

# Newpark Resources

May 2021



## Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. All statements other than statements of historical facts are forward-looking statements. Words such as “will,” “may,” “could,” “would,” “should,” “anticipates,” “believes,” “estimates,” “expects,” “plans,” “intends,” and similar expressions are intended to identify these forward-looking statements but are not the exclusive means of identifying them. These statements are not guarantees that our expectations will prove to be correct and involve a number of risks, uncertainties, and assumptions. Many factors, including those discussed more fully elsewhere in this release and in documents filed with the Securities and Exchange Commission by Newpark, particularly its Annual Report on Form 10-K for the year ended December 31, 2020, and its Quarterly Report on Form 10-Q as well as others, could cause actual plans or results to differ materially from those expressed in, or implied by, these statements. These risk factors include, but are not limited to, risks related to the COVID-19 pandemic; the worldwide oil and natural gas industry; our customer concentration and reliance on the U.S. exploration and production market; our international operations; operating hazards present in the oil and natural gas industry and substantial liability claims, including catastrophic well incidents; our contracts that can be terminated or downsized by our customers without penalty; our product offering expansion; our ability to attract, retain and develop qualified leaders, key employees and skilled personnel; the availability of raw materials; business acquisitions and capital investments; our market competition; technological developments and intellectual property in our industry; severe weather, natural disasters, and seasonality; our cost and continued availability of borrowed funds, including noncompliance with debt covenants; environmental laws and regulations; our legal compliance; the inherent limitations of insurance coverage; income taxes; cybersecurity breaches or business system disruptions; our ability to maintain compliance with the New York Stock Exchange’s continued listing requirements; and our amended and restated bylaws, which could limit our stockholders’ ability to obtain what such stockholders believe to be a favorable judicial forum for disputes with us or our directors, officers or other employees. We assume no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities laws. Newpark’s filings with the Securities and Exchange Commission can be obtained at no charge at [www.sec.gov](http://www.sec.gov), as well as through our website at [www.newpark.com](http://www.newpark.com).

# NEWPARK

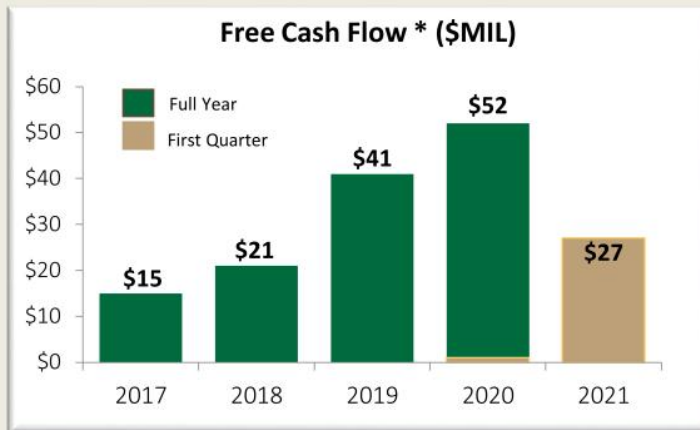
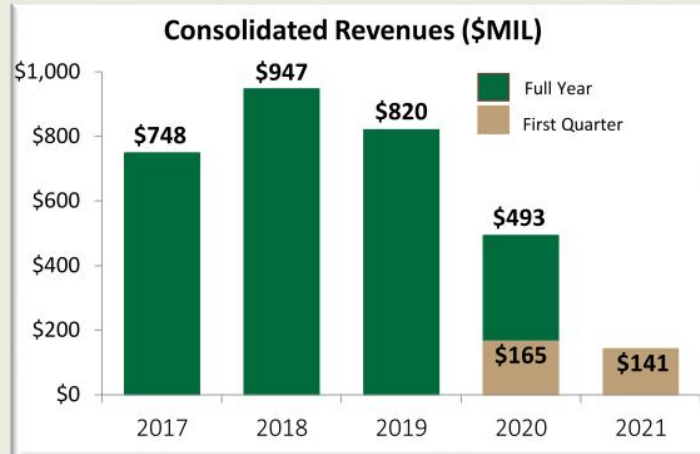
## Non-GAAP Financial Measures

This presentation includes references to financial measurements that are supplemental to the Company's financial performance as calculated in accordance with generally accepted accounting principles ("GAAP"). These non-GAAP financial measures include earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA Margin, Free Cash Flow, Net Debt, and the Ratio of Net Debt to Capital. We believe these non-GAAP financial measures are frequently used by investors, securities analysts and other parties in the evaluation of our performance and liquidity with that of other companies in our industry. Management uses these measures to evaluate our operating performance, liquidity and capital structure. In addition, our incentive compensation plan measures performance based on our consolidated EBITDA, along with other factors. The methods we use to produce these non-GAAP financial measures may differ from methods used by other companies. These measures should be considered in addition to, not as a substitute for, financial measures prepared in accordance with GAAP.

**NEWPARK**

## Company Overview

**NEWPARK**



Newpark is a worldwide provider of value-added products and related services serving a variety of industries, including:



OIL & GAS



UTILITIES



PIPELINE



RENEWABLES



PETROCHEMICAL



CONSTRUCTION

### Two operating segments:

#### **Industrial Solutions (38% of Q1 2021 Revenues)**

We are a leading provider of engineered site access solutions, with a diversified customer base

- Electrical transmission and renewable energy
- Oil and gas exploration
- Construction and other general access
- Industrial blending operations began in 2020

Industrial Solutions has historically been the primary source of Newpark operating income and cash generation

#### **Fluids Systems (62% of Q1 2021 Revenues)**

We are a leading provider of drilling, completion, and stimulation chemical products, rated #1 in customer satisfaction globally\*\*

\* Free Cash Flow is a non-GAAP financial measure. See reconciliation to the most comparable GAAP measure in the Appendix to this presentation.

\*\* Source: 2020 Drilling Fluids Supplier Performance Report, Kimberlite International Oilfield Research.



