

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): May 3, 2024

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 | Trading Symbol(s) | Name of each exchange on which registered |
|--------------------------------|-------------------|---|
| Common Stock, \$0.01 par value | NR | 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 May 3, 2024, 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"), Adjusted EBITDA, Free Cash Flow, Adjusted EBITDA Margin, Net Debt, and Net Leverage.

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.

| Exhibit No. | Description |
|--------------------|--|
| 99.1 | Q1 2024 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: May 3, 2024

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

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**May 2024
Investor Presentation**

Positioned for Sustainable Growth



Notice to Investors

Disclaimers

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, and its Quarterly Reports 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 our exploration of strategic alternatives for the long-term positioning of our Fluids Systems division; divestitures; the worldwide oil and natural gas industry; our ability to generate internal growth; economic and market conditions that may impact our customers' future spending; our customer concentration and reliance on the U.S. exploration and production market; our international operations; the ongoing conflicts in Europe and the Middle East; operating hazards present in the oil and natural gas and utilities industries and substantial liability claims, including catastrophic well incidents; our contracts that can be terminated or downgraded by our customers without penalty; our product offering and market expansion; our ability to attract, retain, and develop qualified leaders, key employees, and skilled personnel; expanding our services in the utilities sector, which may require unionized labor; the price and availability of raw materials; inflation; capital investments and business acquisitions; market competition; technological developments and intellectual property; severe weather, natural disasters, and seasonality; public health crises, epidemics, and pandemics; our cost and continued availability of borrowed funds, including noncompliance with debt covenants; environmental laws and regulations; legal compliance; the inherent limitations of insurance coverage; income taxes; cybersecurity incidents or business system disruptions; activist stockholders that may attempt to effect changes at our Company or acquire control over our Company; share repurchases; 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, 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"), Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Net Debt, and Net Leverage. 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.

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Agenda

- 1 Introduction
- 2 End-Market Overview
- 3 Summary of Key Financial Data



1 Introduction



**Transformation Strategy Aligning Portfolio
to Maximize Value Creation Through
Accelerated Growth in Power &
Infrastructure Markets**

Disciplined Strategy Aligned with Long-Term Global Megatrends

Company Overview

Specialty Rental & Services Company Supporting Power and Infrastructure Markets

Newpark Resources, Inc. headquartered in The Woodlands, TX, is a global company operating **two independent business units**, Industrial Solutions and Fluids Systems, supporting energy and infrastructure markets. We built a reputation for innovating and adapting to the changing needs of our customers, **delivering sustainable technologies** that enable society to prosper.

- NYSE Stock Symbol: NR
- Operating in more than 20 countries worldwide; ~55% of 2023 revenues derived from U.S.
- Earnings primarily driven by utilities and industrial end-markets, while exposure to O&G reduced through recent divestitures
- Strong financial profile with modest debt burden and no significant near-term maturities

NEWPARK RESOURCES GLOBAL FOOTPRINT



Diverse End-Market Coverage



Renewable Generation



Transmission & Distribution



Infrastructure Construction



Petrochemical



Midstream



O&G Exploration & Production

NEWPARK *Launched strategic review for Fluids Systems in 2023; targeting substantial completion by mid-2024*

Leader in Power and Energy Infrastructure Solutions

Providing Innovative Product & Service Solutions for Power T&D and O&G Infrastructure

| | | |
|---|--|---|
| 68% OF SEGMENT ADJ. EBITDA (Q1 2024)** | INDUSTRIAL SOLUTIONS Power Infrastructure, O&G, Construction and Renewables | 95% OF SEGMENT CAPEX (Q1 2024) |
|---|--|---|

Leading provider of specialty rental and services, redefining safety & efficiency standards

Unique business model includes **integrated manufacturing** of 100% recyclable DURA-BASE® composite matting, which offers economic and ESG benefits vs. traditional access products

Longstanding, blue-chip customer relationships across T&D utility owners and infrastructure contractors



