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS. Employer Identification No.)

3505 West Sam Houston Parkway North	
Suite 400	
Houston, Texas	**77043**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **281-618-0400**

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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	HLX	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.02 Results of Operations and Financial Condition.

On February 21, 2022, Helix Energy Solutions Group, Inc. ("Helix") issued a press release reporting its financial results for the fourth quarter and full year 2021. Attached hereto as Exhibit 99.1, and incorporated herein by reference, is the press release.

Item 7.01 Regulation FD Disclosure.

On February 21, 2022, Helix issued a press release reporting its financial results for the fourth quarter and full year 2021. In addition, on February 22, 2022, Helix is making a presentation (with slides) to analysts and investors regarding its financial and operating results. Attached hereto as Exhibits 99.1 and 99.2, respectively, and incorporated herein by reference, are the press release and the slides for the Fourth Quarter 2021 Conference Call Presentation issued by Helix. The presentation materials are also available on the "For the Investor" page of Helix's website, www.helixesg.com.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit Number	Description
99.1	Press Release of Helix Energy Solutions Group, Inc. dated February 21, 2022 reporting financial results for the fourth quarter and full year 2021.
99.2	Fourth Quarter 2021 Conference Call Presentation.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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 hereunto duly authorized.

Date: February 22, 2022

HELIX ENERGY SOLUTIONS GROUP, INC.

By: /s/ Erik Staffeldt
Erik Staffeldt
Executive Vice President and
Chief Financial Officer

EXHIBIT 99.1

PRESSRELEASE

www.HelixESG.com

Helix Energy Solutions Group, Inc. • 3505 W. Sam Houston Parkway N., Suite 400 • Houston, TX 77043 • 281-618-0400 • fax: 281-618-0505

For Immediate Release **22-003**

Date: February 21, 2022

Contact: Erik Staffeldt
Executive Vice President & CFO

Helix Reports Fourth Quarter and Full Year 2021 Results

HOUSTON, TX – Helix Energy Solutions Group, Inc. ("Helix") (NYSE: HLX) reported a net loss[1] of $25.9 million, or $(0.17) per diluted share, for the fourth quarter 2021 compared to $19.0 million, or $(0.13) per diluted share, for the third quarter 2021 and net income of $4.2 million, or $0.03 per diluted share, for the fourth quarter 2020. Adjusted EBITDA[2] was $8.8 million for the fourth quarter 2021 compared to $26.5 million for the third quarter 2021 and $35.3 million for the fourth quarter 2020.

For the full year 2021, Helix reported a net loss of $61.5 million, or $(0.41) per diluted share, compared to net income of $22.2 million, or $0.13 per diluted share, for the full year 2020. Adjusted EBITDA for the full year 2021 was $96.3 million compared to $155.3 million for the full year 2020. The table below summarizes our results of operations:

Summary of Results

($ in thousands, except per share amounts, unaudited)

	Three Months Ended			Year Ended	
	12/31/2021	12/31/2020	9/30/2021	12/31/2021	12/31/2020
Revenues	$ 168,656	$ 159,897	$ 180,716	$ 674,728	$ 733,555
Gross Profit (Loss)	$ (5,361)	$ 13,695	$ 3,000	$ 15,393	$ 79,909
	(3)%	*9 %*	*2 %*	*2 %*	*11 %*
Net Income (Loss)[1]	$ (25,908)	$ 4,163	$ (19,043)	$ (61,538)	$ 22,174
Diluted Earnings (Loss) Per Share	$ (0.17)	$ 0.03	$ (0.13)	$ (0.41)	$ 0.13
Adjusted EBITDA[2]	$ 8,764	$ 35,283	$ 26,532	$ 96,276	$ 155,260
Cash and Cash Equivalents[3]	$ 253,515	$ 291,320	$ 237,549	$ 253,515	$ 291,320
Cash Flows from Operating Activities	$ 18,865	$ 40,172	$ 28,712	$ 140,117	$ 98,800
Free Cash Flow[2]	$ 17,929	$ 39,146	$ 28,138	$ 131,846	$ 79,519

Owen Kratz, President and Chief Executive Officer of Helix, stated, "Our results for 2021 highlight our company's resilience and execution in another challenging year. We delivered on the higher end of our EBITDA outlook and exceeded our free cash flow guidance with free cash flow of $132 million. We continued to de-lever our balance sheet and managed our liquidity with a new five-year credit facility. We achieved zero net debt in 2021 and were net debt negative at year-end. We maintained a strong safety record and minimized operational disruption due to COVID. As we look forward, we expect the first half of 2022 will be a transitional period as we still face headwinds in the near-term with a slow recovery in the North Sea, cost escalations and our continued integration of the *Siem Helix 1* into the spot market. We are optimistic about the future and believe we will see a stronger second half of 2022 and continuing into 2023, as reflected by recent awards for decommissioning campaigns in the Tui field offshore New Zealand and with Trident Energy offshore Brazil, both expected to commence late 2022. We believe we're well positioned to take advantage of the improving market conditions. In addition, our Robotics business continues to thrive in the renewables market, where we are a market leader in trenching. We remain committed to executing our strategy and maintaining operational excellence."

[1] Net income (loss) attributable to common shareholders
[2] Adjusted EBITDA and Free Cash Flow are a non-GAAP measures; see reconciliations below
[3] Excludes restricted cash of $73.6 million as of 12/31/21 and $71.3 million as of 9/30/21

Segment Information, Operational and Financial Highlights

($ in thousands, unaudited)

	Three Months Ended			Year Ended	
	12/31/2021	**12/31/2020**	**9/30/2021**	**12/31/2021**	**12/31/2020**
Revenues:					
Well Intervention	$ 119,177	$ 111,953	$ 131,314	$ 516,564	$ 539,249
Robotics	40,865	42,122	42,623	137,295	178,018
Production Facilities	20,131	15,002	18,552	69,348	58,303
Intercompany Eliminations	(11,517)	(9,180)	(11,773)	(48,479)	(42,015)
Total	$ 168,656	$ 159,897	$ 180,716	$ 674,728	$ 733,555
Income (Loss) from Operations:					
Well Intervention	$ (21,063)	$ 1,945	$ (13,343)	$ (35,882)	$ 26,855
Robotics	3,505	1,815	4,936	5,762	13,755
Production Facilities	6,621	4,833	5,089	22,906	15,975
Goodwill Impairment	—	—	—	—	(6,689)
Corporate / Other / Eliminations	(15,923)	(7,750)	(7,013)	(41,473)	(36,871)
Total	$ (26,860)	$ 843	$ (10,331)	$ (48,687)	$ 13,025

Fourth Quarter Results

Segment Results

Well Intervention

Well Intervention revenues decreased $12.1 million, or 9%, in the fourth quarter 2021 compared to the previous quarter. The decrease was primarily due to lower utilization in the North Sea and Brazil, offset in part by higher utilization in the Gulf of Mexico and higher operating rates in West Africa during the fourth quarter 2021. North Sea utilization declined with the seasonal slowdown, and our Brazil utilization declined as the *Siem Helix 1* had minimal utilization during the fourth quarter 2021 following the completion of its long-term contract in August 2021 and scheduled regulatory inspections. Overall Well Intervention vessel utilization decreased to 56% in the fourth quarter 2021 compared to 72% in the previous quarter. Well Intervention net loss from operations increased to $21.1 million in the fourth quarter 2021 compared to $13.3 million in the previous quarter. The increased loss was due to lower revenues, offset in part by reduced operating costs in the North Sea during the fourth quarter.

