

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 6, 2019



NEWPARK

Newpark Resources, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-02960
(Commission File Number)

72-1123385
(I.R.S. Employer Identification No.)

9320 Lakeside Boulevard, Suite 100
The Woodlands, Texas
(Address of principal executive offices)

77381
(Zip Code)

Registrant's telephone number, including area code: **(281) 362-6800**

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$0.01 par value

Trading Symbol(s)
NR

Name of each exchange on which registered
New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

Newpark Resources, Inc. (the "Company") has prepared presentation materials (the "Presentation Materials") that management intends to use from time to time, on December 6, 2019, and thereafter, in presentations about the Company's operations and performance. The Company may use the Presentation Materials, possibly with modifications, in presentations to current and potential investors, lenders, creditors, insurers, vendors, customers, employees, and others with an interest in the Company and its business.

The information contained in the Presentation Materials is summary information that should be considered in the context of the Company's filings with the Securities and Exchange Commission and other public announcements that the Company may make by press release or otherwise from time to time. The Presentation Materials speak as of the date of this Current Report on Form 8-K. While the Company may elect to update the Presentation Materials in the future or reflect events and circumstances occurring or existing after the date of this Current Report on Form 8-K, the Company specifically disclaims any obligation to do so. The Presentation Materials are furnished as Exhibit 99.1 to this Current Report on Form 8-K and are incorporated herein by reference. The Presentation Materials will also be posted in the Investors section of the Company's website, <http://www.newpark.com> for up to 90 days.

The information referenced under Item 7.01 (including Exhibit 99.1 referenced in Item 9.01 below) of this Current Report on Form 8-K is being "furnished" under "Item 7.01. Regulation FD Disclosure" and, as such, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. The information set forth in this Current Report on Form 8-K (including Exhibit 99.1 referenced in Item 9.01 below) shall not be incorporated by reference into any registration statement, report or other document filed by the Company pursuant to the Securities Act of 1933, as amended (the "Securities Act"), except as shall be expressly set forth by specific reference in such filing.

Use of Non-GAAP Financial Information

To help understand the Company's financial performance, the Company has supplemented its financial results that it provides in accordance with generally accepted accounting principles ("GAAP") with non-GAAP financial measures. Such 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. Applicable reconciliations to the nearest GAAP financial measure of each non-GAAP financial measure are included in the attached Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Q3 Presentation Materials
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NEWPARK RESOURCES, INC.
(Registrant)

Date: December 6, 2019

By: /s/ Gregg S. Piontek
Gregg S. Piontek
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)



NEWPARK RESOURCES PRESENTATION



DECEMBER 2019

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, 2018, 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 worldwide oil and natural gas industry; our customer concentration and reliance on the U.S. exploration and production market; our international operations; our ability to attract, retain and develop qualified leaders, key employees and skilled personnel; the availability of raw materials; our cost and continued availability of borrowed funds, including noncompliance with debt covenants; operating hazards present in the oil and natural gas industry and substantial liability claims, including catastrophic well incidents; our ability to execute our business strategy and make successful business acquisitions and capital investments; our market competition; our contracts that can be terminated or downsized by our customers without penalty; our product offering expansion; our compliance with legal and regulatory matters, including environmental regulations; our legal compliance; material weaknesses in our internal control over financial reporting; the inherent limitations of insurance coverage; income taxes; the potential impairments of goodwill and long-lived intangible assets; technological developments in our industry; severe weather and seasonality; cybersecurity breaches or business system disruptions; and fluctuations in the market value of our publicly traded securities. 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, as well as through our website at www.newpark.com.

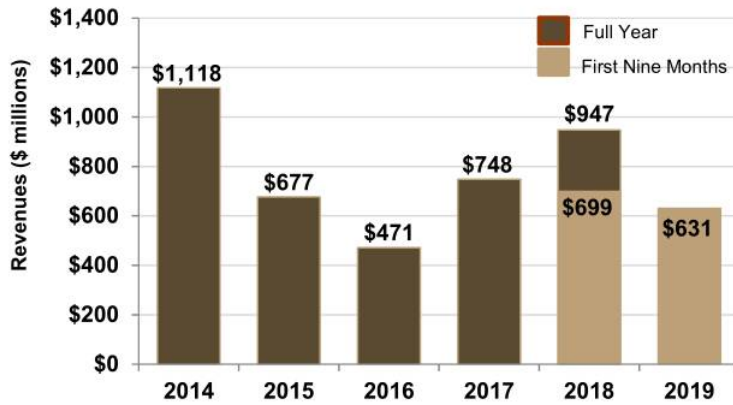


NON-GAAP FINANCIAL MEASURES

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.