Consistent FCF generation, **strong EBITDA margin**, and solid ROI

| | | |
|--|--|--|
| 32% OF SEGMENT ADJ. EBITDA (Q1 2024)* | FLUID SYSTEMS Oil, Natural Gas, and Geothermal | 5% OF SEGMENT CAPEX (Q1 2024) |
|--|--|--|

#1 rated** drilling and reservoir fluids solutions provider in overall performance globally

Leading portfolio of sustainable **water-based technologies** delivering outstanding performance and reducing carbon footprint***

Globally positioned in long-term markets with established customers supported by current **O&G global demand tailwinds**

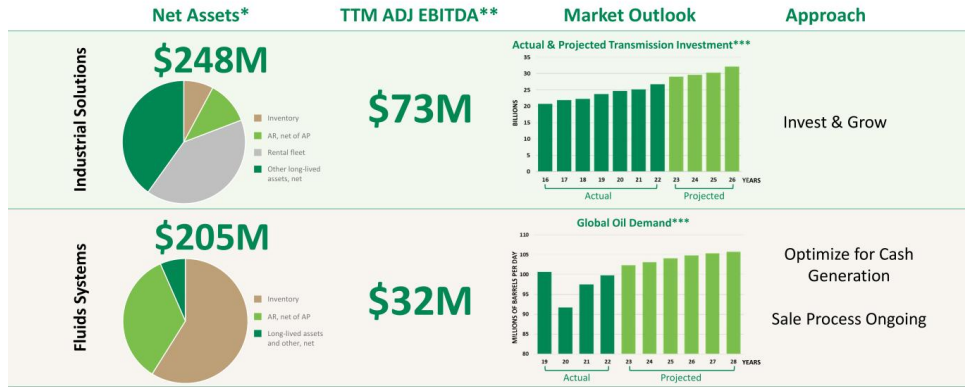


Improved margin and FCF generation profile through recent divestitures and focused **asset-light operating model**

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* Adjusted EBITDA is a non-GAAP financial measure. See earnings release and reconciliation to the most comparable GAAP measure in "Non-GAAP Financial Measures" slides within this presentation
 ** 2022 Drilling Fluids Supplier Performance Report, Kimberlitz International Oilfield Research
 *** Relative to hydrocarbon-based fluids

Segment Approach Supports Growth & Shareholder Return

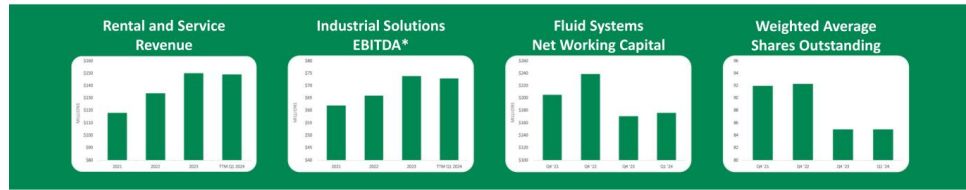


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* Net Assets represents segment net assets, excluding cash and debt, as of March 31, 2024.
 ** Adjusted EBITDA is a non-GAAP financial measure. See earnings release and reconciliation to the most comparable GAAP measure in "Non-GAAP Financial Measures" slides within this presentation.
 *** Transmission Investment - Edison Electric Institute Business Analytics Group, Jan 2024 / Global Oil Demand - IEA, June 2023

Key Operational Highlights Aligned with Strategy

Disciplined Execution Delivering Shareholder Value Creation



11%

CAGR from Industrial Solutions Rental and Services revenues (2021 - Q1 '24)

8%

CAGR in Industrial Solutions Adj. EBITDA (2021 - Q1 '24)

26%

Reduction in Fluids Systems net working capital from 2022

8%

Reduction in weighted average shares outstanding from 2022

Well-Positioned in Substantial Energy Megatrends

Multi-Trillion Dollar Markets Provide Long-Term Opportunities



\$14T+
Electrification

Investment in global electrical grid to enable “electrification of everything”



\$1T+
Renewables

Renewable Generation tie-ins and grid hardening driving long-term infrastructure development



\$12T+
Global Oil & Gas

O&G Investment is projected to meet demand in Sustainable Development Scenario over next 30 years