Well Intervention revenues increased $7.2 million, or 6%, in the fourth quarter 2021 compared to the fourth quarter 2020. The increase was primarily due to higher utilization in West Africa, offset in part by lower utilization in Brazil and lower rates in the Gulf of Mexico during the fourth quarter 2021. Our fourth quarter 2021 utilization in West Africa benefitted from near-full utilization on the *Q7000*, which had no utilization during the fourth quarter 2020. However, our fourth quarter 2021 revenues were negatively impacted with the completion of our long-term contracts during 2021 on the *Q5000*, which had lower rates compared to the prior year, and the *Siem Helix 1*, which had minimal utilization following the completion of its long-term contract in August 2021 and scheduled regulatory inspections, compared to near-full utilization in the prior year. Well Intervention vessel utilization was 56% in both the fourth quarters 2021 and 2020. Well Intervention incurred a net loss from operations of $21.1 million in the fourth quarter 2021 compared to operating income of $1.9 million in the fourth quarter 2020. Operating income decreased, despite higher revenue, due to lower margins in West Africa and the Gulf of Mexico compared to the prior year.

Robotics

Robotics revenues decreased $1.8 million, or 4%, in the fourth quarter 2021 compared to the previous quarter. The seasonally lower revenues were driven by a decrease in ROV activity and lower seasonal vessel rates in the North Sea, offset in part by a higher number of vessel days. ROV and trencher utilization decreased to 38% in the fourth quarter 2021 from 43% in the previous quarter, while trenching days remained flat quarter over quarter. Chartered vessel utilization was 99% in both the third and fourth quarters 2021, although there were 419 total vessel days during the fourth quarter 2021 compared to 358 total vessel days during the previous quarter. Vessel days during the fourth quarter 2021 included 197 spot vessel days performing seabed clearance work in the North Sea and 40 spot vessel days completing the ROV support work for a telecom project offshore Guyana compared to 99 and 77 of such spot vessel days, respectively, during the previous quarter. Robotics operating income decreased $1.4 million during the fourth quarter 2021 compared to the previous quarter due to lower revenues during the fourth quarter 2021.

Robotics revenues decreased $1.3 million, or 3%, in the fourth quarter 2021 compared to the fourth quarter 2020. The decrease in revenues year over year was due to lower rates on our vessels, offset in part by an increase in vessel and ROV activity during the fourth quarter 2021 compared to the fourth quarter 2020. During the fourth quarter 2021 our spot vessel days completing the telecom project offshore Guyana were at lower demobilization rates and our site clearance projects were on average at lower overall rates compared to the fourth quarter 2020. Total vessel days during the fourth quarter 2021 increased to 419 days compared to 336 days during the fourth quarter 2020. Vessel days during the fourth quarter 2021 included 197 spot vessel days performing seabed clearance work and 40 spot vessel days completing ROV support work for a telecom project offshore Guyana, compared to 74 spot vessel days performing seabed clearance work and 78 spot vessel days performing decommissioning projects and ROV support work during the fourth quarter 2020. Chartered vessel utilization was 99% during the fourth quarter 2021 compared to 100% during the fourth quarter 2020. Total ROV and trencher utilization was 38% in the fourth quarter 2021 compared to 32% in the fourth quarter 2020, with 90 trenching days in the fourth quarter 2021 compared to 92 days in the fourth quarter 2020. Robotics income from operations increased $1.7 million in the fourth quarter 2021 compared to the fourth quarter 2020 due to lower costs and higher margins on projects during the fourth quarter 2021.

Production Facilities

Production Facilities revenues increased $1.6 million, or 9%, in the fourth quarter 2021 compared to the previous quarter and $5.1 million, or 34%, compared to the fourth quarter 2020 primarily due to higher oil and gas production volumes and prices during the fourth quarter 2021.

Selling, General and Administrative and Other

Selling, General and Administrative

Selling, general and administrative expenses were $21.5 million, or 12.7% of revenue, in the fourth quarter 2021 compared to $13.3 million, or 7.4% of revenue, in the previous quarter. The increase was primarily due to higher employee incentive compensation costs compared to the previous quarter.

Other Income and Expenses

Other expense, net was $0.1 million in the fourth quarter 2021 compared to $4.0 million in the third quarter 2021. Other expense, net in the third quarter 2021 included unrealized foreign currency losses related to the British pound, which weakened approximately 3% during the third quarter 2021.

Cash Flows

Operating cash flows were $18.9 million in the fourth quarter 2021 compared to $28.7 million in the previous quarter and $40.2 million in the fourth quarter 2020. The decreases in operating cash flows quarter over quarter and year over year were primarily due to lower earnings, offset in part by improvements in working capital, during the fourth quarter 2021.

Capital expenditures totaled $0.9 million in the fourth quarter 2021 compared to $0.6 million in the previous quarter and $1.1 million in the fourth quarter 2020.

Free cash flow was $17.9 million in the fourth quarter 2021 compared to $28.1 million in the previous quarter and $39.1 million in the fourth quarter 2020. The decreases in free cash flow quarter over quarter and year over year were due primarily to lower operating cash flows in the fourth quarter 2021. (Free cash flow is a non-GAAP measure. See reconciliation below.)

Full Year Results

Segment Results

Well Intervention

Well Intervention revenues decreased $22.7 million, or 4%, in 2021 compared to 2020. The decrease was primarily driven by lower vessel utilization and rates on the *Q4000* and the *Siem Helix 1*, which completed its long-term contract in Brazil during the third quarter 2021, and lower rates on the *Q5000* with the completion of its long-term contract in the Gulf of Mexico during the second quarter 2021. The decrease was offset in part by higher utilization on the *Q7000*, which had near full utilization once resuming operations in January 2021 after being warm stacked for the majority of 2020. Overall Well Intervention vessel utilization remained flat at 67% in both 2021 and 2020. Well Intervention incurred a net loss from operations of $35.9 million in 2021 compared to operating income of $26.9 million in 2020, a decrease of $62.7 million. The decrease was due to lower segment revenues as well as lower margins associated with our resumed activity in West Africa in 2021.

Robotics

Robotics revenues decreased $40.7 million, or 23%, in 2021 compared to 2020. The decrease was primarily due to a reduction in seabed clearance and trenching activities. Chartered vessel days decreased to 1,178 in 2021 compared to 1,690 in 2020 due primarily to a reduction in vessel days associated with our renewables site clearance projects in the North Sea, which totaled 360 days in 2021 compared to 647 days in 2020. Trenching days decreased to 336 days in 2021 compared to 407 days in 2020. Overall ROV and trencher utilization increased to 36% in 2021 compared to 34% in 2020. Robotics operating income decreased $8.0 million, or 58%, in 2021 compared to 2020. The decrease in operating income was due to lower revenues, offset in part by lower operating expenses, during 2021.

