



# Frank's International 4Q'20 & FY'20 Conference Call

February 23, 2021

**FRANK'S**  
INTERNATIONAL

# 4Q'20 & FY'20 Earnings Conference Call Agenda

**Introduction – Melissa Cogle, SVP and CFO**

**4Q'20 & FY'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.

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## 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 most recently filed Quarterly Report on Form 10-Q that has been filed with the U.S. Securities and Exchange Commission (the "SEC") for the quarter ended September 30, 2020 and the Company's Annual Report on Form 10-K for the year ended December 31, 2020 that will be filed with the SEC, and any subsequent filings 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.

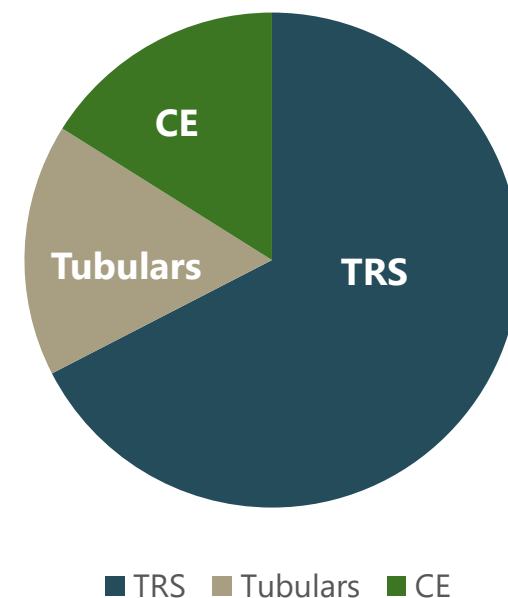
This presentation includes the non-GAAP financial measures of adjusted EPS, adjusted EBITDA and adjusted EBITDA margin, which may be used periodically by management when discussing the Company's financial results with investors and analysts. Adjusted EPS, adjusted EBITDA and adjusted EBITDA margin are 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 EPS, 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 EPS, 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.

# Consolidated Frank's International Performance

## 4Q'20 Highlights

(\$ in millions)	4Q'20	3Q'20	4Q'19	Quarterly Variance	Prior Year Variance
<b>Revenue</b>	\$ 96.3	\$ 84.4	\$ 139.4	14%	(31)%
<b>Net Loss</b>	(8.2)	(27.8)	(168.1)	71%	95%
<b>Adjusted EBITDA <sup>(1)</sup></b>	4.6	(1.0)	14.7	Favorable	Unfavorable
<b>Adjusted EBITDA Margin <sup>(1)</sup></b>	5%	(1)%	11%	Favorable	Unfavorable
<b>EPS</b>	\$ (0.04)	\$ (0.12)	\$ (0.75)	67%	95%
<b>Operating Cash Flow</b>	14.3	21.2	25.9	(33)%	(45)%
<b>Cash, Cash Equivalents and ST Investments</b>	211.8	205.9	195.4	3%	8%
<b>Purchases of Property, Plant &amp; Equipment and Intangibles</b>	2.7	5.5	9.7	(51)%	(72)%

### 4Q'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.

## 4Q'20 Highlights



**Experienced significantly improved activity levels in Tubular Running Services**



**Demonstrated revenue recovery across all operating regions with 14% quarter over quarter revenue growth**



**Generated significant free cash flow pushing the Company into positive territory for the year**



**Delivered adjusted EBITDA of \$4.6 million and incremental margins of 47%**

## FY'20 Highlights



**Rightsized operations and consolidated into key operating basins to more effectively service our customer base**



**Exceeded cost reduction and Profitability Improvement Plan goals resulting in over \$143 million of total cost reductions Y-o-Y**