Differentiated Model Exploiting Competitive Advantages

Over 50 Years of Technology & Service Innovation Positioning Us for Tomorrow's Opportunities

- Self-funding organic expansion in **high-growth, high-returning** infrastructure markets
- Focused capital light Fluid Systems positioned to **generate cash** through cycles
- **Technology, scale, and service** drive customer loyalty and productivity
- Global presence in **diversified end markets** with blue-chip customers
- **Modest leverage** provides stability and potential inorganic growth funding
- Capable of balancing growth, returns, and FCF to **maximize long-term value creation** for our shareholders



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Meaningful Progress in our Transformation

Strategic Focus on Growth in More Stable, Higher-Margin Industrial Markets Key to Long-Term Value Creation

| | 2019 | 2023 | Change |
|---|---|---|---------------------|
| ✓ Maintaining Adjusted EBITDA as we reposition the Company | \$82M Adjusted EBITDA* | \$80M Adjusted EBITDA* | -2% |
| ✓ Increasing Adjusted EBITDA generation from more stable Industrial Solutions segment | 61% % of Segment Adj. EBITDA* generated from Industrial Solutions | 70% % of Segment Adj. EBITDA* generated from Industrial Solutions | +15% |
| ✓ Reducing capital employed to drive agility in cyclical O&G focused operations | \$675M Net Assets** (BOY) | \$452M Net Assets** (EOY) | -33% |
| ✓ Redeploying capital toward higher-returning segment | 35% % of Segment Net Assets** deployed in Industrial Solutions | 54% % of Segment Net Assets** deployed in Industrial Solutions | +50% |
| ✓ Returning value to shareholders through share repurchases | 90M Shares Outstanding (Average) | 85M Shares Outstanding (Average) | -6% |
| ✓ Reducing total debt and eliminated equity-linked debt | \$172M (\$100M) Total Principal Outstanding (Equity-Linked) | \$75M (\$0) Total Principal Outstanding (Equity-Linked) | -56% (-100%) |



2 End-Market Overview

Utilities Infrastructure Megatrend Powering Growth

Significant Long-term Capital Investment in Innovation & Infrastructure Enhanced by Legislation

The **\$1.2 trillion Infrastructure Investment and Jobs Act (IIJA)** is investing significantly over next decade, including **~ \$70B for electric grid and hardened energy infrastructure**

\$300B federal clean energy tax package over next 10 years from **Inflation Reduction Act (IRA)**

Aging infrastructure, system hardening, grid reliability, and renewable energy projects are key drivers for approximately **\$30B** transmission infrastructure spend

\$1.2T+

Infrastructure Investment and Jobs Act (IIJA) is investing significantly over next decade

\$140B+

U.S. investor-owned utilities are expected to make about **\$140B+ annual capital investments with ~8% CAGR** for clean energy technologies and decarbonization

\$30B+

Projected annual U.S. utility transmission investment with **~10% of spend on temporary access specialty rental & services**

Positioned for Growth in Multi-Billion Dollar Temporary Access Market

Specialty Rental and Services Supporting Infrastructure Megatrends

What We Do

Leading rental provider and manufacturer of composite temporary worksite access solutions with a diversified customer base, which primarily compete against access alternatives such as wood, gravel, or permanent surfaces

Our Footprint



Industries We Serve



Utilities



O&G



Construction



Pipeline



Rail & Other

11%
CAGR in Rental & Service Revenue (2021 - Q1 '24)

8%
CAGR in Industrial Solutions EBITDA (2021 - Q1 '24)

34%
Average Adjusted Industrial Solutions EBITDA Margin 2021 - Q1 '24

52%
Average annual rental revenue as % of avg. fleet cost (2021- Q1 '24)

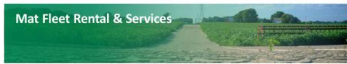
12 year
Estimated useful life of mat deployed into rental fleet

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Industrial Solutions End-to-End Operating Model

