



Frank's International 3Q'20 Conference Call

November 3, 2020

FRANK'S
INTERNATIONAL

3Q'20 Earnings Conference Call Agenda

Introduction – Melissa Cogle, SVP and CFO

3Q'20 Overview – Mike Kearney, President and CEO

Financial Performance – Melissa Cogle, SVP and CFO

Q & A

Corporate Information

Mike Kearney

Chairman, President and Chief
Executive Officer

Melissa Cogle

Senior Vice President and Chief
Financial Officer

U.S. Headquarters

Frank's International N.V.

10260 Westheimer, Suite 700

Houston, TX 77042

www.franksinternational.com

Disclaimer

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this press release specifically include statements, estimates and projections regarding the Company's future business strategy and prospects for growth, cash flows and liquidity, financial strategy, budget, projections and operating results, the amount, nature and timing of capital expenditures, the availability and terms of capital, the level of activity in the oil and gas industry, volatility of oil and gas prices, unique risks associated with offshore operations, political, economic and regulatory uncertainties in international operations, the ability to develop new technologies and products, the ability to protect intellectual property rights, the ability to employ and retain skilled and qualified workers, the level of competition in the Company's industry, global or national health concerns, including health epidemics, including Covid-19, the continuation of a swift and material decline in global crude oil demand and crude oil prices for an uncertain period of time, the length of time it will take for the United States and the rest of the world to slow the spread of the Covid-19 virus to the point where applicable authorities are comfortable easing current restrictions on various commercial and economic activities, future actions of foreign oil producers such as Saudi Arabia and Russia and the risk that they take actions that will prolong or exacerbate the current over-supply of crude oil, the timing, pace and extent of an economic recovery in the United States and elsewhere, the impact of current and future laws, rulings, governmental regulations, accounting standards and statements, and related interpretations, and other guidance. These statements are based on certain assumptions made by the Company based on management's experience, expectations and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Forward-looking statements are not guarantees of performance. Although the Company believes the expectations reflected in its forward-looking statements are reasonable and are based on reasonable assumptions, no assurance can be given that these assumptions are accurate or that any of these expectations will be achieved (in full or at all) or will prove to have been correct. Moreover, such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include the factors discussed or referenced in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC and the additional factors discussed or referenced in the "Risk Factors" section of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 that will be filed with the SEC. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law, and we caution you not to rely on them unduly.

This presentation includes the non-GAAP financial measures of adjusted EBITDA and adjusted EBITDA margin, which may be used periodically by management when discussing the Company's financial results with investors and analysts. Adjusted EBITDA and adjusted EBITDA margin are presented because management believes these metrics provide additional information relative to the performance of the Company's business. These metrics are commonly employed by financial analysts and investors to evaluate the operating and financial performance of the Company from period to period and to compare it with the performance of other publicly traded companies within the industry. You should not consider adjusted EBITDA and adjusted EBITDA margin in isolation or as a substitute for analysis of the Company's results as reported under GAAP. Because adjusted EBITDA and adjusted EBITDA margin may be defined differently by other companies in the Company's industry, the Company's presentation of adjusted EBITDA and adjusted EBITDA margin may not be comparable to similarly titled measures of other companies, thereby diminishing their utility. For a reconciliation of each to the nearest comparable measure in accordance with GAAP, please see the Supplemental Financials in our earnings press release.