Consolidated Revenues



- Newpark’s value-proposition is driven by a focus on providing leading technology that reduces customer’s total operating costs, risk, and environmental impact. Two operating segments:

Fluids Systems

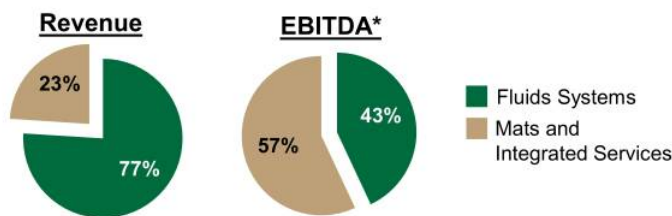
3rd largest global provider of drilling and completions fluids chemistry to oil and gas exploration industry**

Mats and Integrated Services

Leading provider of engineered worksite solutions, with diversified customer base across industries

- Oil and gas exploration
- Energy infrastructure
 - Electrical transmission and distribution
 - Pipeline
- Construction and other general access

First Nine Months 2019 - Breakdown by Segment

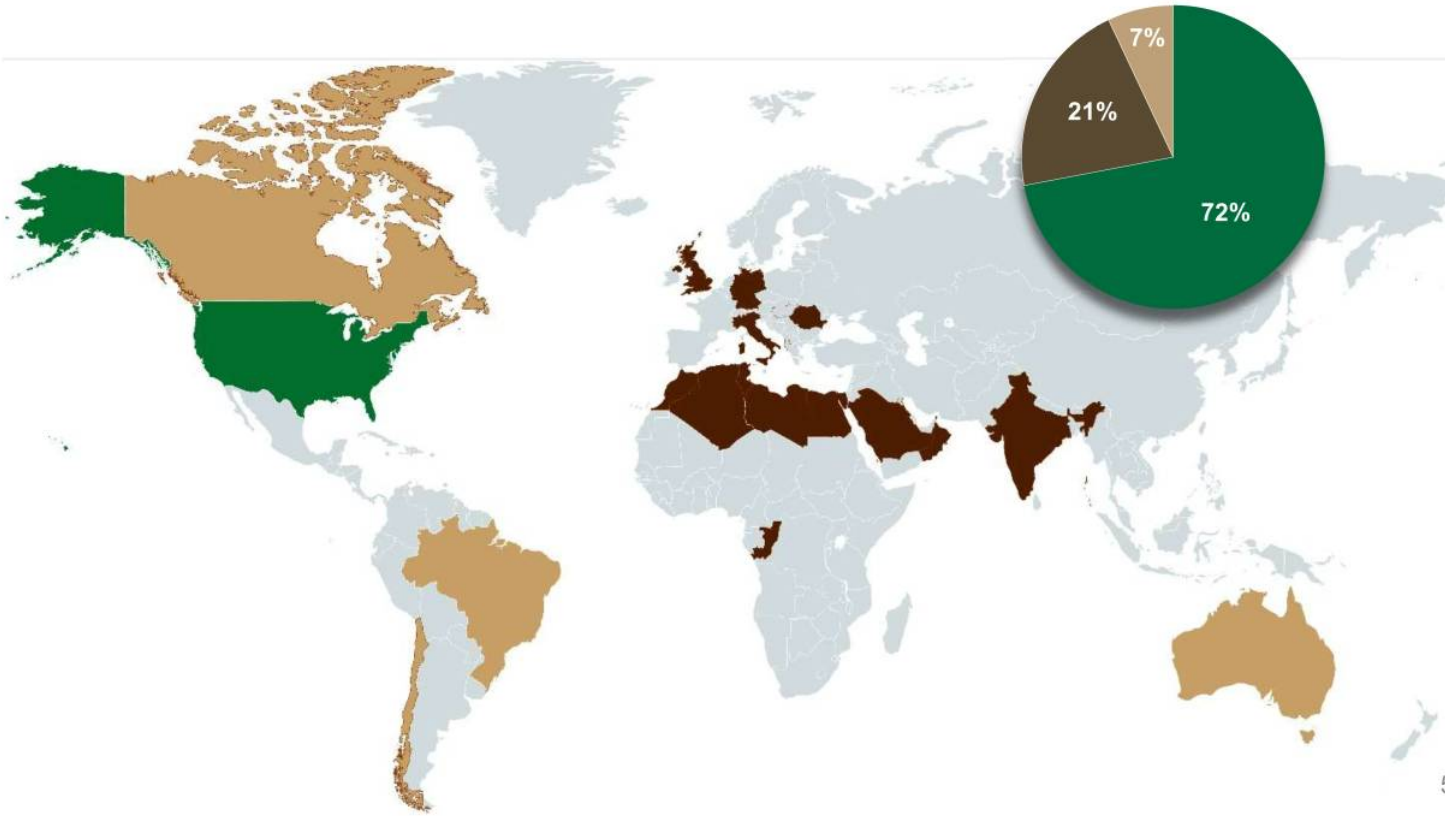


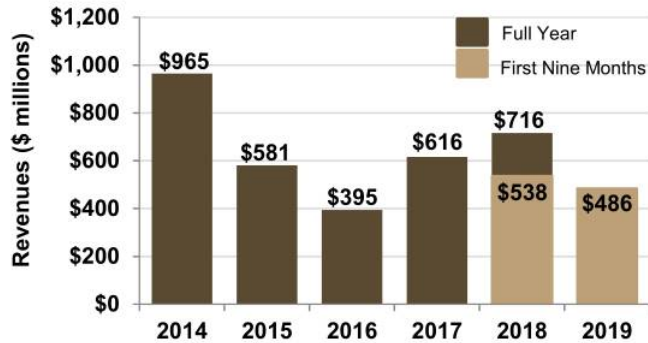
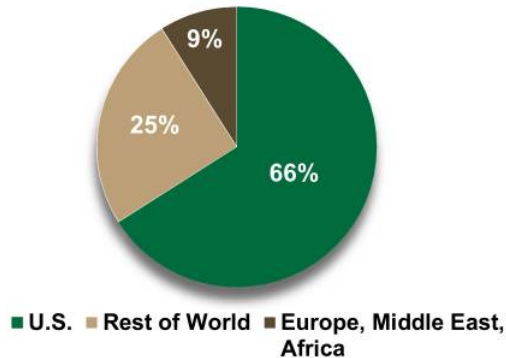
* EBITDA is a non-GAAP financial measure. See reconciliation to the most comparable GAAP measure in the Appendix to this presentation. EBITDA contribution % based on Segment EBITDA and excludes Corporate Office expenses.

