

Frank's International Q3 2018 Conference Call
November 6, 2018

FRANK'S
INTERNATIONAL

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Q3 2018 Earnings Conference Call

Introduction – Blake Holcomb, Director of Finance

Quarter Overview – Mike Kearney, President and CEO

Financial Performance – Kyle McClure, SVP and CFO

Q & A

Q3 2018 Summary

- **Grew adjusted EBITDA to \$11.6M (9.0% margin), as G&A down 7% sequentially along with improved mix in Gulf of Mexico**

- **U.S. Services revenue up 9% on higher market share and completion activity offshore and increased activity and pricing onshore**

- **International Services revenue declined 9% due to projects completing in second quarter**

- **Higher revenue for Blackhawk with continued focus on international expansion**

Strategic Priorities

1) Optimize our Tubular Running Services

- Improved geographic efficiency
- Prioritizing projects and customers

2) Continue to execute international expansion of Blackhawk

- Finalizing certifications and specifications, Capex build-out in motion

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

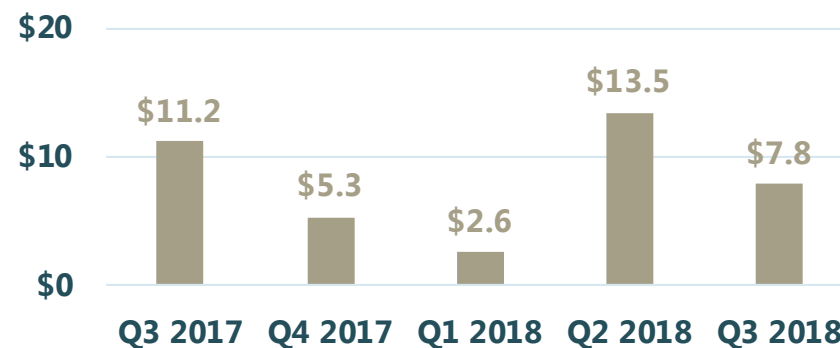
- Realize \$30M annualized by year end 2018

International Services – Q3 2018 Highlights

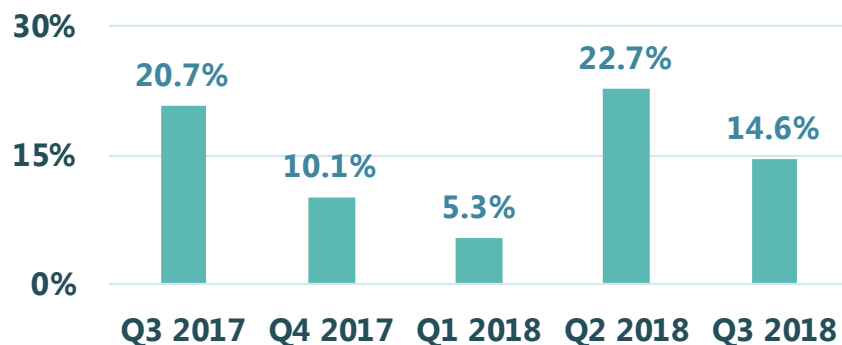
Revenue (\$M)



Adj. EBITDA (\$M)

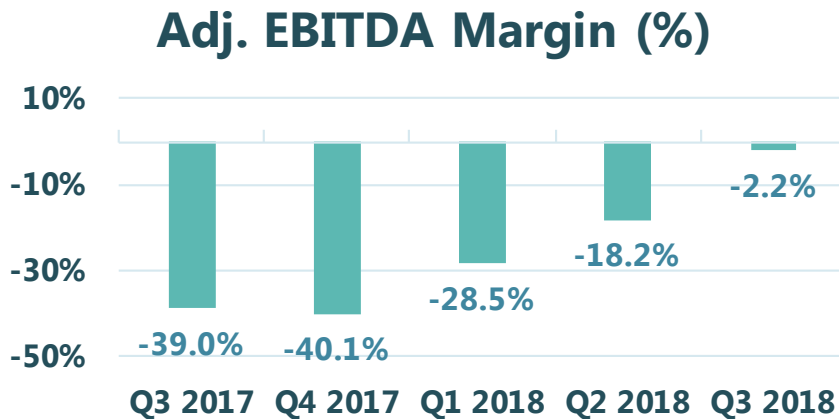
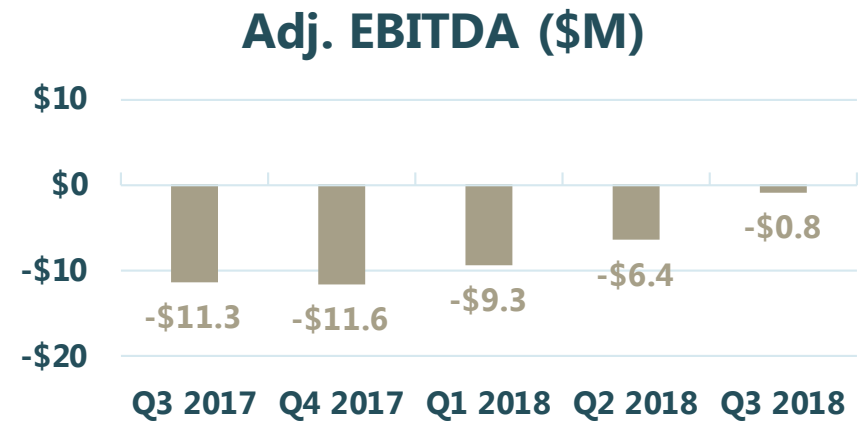
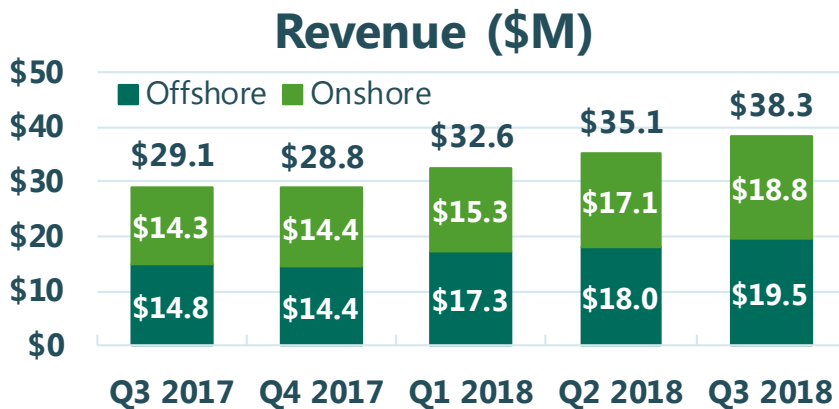