**Generated \$11.2 million of free cash flow and increased total liquidity to \$234 million**



**Delivered best safety performance with lowest TRIR in Company history despite challenges created by COVID-19**



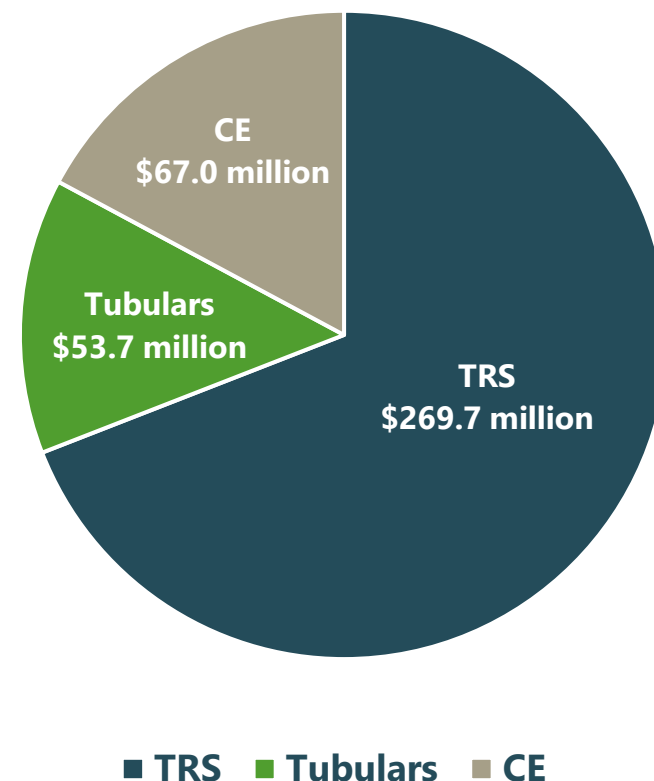
**Deployed several value creating technologies focused on enhancing efficiency, reliability and safety**

# Total Frank's International

## 2020 Highlights

(\$ in millions)	2020	2019	Prior Year Variance
<b>Tubular Running Services</b>	\$ 269.7	\$ 400.3	(33)%
<b>Tubulars</b>	53.7	74.7	(28)%
<b>Cementing Equipment</b>	67.0	104.9	(36)%
<b>Total Revenue</b>	<u>\$ 390.4</u>	<u>\$ 579.9</u>	<u>(33)%</u>
<b>Net Loss</b>	\$ (156.2)	\$ (235.3)	34%
<b>Adjusted EBITDA <sup>(1)</sup></b>	\$ 9.0	\$ 57.5	(84)%
<b>Adjusted EBITDA margin <sup>(1)</sup></b>	2%	10%	(8)%
<b>EPS</b>	\$ (0.69)	\$ (1.05)	34%
<b>Adjusted EPS <sup>(1)</sup></b>	\$ (0.30)	\$ (0.33)	9%
<b>Operating Cash Flow</b>	\$ 39.7	\$ 27.0	47%
<b>Cash, Cash Equivalents and Short-term Investments</b>	\$ 211.8	\$ 195.4	8%

## 2020 Segment Revenue



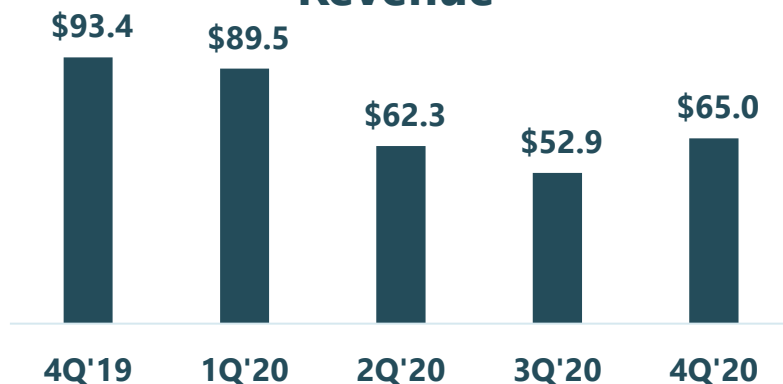
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(1) For reconciliation of all non-U.S. GAAP numbers to U.S. GAAP numbers see tables in the appendix of this presentation