Production Facilities

Production Facilities revenues increased $11.0 million, or 19%, in 2021 compared to 2020. The increase was due to higher oil and gas prices and production volumes and higher revenues related to the Helix Fast Response System in 2021. Production Facilities operating income increased $6.9 million compared to the prior year primarily due to increases in revenues in 2021.

Selling, General and Administrative and Other

Selling, General and Administrative

Selling, general and administrative expenses were $63.4 million, or 9.4% of revenue, in 2021 compared to $61.1 million, or 8.3% of revenue, in 2020. The increase was primarily related to an increase in employee incentive compensation costs, offset in part by cost reduction measures and lower credit provisions, which included credit losses of $1.9 million in 2020.

Net Interest Expense

Net interest expense decreased to $23.2 million in 2021 compared to $28.5 million in 2020. The decrease was primarily associated with lower funded debt, which decreased by $91.0 million during 2021, and lower amortization of debt discounts on our convertible senior notes, which were eliminated with our adoption of ASU No. 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. The decrease was offset in part by a full year of higher interest rates on our convertible senior notes due 2026, which were issued in August 2020.

Gain on Extinguishment of Long-term Debt

The $9.2 million gain on extinguishment of long-term debt in 2020 was associated with our repurchase of a portion of our convertible senior notes due 2022 and 2023.

Other Income and Expenses

Other expense, net was $1.5 million in 2021 compared to other income, net of $4.7 million in 2020. The change was primarily due foreign currency losses due to a weakening of the British pound in 2021 compared to foreign currency gains due to a strengthening of the British pound in 2020.

Cash Flows

Helix generated operating cash flows of $140.1 million in 2021 compared to $98.8 million in 2020. The increase in operating cash flows in 2021 was due to improvements in working capital, lower regulatory certification costs and the receipt of tax refunds of $18.9 million related to the CARES Act, offset in part by lower earnings in 2021. Regulatory certification costs, which are considered as part of Helix's capital spending program but are classified in operating cash flows, were $9.6 million in 2021 compared to $19.3 million in 2020.

Capital expenditures declined to $8.3 million in 2021 compared to $20.2 million in 2020 primarily due to completion of the *Q7000*, which commenced operations early 2020, and reductions in capital spending as part of our response to the COVID-19 pandemic.

Free cash flow was $131.8 million in 2021 compared to $79.5 million in 2020 due to higher operating cash flows and lower capital expenditures in 2021. (Free cash flow is a non-GAAP measure. See reconciliation below.)

Financial Condition and Liquidity

Cash and cash equivalents were $253.5 million at December 31, 2021 and excluded $73.6 million of restricted cash, which primarily relates to cash pledged as collateral on a short-term project-related letter of credit. Available capacity under our ABL facility was $51.1 million at December 31, 2021. Long-term debt was $305.0 million at December 31, 2021. Negative net debt at December 31, 2021 was $22.1 million.

* * * * *

Conference Call Information

Further details are provided in the presentation for Helix's quarterly teleconference to review its fourth quarter and full year 2021 results (see the "For the Investor" page of Helix's website, www.helixesg.com). The teleconference, scheduled for Tuesday, February 22, 2022 at 9:00 a.m. Central Time, will be audio webcast live from the "For the Investor" page of Helix's website. Investors and other interested parties wishing to participate in the teleconference may join by dialing 800-748-8543 for participants in the United States and 212-231-2912 for international participants. The passcode is "Staffeldt." A replay of the webcast will be available on the "For the Investor" page of Helix's website by selecting the "Audio Archives" link beginning approximately two hours after the completion of the event.

About Helix

Helix Energy Solutions Group, Inc., headquartered in Houston, Texas, is an international offshore energy services company that provides specialty services to the offshore energy industry, with a focus on well intervention and robotics operations. For more information about Helix, please visit our website at www.helixesg.com.

Non-GAAP Financial Measures

Management evaluates performance and financial condition using certain non-GAAP measures, primarily EBITDA, Adjusted EBITDA, net debt, net debt to book capitalization and free cash flow. We define EBITDA as earnings before income taxes, net interest expense, gain or loss on extinguishment of long-term debt, net other income or expense, and depreciation and amortization expense. Non-cash impairment losses on goodwill and other long-lived assets and gains and losses on equity investments are also added back if applicable. To arrive at our measure of Adjusted EBITDA, we exclude the gain or loss on disposition of assets and the general provision (release) for current expected credit losses, if any. In addition, we include realized losses from foreign currency exchange contracts not designated as hedging instruments, which are excluded from EBITDA as a component of net other income or expense. Net debt is calculated as long-term debt including current maturities of long-term debt less cash and cash equivalents and restricted cash. Net debt to book capitalization is calculated by dividing net debt by the sum of net debt and shareholders' equity. We define free cash flow as cash flows from operating activities less capital expenditures, net of proceeds from sale of assets.

We use EBITDA, Adjusted EBITDA and free cash flow to monitor and facilitate internal evaluation of the performance of our business operations, to facilitate external comparison of our business results to those of others in our industry, to analyze and evaluate financial and strategic planning decisions regarding future investments and acquisitions, to plan and evaluate operating budgets, and in certain cases, to report our results to the holders of our debt as required by our debt covenants. We believe that our measures of EBITDA, Adjusted EBITDA and free cash flow provide useful information to the public regarding our operating performance and ability to service debt and fund capital expenditures and may help our investors understand and compare our results to other companies that have different financing, capital and tax structures. Other companies may calculate their measures of EBITDA, Adjusted EBITDA and free cash flow differently from the way we do, which may limit their usefulness as comparative measures. EBITDA, Adjusted EBITDA and free cash flow should not be considered in isolation or as a substitute for, but instead are supplemental to, income from operations, net income, cash flows from operating activities, or other income or cash flow data prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions that are excluded from these measures. See reconciliation of the non-GAAP financial information presented in this press release to the most directly comparable financial information presented in accordance with GAAP.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements, other than statements of historical fact, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, any statements regarding the ongoing COVID-19 pandemic and oil price volatility and their respective effects and results, our protocols and plans, our current work continuing, the spot market, our spending and cost reduction plans and our ability to manage changes; our strategy; any statements regarding visibility and future utilization; any projections of financial items; any statements regarding future operations expenditures; any statements regarding the plans, strategies and objectives of management for future operations; any statements regarding our ability to enter into, renew and/or perform commercial contracts; any statements concerning developments; any statements regarding our environmental, social and governance (“ESG”) initiatives; any statements regarding future economic conditions or performance; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that could cause results to differ materially from those in the forward-looking statements, including but not limited to the results and effects of the COVID-19 pandemic and actions by governments, customers, suppliers and partners with respect thereto; market conditions; results from acquired properties; demand for our services; the performance of contracts by suppliers, customers and partners; actions by governmental and regulatory authorities including regulatory initiatives by the U.S. administration; operating hazards and delays, which include delays in delivery, chartering or customer acceptance of assets or terms of their acceptance; our ultimate ability to secure and realize backlog; the effectiveness of our ESG disclosures; employee management issues; complexities of global political and economic developments; geologic risks; volatility of oil and gas prices and other risks described from time to time in our reports filed with the Securities and Exchange Commission (“SEC”), including our most recently filed Annual Report on Form 10-K and in our other filings with the SEC, which are available free of charge on the SEC's website at www.sec.gov. We assume no obligation and do not intend to update these forward-looking statements, which speak only as of their respective dates, except as required by the securities laws.