# Committed To Sustainability

NEWPARK



## ENVIRONMENTALLY FOCUSED PRODUCT OFFERING

### Composite Matting System

- Manufactured with 100% recyclable materials
- Eliminates deforestation associated with competitive wood products
- Lower weight products improves logistics efficiency, reducing carbon emissions and community impact

### Environmentally-Focused Drilling Fluids Technologies

- Water-based and synthetic-based fluids, replacing oil-based mud
- Lower environmental impact
- Lower risk to people & environment

### Efficient Stimulation Products

- Lower water utilization
- Utilize recycled water



## HIGH SOCIAL STANDARDS

### Safety First

- Aim for zero incidents
- Training
- Lower risk to people & environment

### Ethical Supply Chain

- Supplier engagement
- Enforcement of standards
- Compliance with human rights standards

### Supported Employees

- Training and development
- Volunteer and charitable giving programs
- Diversity in global workforce

### Local Content

- Create jobs and develop skills
- Develop local enterprises
- Improve local economies



## ROBUST GOVERNANCE PROGRAMS

### Compliance Program

- Annual compliance training and Code of Ethics certification required for all employees
- Designated “Compliance Champion” network throughout global operations
- Global Hotline available 24/7
- Compliance Committee of senior executives – “Tone from the Top”

### Board of Directors

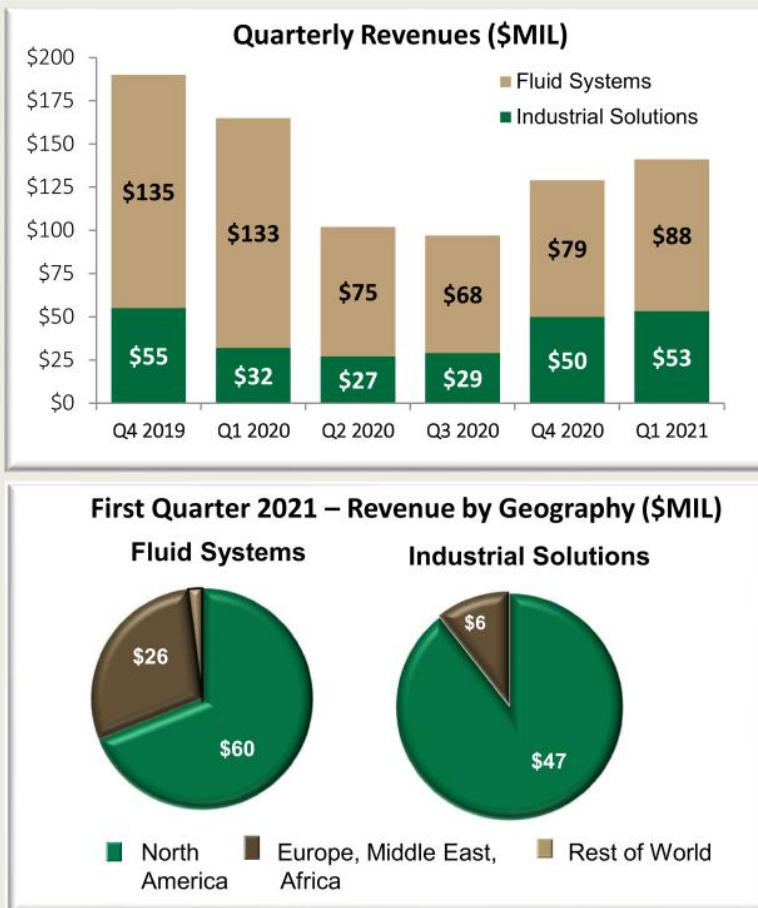
- Non-executive Chairman
- Diverse and independent
- ESG Committee provides oversight of Company programs
- Robust Enterprise Risk process

### Compensation and Benefits

- Pay-for-Performance recognized by Proxy Advisors and Shareholders
- Competitive pay and benefits
- Shareholder engagement

## COVID-19 Impact

## NEWPARK



### Primary Commercial Impact of COVID-19:

- **Fluids Systems (EMEA region)**

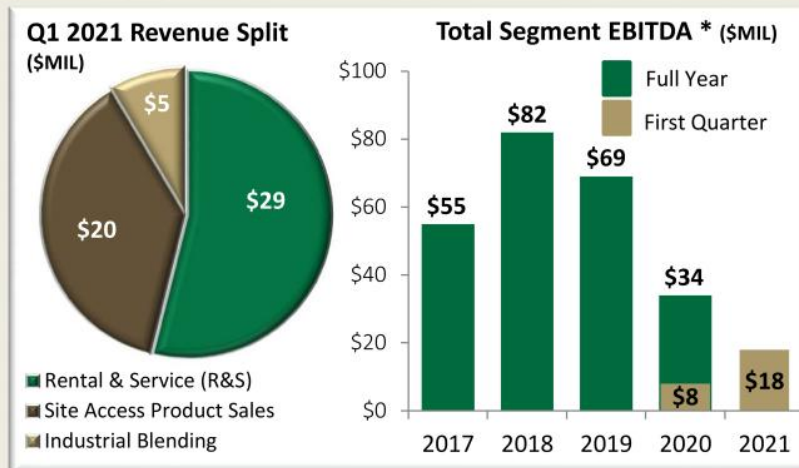
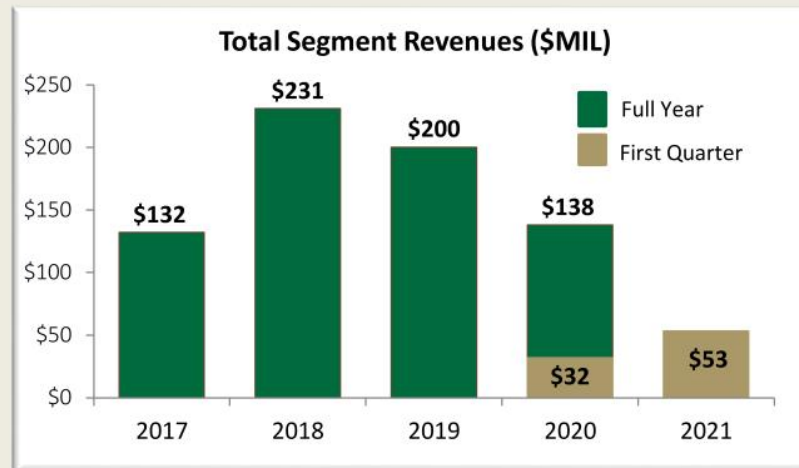
Restrictions on movement of personnel and products within several countries have caused operational disruptions and customer project delays. Q1 2021 revenues remain 40% below Q1 2020; recovery dependent on the vaccine rollout and lifting of COVID restrictions.

- **Site and Access Solutions (U.S.)**

Disruption seen broadly in utility sector, beginning in Q1 2020 and continuing through Q3 2020. Recovery began in Q4 2020, as delayed projects recommenced, with market activity now at pre-pandemic levels.