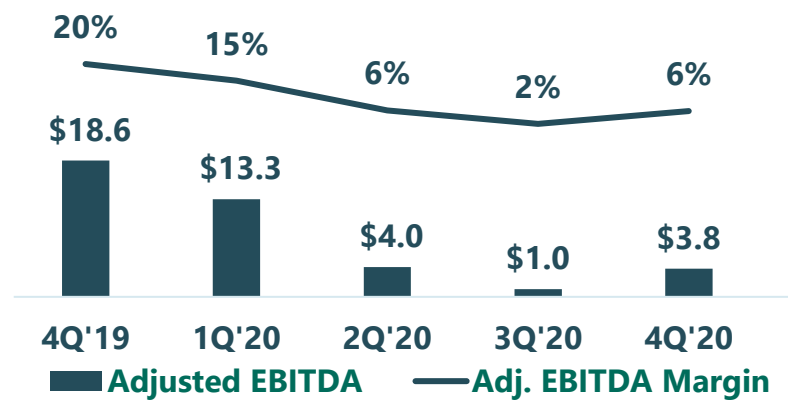
# Tubular Running Services

## 4Q'20 Highlights

### Revenue



### Adjusted EBITDA



### Highlights

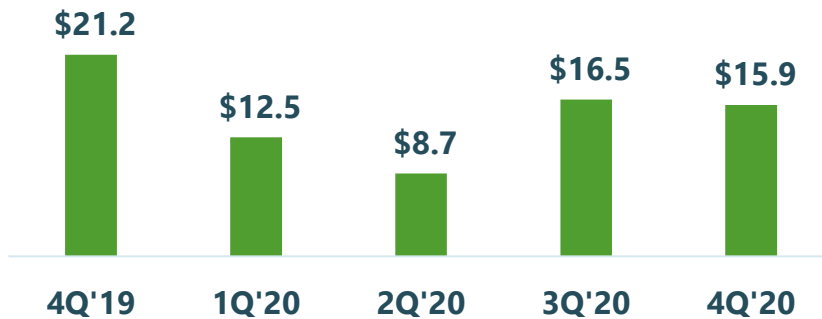
- Sequential improvement driven by redeployment of previously sidelined rigs and improving backdrop in U.S. land business
- We experienced the greatest improvement in Africa with several rigs returning to work
- North American Offshore region remained strong due to increased activity levels and rigs returning to work in offshore Mexico
- Additional project commencements will lead to additional improvement starting in the second quarter



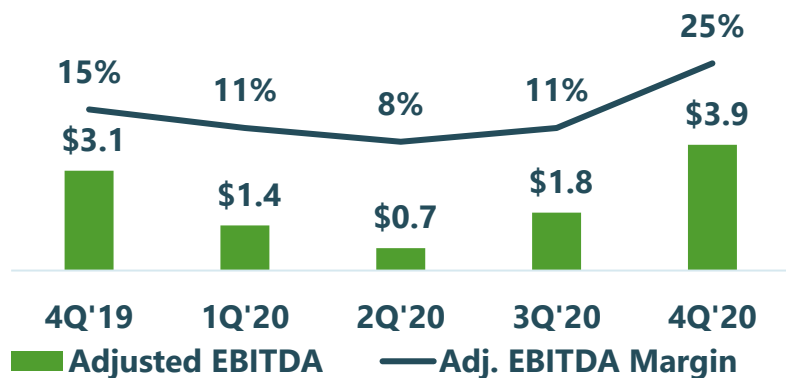
# Tubulars

## 4Q'20 Highlights

### Revenue



### Adjusted EBITDA



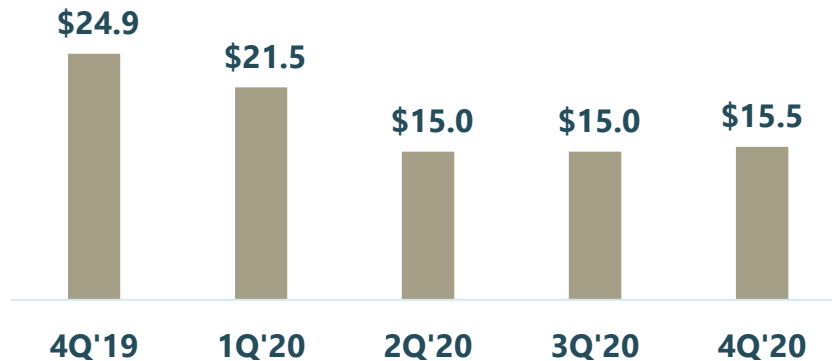
### Highlights

- Segment revenue decreased slightly sequentially due to strong tubular product sales in the prior quarter
- Experienced 75% year over year growth in international tubular and drilling tool sales despite pandemic challenges
- Adjusted EBITDA positively impacted by international sales, generating substantial incremental segment margin