** Source: 2019 Oilfield Market Report, Spears & Associates, Inc.

First Nine Months 2019 - Revenue by Region

■ U.S. ■ Europe, Middle East, Africa ■ Rest of World



Total Segment Revenues

First Nine Months 2019 - Revenue by Region


- **Expanding IOC & NOC relationships have been key to global market share growth:**

- Newpark share positioned #3 globally
- Nearly 1/3 of segment revenues generated from IOC/NOC customer base; this remains a key opportunity for further share growth

- **Awarded Shell Oil's global *Well Services Supplier of the Year for 2018*, for service companies under 100,000 operating hours**

- **Strong North American market position provides expansion opportunity in Stimulation Chemicals, leveraging E&P relationships**

- **Keys to driving improvements in returns**

- Expansion in targeted growth markets
- Shift to variable cost structure
- Capital-light nature of the business

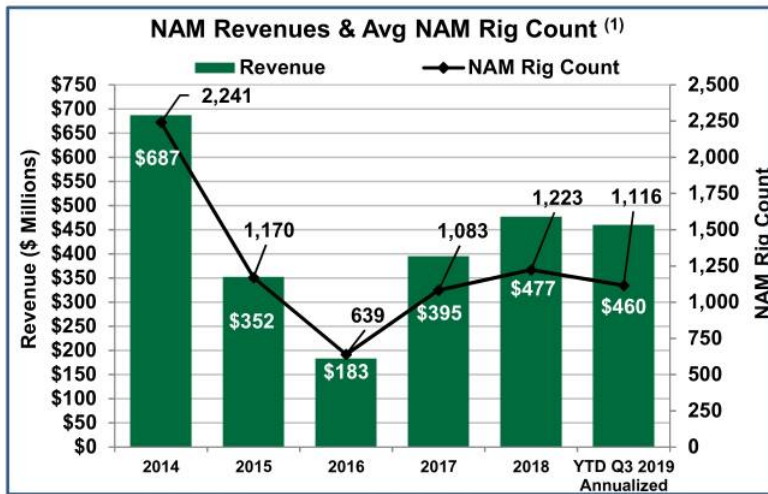
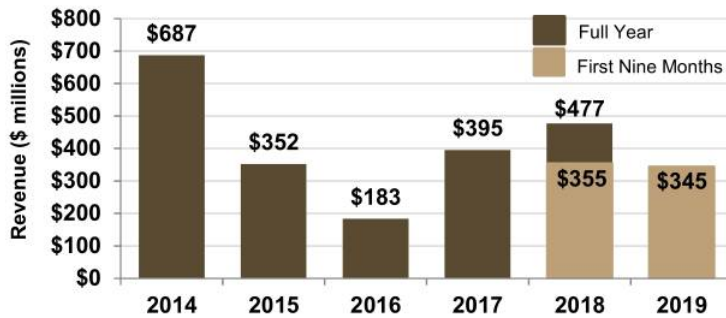
* Source: 2019 Oilfield Market Report, Spears & Associates, Inc.