# Industrial Solutions - Overview

**NEWPARK**



## Industrial End-Markets Remain Primary Focus

- End-market diversification and expansion in utility and other industrial end-markets has partially offset declining E&P presence in recent years
  - Q1 2021 revenues from utility and other industrial end-markets reflect ~ 60% increase from 2019 performance, as market penetration gains momentum
- Diversified market presence key to strong EBITDA and Free Cash Flow generation
- Remaining O&G presence heavily tied to natural gas-focused basins in Northeast US
- Industrial Blending started up in late 2020, providing disinfectants and cleaning products

## Strategic Course Unchanged

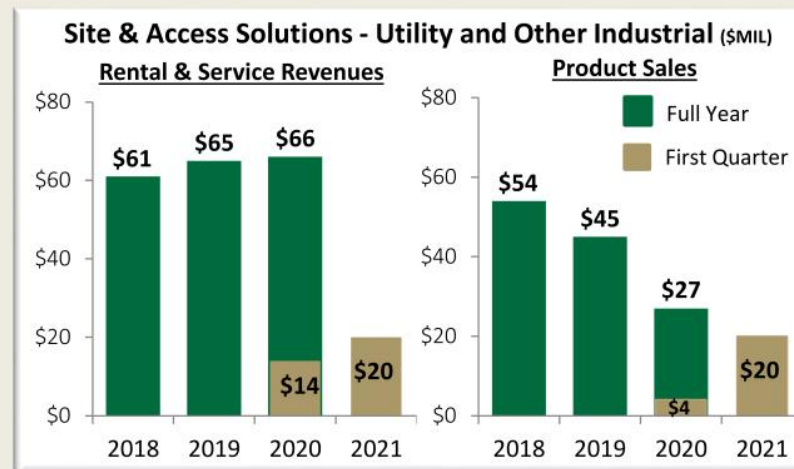
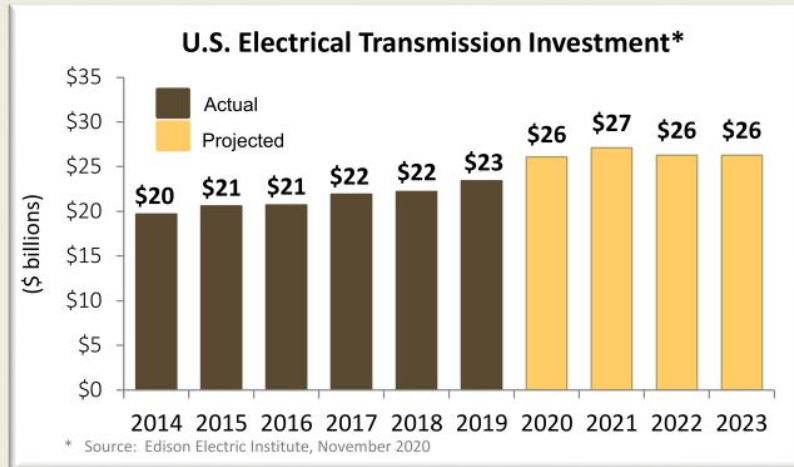
- While 2020 reflected meaningful COVID-19 impact, 2021 poised for growth as delayed utility sector projects recommence; Q1 2021 segment results on pace with FY2019 performance
- Strategy expected to continue to capitalize on energy transition and enhance market diversification

\* EBITDA is a non-GAAP financial measure. See reconciliation to the most comparable GAAP measure in the Appendix to this presentation.



# Energy Infrastructure Growth Opportunity

**NEWPARK**



## Stable Market with Strong Outlook

- Electric utility infrastructure investments expected to grow in the next five years
  - Aging U.S. infrastructure requires investment to maintain
  - Energy Transition projects expected to place increasing dependency on electric transmission infrastructure

## Market Penetration Gaining Momentum

- Despite meaningful COVID headwind in 2020, achieved Y/Y growth in targeted industrial R&S markets
- As U.S. economy re-opens, utility infrastructure projects have returned to pre-COVID levels
- 2021 on pace for solid Y/Y growth in both Rental & Service and Product Sales
  - Q1 2021 product sales benefitted from pent-up demand following COVID-driven pullback in 2020
- Current market share remains < 10%, providing meaningful runway for growth

## Taking Strategic Actions to Support Expansion

- Enhancing utility sector expertise through recent Board of Directors appointment
- Energy Infrastructure expansion remains the highest priority for capital deployments



## Site and Access Solutions Environmental Commitment

**NEWPARK**



**>360,000\***

Total Trees Saved

Our fully recyclable composite matting program prevents the deforestation associated with production of timber alternatives

**24,700+\* TONS**

CO<sub>2</sub> Emission Reduction  
In 2020

Lighter weight mats require fewer truckloads, thereby saving CO<sub>2</sub> emissions with every load eliminated

**>13.7\* Million**

Miles Saved in 2020

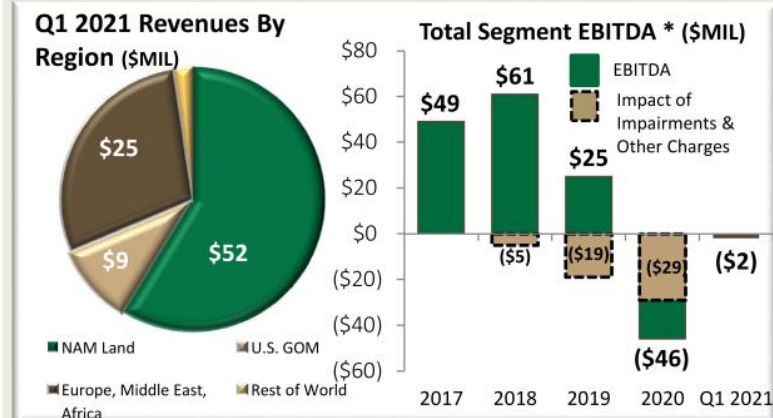
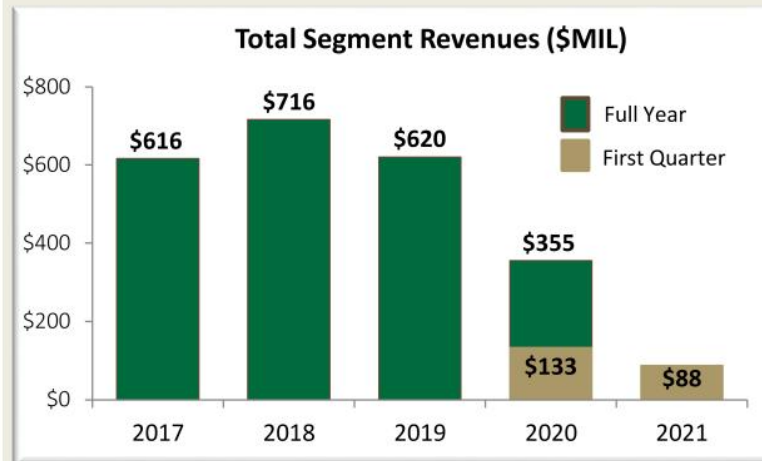
Fewer truckloads mean less miles driven and safer conditions for the community as a whole