Adj. EBITDA Margin (%)



- Revenue decreased on completion of work and rig schedules, primarily in Africa, Canada and Latin America
- Adjusted EBITDA driven lower by decreased activity and higher costs related to upcoming projects

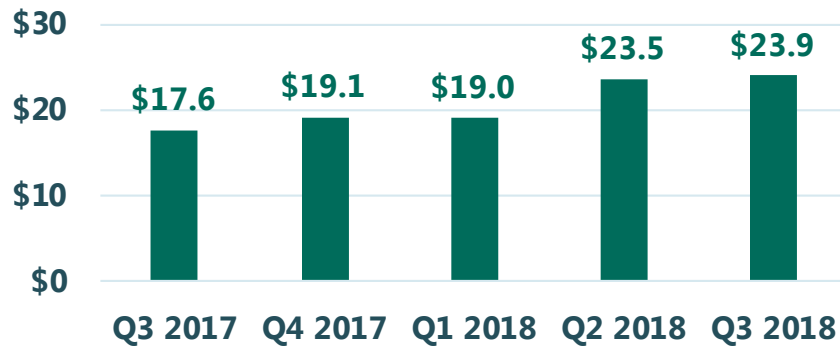
U.S. Services – Q3 2018 Highlights



- **Offshore revenue up 9% sequentially on increased share in U.S. Gulf of Mexico**
- **U.S. Onshore up 9% sequentially on increased share and pricing**
- **Adjusted EBITDA higher sequentially due to improved offshore pricing mix and lower overhead costs**

Blackhawk – Q3 2018 Highlights

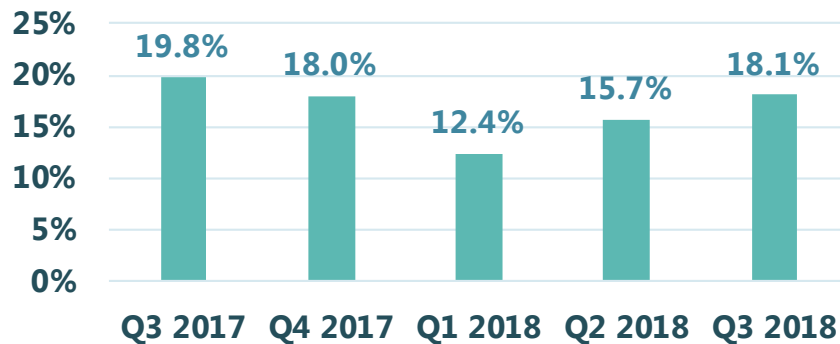
Revenue (\$M)



Adj. EBITDA (\$M)



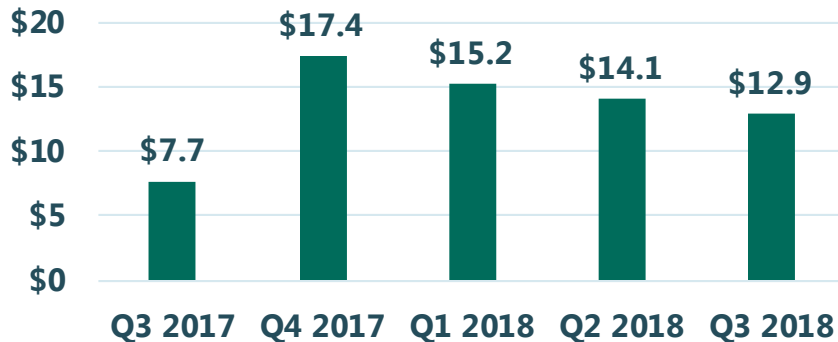
Adj. EBITDA Margin (%)