EVOLUUTION™

KRONOS™

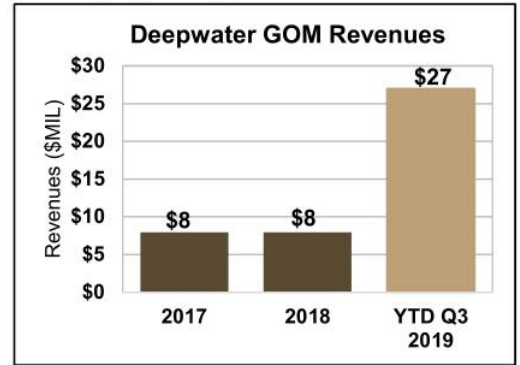
Developing Total Fluids Solutions

- **Our focus on sustainability** is a driving force behind breakthroughs in our Evolution high performance water-based drilling fluid systems, which offer environmentally-sound solutions to the rigorous operational demands of today's most challenging wells
- **Innovative reservoir drill-in fluids (RDF) and associated breakers** to protect the reservoir from damage and extend the life of the reservoir asset
- **Hydraulic fracturing and matrix acidizing chemicals** designed with an understanding of reservoir-fluid interactions and engineered to maximize reservoir estimated ultimate recovery (EUR) at the lowest cost
- **Engineering modeling and simulation software** for effective planning and flawless execution of fluid applications

North American Revenues


(1) Source: BHGE

- Revenue recovery has outperformed industry rig counts, driven primarily by entry into Gulf of Mexico, and rig efficiency (increases in drilled footage per rig)



- Expanded product offering in 2019, providing *Total Fluids Solutions* for customers

- Gulf of Mexico Completion Fluids facility operational Q1 2019
- NAM land Stimulation Chemicals commercialization underway

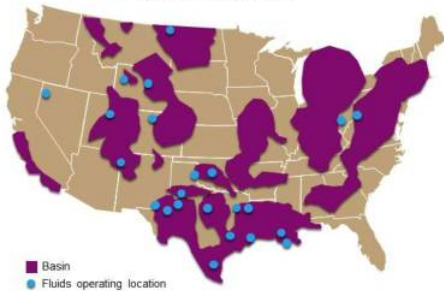
Manufacturing



Technical



Distribution



- **Market expansion capitalizes upon existing Fluids Systems infrastructure, expertise and market credibility**

Deepwater Gulf of Mexico

- Deepwater market share recently expanded to four rigs
- Expansion into completions fluids increases revenue opportunity on each project; four combined drilling/completion fluids projects currently scheduled

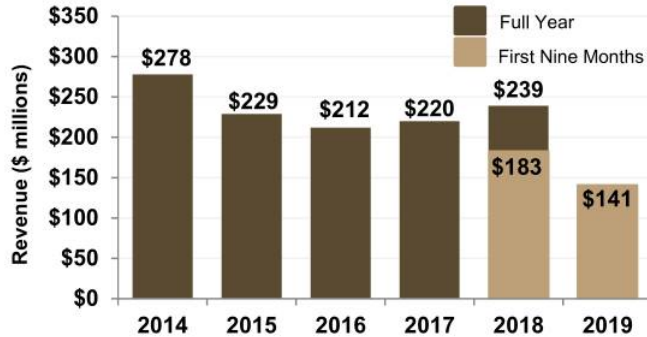
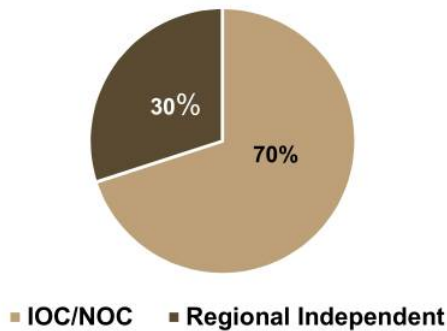
Stimulation Chemicals

- 47%* of US chemical purchases de-bundled from horsepower, translating addressable market of ~\$3 billion annually; only modest revenue contribution to date
- Although the pace of commercialization has been negatively impacted by challenging NAM market conditions, qualification process and field trials continue to validate stimulation chemical offering value proposition

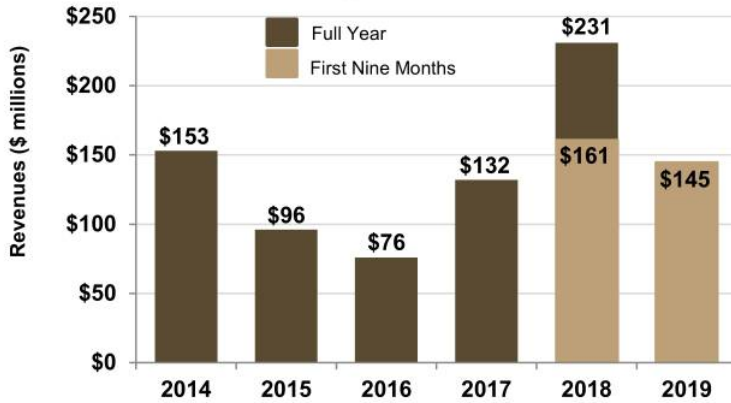
*Source: Kimberlite International Oilfield Research, 2018