*\*Reflects internal estimates of impact of DURA-BASE® Composite Matting System. Reflects cumulative effect unless otherwise stated.*

For more information, see: [www.Newpark.com/environmental](http://www.Newpark.com/environmental)

# Fluids Systems Overview

**NEWPARK**



## PROVIDING TOTAL FLUIDS SOLUTION

### Drilling Fluids

- Non-aqueous
- Water-based
- Specialty Systems
- Industrial Minerals
- Solids Control and Waste Management

### Completion & Reservoir Fluids

- Drill-In Fluids
- Engineered Displacements
- Breakers
- Completion Brines
- Filtration

### Stimulation Fluids

- Hydraulic Fracturing
- Matrix Acidizing
- Coil Tubing
- Sand Control

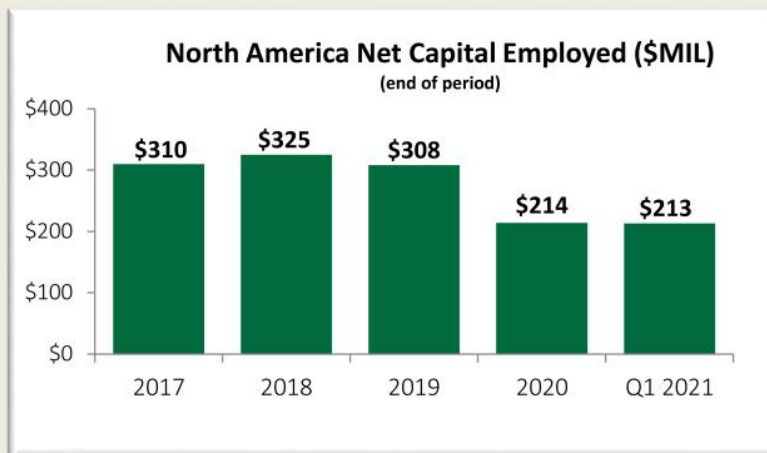
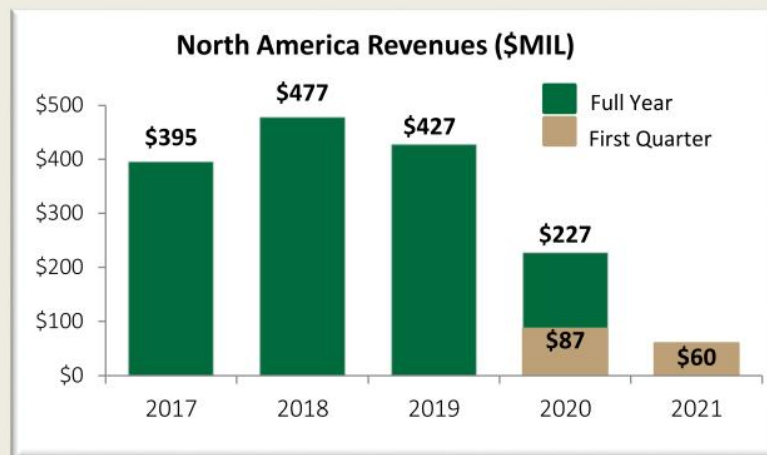
Customer activities include oil and natural gas exploration, with emerging opportunity in geothermal drilling to support energy transition

International activity remains meaningfully impacted by COVID, while actions continue to rightsize US footprint

\* EBITDA is a non-GAAP financial measure. See reconciliation to the most comparable GAAP measure in the Appendix to this presentation.

## Fluids Systems – North America

**NEWPARK**



### North America

- Unprecedented market collapse in 2020, with market rig count declining 70%, before modestly recovering late in the year.
- Swift actions taken to rationalize roofline, cost structure and working capital, preserving presence in key markets
- Actions expected to continue as NAM market normalizes in 2021, including:
  - Continued evaluation of performance and outlook of all business activities
  - Further rationalization of roofline, as needed
  - Sale of excess infrastructure and assets
  - Optimize scalable cost structure to reduce operating income volatility

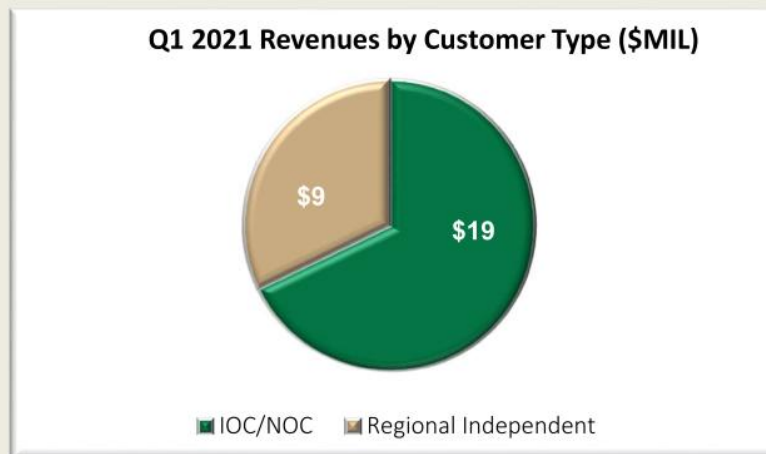
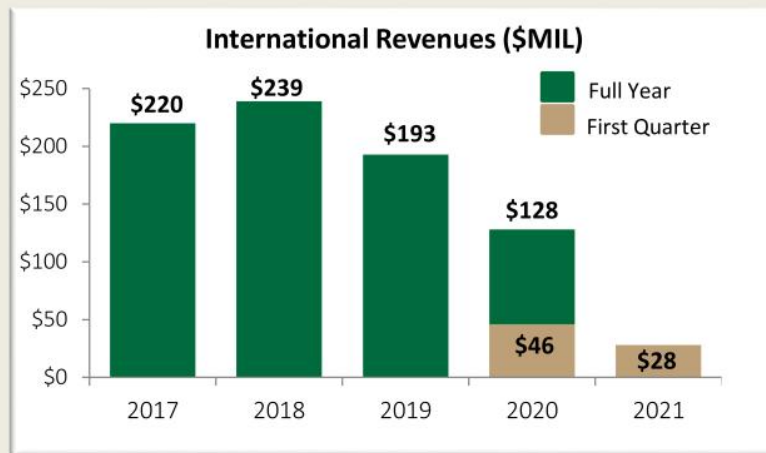
### Asset Base