Social Media

From time to time we provide information about Helix on Twitter (@Helix_ESG), LinkedIn (www.linkedin.com/company/helix-energy-solutions-group), Facebook (www.facebook.com/HelixEnergySolutionsGroup), Instagram (www.instagram.com/helixenergysolutions) and YouTube (www.youtube.com/user/HelixEnergySolutions).

Comparative Condensed Consolidated Statements of Operations

(in thousands, except per share data)	Three Months Ended Dec. 31, 2021 (unaudited)	Three Months Ended Dec. 31, 2020 (unaudited)	Year Ended Dec. 31, 2021 (unaudited)	Year Ended Dec. 31, 2020
Net revenues	$ 168,656	$ 159,897	$ 674,728	$ 733,555
Cost of sales	174,017	146,202	659,335	653,646
Gross profit (loss)	(5,361)	13,695	15,393	79,909
Goodwill impairment	—	—	—	(6,689)
Gain (loss) on disposition of assets, net	—	(24)	(631)	889
Selling, general and administrative expenses	(21,499)	(12,828)	(63,449)	(61,084)
Income (loss) from operations	(26,860)	843	(48,687)	13,025
Equity in earnings (losses) of investment	—	249	(1)	216
Net interest expense	(5,301)	(8,124)	(23,201)	(28,531)
Gain (loss) on extinguishment of long-term debt	(12)	—	(136)	9,239
Other income (expense), net	(52)	8,396	(1,490)	4,724
Royalty income and other	269	184	2,873	2,710
Income (loss) before income taxes	(31,956)	1,548	(70,642)	1,383
Income tax benefit	(6,048)	(2,569)	(8,958)	(18,701)
Net income (loss)	(25,908)	4,117	(61,684)	20,084
Net loss attributable to redeemable noncontrolling interests	—	(46)	(146)	(2,090)
Net income (loss) attributable to common shareholders	$ (25,908)	$ 4,163	$ (61,538)	$ 22,174
Earnings (loss) per share of common stock:				
Basic	$ (0.17)	$ 0.03	$ (0.41)	$ 0.13
Diluted	$ (0.17)	$ 0.03	$ (0.41)	$ 0.13
Weighted average common shares outstanding:				
Basic	150,170	149,106	150,056	148,993
Diluted	150,170	150,156	150,056	149,897

Comparative Condensed Consolidated Balance Sheets

(in thousands)	Dec. 31, 2021 (unaudited)	Dec. 31, 2020
ASSETS		
Current Assets:		
Cash and cash equivalents (1)	$ 253,515	$ 291,320
Restricted cash (1)	73,612	—
Accounts receivable, net	144,137	132,233
Other current assets	58,274	102,092
Total Current Assets	529,538	525,645
Property and equipment, net	1,657,645	1,782,964
Operating lease right-of-use assets	104,190	149,656
Other assets, net	34,655	40,013
Total Assets	$ 2,326,028	$ 2,498,278
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 87,959	$ 50,022
Accrued liabilities	91,712	87,035
Current maturities of long-term debt (1)	42,873	90,651
Current operating lease liabilities	55,739	51,599
Total Current Liabilities	278,283	279,307
Long-term debt (1)	262,137	258,912
Operating lease liabilities	50,198	101,009
Deferred tax liabilities	86,966	110,821
Other non-current liabilities	975	3,878
Redeemable noncontrolling interests	—	3,855
Shareholders' equity	1,647,469	1,740,496
Total Liabilities and Equity	$ 2,326,028	$ 2,498,278

(1) Negative net debt of $22,117 as of December 31, 2021. Net debt calculated as long-term debt including current maturities of long-term debt less cash and cash equivalents and restricted cash.

Helix Energy Solutions Group, Inc.
Reconciliation of Non-GAAP Measures

(in thousands, unaudited)	Three Months Ended 12/31/2021	Three Months Ended 12/31/2020	Three Months Ended 9/30/2021	Year Ended 12/31/2021	Year Ended 12/31/2020
Reconciliation from Net Income (Loss) to Adjusted EBITDA:					
Net income (loss)	$ (25,908)	$ 4,117	$ (19,043)	$ (61,684)	$ 20,084
Adjustments:					
Income tax benefit	(6,048)	(2,569)	(1,058)	(8,958)	(18,701)
Net interest expense	5,301	8,124	5,928	23,201	28,531
(Gain) loss on extinguishment of long-term debt	12	—	124	136	(9,239)
Other (income) expense, net	52	(8,396)	4,015	1,490	(4,724)
Depreciation and amortization	35,288	34,157	36,719	141,514	133,709
Goodwill impairment	—	—	—	—	6,689
Non-cash gain on equity investment	—	(264)	—	—	(264)
EBITDA	8,697	35,169	26,685	95,699	156,085
Adjustments:					
(Gain) loss on disposition of assets, net	—	24	(15)	631	(889)
General provision (release) for current expected credit losses	67	90	(138)	(54)	746
Realized losses from foreign exchange contracts not designated as hedging instruments	—	—	—	—	(682)
Adjusted EBITDA	$ 8,764	$ 35,283	$ 26,532	$ 96,276	$ 155,260
Free Cash Flow:					
Cash flows from operating activities	$ 18,865	$ 40,172	$ 28,712	$ 140,117	$ 98,800
Less: Capital expenditures, net of proceeds from sale of assets	(936)	(1,026)	(574)	(8,271)	(19,281)
Free cash flow	$ 17,929	$ 39,146	$ 28,138	$ 131,846	$ 79,519

Exhibit 99.2

February 22, 2022

Fourth Quarter 2021 Conference Call

Helix
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FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements that involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements, other than statements of historical fact, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, any statements regarding the ongoing COVID-19 pandemic and oil price volatility and their respective effects and results, our protocols and plans, our current work continuing, the spot market, our spending and cost reduction plans and our ability to manage changes; our strategy; any statements regarding visibility and future utilization; any projections of financial items; any statements regarding future operations expenditures; any statements regarding the plans, strategies and objectives of management for future operations; any statements regarding our ability to enter into, renew and/or perform commercial contracts; any statements concerning developments; any statements regarding our environmental, social and governance ("ESG") initiatives; any statements regarding future economic conditions or performance; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that could cause results to differ materially from those in the forward-looking statements, including but not limited to the results and effects of the COVID-19 pandemic and actions by governments, customers, suppliers and partners with respect thereto; market conditions; results from acquired properties; demand for our services; the performance of contracts by suppliers, customers and partners; actions by governmental and regulatory authorities including regulatory initiatives by the U.S. administration; operating hazards and delays, which include delays in delivery, chartering or customer acceptance of assets or terms of their acceptance; our ultimate ability to secure and realize backlog; the effectiveness of our ESG disclosures; employee management issues; complexities of global political and economic developments; geologic risks; volatility of oil and gas prices and other risks described from time to time in our reports filed with the Securities and Exchange Commission ("SEC"), including our most recently filed Annual Report on Form 10-K and in our other filings with the SEC, which are available free of charge on the SEC's website at www.sec.gov. We assume no obligation and do not intend to update these forward-looking statements, which speak only as of their respective dates, except as required by the securities laws.