3Q'20 Highlights



Reduced activity levels and revenue attributed to COVID-19



Improved adj. EBITDA primarily due to effective cost controls



Generated free cash flow of \$15.7 million



Deployed additional value creating technologies for customers



Recognized at 2020 World Oil Awards in HSE – Offshore category

2020 Focus Areas

Protect the Balance Sheet

Reduce the Cost Base

Rationalize Capital Expenditures

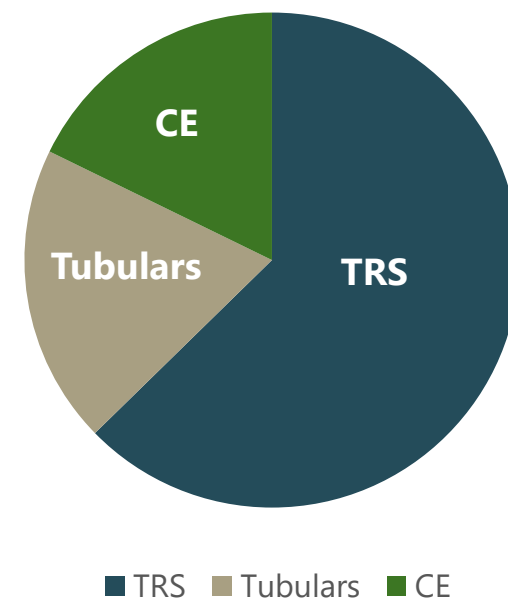
Maximize Free Cash Flow

Consolidated Frank's International Performance

3Q'20 Highlights

(\$ in millions)	3Q'20	2Q'20	3Q'19	Quarterly Variance	Prior Year Variance
Revenue	\$ 84.4	\$ 86.1	\$ 140.4	(2)%	(40)%
Net Loss	(27.8)	(34.2)	(23.8)	19%	(17)%
Adjusted EBITDA ⁽¹⁾	(1.0)	(1.7)	16.0	41%	Unfavorable
Adjusted EBITDA Margin ⁽¹⁾	(1)%	(2)%	11%	50%	Unfavorable
EPS	\$ (0.12)	\$ (0.15)	\$ (0.11)	20%	(9)%
Operating Cash Flow	21.2	26.4	25.9	(20)%	(18)%
Cash, Cash Equivalents and ST Investments	205.9	192.9	190.5	7%	8%
Purchases of Property, Plant & Equipment and Intangibles	5.5	10.3	9.7	(47)%	(43)%

3Q'20 Segment Revenue

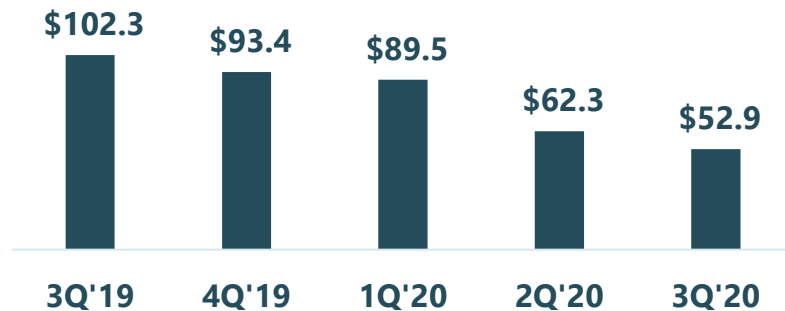


1. Please see the tables in the appendix of this presentation for a reconciliation of all non-U.S. GAAP numbers to the nearest measure calculated in accordance with U.S. GAAP.

