

Frank's International Q1 2018 Conference Call
May 8, 2018

FRANK'S
INTERNATIONAL

Q1 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

Corporate Information

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Chairman, President and Chief Executive Officer

Kyle McClure

Senior Vice President and Chief Financial Officer

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Q1 2018 Summary

- U.S. Services revenue up 13% sequentially, driven by increased offshore activity
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- Record quarterly sales for Blackhawk U.S. onshore products for third consecutive quarter
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- Drilling tools product line gaining traction in select international markets
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- International segment adversely impacted by revenue declines in Europe and higher mobilization costs
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International Services – Q1 2018 Highlights

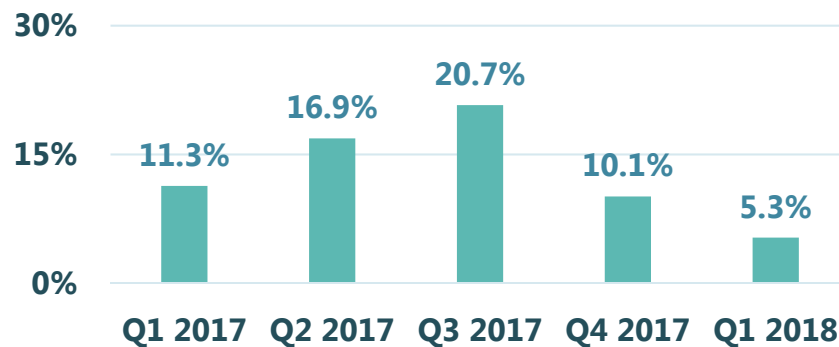
Revenue (\$M)



Adj. EBITDA (\$M)

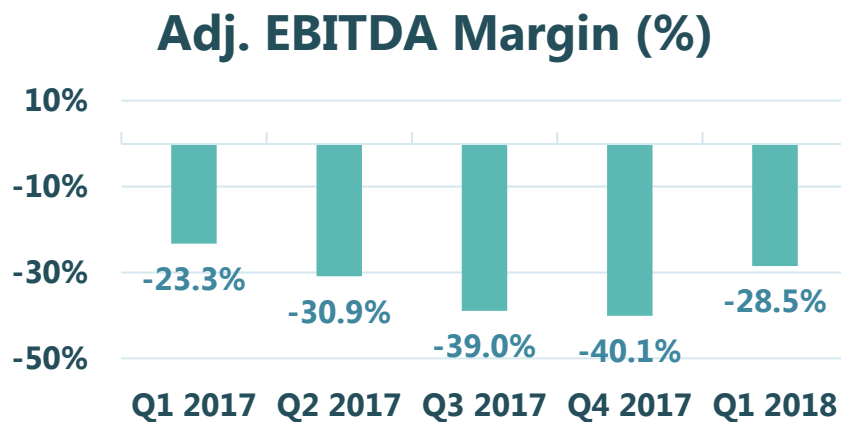
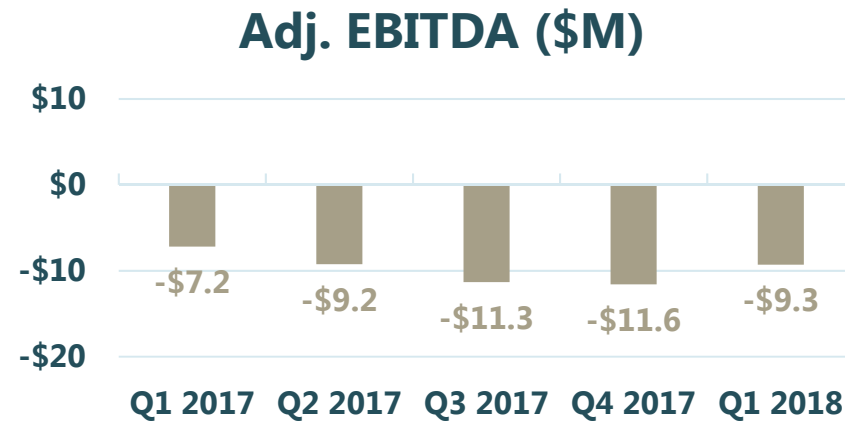
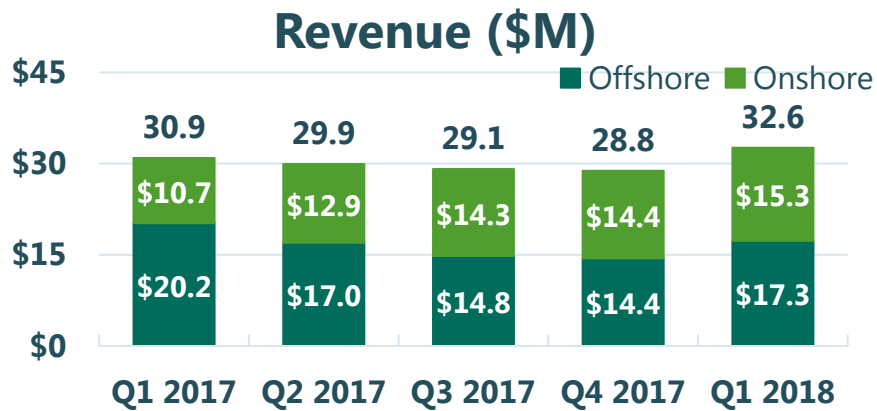