Social Media

From time to time we provide information about Helix on social media, including:

Twitter: @Helix_ESG
LinkedIn: www.linkedin.com/company/helix-energy-solutions-group
Facebook: www.facebook.com/HelixEnergySolutionsGroup
Instagram: www.instagram.com/helixenergysolutions
YouTube: www.youtube.com/user/HelixEnergySolutions

PRESENTATION OUTLINE

- Executive Summary (pg. 4)
- Operational Highlights by Segment (pg. 9)
- Key Financial Metrics (pg. 17)
- 2022 Outlook (pg. 20)
- Non-GAAP Reconciliations (pg. 26)
- Questions and Answers

Executive Summary

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EXECUTIVE SUMMARY

($ in millions, except per share data, unaudited)	Three Months Ended			Year Ended	
	12/31/21	12/31/20	9/30/21	12/31/21	12/31/20
Revenues	$ 169	$ 160	$ 181	$ 675	$ 734
Gross profit (loss)	$ (5)	$ 14	$ 3	$ 15	$ 80
	(3)%	*9%*	*2%*	*2%*	*11%*
Net income (loss)[1]	$ (26)	$ 4	$ (19)	$ (62)	$ 22
Diluted earnings (loss) per share	$ (0.17)	$ 0.03	$ (0.13)	$ (0.41)	$ 0.13
Adjusted EBITDA[2]					
Business segments	$ 25	$ 42	$ 34	$ 136	$ 188
Corporate, eliminations and other	(16)	(7)	(7)	(39)	(33)
Adjusted EBITDA[2]	$ 9	$ 35	$ 27	$ 96	$ 155
Cash and cash equivalents[3]	$ 254	$ 291	$ 238	$ 254	$ 291
Cash flows from operating activities	$ 19	$ 40	$ 29	$ 140	$ 99
Free cash flow	$ 18	$ 39	$ 28	$ 132	$ 80

[1] Net income (loss) attributable to common shareholders
[2] Adjusted EBITDA is a non-GAAP financial measure; see non-GAAP reconciliations on slide 27
[3] Excludes restricted cash of $74 million as of 12/31/21 and $71 million as of 9/30/21

Amounts may not add due to rounding

Q4 2021

- Net loss[1] of $26 million, $(0.17) per diluted share
- Adjusted EBITDA[2] of $9 million
- Operating cash flows of $19 million
- Free Cash Flow[2] of $18 million

Q4 2021 Operations

- Steady utilization and performance on *Q7000* in West Africa
- Strong utilization on *Q4000* and *Q5000* in the Gulf of Mexico
- Renewed long-term contract at reduced rates on *Siem Helix 2* in Brazil
- Global Total Reportable Incident Rate (TRIR) 0.38 at year end
- Global Uptime Efficiency 98.3% for the full year

Full Year 2021

- Net loss[1] of $62 million, $(0.41) per diluted share
- Adjusted EBITDA[2] of $96 million
- Operating cash flows of $140 million
- Free Cash Flow[2] of $132 million

[1] Net loss attributable to common shareholders
[2] Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures; see non-GAAP reconciliations on slide 27

Well Intervention

- Well intervention vessel fleet utilization 56%
  - 89% in the GOM
  - 38% in the North Sea and West Africa
  - 52% in Brazil
- 15K IRS and 10K IRS idle during quarter

Robotics

- Robotics chartered vessels utilization 99%
  - 419 total vessel days (237 spot vessel days)
  - 90 days trenching utilization
- ROV and trencher utilization of 38%

Production Facilities

- *Helix Producer 1* operated at full rates during quarter
- Droshky wells steady production

Q4 2021

- Cash and cash equivalents of $254 million
  - Excludes $74 million of restricted cash which primarily includes cash pledged as collateral for a short-term project-related letter of credit expected to be released upon project completion
- Liquidity[1] of $305 million
- Long-term debt[2] of $305 million
- Negative net debt[3] of $22 million

[1] Liquidity at December 31, 2021 is calculated as the sum of cash and cash equivalents and available capacity under Helix's $80 million ABL facility and excludes restricted cash of approximately $74 million, which primarily includes a short-term project-related letter of credit
[2] Net of unamortized issuance costs
[3] Net debt is calculated as long-term debt (including current maturities of long-term debt) less cash and cash equivalents and restricted cash

Operational Highlights

By Segment

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BUSINESS SEGMENT RESULTS

($ in millions, unaudited)	Three Months Ended			Year Ended	
	12/31/21	12/31/20	9/30/21	12/31/21	12/31/20
Revenues					
Well Intervention	$ 119	$ 112	$ 131	$ 517	$ 539
Robotics	41	42	43	137	178
Production Facilities	20	15	19	69	58
Intercompany eliminations	(12)	(9)	(12)	(48)	(42)
Total	$ 169	$ 160	$ 181	$ 675	$ 734
Gross profit (loss) %					
Well Intervention	$ (18) *(15)%*	$ 5 *5%*	$ (10) *(7)%*	$ (21) *(4)%*	$ 41 *8%*
Robotics	5 *13%*	4 *9%*	7 *16%*	13 *10%*	23 *13%*
Production Facilities	7 *36%*	5 *36%*	5 *29%*	25 *36%*	18 *31%*
Eliminations and other	-	-	-	(2)	(2)
Total	$ (5) *(3)%*	$ 14 *9%*	$ 3 *2%*	$ 15 *2%*	$ 80 *11%*
Utilization					
Well Intervention vessels	56%	56%	72%	67%	67%
Robotics vessels	99%	100%	99%	97%	94%
ROVs and trenchers	38%	32%	43%	36%	34%

Amounts may not add due to rounding

WELL INTERVENTION – GULF OF MEXICO

- ***Q5000*** – 88% utilized in Q4; completed a hydrate remediation scope for one customer, performed a flowline remediation for another customer, performed a two-well P&A campaign for a third customer
- ***Q4000*** – 90% utilized in Q4; completed a construction scope followed by a hydrate remediation scope and an abandonment scope for one customer; performed production enhancement operations for another customer; commenced at quarter-end a multi-well campaign with multiple scopes
- 15K IRS rental unit – idle in Q4
- 10K IRS rental unit – idle in Q4