GOM Shorebase



International Revenues

**First Nine Months 2019
International Revenues by Customer Type**


- **Strong IOC/NOC presence has been key to revenue and profitability stability through the industry cycle**
- **International IOC/NOC contract stability impacted by:**
 - Longer term contracts
 - Fewer qualified competitors
- **International presence remains key to our strategy, as we seek to further leverage growing IOC/NOC relationships globally**
- **Key contract awards**
 - Kuwait (KOC)
 - Algeria (Sonatrach)
 - Albania (Shell)
 - Cyprus (ENI)
- **Revenue reduction in 2019 resulted primarily from contract transitions in Algeria and Brazil**

Total Segment Revenues


- **Leading provider of engineered worksite and access solutions, where our systems are designed to:**

- Reduce customer operating costs
- Reduce customer execution risk
- Improve environmental sustainability

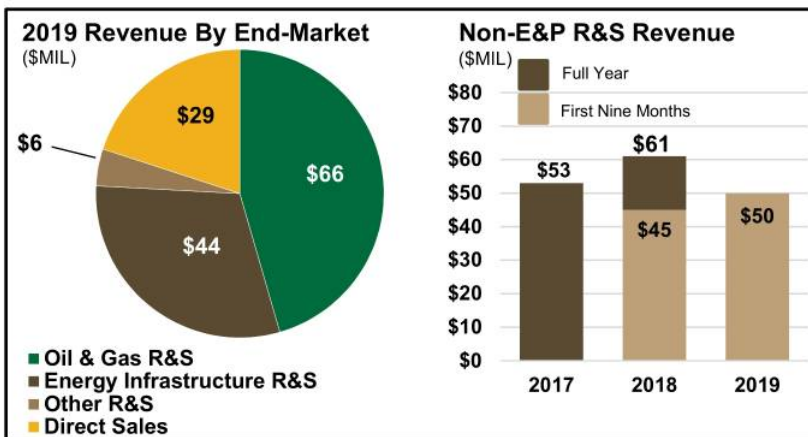
- **Revenues include Rentals & Service (R&S), as well as Sales of manufactured products**

- 2017 acquisition significantly expanded service revenues

- **Key R&S competitive advantages**

- Service capabilities
- Size of composite mat rental fleet
- Low-cost manufacturing
- Patented technology
- R&D expertise

- **Although early in Energy Infrastructure market penetration, non-E&P end-markets contributed nearly half of segment revenue in the first nine months of 2019**



**Superior
Quality****Transportation,
Install, and
Remediation
Efficiency****Enhanced
Environmental
Sustainability &
Safety****Scale and
Responsiveness**

Exploration & Production



SIZE
●

PENETRATION
●

HISTORY
●

Pipeline



SIZE
●

PENETRATION
●

HISTORY
●

Transmission & Distribution



SIZE
●

PENETRATION
●

HISTORY
●

Construction & Other

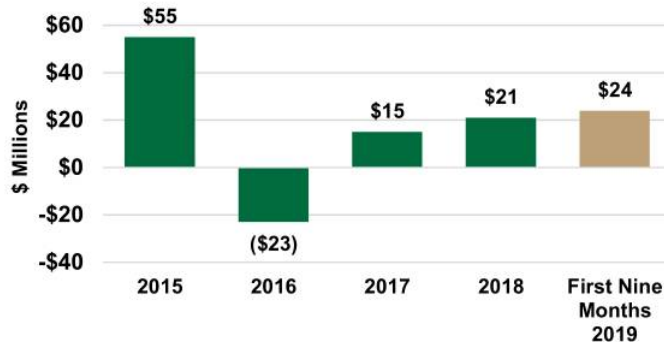


SIZE
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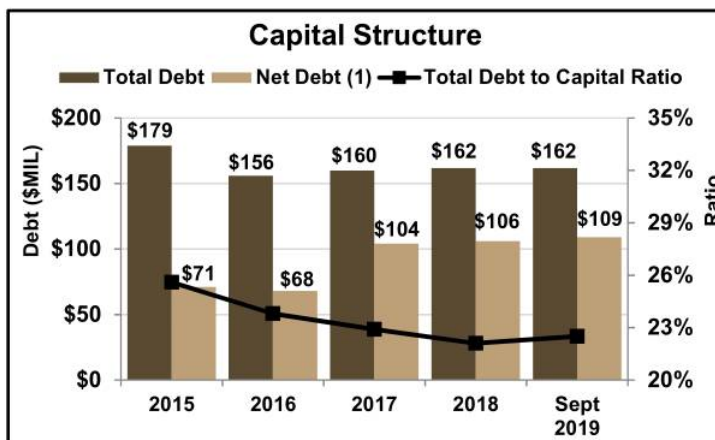
PENETRATION
●

HISTORY
●

Free Cash Flow ⁽¹⁾



Capital Structure



Cash Flow and Liquidity Profile

- Generating consistent positive free cash flow while funding strategic growth initiatives
- Modest debt burden provides flexibility

Near-Term Focus

- Continue repatriation of excess cash from foreign subsidiaries
- Ongoing efforts to optimize working capital to further enhance free cash flow generation

Long-Term Strategic Focus

- Pursue Energy Infrastructure R&S market expansion in Mats
- Bifurcated approach toward capital deployment in Fluids
 - Limit investments into commoditized or high risk markets
 - Support IOC/NOC penetration efforts
 - Pursue synergistic expansion of product offering to leverage global footprint

(1) Free Cash Flow and Net Debt are non-GAAP financial measures. See reconciliations to the most comparable GAAP measures in the Appendix to this presentation.