Adj. EBITDA Margin (%)



- Revenue lower sequentially due to activity declines in Europe and the Middle East
- Adjusted EBITDA lower sequentially due to loss of high margin work in Europe and higher Latin America mobilization costs

U.S. Services – Q1 2018 Highlights



- **Offshore revenue up 20% on increased activity in U.S. Gulf of Mexico**
- **U.S. Onshore revenue up 6% sequentially, in-line with rig count increase**
- **Adjusted EBITDA higher sequentially due to increased contribution from offshore services**

Tubular Sales – Q1 2018 Highlights

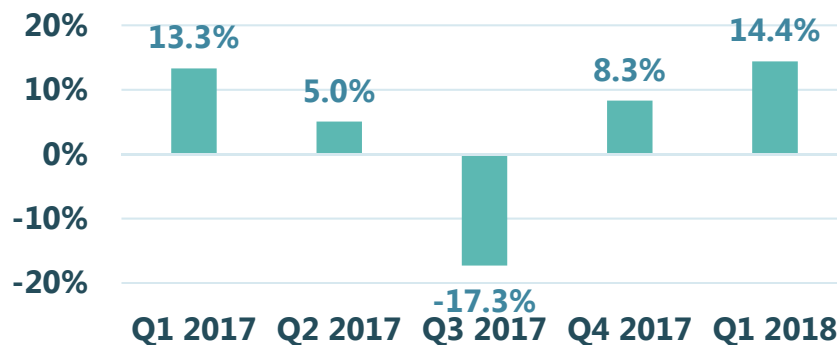
Revenue (\$M)



Adj. EBITDA (\$M)



Adj. EBITDA Margin (%)



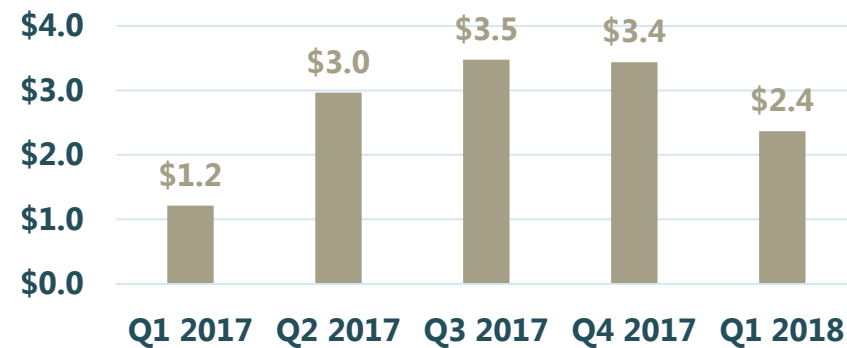
- Revenue lower sequentially due to non-recurrence of Q3 2017 orders pushed into Q4 2017
- Adjusted EBITDA higher due to lower materials cost and improved mix
- Significant increase in bidding activity for international projects