WELL INTERVENTION – NORTH SEA AND WEST AFRICA

- ***Q7000*** – 99% utilized in Q4; performed production enhancement and P&A scopes for one customer in Nigeria
- ***Well Enhancer*** – 15% utilized in Q4; performed diving and pumping enhancement operations for two customers; vessel stacked and idle for the remainder of the quarter
- ***Seawell*** – 0% utilized in well intervention mode in Q4; vessel worked 43 days on boulder removal project with Helix Robotics through end of year as a cost reduction measure (vessel days are included in Helix Robotics utilization)

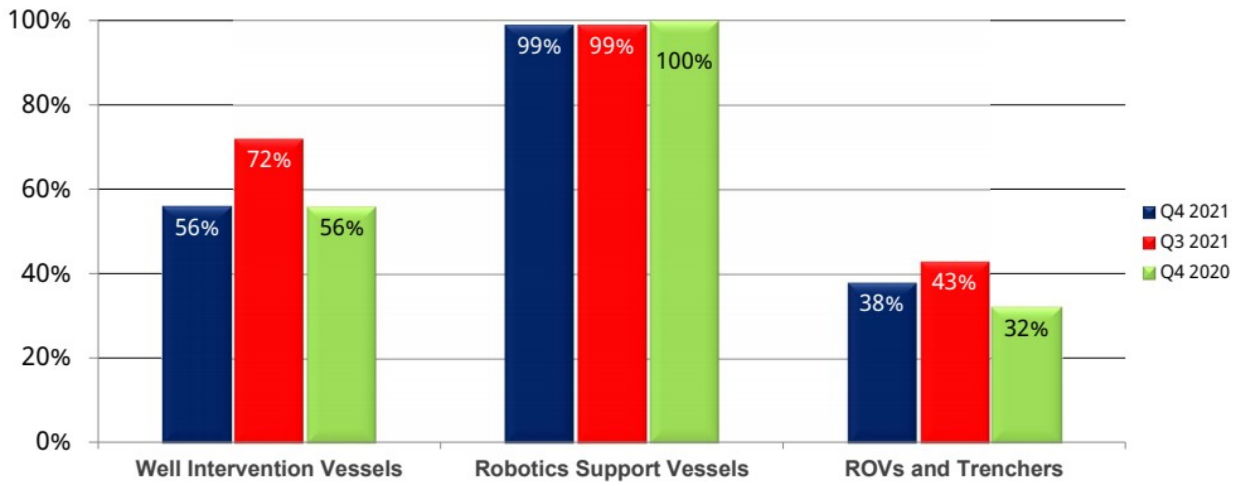
WELL INTERVENTION – BRAZIL

- ***Siem Helix 1*** – 3% utilized in Q4; vessel completed scheduled regulatory inspections and subsequently mobilized for and commenced accommodations work offshore West Africa
- ***Siem Helix 2*** – 100% utilized in Q4; performed abandonment scopes on two wells and workover scopes on three wells for Petrobras

ROBOTICS

- ***Grand Canyon II*** (Asia Pacific) – 100% utilized in Q4 performing decommissioning work offshore Thailand
- ***Grand Canyon III*** (North Sea) – 98% utilized in Q4; performed trenching operations for four customers
- **Spot Vessels** – 237 total days of spot vessel utilization during Q4
  - 116 days performing North Sea renewables seabed clearance work, including 43 days on the *Seawell*
  - 81 days performing telecom UXO survey
  - 40 days completing ROV support project offshore Guyana
- **Trenching** – 90 total days of trenching operations on the *Grand Canyon III*

UTILIZATION



Well Intervention Vessels

- *Q5000*
- *Q4000*
- *Seawell*
- *Well Enhancer*
- *Siem Helix 1*[1]
- *Siem Helix 2*[1]
- *Q7000*

Robotics Support Vessels

- *Grand Canyon II*[1]
- *Grand Canyon III*[1]
- Spot vessels[1]

ROVs and Trenchers

- 42 ROVs[2]
- 1 ROVDrill unit
- 4 Trenchers

[1] Chartered vessels
[2] Two ROVs retired Q1 2021

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental

- Our business supports both the responsible transition from a carbon-based economy and extending the value and therefore the life cycle of underutilized wells, which in turn helps clients avoid drilling new wells. These efforts are published in greater detail in our Corporate Sustainability Report, a copy of which is available on our website at www.helixesg.com/about-helix/our-company/corporate-sustainability

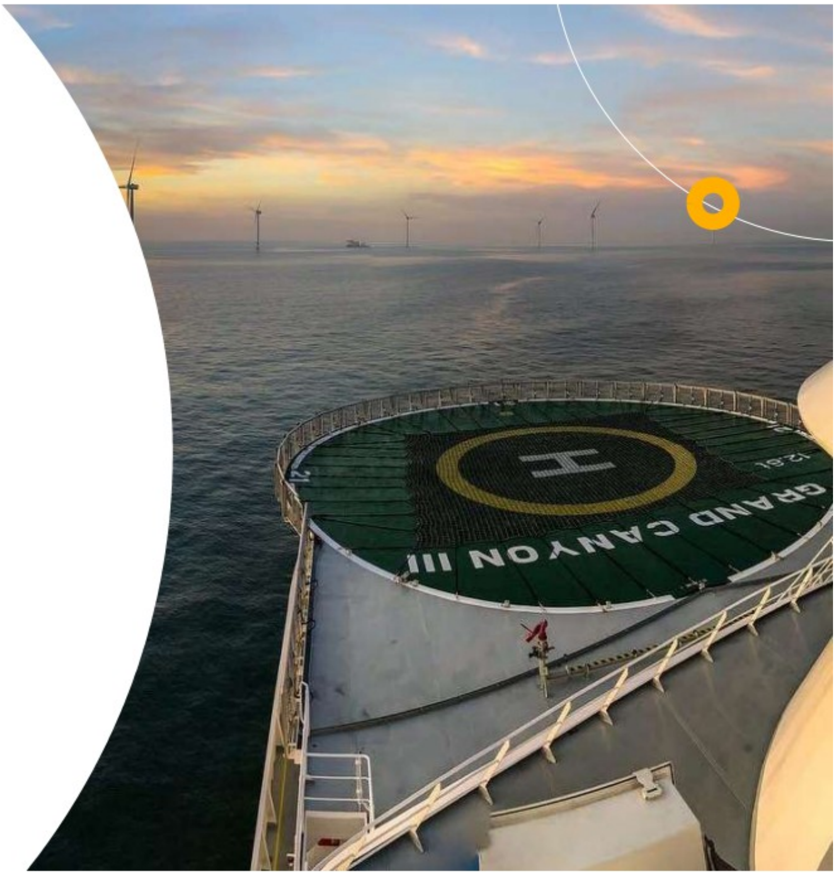
Social

- Investment in our human capital is a priority at Helix. When hiring employees we strive to create value in the communities in which we operate by looking for local talent first