Differentiated by Optimizing Across the Value Chain Providing Strong Results



Belief in Innovation

- High performance, safety, and service-centric culture
- Introduced DURA-BASE® to the world over 25 years ago as the 100% recyclable composite matting solution
- Committed R&D, Project Technical Support team with industry-leading experience
- Strategically located in Carencro, LA, close to suppliers using proprietary compounds of resins, with expanding use of alternative and recycled material inputs
- 50,000 sq ft automated manufacturing plant with over half a million 8' x 14' mats manufactured
- Quality management compliant with ISO 9001:2015

Scaled to Succeed With Proven Record of Delivering

- Supplying small- and large-scale requests domestically and abroad
- Most experienced composite matting industry sales and operations team
- Dedicated to new and longstanding customer relationships
- Long asset life with low maintenance leveraging technology, and large scalable operating footprint
- Operate the largest composite DURA-BASE® matting fleet in the world

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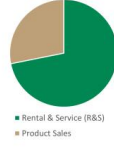
Industrial Solutions



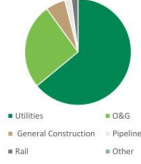
Strategic Progress Supported by Strong Infrastructure Trends

- Strategic investments in technology, scale, and service to drive specialty rental differentiation
- Expansion of specialty rental fleet to meet long-term infrastructure build-out in multiple industries
- 14% average revenue CAGR from Utilities & Industrial end-markets since 2016; contributed ~75% of 2023 segment revenues
- Leverage R&D to launch higher-margin products focused on driving operating efficiency and sustainability
- Robust rental unit economics drive strong EBITDA margin and ROIC profile
- Q1 2024 impacted by customer supply chain and permitting delays; anticipating acceleration of revenue and EBITDA in Q2 2024

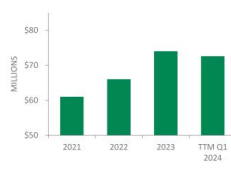
Q1 2024 REVENUE MIX



Q1 2024 REVENUE BY INDUSTRY



ADJUSTED EBITDA*



RENTAL REV AS % AVG FLEET COST



Global Demand for Oil and Gas Remains Resilient

Emergence of Alternative Energy Lags Global Demand

\$12T+ Investment in Oil & Gas projected to meet global demand in Sustainable Development Scenario over next 30 years

Access to affordable and reliable energy critical for developing economies

Geopolitical instability heightens global focus on energy security during the transition to alternative energy sources

OUTLOOK BY 2050

80%+

World's Energy which comes from fossil fuels today

70%+

Renewables demand growth requiring new infrastructure construction and related services

20%+

Total demand results in an increase of global Oil/Liquids/Natural Gas demand calling for efficient, innovative, and sustainable drilling and reservoir solutions

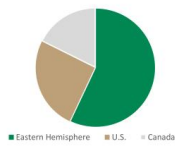
Fluids Systems



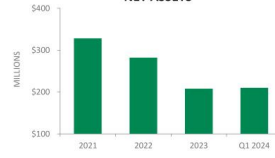
Agile, Capital-Light Technology & Services Capable of Cash Generation Through Cycles

- Recent divestitures driving shift to international markets; 75% of Q1 2024 revenues generated outside of U.S.
- Global footprint aligned to long-term, strategic markets
- Reshaping balance sheet to drive “Capital-Light” model, and reduce return cyclicality
- FCF generation to support higher-returning growth and return to shareholders
- In June 2023, launched strategic review for Fluids Systems; targeting substantial completion by mid-2024

Q1 2024 REVENUE MIX



NET ASSETS*



* Net Assets represents segment net assets, excluding cash and debt, as of end of period.

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Long-Term Capital Allocation Strategy