Blackhawk – Q1 2018 Highlights

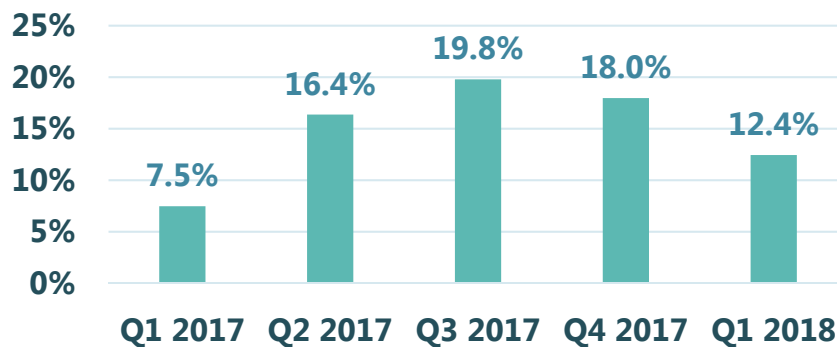
Revenue (\$M)



Adj. EBITDA (\$M)



Adj. EBITDA Margin (%)

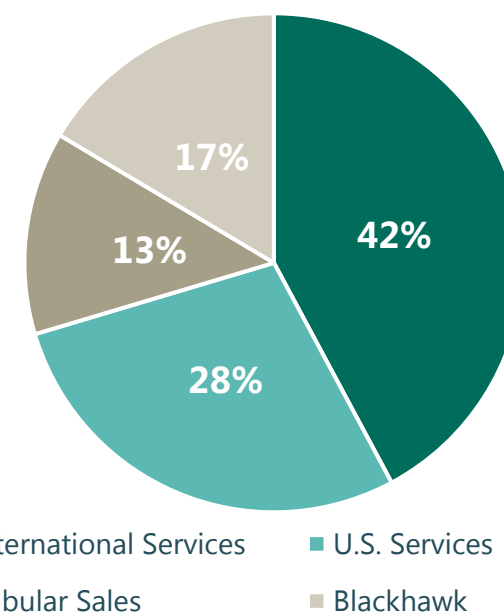


- Offshore well construction services up 18% sequentially
- Third consecutive quarter of record U.S. onshore product sales
- Adj. EBITDA down due to seasonal decline in well intervention business and higher support costs related to international expansion

Q1 2018 Financial Summary

	Q1 2018	Q4 2017	Q/Q Δ
International Services	\$48.7 M	\$52.9 M	(8%)
U.S. Services	\$32.6 M	\$28.9 M	13%
Global TRS	\$81.3 M	\$81.8 M	(1%)
Tubular Sales	\$15.2 M	\$17.4 M	(13%)
Blackhawk	\$19.0 M	\$19.1 M	(1%)
Total Company Revenue	\$115.6 M	\$118.3 M	(2%)
Adj. EBITDA⁽¹⁾	(\$2.2) M	(\$1.4) M	-\$0.8 M
Adj. EBITDA margin	(1.9%)	(1.1%)	-80 bps
EPS	(\$0.19)	(\$0.49)	+\$0.30
Adj. EPS	(\$0.18)	(\$0.26)	+\$0.08
Operating Cash Flow	(\$20.9) M	\$0.2 M	-\$21 M
Cash, Cash Equivalents & Short-term investments	\$264.9 M	\$294.0 M	(10%)
Capital Expenditures	\$6.3 M	\$3.3 M	91%

Q1 2018 Revenue Breakdown



Revenues and EBITDA lower sequentially due to decreased International activity, partially offset by higher U.S. Services revenues, particularly offshore

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(1) Adjusted EBITDA is a non-GAAP financial measure. See reconciliation of income (loss) from continuing operations to adjusted EBITDA

Strategic Priorities

- **Optimize geographic footprint and support structure to drive international margin improvement**
- **Execute international expansion of Blackhawk, tubulars and drilling tools to high value international opportunities**
- **Maintain price discipline and forgo low margin opportunities that constrain equipment and personnel**
- **Continue to explore acquisitions, joint ventures and modified operational strategies to increase growth potential and lower delivery costs**

Questions?