- Optimization of working capital, redeployment of assets and capital-light business model enhancing agility
- Net Capital Employed reduced 30% from 2019 level



## Fluids Systems - International

## NEWPARK



### EMEA

- Historical stability in region driven by strong mix of IOC/NOC customers
- Foundation is built upon long-term NOC contracts in Kuwait and Algeria
- COVID-19 provided major headwind to this region; recovery expected as COVID restrictions are lifted, particularly in Europe and Middle East
- Recovery will further benefit from start-up of secured contracts, which were delayed by COVID
- Recently secured 5 year contract in Bahrain valued at ~ \$35m; expands Middle East footprint
- Emerging opportunity for growing geothermal drilling in support of energy transition

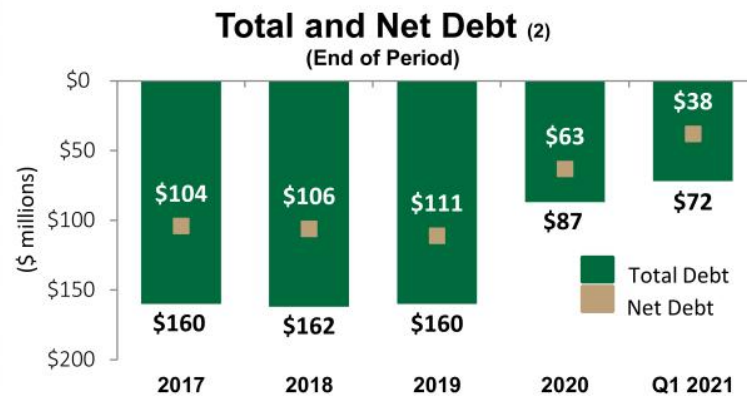
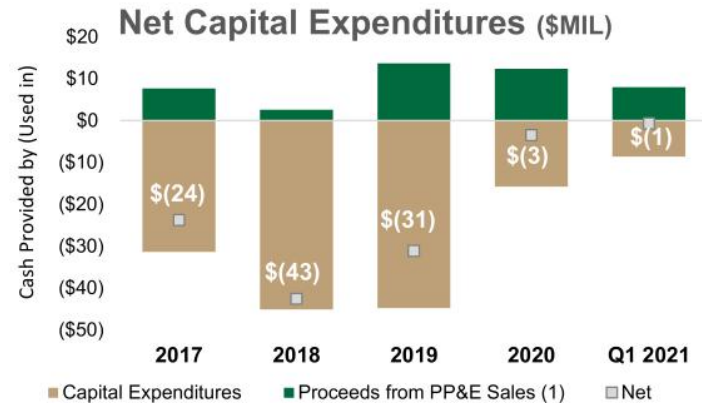
### All Other Markets

- Selective geographic expansion as market outlook improves, pursuing opportunities that meet appropriate qualifications:
  - Opportunity to differentiate with customer base
  - Stability in long-term outlook
  - Limited capital investment



## Flexible Balance Sheet and Modest Debt

**NEWPARK**



### Cash Flow and Liquidity

- Flexible business model, with capital investment level adjusted based on market environment, as demonstrated in 2020
- Capital investments heavily focused on Industrial end-market diversification in recent years
- 2021 capital investments primarily supporting growth in the utility sector

### Capital Structure

- Total Debt reduced by 55% and Net Debt reduced > 65% since 2019
- \$49m Convertible Notes due December 2021 to be funded with Asset-Based Loan (ABL) facility and cash generation
  - ABL facility capacity projected at > \$100m in second half 2021; outstanding balance of \$11 million at Q1 2021

(1) Proceeds from sale of property, plant and equipment include the commercial sale of assets from mat rental fleet and other asset disposals.

(2) Net Debt is a non-GAAP financial measure. See reconciliation to the most comparable GAAP measure in the Appendix to this presentation.

# **APPENDIX**

**NEWPARK**

# Financial Report

**NEWPARK**

## CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(In thousands, except per share data)	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Revenues	\$ 141,172	\$ 129,705	\$ 164,550
Cost of revenues	119,991	115,583	146,084
Selling, general and administrative expenses	20,911	20,374	24,696
Other operating income	(274)	(1,424)	(344)
Impairments	—	11,689	—
Operating income (loss)	544	(16,517)	(5,886)
Foreign currency exchange (gain) loss	(332)	35	1,982
Interest expense, net	2,408	2,462	3,201
Loss on extinguishment of debt	790	—	915
Loss before income taxes	(2,322)	(19,014)	(11,984)
Provision (benefit) for income taxes	3,040	(580)	164
Net loss	<u>\$ (5,362)</u>	<u>\$ (18,434)</u>	<u>\$ (12,148)</u>
<b>Calculation of EPS:</b>			
Net loss - basic and diluted	\$ (5,362)	\$ (18,434)	\$ (12,148)
Weighted average common shares outstanding - basic	90,701	90,624	89,645
Dilutive effect of stock options and restricted stock awards	—	—	—
Dilutive effect of Convertible Notes	—	—	—
Weighted average common shares outstanding - diluted	<u>90,701</u>	<u>90,624</u>	<u>89,645</u>
Net loss per common share - basic:	\$ (0.06)	\$ (0.20)	\$ (0.14)
Net loss per common share - diluted:	\$ (0.06)	\$ (0.20)	\$ (0.14)

# Financial Report

**NEWPARK**

## OPERATING SEGMENT RESULTS (UNAUDITED)

(In thousands)	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
<b>Revenues</b>			
Fluids systems	\$ 87,849	\$ 79,430	\$ 132,805
Industrial solutions	53,323	50,275	31,745
<b>Total revenues</b>	<u>\$ 141,172</u>	<u>\$ 129,705</u>	<u>\$ 164,550</u>
<b>Operating income (loss)</b>			
Fluids systems <sup>(1)</sup>	\$ (6,767)	\$ (20,119)	\$ (2,268)
Industrial solutions	13,130	9,531	3,062
Corporate office <sup>(2)</sup>	<u>(5,819)</u>	<u>(5,929)</u>	<u>(6,680)</u>
<b>Total operating income (loss)</b>	<u>\$ 544</u>	<u>\$ (16,517)</u>	<u>\$ (5,886)</u>
<b>Segment operating margin</b>			
Fluids systems	(7.7)%	(25.3)%	(1.7)%
Industrial solutions	24.6 %	19.0 %	9.6 %

(1) Fluids Systems operating loss for the three months ended December 31, 2020 included \$11.2 million of charges primarily related to our exit from Brazil, and Fluids Systems operating loss for the three months ended March 31, 2020 included \$1.2 million of charges related to inventory write-downs and severance costs.