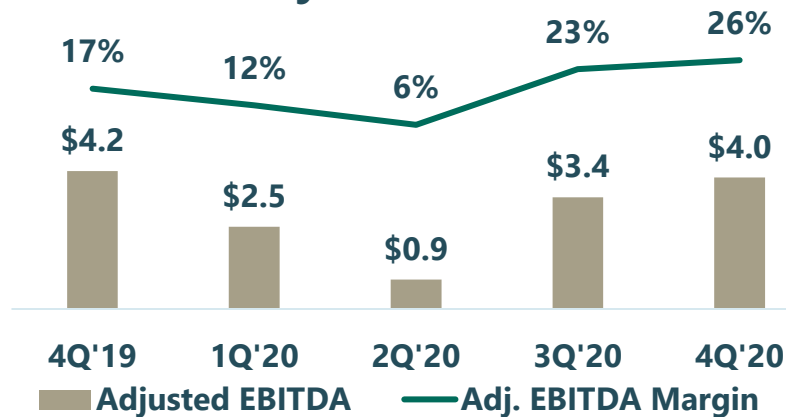
# Cementing Equipment

## 4Q'20 Highlights

### Revenue



### Adjusted EBITDA



### Highlights

- Quarterly revenue increased slightly mostly due to improvement in U.S. land
- Adjusted EBITDA improvement driven by business reorganization and more profitable offshore activity
- Generated 35% year over year growth in international revenue, boosting profitability sequentially, and offsetting year over year declines in the U.S. market

## Profitability Improvement Initiative Result

**Over 27% of total cost structure reductions year over year**

**Over \$55 million of permanent support cost structure savings achieved in 2020 with full year benefit to be realized in 2021**

**Expecting additional efficiencies in 2021 with capabilities enabled by newly implemented ERP system**

# Outlook



Significant revenue growth expected to begin in second quarter with activity level increases



Goal of >10% for 2021 Adjusted EBITDA margins



Continued focus on incremental efficiency and delivering high value products and services

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.



**\$390M full year  
2020 revenue**



**2,400 employees**



**\$9M full year  
2020 adjusted  
EBITDA<sup>(1)</sup>**



**40 countries**



**\$0.6B market  
capitalization<sup>(2)</sup>**



**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 December 31, 2020.

# Appendix

	Three Months Ended			Twelve Months Ended
	Dec. 31, 2020	Sep. 30, 2020	Dec. 31 2019	Dec. 31, 2020
<i>(\$ in thousands)</i>				
<b>Net loss</b>	<b>\$ (8,206)</b>	<b>\$ (27,791)</b>	<b>\$ (168,093)</b>	<b>\$ (156,220)</b>
Goodwill impairment	—	—	111,108	57,146
Severance and other charges, net	3,587	3,549	43,938	33,023
Interest income, net	(94)	93	(508)	(712)
Depreciation and amortization	17,249	15,950	22,163	70,169
Income tax expense (benefit)	(3,899)	6,395	3,424	(4,081)
(Gain) loss on disposal of assets	(526)	(308)	53	(1,424)
Foreign currency (gain) loss	(5,654)	(2,334)	(1,817)	211
Charges and credits*	2,159	3,459	4,411	10,884
<b>Adjusted EBITDA</b>	<b>\$ 4,616</b>	<b>\$ (987)</b>	<b>\$ 14,679</b>	<b>\$ 8,996</b>
Adjusted EBITDA margin	4.8 %	(1.2)%	10.5 %	2.3 %

\* 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
	Dec. 31, 2020	Sept. 30, 2020	Dec. 31, 2019	Dec. 31, 2020
<i>(\$ in thousands)</i>				
<b>Net loss</b>	<b>\$ (8,206)</b>	<b>\$ (27,791)</b>	<b>\$ (168,093)</b>	<b>\$ (156,220)</b>
Goodwill impairment (net of tax)	—	—	111,108	55,740
Severance and other charges, net (net of tax)	3,543	4,889	43,868	33,724
<b>Net loss excluding certain items</b>	<b>\$ (4,663)</b>	<b>\$ (22,902)</b>	<b>\$ (13,117)</b>	<b>\$ (66,756)</b>
<b>Loss per diluted share</b>	<b>\$ (0.04)</b>	<b>\$ (0.12)</b>	<b>\$ (0.75)</b>	<b>\$ (0.69)</b>
Goodwill impairment (net of tax)	—	—	0.49	0.25
Severance and other charges, net (net of tax)	0.02	0.02	0.20	0.14
<b>Loss per diluted share excluding certain items</b>	<b>\$ (0.02)</b>	<b>\$ (0.10)</b>	<b>\$ (0.06)</b>	<b>\$ (0.30)</b>

## Reconciliation of Adjusted Net Loss and Net Loss per Diluted Share





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