Disciplined Approach Balances Growth Investments with Return of Capital



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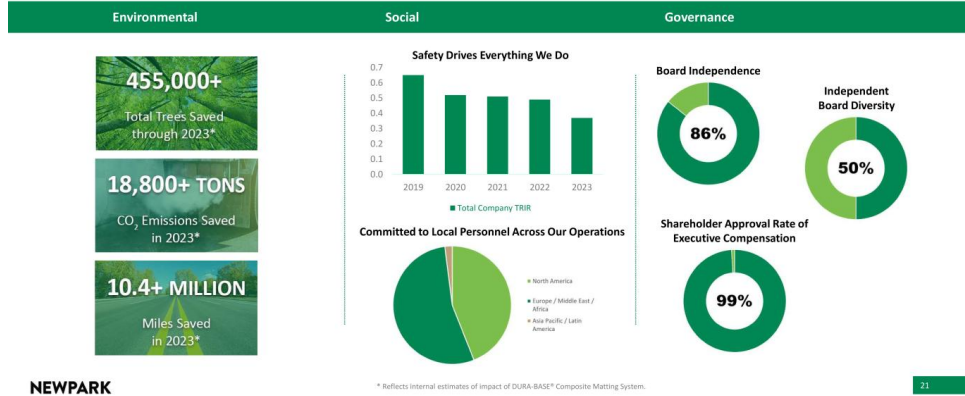
* Net leverage ratio calculated as Net Debt divided by Q1 2024 TTM Adjusted EBITDA.
** Reflects ABL facility availability plus cash and cash equivalents as of March 31, 2024.

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Sustainability Embedded in Our DNA



2023 Sustainability Report Including SASB & TCFD Disclosures Available on Website



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* Reflects internal estimates of impact of DURA-BASE® Composite Matting System.

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Why Invest in Newpark Resources?

Leading Provider of Sustainable Technologies and Services



Meaningful growth opportunity tied to the energy transition and critical infrastructure



Global presence in large-scale energy markets



Proven technologies with economic and environmental benefits



Demonstrated ability to adapt and grow



Balancing investment in growth with return of capital



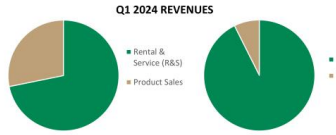
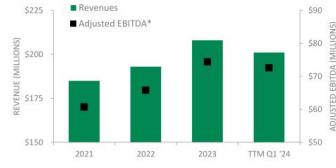
Capital structure to support growth plans



3 Summary of Key Financial Data

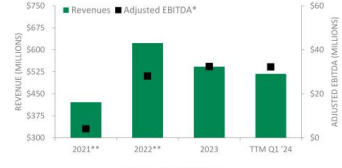
Business Segment Overview

Industrial Solutions



- Delivering double-digit annual revenue growth
- Strong Energy Transition market tailwinds
- Consistent cash flow and solid ROI

Fluids Systems



- Reshaping portfolio to monetize working capital and improve returns
- ~80% of asset base comprised of receivables, inventory, and other working capital

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* Adjusted EBITDA is a non-GAAP financial measure. See reconciliation to the most comparable GAAP measure in "Non-GAAP Financial Measures" slides within this presentation.
 ** Includes operations of Gulf of Mexico and U.S. Mineral Grinding operations, both of which were exited in Q4 2022. Divested units contributed \$83 million of revenues, \$5 million of depreciation expense, and a \$40 million operating loss in 2022, including \$29 million impairment charge, and \$62 million of revenues, \$7 million of depreciation expense and \$7 million operating loss in 2021.

Consolidated Statements of Operations (unaudited)

| | Three Months Ended | | |
|--|--------------------|----------------------|-------------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
| <i>(In thousands, except per share data)</i> | | | |
| Revenues | \$ 169,107 | \$ 167,816 | \$ 200,030 |
| Cost of revenues | 134,587 | 137,020 | 164,738 |
| Selling, general and administrative expenses | 24,344 | 23,329 | 25,410 |
| Other operating (income) loss, net | (1,683) | (435) | (261) |
| Impairments and other charges | - | 3,540 | - |
| Operating income | 11,859 | 4,362 | 10,143 |
| Foreign currency exchange (gain) loss | (31) | 495 | 319 |
| Interest expense, net | 1,750 | 1,919 | 2,089 |
| Income before income taxes | 10,140 | 1,948 | 7,735 |
| Provision for income taxes | 2,847 | 2,424 | 2,115 |
| Net income (loss) | \$ 7,293 | \$ (476) | \$ 5,620 |
| Calculation of EPS: | | | |
| Net income (loss) - basic and diluted | \$ 7,293 | \$ (476) | \$ 5,620 |
| Weighted average common shares outstanding - basic | 85,001 | 85,003 | 88,573 |
| Dilutive effect of stock options and restricted stock awards | 2,244 | - | 1,997 |
| Weighted average common shares outstanding - diluted | 87,245 | 85,003 | 90,570 |
| Net income (loss) per common share - basic: | \$ 0.09 | \$ (0.01) | \$ 0.06 |
| Net income (loss) per common share - diluted: | \$ 0.08 | \$ (0.01) | \$ 0.06 |

