

Frank's International Q2 2018 Conference Call
August 8, 2018

FRANK'S
INTERNATIONAL

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Q2 2018 Earnings Conference Call

Introduction – Blake Holcomb, Director of Investor Relations

Quarter Overview – Mike Kearney, President and CEO

Financial Performance – Kyle McClure, SVP and CFO

Q & A

Q2 2018 Summary

- Highest total company revenue and adjusted EBITDA since the first quarter of 2016
-
- International Services revenue up 22% sequentially on rig share gains from the start-up of new projects
-
- U.S. Services revenue higher on market share gains offshore and increased activity and market share onshore
-
- Record quarterly international sales for Blackhawk products and services since acquisition
-

Strategic Priorities

1) Optimize our Tubular Running Services

- Improve operational efficiency
- Prioritize high value opportunity projects and customers

2) Continue to execute international expansion of Blackhawk

- Finalize certifications and specifications

3) Achieve cost of revenue and G&A cost reduction targets

- \$30 million annualized run-rate reductions by year-end 2018

International Services – Q2 2018 Highlights

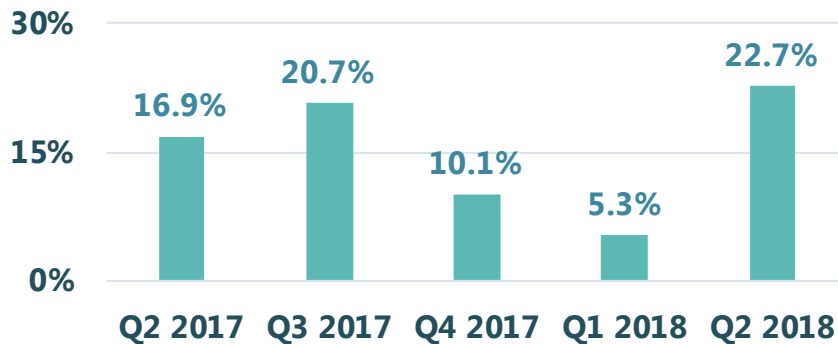
Revenue (\$M)



Adj. EBITDA (\$M)

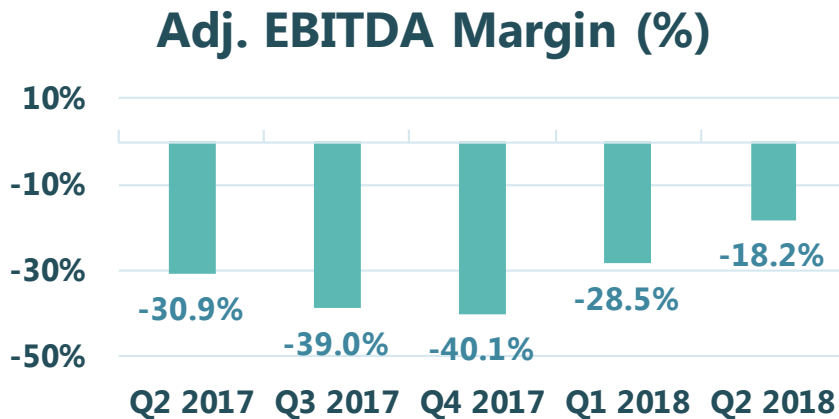
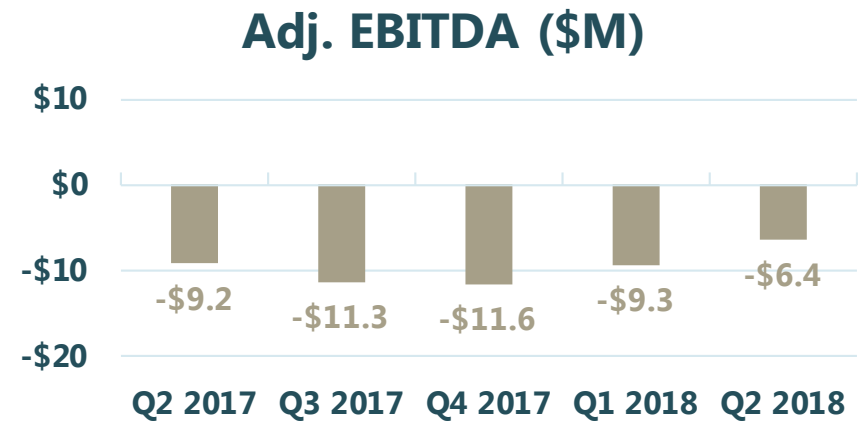
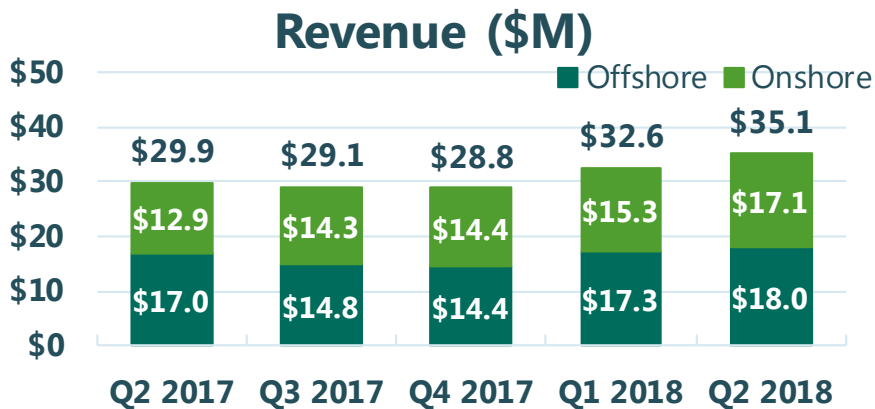