(2) Corporate office expenses for the three months ended March 31, 2020 included \$0.2 million of charges associated with severance costs.



# Financial Report

## NEWPARK

### CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In thousands, except share data)	March 31, 2021	December 31, 2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 34,156	\$ 24,197
Receivables, net	133,240	141,045
Inventories	139,913	147,857
Prepaid expenses and other current assets	13,307	15,081
Total current assets	320,616	328,180
Property, plant and equipment, net	274,972	277,696
Operating lease assets	30,332	30,969
Goodwill	42,477	42,444
Other intangible assets, net	24,527	25,428
Deferred tax assets	2,074	1,706
Other assets	2,613	2,769
Total assets	<u>\$ 697,611</u>	<u>\$ 709,192</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current debt	\$ 55,242	\$ 67,472
Accounts payable	60,637	49,252
Accrued liabilities	35,188	36,934
Total current liabilities	151,067	153,658
Long-term debt, less current portion	17,000	19,690
Noncurrent operating lease liabilities	24,347	25,068
Deferred tax liabilities	14,769	13,368
Other noncurrent liabilities	9,506	9,376
Total liabilities	216,689	221,160
Common stock, \$0.01 par value (200,000,000 shares authorized and 107,735,307 and 107,587,786 shares issued, respectively)	1,077	1,076
Paid-in capital	628,552	627,031
Accumulated other comprehensive loss	(57,456)	(54,172)
Retained earnings	45,554	50,937
Treasury stock, at cost (16,777,632 and 16,781,150 shares, respectively)	(136,805)	(136,840)
Total stockholders' equity	480,922	488,032
Total liabilities and stockholders' equity	<u>\$ 697,611</u>	<u>\$ 709,192</u>

# Financial Report

## NEWPARK

### CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In thousands)	Three Months Ended March 31,	
	2021	2020
<b>Cash flows from operating activities:</b>		
Net loss	\$ (5,362)	\$ (12,148)
Adjustments to reconcile net loss to net cash provided by operations:		
Depreciation and amortization	10,830	11,453
Stock-based compensation expense	1,279	1,592
Provision for deferred income taxes	1,569	(2,801)
Credit loss expense	50	20
Gain on sale of assets	(3,283)	(1,033)
Loss on extinguishment of debt	790	915
Amortization of original issue discount and debt issuance costs	1,082	1,573
Change in assets and liabilities:		
Decrease in receivables	2,414	10,652
Decrease in inventories	6,694	5,466
(Increase) decrease in other assets	1,275	(644)
Increase (decrease) in accounts payable	11,437	(9,842)
Decrease in accrued liabilities and other	(1,002)	(815)
<b>Net cash provided by operating activities</b>	<b>27,773</b>	<b>4,388</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(8,649)	(6,649)
Proceeds from sale of property, plant and equipment	8,027	3,673
<b>Net cash used in investing activities</b>	<b>(622)</b>	<b>(2,976)</b>
<b>Cash flows from financing activities:</b>		
Borrowings on lines of credit	51,922	74,909
Payments on lines of credit	(56,922)	(58,948)
Purchases of Convertible Notes	(18,107)	(13,775)
Proceeds from term loan	8,258	—
Debt issuance costs	(196)	—
Purchases of treasury stock	(6)	(32)
Other financing activities	(1,561)	(1,218)
<b>Net cash provided by (used in) financing activities</b>	<b>(16,612)</b>	<b>936</b>
Effect of exchange rate changes on cash	(882)	(2,576)
<b>Net increase (decrease) in cash, cash equivalents, and restricted cash</b>	<b>9,657</b>	<b>(228)</b>
Cash, cash equivalents, and restricted cash at beginning of period	30,348	56,863
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 40,005</b>	<b>\$ 56,635</b>

# Financial Report

**NEWPARK**

## NON-GAAP FINANCIAL MEASURES (UNAUDITED)

The following tables reconcile the Company's net income (loss) or segment operating income (loss) calculated in accordance with GAAP to the non-GAAP financial measure of EBITDA:

Consolidated (In thousands)	Twelve Months Ended				Three Months Ended March 31,	
	2017	2018	2019	2020	2020	2021
<b>Net income (loss) (GAAP) <sup>(1)</sup></b>	\$ (6,148)	\$ 32,281	\$ (12,946)	\$ (80,696)	\$ (12,148)	\$ (5,362)
Loss from disposal of discontinued operations, net of tax	17,367	-	-	-	-	-
Interest expense, net	13,273	14,864	14,369	10,986	3,201	2,408
Provision (benefit) for income taxes	4,893	14,997	9,788	(11,883)	164	3,040
Depreciation and amortization	39,757	45,899	47,144	45,314	11,453	10,830
<b>EBITDA (non-GAAP) <sup>(1)</sup></b>	<u>\$ 69,142</u>	<u>\$ 108,041</u>	<u>\$ 58,355</u>	<u>\$ (36,279)</u>	<u>\$ 2,670</u>	<u>\$ 10,916</u>

(1) Net loss and EBITDA for the three months ended March 31, 2021 includes a \$0.8 million loss associated with the purchase of a portion of our convertible notes on the open market. Net loss and EBITDA for the three months ended March 31, 2020 included \$2.3 million of charges, consisting of a \$0.9 million loss associated with the purchase of a portion of our convertible notes on the open market and a total of \$1.4 million of charges related to inventory write-downs and severance cost. 2020 net loss and EBITDA included a total of \$29.2 million of total charges, consisting of \$11.7 million for the recognition of cumulative foreign currency translation losses related to our exit from Brazil, \$10.3 million for inventory write-downs, \$4.2 million for severance and other costs, and \$3.0 million in fixed asset impairments. 2019 net loss and EBITDA included a total of \$23.2 million of charges, consisting of an \$11.4 million non-cash impairment of goodwill and a total of \$11.8 million of charges associated with facility closures and related exit costs, inventory write-downs, and severance costs, as well as the modification of the Company's retirement policy. 2018 net income and EBITDA included a total of \$6.8 million of charges, consisting of a corporate office charge of \$1.8 million associated with the retirement of our former Senior Vice President, General Counsel and Chief Administrative Officer, as well as a total of \$5.0 million of charges associated with severance costs, the Kenedy, Texas facility fire, and expenses related to the conversion of a drilling fluids facility into a completion fluids facility.