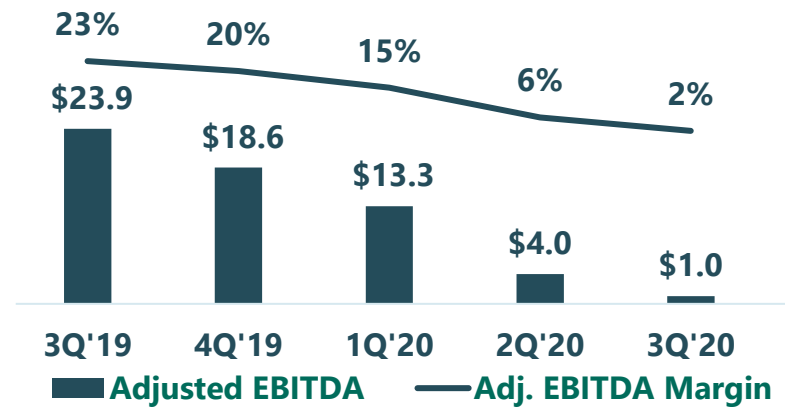
Tubular Running Services

3Q'20 Highlights

Revenue



Adjusted EBITDA



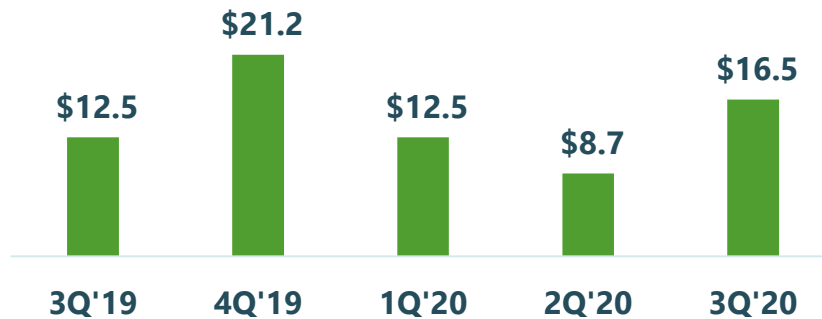
Highlights

- Sequential and year over year declines caused by customer spending reductions and associated drilling activity declines
- Several rigs returned to work in the Caribbean providing stability for North American Offshore region
- Deployed 1,000-ton drilling slips to major customer in Caribbean resulting in increased efficiencies, lower costs and improved safety
- Expecting improvement in 4Q'20 from rig redeployments and project commencement

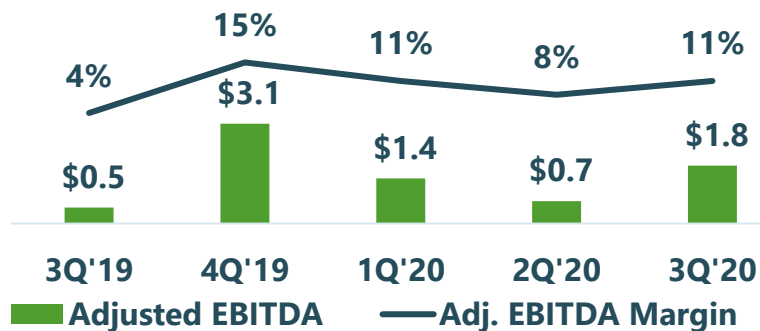
Tubulars

3Q'20 Highlights

Revenue



Adjusted EBITDA



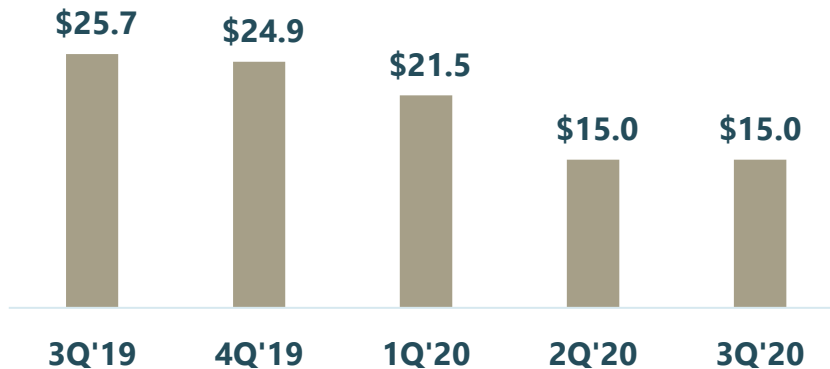
Highlights

- Segment revenue increased due to strong tubular product sales deliveries internationally and offshore
- Adjusted EBITDA increased meaningfully, generating incremental segment margin of 14%
- Drilling tool sales to Gulf of Mexico customers positively impacted results
- HI TOOL® Data Logger successfully deployed in the Permian Basin and North Sea