Adj. EBITDA Margin (%)



- Revenue up 22% sequentially on increased activity in Latin America and Europe
- FI International active offshore average rig count up 14 rigs
- Adjusted EBITDA driven higher by increased revenue and service mix from call-out work

U.S. Services – Q2 2018 Highlights



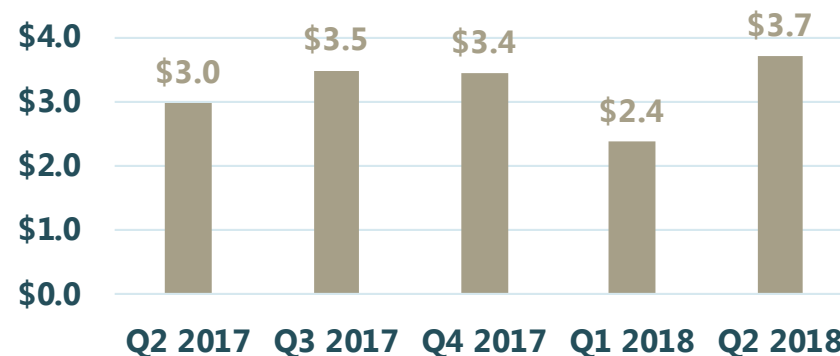
- **U.S. Onshore revenue up 12% sequentially driven by higher share and pricing**
- **Offshore revenue up sequentially on increased share in U.S. Gulf of Mexico**
- **Adjusted EBITDA higher sequentially due to market share and price improvements**

Blackhawk – Q2 2018 Highlights

Revenue (\$M)



Adj. EBITDA (\$M)



Adj. EBITDA Margin (%)



- **Highest recorded international revenue since acquisition**
- **Consecutive quarter of record U.S. onshore product sales, up 15% sequentially**
- **Adj. EBITDA up due to higher international and offshore Gulf of Mexico contribution**

Tubular Sales – Q2 2018 Highlights

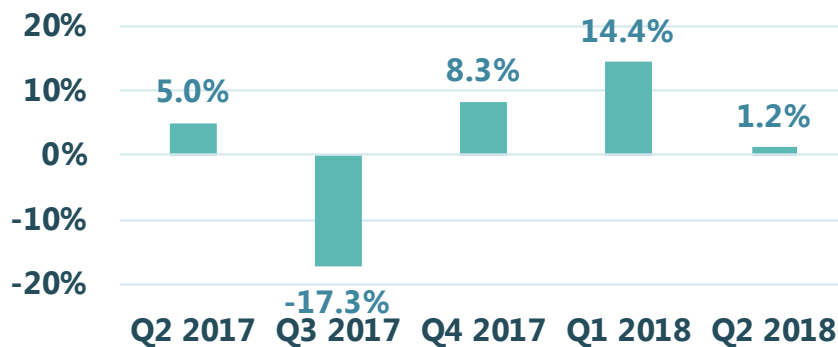
Revenue (\$M)



Adj. EBITDA (\$M)



Adj. EBITDA Margin (%)

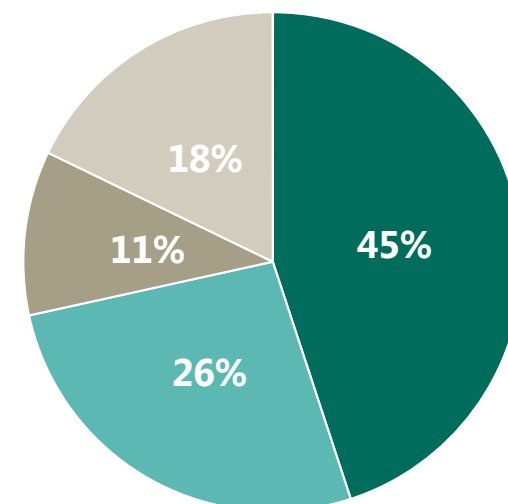


- Revenue down sequentially due to customer project schedules being delayed to 2H 2018
- Adjusted EBITDA lower due to decreased volumes and higher total company manufacturing expense

Q2 2018 Financial Summary

	Q2 2018	Q1 2018	Q/Q Δ
International Services	\$59.4 M	\$48.7 M	22%
U.S. Services	\$35.1 M	\$32.6 M	8%
Global TRS	\$94.5 M	\$81.3 M	16%
Tubular Sales	\$14.1 M	\$15.2 M	(8%)
Blackhawk	\$23.5 M	\$19.0 M	24%
Total Company Revenue	\$132.1 M	\$115.6 M	14%
Adj. EBITDA⁽¹⁾	\$11.0 M	(\$2.2) M	+\$13.1 M
Adj. EBITDA margin⁽¹⁾	8.3%	(1.9%)	+1020 bps
EPS	(\$0.12)	(\$0.19)	+\$0.07
Operating Cash Flow	(\$17.0) M	(\$20.9) M	+3.9 M
Cash, Cash Equivalents & Short-term investments	\$245.2 M	\$264.9 M	(7%)
Capital Expenditures	\$4.9 M	\$6.3 M	(22%)

Q2 2018 Revenue Breakdown



■ International Services ■ U.S. Services
■ Tubular Sales ■ Blackhawk

Revenues and EBITDA higher sequentially due to increased global TRS activity and Blackhawk international revenue, partially offset by lower Tubular Sales volumes

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(1) Adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures. See adjusted EBITDA and adjusted EBITDA margin reconciliation.

Questions?