# Financial Report

## NEWPARK

### NON-GAAP FINANCIAL MEASURES (UNAUDITED)

Fluids Systems (In thousands)	Twelve Months Ended				Three Months Ended March 31,	
	2017	2018	2019	2020	2020	2021
<b>Operating income (loss) (GAAP) <sup>(1)</sup></b>	\$ 27,580	\$ 40,337	\$ 3,814	\$ (66,403)	\$ (2,268)	\$ (6,767)
Depreciation and amortization	21,566	20,922	21,202	20,555	5,234	4,627
<b>EBITDA (non-GAAP) <sup>(1)</sup></b>	49,146	61,259	25,016	(45,848)	2,966	(2,140)
Revenues	615,803	715,813	620,317	354,608	132,805	87,849
<b>Operating Margin (GAAP)</b>	4.5%	5.6%	0.6%	-18.7%	-1.7%	-7.7%
<b>EBITDA Margin (non-GAAP)</b>	8.0%	8.6%	4.0%	-12.9%	2.2%	-2.4%

(1) Operating loss and EBITDA for the three months ended December 31, 2020 included \$11.2 million of charges primarily related to our exit from Brazil. Operating loss and EBITDA for the three months ended March 31, 2020 included \$1.2 million of charges related to inventory write-downs and severance costs. 2020 Fluids Systems operating loss and EBITDA include a total of \$28.6 million of total charges, consisting of \$11.7 million for the recognition of cumulative foreign currency translation losses related to our exit from Brazil, \$10.3 million for inventory write-downs, \$3.6 million for severance and other costs, and \$3.0 million in fixed asset impairments. 2019 Fluids Systems operating income and EBITDA included \$18.7 million of charges, consisting of an \$11.4 million non-cash impairment of goodwill and a total of \$7.3 million of charges associated with facility closures and related exit costs, inventory write-downs, and severance costs, as well as the modification of the Company's retirement policy. 2018 Fluids Systems operating income and EBITDA included a total of \$5.0 million of charges associated with severance costs, the Kenedy, Texas facility fire, and expenses related to the conversion of a drilling fluids facility into a completion fluids facility.

Industrial Solutions (In thousands)	Twelve Months Ended				Three Months Ended March 31,	
	2017	2018	2019	2020	2020	2021
<b>Operating income (GAAP)</b>	\$ 40,491	\$ 60,604	\$ 47,466	\$ 13,459	\$ 3,062	\$ 13,130
Depreciation and amortization	14,991	21,321	21,763	20,427	5,168	5,136
<b>EBITDA (non-GAAP)</b>	55,482	81,925	69,229	33,886	8,230	18,266
Revenues	131,960	230,735	199,802	138,017	31,745	53,323
<b>Operating Margin (GAAP)</b>	30.7%	26.3%	23.8%	9.8%	9.6%	24.6%
<b>EBITDA Margin (non-GAAP)</b>	42.0%	35.5%	34.6%	24.6%	25.9%	34.3%



# Financial Report

## NEWPARK

### NON-GAAP FINANCIAL MEASURES (UNAUDITED)

The following table reconciles the Company's net cash provided by operating activities calculated in accordance with GAAP to the non-GAAP financial measure of the Company's free cash flow:

Consolidated (In thousands)	Twelve Months Ended				Three Months Ended March 31,	
	2017	2018	2019	2020	2020	2021
Net cash provided by operating activities (GAAP)	\$ 38,381	\$ 63,403	\$ 72,286	\$ 55,791	\$ 4,388	\$ 27,773
Capital expenditures	(31,371)	(45,141)	(44,806)	(15,794)	(6,649)	(8,649)
Proceeds from sale of property, plant and equipment	7,747	2,612	13,734	12,399	3,673	8,027
Free Cash Flow (non-GAAP)	<u>\$ 14,757</u>	<u>\$ 20,874</u>	<u>\$ 41,214</u>	<u>\$ 52,396</u>	<u>\$ 1,412</u>	<u>\$ 27,151</u>

The following table reconciles the Company's ratio of total debt to capital calculated in accordance with GAAP to the non-GAAP financial measure of the Company's ratio of net debt to capital:

Consolidated (In thousands)	December 31,				March 31,	
	2017	2018	2019	2020	2020	2021
Current debt	\$ 1,518	\$ 2,522	\$ 6,335	\$ 67,472	\$ 6,981	\$ 55,242
Long-term debt, less current portion	158,957	159,225	153,538	19,690	155,965	17,000
Total Debt	160,475	161,747	159,873	87,162	162,946	72,242
Total stockholders' equity	547,480	569,681	548,645	488,032	530,359	480,922
Total Capital	<u>\$ 707,955</u>	<u>\$ 731,428</u>	<u>\$ 708,518</u>	<u>\$ 575,194</u>	<u>\$ 693,305</u>	<u>\$ 553,164</u>
Ratio of Total Debt to Capital	<u>22.7%</u>	<u>22.1%</u>	<u>22.6%</u>	<u>15.2%</u>	<u>23.5%</u>	<u>13.1%</u>
Total Debt	\$ 160,475	\$ 161,747	\$ 159,873	\$ 87,162	\$ 162,946	\$ 72,242
Less: cash and cash equivalents	(56,352)	(56,118)	(48,672)	(24,197)	(49,064)	(34,156)
Net Debt	104,123	105,629	111,201	62,965	113,882	38,086
Total stockholders' equity	547,480	569,681	548,645	488,032	530,359	480,922
Total Capital, Net of Cash	<u>\$ 651,603</u>	<u>\$ 675,310</u>	<u>\$ 659,846</u>	<u>\$ 550,997</u>	<u>\$ 644,241</u>	<u>\$ 519,008</u>
Ratio of Net Debt to Capital	<u>16.0%</u>	<u>15.6%</u>	<u>16.9%</u>	<u>11.4%</u>	<u>17.7%</u>	<u>7.3%</u>

## Executive Management

**NEWPARK**

EXPERIENCED LEADERSHIP

<b>Paul Howes</b>	President & Chief Executive Officer
<b>Gregg Piontek</b>	Senior Vice President & Chief Financial Officer
<b>Chip Earle</b>	Vice President, General Counsel, Chief Administrative Officer, Chief Compliance Officer & Corporate Secretary
<b>David Paterson</b>	President <i>Fluids Systems</i>
<b>Matthew Lanigan</b>	President <i>Industrial Solutions</i>