APPENDIX





CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended			Nine Months Ended	
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<i>(In thousands, except per share data)</i>					
Revenues	\$ 202,763	\$ 216,412	\$ 235,329	\$ 630,648	\$ 698,884
Cost of revenues	169,429	177,933	194,730	522,338	569,665
Selling, general and administrative expenses	27,017	28,037	29,820	85,796	85,482
Other operating (income) loss, net	29	(472)	725	(367)	702
Operating income	6,288	10,914	10,054	22,881	43,035
Foreign currency exchange (gain) loss	828	990	(89)	756	594
Interest expense, net	3,628	3,523	3,668	10,807	10,659
Income before income taxes	1,832	6,401	6,475	11,318	31,782
Provision for income taxes	3,273	2,095	2,831	7,171	10,070
Net income (loss)	<u>\$ (1,441)</u>	<u>\$ 4,306</u>	<u>\$ 3,644</u>	<u>\$ 4,147</u>	<u>\$ 21,712</u>
Calculation of EPS:					
Net income (loss) - basic and diluted	\$ (1,441)	\$ 4,306	\$ 3,644	\$ 4,147	\$ 21,712
Weighted average common shares outstanding - basic	89,675	89,806	90,526	89,863	89,779
Dilutive effect of stock options and restricted stock awards	-	1,900	2,151	1,676	2,535
Dilutive effect of 2021 Convertible Notes	-	-	905	-	727
Weighted average common shares outstanding - diluted	<u>89,675</u>	<u>91,706</u>	<u>93,582</u>	<u>91,539</u>	<u>93,041</u>
Net income (loss) per common share - basic:	\$ (0.02)	\$ 0.05	\$ 0.04	\$ 0.05	\$ 0.24
Net income (loss) per common share - diluted:	\$ (0.02)	\$ 0.05	\$ 0.04	\$ 0.05	\$ 0.23

(In thousands)	Three Months Ended			Nine Months Ended	
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Revenues					
Fluids systems	\$ 152,547	\$ 172,544	\$ 180,970	\$ 485,744	\$ 538,087
Mats and integrated services	50,216	43,868	54,359	144,904	160,797
Total revenues	<u>\$ 202,763</u>	<u>\$ 216,412</u>	<u>\$ 235,329</u>	<u>\$ 630,648</u>	<u>\$ 698,884</u>
Operating income (loss) ⁽¹⁾					
Fluids systems	\$ 5,893	\$ 12,184	\$ 8,288	\$ 21,951	\$ 32,092
Mats and integrated services	10,049	9,276	12,925	32,863	39,864
Corporate office	(9,654)	(10,546)	(11,159)	(31,933)	(28,921)
Total operating income	<u>\$ 6,288</u>	<u>\$ 10,914</u>	<u>\$ 10,054</u>	<u>\$ 22,881</u>	<u>\$ 43,035</u>
Segment operating margin					
Fluids systems	3.9%	7.1%	4.6%	4.5%	6.0%
Mats and integrated services	20.0%	21.1%	23.8%	22.7%	24.8%

(1) Fluids Systems and Corporate office operating income (loss) for the nine months ended September 30, 2019 includes charges of \$1.7 million and \$3.4 million, respectively, related to the modification of the Company's retirement policy and severance costs. Fluids Systems operating income for the three months and nine months ended September 30, 2018 includes a total of \$2.5 million of charges associated with severance costs related to workforce reductions in connection with the completion of the contract with Petrobras in Brazil, the Kenedy, Texas facility fire, and expenses related to the conversion of a drilling fluids facility into a completion fluids facility. Corporate office operating loss for the three months and nine months ended September 30, 2018 includes a charge of \$1.8 million associated with the retirement and transition of our former Senior Vice President, General Counsel and Chief Administrative Officer.



CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In thousands, except share data)	September 30, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	\$ 53,673	\$ 56,118
Receivables, net	236,637	254,394
Inventories	183,443	196,896
Prepaid expenses and other current assets	18,703	15,904
Total current assets	492,456	523,312
Property, plant and equipment, net	316,498	316,293
Operating lease assets	29,697	-
Goodwill	43,760	43,832
Other intangible assets, net	22,306	25,160
Deferred tax assets	4,471	4,516
Other assets	3,423	2,741
Total assets	\$ 912,611	\$ 915,854
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current debt	\$ 5,003	\$ 2,522
Accounts payable	77,743	90,607
Accrued liabilities	43,858	48,797
Total current liabilities	126,604	141,926
Long-term debt, less current portion	157,355	159,225
Noncurrent operating lease liabilities	24,336	-
Deferred tax liabilities	36,692	37,486
Other noncurrent liabilities	7,993	7,536
Total liabilities	352,980	346,173
Common stock, \$0.01 par value (200,000,000 shares authorized and 106,696,719 and 106,362,991 shares issued,	1,067	1,064
Paid-in capital	618,632	617,276
Accumulated other comprehensive loss	(71,770)	(67,673)
Retained earnings	151,303	148,802
Treasury stock, at cost (17,003,058 and 15,530,952 shares, respectively)	(139,601)	(129,788)
Total stockholders' equity	559,631	569,681
Total liabilities and stockholders' equity	\$ 912,611	\$ 915,854

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In thousands)	Nine Months Ended September 30,	
	2019	2018
Cash flows from operating activities:		
Net income	\$ 4,147	\$ 21,712
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	34,891	34,346
Stock-based compensation expense	9,375	8,497
Provision for deferred income taxes	(787)	(2,149)
Net provision for doubtful accounts	1,044	2,708
Gain on sale of assets	(5,779)	(552)
Amortization of original issue discount and debt issuance costs	4,589	4,075
Change in assets and liabilities:		
(Increase) decrease in receivables	17,065	(16,531)
(Increase) decrease in inventories	11,873	(34,829)
Increase in other assets	(3,621)	(1,476)
Increase (decrease) in accounts payable	(11,806)	7,106
Decrease in accrued liabilities and other	(7,805)	(2,791)
Net cash provided by operating activities	53,186	20,116
Cash flows from investing activities:		
Capital expenditures	(35,803)	(32,814)
Proceeds from sale of property, plant and equipment	7,116	1,477
Refund of proceeds from sale of a business	-	(13,974)
Business acquisitions, net of cash acquired	-	(249)
Net cash used in investing activities	(28,687)	(45,560)
Cash flows from financing activities:		
Borrowings on lines of credit	237,093	275,801
Payments on lines of credit	(242,263)	(254,116)
Debt issuance costs	(1,214)	(149)
Proceeds from employee stock plans	1,236	3,813
Purchases of treasury stock	(21,678)	(3,811)
Other financing activities	1,336	2,140
Net cash provided by (used in) financing activities	(25,490)	23,678
Effect of exchange rate changes on cash	(1,526)	(3,798)
Net decrease in cash, cash equivalents, and restricted cash	(2,517)	(5,564)
Cash, cash equivalents, and restricted cash at beginning of period	64,266	65,460
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 61,749</u>	<u>\$ 59,896</u>



NON-GAAP FINANCIAL MEASURES (UNAUDITED)

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Consolidated (In thousands)	Twelve Months Ended December 31,					Nine Months Ended September 30,
	2014	2015	2016	2017	2018	2019
Net income (loss) (GAAP) (1)	\$ 102,278	\$ (90,828)	\$ (40,712)	\$ (6,148)	\$ 32,281	\$ 4,147
(Gain) loss from disposal of discontinued operations, net of tax	(22,117)	-	-	17,367	-	-
(Income) from discontinued operations, net of tax	(1,152)	-	-	-	-	-
Interest expense, net	10,431	9,111	9,866	13,273	14,864	10,807
Provision (benefit) for income taxes	41,048	(21,398)	(24,042)	4,893	14,997	7,171
Depreciation and amortization	41,175	43,917	37,955	39,757	45,899	34,891
EBITDA (non-GAAP) (1)	<u>\$ 171,663</u>	<u>\$ (59,198)</u>	<u>\$ (16,933)</u>	<u>\$ 69,142</u>	<u>\$ 108,041</u>	<u>\$ 57,016</u>

(1) 2019 net income and EBITDA include \$5.1 million related to the modification of the Company's retirement policy and severance costs. 2018 net income and EBITDA include 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. 2016 net loss and EBITDA include \$13.8 million of charges associated with asset impairments and workforce reductions partially offset by gains for extinguishment of debt and adjustment for settlement of wage and hour litigation. 2015 net loss and EBITDA include \$88.7 million of charges associated with goodwill and other asset impairments, workforce reductions and estimated resolution of wage and hour litigation.