Governance

- Our Board defines diversity expansively and has determined that it is desirable for the Board to have diverse viewpoints, professional experiences, backgrounds (including gender, race, ethnicity and educational backgrounds) and skills, with the principal qualification of a director being the ability to act effectively on behalf of Company shareholders.
- Our Board has been significantly refreshed over the past three years, adding three new members
- Our Board's Corporate Governance and Nominating Committee oversees, assesses and reviews our ESG strategy, including with respect to climate change

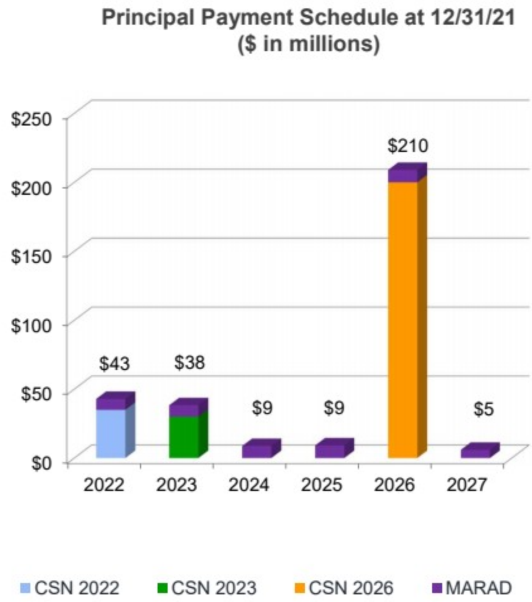
Key Financial Metrics



DEBT INSTRUMENT PROFILE

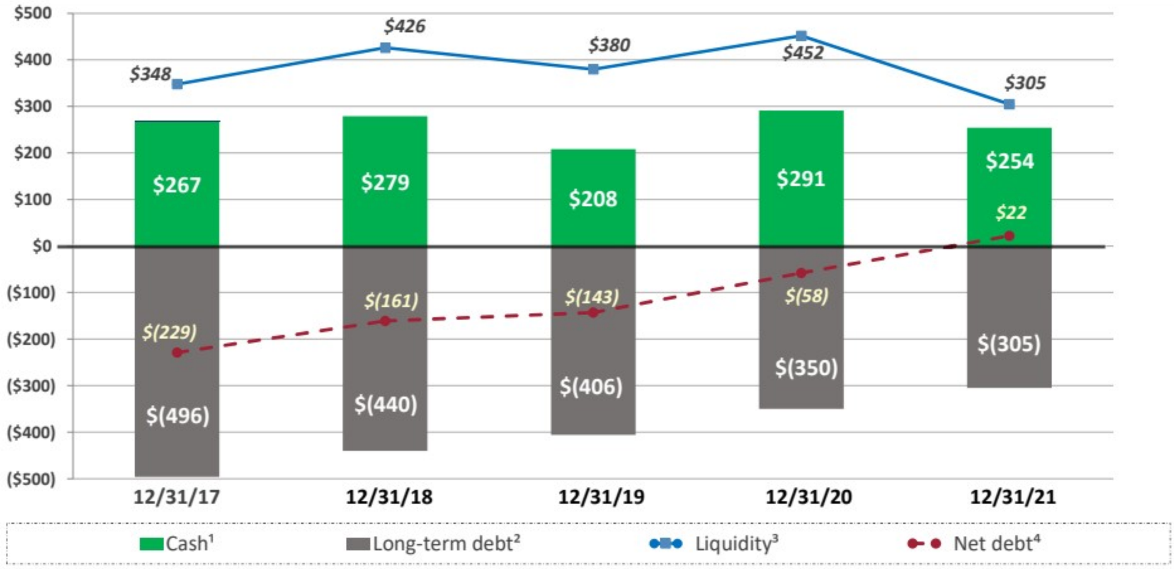
Total funded debt[1] of $314 million at 12/31/21

- $35 million Convertible Senior Notes due 2022 – 4.25%
- $30 million Convertible Senior Notes due 2023 – 4.125%
- $200 million Convertible Senior Notes due 2026 – 6.75%
- $49 million MARAD Debt – 4.93%
  - Semi-annual amortization payments through maturity in Q1 2027



[1] Excludes $9 million of remaining unamortized debt issuance costs

DEBT & LIQUIDITY PROFILE *($ in millions)*



[1] Cash includes cash and cash equivalents but excludes restricted cash; restricted cash at December 31, 2019 and 2021 of $54 million and $74 million, respectively, related primarily to short-term project-related letters of credit

[2] Long-term debt through December 31, 2020 was net of unamortized discounts and issuance costs; as of January 1, 2021, with the adoption of ASU 2020-06, the discounts on our convertible senior notes due 2022, 2023 and 2026 were eliminated, increasing the carrying value of long-term debt by $44 million; beginning January 1, 2021, long-term debt is net of issuance costs only

[3] Liquidity is calculated as the sum of cash and cash equivalents and available capacity under Helix's $80 million ABL facility and excludes restricted cash

[4] Net debt is calculated as long-term debt (including current maturities of long-term debt) less cash and cash equivalents and restricted cash

2022 Outlook

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2022 OUTLOOK

We expect 2022 to be a transition year for Helix, where we see an improving macro backdrop and increasing commodity prices as we continue to recover from the pandemic. In 2022, we expect to redeploy the* Siem Helix 1 *to Brazil for non-Petrobras customers and anticipate transitioning the* Q7000 *to Asia Pacific, while adjusting to a delayed recovery in the North Sea Well Intervention market. Our first quarter should be our most challenging, with five vessels scheduled for regulatory maintenance during the quarter, the* Siem Helix 1 *on low rates, and the seasonally slow North Sea with limited utilization on both North Sea intervention vessels.

- ***Seawell* and *Well Enhancer*** (North Sea) – expect slowly recovering market and regulatory inspections for both vessels during first half 2022 followed by improved utilization
- ***Q7000*** (West Africa, Asia Pacific) – West Africa campaign expected into Q2 followed by transit and docking prior to planned commencement of decommissioning work offshore New Zealand at year-end
- ***Q4000* and *Q5000*** (Gulf of Mexico) – expected strong utilization during 2022 including planned *Q4000* regulatory inspection beginning end of Q1
- ***Siem Helix 1* and *Siem Helix 2*** (Brazil) – transition year with *Siem Helix 1* expected to resume intervention work on contract beginning Q4 and *Siem Helix 2* on extended Petrobras contract at reduced rates through late 2022; both vessels have regulatory dockings and expected improving cost structure during year
- ***Robotics*** – expect stronger 2022, similar to 2020, with expected increased trenching activity in the North Sea, increased vessel activity in the Gulf of Mexico and North America region including renewables projects, and increased ROV activity