# Executive Management

## NEWPARK

### MANAGEMENT BIOGRAPHIES

**Paul L. Howes, President & CEO:** Paul L. Howes joined Newpark's Board of Directors and was appointed as the Chief Executive Officer in March 2006. In June 2006, Mr. Howes was also appointed as the President. Mr. Howes' career has included experience in the defense industry, chemicals and plastics manufacturing, and the packaging industry. Following the sale of his former company in October 2005 until he joined Newpark's Board of Directors in March 2006, Mr. Howes was working privately as an inventor and engaging in consulting and private investing activities. From 2002 until October 2005, he served as President and Chief Executive Officer of Astaris LLC, a primary chemicals company headquartered in St. Louis, Missouri, with operations in North America, Europe and South America. Prior to this, from 1997 until 2002, he served as Vice President and General Manager, Packaging Division, for Flint Ink Corporation, a global ink company headquartered in Ann Arbor, Michigan with operations in North America, Europe, Asia Pacific and Latin America. Mr. Howes started his career with Lockheed Martin (Martin Marietta) in the early 80's, working on the space shuttle program.

Mr. Howes is also actively engaged in energy industry trade associations. He is currently a member of the Board of Directors of the American Petroleum Institute (API), and the National Ocean Industries Association (NOIA). Mr. Howes is Chairman of Buckets of Rain, a non-profit organization, focused on the rebuilding of Detroit one garden at a time through growing produce in local communities. He was previously Chairman of the General Membership Committee and a member of the Executive Committee of the API.

**Gregg S. Piontek, SVP & CFO:** Gregg joined Newpark in April 2007 and served as Vice President, Controller and Chief Accounting Officer from April 2007 to October 2011. Prior to joining Newpark, Mr. Piontek was Vice President and Chief Accounting Officer of Stewart & Stevenson LLC from 2006 to 2007. From 2001 to 2006, Mr. Piontek held the positions of Assistant Corporate Controller and Division Controller for Stewart & Stevenson Services, Inc. Prior to that, Mr. Piontek served in various financial roles at General Electric and CNH Global N.V., after beginning his career as an auditor for Deloitte & Touche LLP. Mr. Piontek is a Certified Public Accountant and holds a bachelor degree in Accountancy from Arizona State University and a Master of Business Administration degree from Marquette University.

# Executive Management

## NEWPARK

### MANAGEMENT BIOGRAPHIES

**Edward “Chip” Earle, Vice President, General Counsel, Chief Administrative Officer, Chief Compliance Officer & Corporate Secretary:**

Chip joined Newpark in August 2018 as Vice President and Executive Advisor as part of a succession plan to become the Vice President, General Counsel, Corporate Secretary, Chief Administrative Officer and Chief Compliance Officer in September 2018. Mr. Earle most recently served for six years as Senior Vice President, Chief Legal & Support Officer and Corporate Secretary for Bristow Group, Inc. Prior to Bristow, he worked for Transocean, Ltd where after working in a variety of progressively senior positions within the Legal function, he held the role of Assistant Vice President, Global Legal and Corporate Secretary. Additionally, Mr. Earle has exceptional governance, corporate, securities and M&A experience gained at the start of his legal career during his time in private practice with the law firms of Baker Botts, LLP and Wilson, Sonsini, Goodrich & Rosati, PC. He received his Bachelor of Arts degree from Middlebury College in 1995 and his MBA and JD from the University of Texas in 2001.

**David A. Paterson, President, Fluid Systems:** David was appointed as Vice President of the Company and President of Fluids Systems in July 2019. From October 2018 to July 2019, Mr. Paterson served as President - Pressure Pumping of Weir Oil and Gas. From December 1995 to October 2018, he served in varying roles for Schlumberger including President - Artificial Lift, President – Geoservices, and Vice President - Drilling Group Asia. During this time, he spent 17 years working directly in the Drilling Fluids, Completion Fluids, Solids Control and Waste management sector in Dowell Drilling Fluids and the M-I SWACO Joint Venture. He held numerous assignments of progressing responsibility in this space including: Well Site Fluids Engineer working on land, Offshore and Deepwater rigs, Customer In-House Fluids Representative, Field Service Manager, Product Line Manager for Completion Fluids, Country Manager, Asia Pacific Vice President, Eastern Hemisphere Senior Vice President, and Global Product Line Vice President. Mr. Paterson holds a Bachelor of Science and a Master of Science in Offshore Engineering from The Robert Gordon University in Aberdeen, Scotland.



### MANAGEMENT BIOGRAPHIES

**Matthew Lanigan, President Industrial Solutions:** Matthew joined Newpark in April 2016, as President of Newpark Mats & Integrated Services. Matthew began his professional career at ExxonMobil in Australia working on rigs as a Drilling & Completions Engineer, progressing from there to Offshore Production Engineer and as a Marketer for Crude & LPG. While pursuing his MBA, he accepted a position with GE in the Plastics division where he rose to the role of Chief Marketing Officer before transferring to the Capital division of GE, based in the UK. His first opportunity to work in the United States came with the Enterprise Client Group of GE's Capital division, where he worked in leadership roles in Sales & Marketing. In 2011, he was appointed as the Director of Commercial Excellence for Asia Pacific, based in Australia. In addition to growing revenue and market share, key responsibilities for this role included developing cross-organizational synergies and market entry strategies.

## Board of Directors

**NEWPARK**

Our Board members represent a desirable mix of diverse backgrounds, skills and experiences and we believe they all share the personal attributes of effective directors. They each hold themselves to the highest standards of integrity and are committed to the long-term interests of our stockholders.

<b>ANTHONY J. BEST</b> (Chairman)	Retired Chief Executive Officer, SM Energy Company
<b>G. STEPHEN FINLEY</b>	Retired Senior V.P. and Chief Financial Officer, Baker Hughes Incorporated
<b>PAUL L. HOWES</b>	President and Chief Executive Officer, Newpark Resources
<b>RODERICK A. LARSON</b>	President and Chief Executive Officer, Oceaneering International, Inc.
<b>MICHAEL A. LEWIS</b>	Retired Interim President and Senior Vice President, Electrical Operations, Pacific Gas & Electric Corporation
<b>JOHN C. MINGÉ</b>	Retired Chairman and President, BP America
<b>ROSE M. ROBESON</b>	Retired VP and CFO, general partner of DCP Midstream Partners LP

Please visit our website for full biographies of our Board.