NON-GAAP FINANCIAL MEASURES (UNAUDITED)

Fluids Systems (In thousands)	Twelve Months Ended December 31,					Nine Months Ended September 30,
	2014	2015	2016	2017	2018	2019
Operating income (loss) (GAAP) (2)	\$ 95,600	\$ (86,770)	\$ (43,631)	\$ 27,580	\$ 40,337	\$ 21,951
Depreciation and amortization	22,934	22,108	20,746	21,566	20,922	15,511
EBITDA (non-GAAP) (2)	118,534	(64,662)	(22,885)	49,146	61,259	37,462
Revenues	965,049	581,136	395,461	615,803	715,813	485,744
Operating Margin (GAAP)	9.9%	-14.9%	-11.0%	4.5%	5.6%	4.5%
EBITDA Margin (non-GAAP)	12.3%	-11.1%	-5.8%	8.0%	8.6%	7.7%

(2) 2019 Fluids Systems operating income and EBITDA include charges of \$1.7 million related to the modification of the Company's retirement policy and severance costs. 2018 Fluids Systems operating income and EBITDA include 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. 2016 Fluids Systems operating income and EBITDA include \$15.6 million of charges associated with asset impairments and workforce reductions. 2015 Fluids Systems operating income and EBITDA include \$82.7 million of charges associated with goodwill and other asset impairments and workforce reductions.

Mats and Integrated Services (In thousands)	Twelve Months Ended December 31,					Nine Months Ended September 30,
	2014	2015	2016	2017	2018	2019
Operating income (loss) (GAAP) (3)	\$ 70,526	\$ 24,949	\$ 14,741	\$ 40,491	\$ 60,604	\$ 32,86
Depreciation and amortization	15,507	18,869	14,227	14,991	21,321	16,25
EBITDA (non-GAAP) (3)	86,033	43,818	28,968	55,482	81,925	49,12
Revenues	153,367	95,729	76,035	131,960	230,735	144,90
Operating Margin (GAAP)	46.0%	26.1%	19.4%	30.7%	26.3%	22.7
EBITDA Margin (non-GAAP)	56.1%	45.8%	38.1%	42.0%	35.5%	33.9

(3) 2016 Mats and Integrated Services operating income and EBITDA include \$0.3 million of charges associated with workforce reductions. 2015 Mats and Integrated Services operating income and EBITDA include \$0.7 million of charges associated with workforce reductions.



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	December 31,					Nine Months Ended
(In thousands)	2014	2015	2016	2017	2018	September 30,
						2019
Net cash provided by operating activities (GAAP)	\$ 89,173	\$ 121,517	\$ 11,095	\$ 38,381	\$ 63,403	\$ 53,186
Capital expenditures	(106,973)	(69,404)	(38,440)	(31,371)	(45,141)	(35,803)
Proceeds from sale of property, plant and equipment	3,205	2,523	4,540	7,747	2,612	7,116
Free Cash Flow (non-GAAP)	<u>\$ (14,595)</u>	<u>\$ 54,636</u>	<u>\$ (22,805)</u>	<u>\$ 14,757</u>	<u>\$ 20,874</u>	<u>\$ 24,499</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,					September 30,
	2014	2015	2016	2017	2018	2019
Current debt	\$ 11,648	\$ 7,382	\$ 83,368	\$ 1,518	\$ 2,522	\$ 5,003
Long-term debt, less current portion	170,462	171,211	72,900	158,957	159,225	157,355
Total Debt	182,110	178,593	156,268	160,475	161,747	162,358
Total stockholders' equity	625,458	520,259	500,543	547,480	569,681	559,631
Total Capital	\$ 807,568	\$ 698,852	\$ 656,811	\$ 707,955	\$ 731,428	\$ 721,989
Ratio of Total Debt to Capital	22.6%	25.6%	23.8%	22.7%	22.1%	22.5%
Total Debt	\$ 182,110	\$ 178,593	\$ 156,268	\$ 160,475	\$ 161,747	\$ 162,358
Less: cash and cash equivalents	(85,052)	(107,138)	(87,878)	(56,352)	(56,118)	(53,673)
Net Debt	97,058	71,455	68,390	104,123	105,629	108,685
Total stockholders' equity	625,458	520,259	500,543	547,480	569,681	559,631
Total Capital, Net of Cash	\$ 722,516	\$ 591,714	\$ 568,933	\$ 651,603	\$ 675,310	\$ 668,316
Ratio of Net Debt to Capital	13.4%	12.1%	12.0%	16.0%	15.6%	16.3%

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

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), the National Ocean Industries Association (NOIA), and the National Association of Manufacturers (NAM). Additionally, 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 financials 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.

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.



Matthew Lanigan, President Mats and Integrated Services: 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.



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.

ANTHONY J. BEST (Chairman)	Retired Chief Executive Officer, SM Energy Company
G. STEPHEN FINLEY	Retired Senior V.P. and Chief Financial Officer, Baker Hughes Incorporated
PAUL L. HOWES	President and Chief Executive Officer, Newpark Resources
RODERICK A. LARSON	President and Chief Executive Officer, Oceaneering International, Inc.
JOHN C. MINGÉ	Former Chairman and President, BP America
ROSE M. ROBESON	Retired VP and CFO, general partner of DCP Midstream Partners LP

Please visit our website for full biographies of our Board.



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