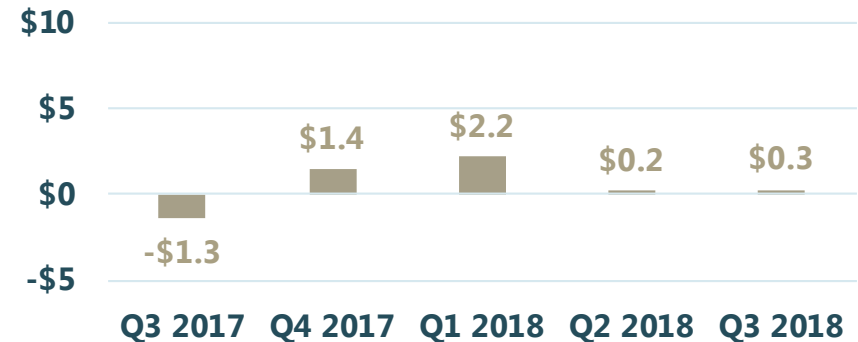
- Well Intervention revenue increased sequentially due to storm season
- U.S. onshore business revenue up 10% sequentially on record product and service revenue
- Adj. EBITDA up due to higher Well Intervention revenue and lower expenses

Tubular Sales – Q3 2018 Highlights

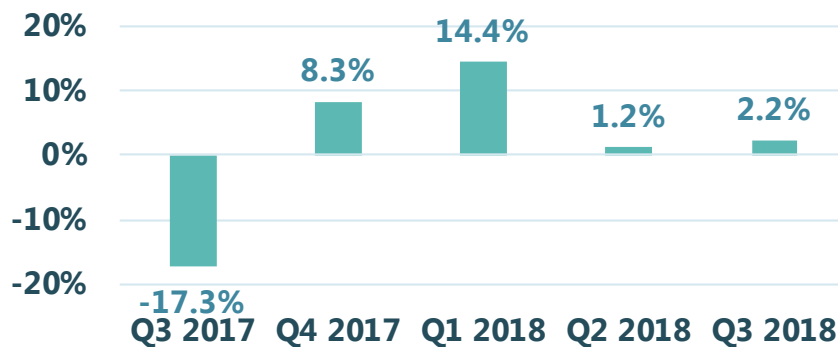
Revenue (\$M)



Adj. EBITDA (\$M)



Adj. EBITDA Margin (%)

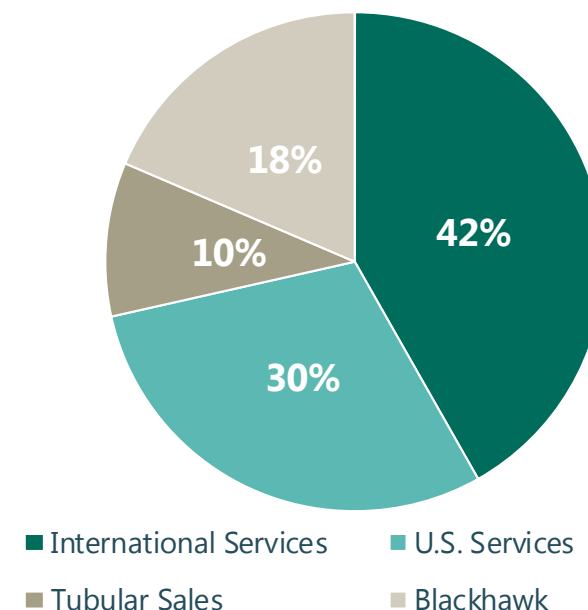


- Revenue down sequentially due to customer project schedules being delayed
- Adjusted EBITDA increased due to improved mix of higher margin sales

Q3 2018 Financial Summary

	Q3 2018	Q2 2018	Q/Q Δ
International Services	\$53.9 M	\$59.4 M	(9%)
U.S. Services	\$38.3 M	\$35.1 M	9%
Global TRS	\$92.2 M	\$94.5 M	(2%)
Tubular Sales	\$12.9 M	\$14.1 M	(8%)
Blackhawk	\$23.9 M	\$23.5 M	2%
Total Company Revenue	\$129.0 M	\$132.1 M	(2%)
Adj. EBITDA⁽¹⁾	\$11.6 M	\$11.0 M	+\$0.6 M
Adj. EBITDA margin⁽¹⁾	9.0%	8.3%	+70 bps
EPS	(\$0.03)	(\$0.12)	+\$0.09
Operating Cash Flow	\$2.5 M	(\$17.0) M	+\$19.5M
Cash, Cash Equivalents & Short-term investments	\$246.6 M	\$245.2 M	1%
Capital Expenditures	\$3.3 M	\$4.9 M	(33%)

Q3 2018 Revenue Breakdown



EBITDA higher sequentially due to increased TRS GOM activity, Blackhawk international revenue expansion and SG&A efficiencies, partially offset by lower Tubular Sales volumes

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(1) Adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures. See reconciliation of net income (loss) to adjusted EBITDA and adjusted EBITDA margin.

Questions?