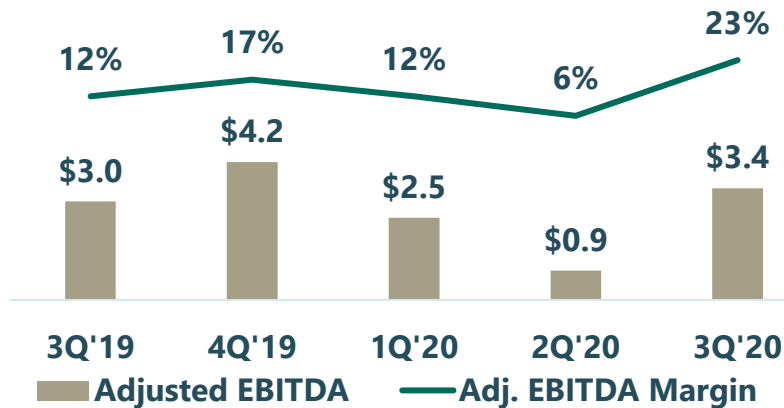
Cementing Equipment

3Q'20 Highlights

Revenue



Adjusted EBITDA



Highlights

- Increased activity levels in the Gulf of Mexico were offset by U.S. Land, resulting in flat revenue sequentially
- Adjusted EBITDA improvement driven by cost reductions and more profitable international and Gulf of Mexico activity
- Generated strong incremental segment margin
- Repeat winner of World Oil Award for HSE – Offshore for SKYHOOK® Wireless Cement Line Make Up Device

Profitability Improvement Initiatives Update

Expecting more than 25% YoY decline in total cost structure

Estimating \$60 million of indirect and G&A support savings in 2020

Pursuing additional support cost savings in 2021

Frank's International N.V. is a global oil services company that provides a broad and comprehensive range of highly engineered tubular running services, tubular fabrication, and specialty well construction and well intervention solutions with a focus on complex and technologically demanding wells.



**\$580M full year
2019 revenue**



2,400 employees



**\$58M full year
2019 adjusted
EBITDA⁽¹⁾**



50 countries



**\$0.3B market
capitalization⁽²⁾**



**Recipient of
multiple awards
for technology and
engineering**

1. Please see the tables in the appendix of this presentation for a reconciliation of all non-U.S. GAAP numbers to the nearest measure calculated in accordance with U.S. GAAP.
2. Market capitalization as of September 30, 2020.

Appendix

	Three Months Ended			Twelve Months Ended
	Sept. 30, 2020	Jun. 30, 2020	Sept. 30, 2019	Dec. 31, 2019
<i>(\$ in thousands)</i>				
Net loss	\$ (27,791)	\$ (34,245)	\$ (23,789)	\$(235,329)
Goodwill impairment	—	—	—	111,108
Severance and other charges, net	3,549	5,162	5,222	50,430
Interest income, net	93	(178)	(563)	(2,265)
Depreciation and amortization	15,950	17,252	21,482	92,800
Income tax expense	6,395	8,986	7,297	23,794
(Gain) loss on disposal of assets	(308)	(650)	603	1,037
Foreign currency (gain) loss	(2,334)	(1,693)	3,872	2,233
TRA related adjustments	—	—	—	(220)
Charges and credits*	3,459	3,674	1,897	13,933
Adjusted EBITDA	\$ (987)	\$ (1,692)	\$ 16,021	\$57,521
Adjusted EBITDA margin	(1.2)%	(2.0)%	11.4 %	9.9 %

* Comprised of equity-based compensation, unrealized and realized gains/losses, investigation related matters and other adjustments. Please see the supplemental financials in our earnings press release.

Reconciliation of Net Loss to Adjusted EBITDA

	Three Months Ended			Twelve Months Ended
	Sept. 30, 2020	Jun. 30, 2020	Sept. 30, 2019	Dec. 31, 2019
<i>(\$ in thousands)</i>				
Net loss	\$ (27,791)	\$ (34,245)	\$ (23,789)	\$ (235,329)
Goodwill impairment (net of tax)	—	—	—	111,108
Severance and other charges, net (net of tax)	4,889	4,937	5,425	50,360
Net loss excluding certain items	\$ (22,902)	\$ (29,308)	\$ (18,364)	\$ (73,861)
Loss per diluted share	\$ (0.12)	\$ (0.15)	\$ (0.11)	\$ (1.05)
Goodwill impairment (net of tax)	—	—	—	0.49
Severance and other charges, net (net of tax)	0.02	0.02	0.02	0.23
Loss per diluted share excluding certain items	\$ (0.10)	\$ (0.13)	\$ (0.09)	\$ (0.33)

Reconciliation of Adjusted Net Loss and Net Loss per Diluted Share



www.linkedin.com/company/franks/



www.facebook.com/franksinternational/



[@franksintl](https://twitter.com/franksintl)

connect with us