2022 OUTLOOK – WELL INTERVENTION

- ***Q4000*** (Gulf of Mexico) – vessel began year on multi-well campaign; approximate 20-day regulatory inspection scheduled end of Q1; contracted backlog through Q2 with good visibility and expected strong utilization for remainder of the year
- ***Q5000*** (Gulf of Mexico) – vessel has contracted work through late Q2 with approximate 10-day maintenance period during Q1; good visibility for remainder of the year
- **IRS rental units** (Gulf of Mexico) – 15K IRS has contracted backlog beginning mid-Q1 through late Q2 with visibility during remainder of the year; 10K IRS available in the spot market with limited visibility
- ***Well Enhancer*** (North Sea) – scheduled regulatory inspection in Q1; good visibility and expected improving utilization beginning mid-Q2 and into Q4
- ***Seawell*** (North Sea) – vessel began year on boulder clearance project with Helix Robotics until mid-February; scheduled regulatory inspection end of Q1; expected improving utilization beginning mid-Q2 and into Q4
- ***Q7000*** (West Africa, Asia Pacific) – vessel operational in West Africa expected into Q2 followed by an approximate 40-day maintenance period; vessel subsequently expected to transit to Asia Pacific and perform an approximate 30-day docking prior to planned commencement in Q4 of decommissioning campaign offshore New Zealand
- ***Siem Helix 1*** (Brazil) – vessel working on accommodations project offshore Ghana as a cost-reduction measure expected through mid-year followed by transit to Brazil and an approximate 30-day scheduled maintenance period with availability until vessel recommences intervention work on one-year contract in Brazil beginning Q4
- ***Siem Helix 2*** (Brazil) – under contract for Petrobras through mid-December with an approximate 30-day maintenance period during Q1

2022 OUTLOOK – ROBOTICS

- ***Grand Canyon II*** (Asia Pacific) – vessel expected to continue performing ROV support work for decommissioning project offshore Thailand into Q2 and subsequently transition to work in Taiwan; vessel expected to have high utilization in 2022 before charter expiration date at end of year
- ***Grand Canyon III*** (North Sea) – vessel entered year performing trenching operations and is expected to perform several short trenching scopes over remainder of Q1 with gaps; vessel expected to have high trenching utilization during the seasonal period and into Q4 with visibility thereafter
- **Renewables site clearance** – completed North Sea wind farm boulder removal project on the *Seawell* and participating in another boulder removal project expected through Q1; pursuing other site clearance projects for remainder of the year
- ***Horizon Enabler*** (North Sea) – seasonal charter with flexible terms intended to be used as a second trenching vessel in North Sea
- ***Shelia Bordelon*** (U.S.) **–** 365-day vessel charter commenced mid-February for 120 days awarded work with opportunities identified thereafter

2022 Capital additions are currently forecasted at $40-$50 million:

- Primarily maintenance capex related to regulatory inspection costs of our systems and equipment
- Approximate $20 million of capital additions carried over from prior year, which contributed to strong 2021 free cash flow

Balance Sheet

- Our total funded debt[1] level is expected to decrease by $43 million (from $314 million at December 31, 2021 to $271 million at December 31, 2022) as a result of scheduled principal payments
  - Remaining principal of $35 million of convertible senior notes due May 2022

[1] Excludes unamortized issuance costs

BEYOND 2022

- Expect to continue anticipated momentum from second half 2022 into 2023
- Market improvements offer additional upside potential
- Operating cash flow improvements
  - Improved operating cash flows in 2023 compared to 2022
  - Maintenance Capex anticipated to be approximately $40 million annually
- Well Intervention
  - Focus on continued improved operating performance
  - Expect continued operations in Brazil, with Trident award 12 months plus options beginning Q4 2022
  - Q7000 to continue with Asia Pacific campaign in New Zealand and Australia
  - Improving outlook for both utilization and rates in the Gulf of Mexico
  - Expect continued growth potential in West Africa
  - Anticipate increased opportunities for riser-based intervention in the North Sea
- Robotics
  - Continued strong renewables trenching market
  - Continued renewables site clearance project opportunities

Non-GAAP Reconciliations

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NON-GAAP RECONCILIATIONS

($ in thousands, unaudited)	Three Months Ended			Year Ended	
	12/31/21	**12/31/20**	**9/30/21**	**12/31/21**	**12/31/20**
Adjusted EBITDA:					
Net income (loss)	$ (25,908)	$ 4,117	$ (19,043)	$ (61,684)	$ 20,084
Adjustments:					
Income tax benefit	(6,048)	(2,569)	(1,058)	(8,958)	(18,701)
Net interest expense	5,301	8,124	5,928	23,201	28,531
(Gain) loss on extinguishment of long-term debt	12	-	124	136	(9,239)
Other (income) expense, net	52	(8,396)	4,015	1,490	(4,724)
Depreciation and amortization	35,288	34,157	36,719	141,514	133,709
Goodwill impairment	-	-	-	-	6,689
Non-cash gain on equity investment	-	(264)	-	-	(264)
EBITDA	$ 8,697	$ 35,169	$ 26,685	$ 95,699	$ 156,085
Adjustments:					
(Gain) loss on disposition of assets, net	$ -	$ 24	$ (15)	$ 631	$ (889)
General provision (release) for current expected credit losses	67	90	(138)	(54)	746
Realized losses from FX contracts not designated as hedging instruments	-	-	-	-	(682)
Adjusted EBITDA	$ 8,764	$ 35,283	$ 26,532	$ 96,276	$ 155,260
Free cash flow:					
Cash flows from operating activities	$ 18,865	$ 40,172	$ 28,712	$ 140,117	$ 98,800
Less: Capital expenditures, net of proceeds from sale of assets	(936)	(1,026)	(574)	(8,271)	(19,281)
Free cash flow	$ 17,929	$ 39,146	$ 28,138	$ 131,846	$ 79,519

NON-GAAP AND OTHER DEFINITIONS

Non-GAAP Financial Measures

We define EBITDA as earnings before income taxes, net interest expense, gain or loss on extinguishment of long-term debt, net other income or expense, and depreciation and amortization expense. Non-cash impairment losses on goodwill and other long-lived assets and gains and losses on equity investments are also added back if applicable. To arrive at our measure of Adjusted EBITDA, we exclude the gain or loss on disposition of assets and the general provision (release) for current expected credit losses, if any. In addition, we include realized losses from foreign currency exchange contracts not designated as hedging instruments, which are excluded from EBITDA as a component of net other income or expense.

We define Free Cash Flow as cash flows from operating activities less capital expenditures, net of proceeds from sale of assets.

We use EBITDA, Adjusted EBITDA and Free Cash Flow to monitor and facilitate internal evaluation of the performance of our business operations, to facilitate external comparison of our business results to those of others in our industry, to analyze and evaluate financial and strategic planning decisions regarding future investments and acquisitions, to plan and evaluate operating budgets, and in certain cases, to report our results to the holders of our debt as required by our debt covenants. We believe that our measures of EBITDA, Adjusted EBITDA and Free Cash Flow provide useful information to the public regarding our operating performance and ability to service debt and fund capital expenditures and may help our investors understand and compare our results to other companies that have different financing, capital and tax structures. Other companies may calculate their measures of EBITDA, Adjusted EBITDA and Free Cash Flow differently from the way we do, which may limit their usefulness as comparative measures. EBITDA, Adjusted EBITDA and Free Cash Flow should not be considered in isolation or as a substitute for, but instead are supplemental to, income from operations, net income, cash flows from operating activities, or other income or cash flow data prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions that are excluded from these measures.

Thank you