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Operating Segment Results (unaudited)

| (In thousands) | Three Months Ended | | |
|---------------------------------|--------------------|----------------------|-------------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
| Revenues | | | |
| Fluids Systems | \$ 120,140 | \$ 121,361 | \$ 144,174 |
| Industrial Solutions | 48,967 | 46,455 | 55,856 |
| Total revenues | <u>\$ 169,107</u> | <u>\$ 167,816</u> | <u>\$ 200,030</u> |
| Operating income (loss) | | | |
| Fluids Systems | \$ 6,836 | \$ (1,147) | \$ 3,466 |
| Industrial Solutions | 12,936 | 11,415 | 14,483 |
| Corporate office | (7,913) | (5,906) | (7,806) |
| Total operating income | <u>\$ 11,859</u> | <u>\$ 4,362</u> | <u>\$ 10,143</u> |
| Segment operating margin | | | |
| Fluids Systems | 5.7% | -0.9% | 2.4% |
| Industrial Solutions | 26.4% | 24.6% | 25.9% |

Fluids Systems operating income for the three months ended March 31, 2023 included a \$2.3 million loss associated with our now exited Gulf of Mexico operations.

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Consolidated Balance Sheets (unaudited)

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| (In thousands, except share data) | March 31, 2024 | December 31, 2023 |
|--|----------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 37,695 | \$ 38,594 |
| Receivables, net | 169,723 | 168,457 |
| Inventories | 131,599 | 141,079 |
| Prepaid expenses and other current assets | 8,901 | 9,094 |
| Total current assets | 347,918 | 357,224 |
| Property, plant and equipment, net | 203,293 | 195,289 |
| Operating lease assets | 20,779 | 20,731 |
| Goodwill | 47,253 | 47,283 |
| Other intangible assets, net | 16,323 | 17,114 |
| Deferred tax assets | 3,271 | 2,628 |
| Other assets | 1,992 | 2,067 |
| Total assets | \$ 640,829 | \$ 642,336 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current debt | \$ 16,433 | \$ 16,916 |
| Accounts payable | 68,370 | 70,087 |
| Accrued liabilities | 39,792 | 49,281 |
| Total current liabilities | 124,595 | 136,284 |
| Long-term debt, less current portion | 61,005 | 58,117 |
| Noncurrent operating lease liabilities | 17,479 | 17,404 |
| Deferred tax liabilities | 7,256 | 8,307 |
| Other noncurrent liabilities | 8,905 | 6,860 |
| Total liabilities | 219,240 | 226,972 |
| Common stock, \$0.01 par value (200,000,000 shares authorized and 111,669,464 and 111,669,464 shares issued, respectively) | 1,117 | 1,117 |
| Paid-in capital | 641,061 | 639,645 |
| Accumulated other comprehensive loss | (65,374) | (62,839) |
| Retained earnings | 18,137 | 10,773 |
| Treasury stock, at cost (26,467,812 and 26,471,738 shares, respectively) | (173,352) | (173,332) |
| Total stockholders' equity | 421,589 | 415,364 |
| Total liabilities and stockholders' equity | \$ 640,829 | \$ 642,336 |

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Consolidated Statements of Cash Flows (unaudited)

| (in thousands) | Three Months Ended March 31, | | (in thousands) | Three Months Ended March 31, | |
|---|------------------------------|---------------|--|------------------------------|------------------|
| | 2024 | 2023 | | 2024 | 2023 |
| Cash flows from operating activities: | | | | | |
| Net income | \$ 7,293 | \$ 5,620 | Cash flows from investing activities: | | |
| Adjustments to reconcile net income to net cash provided by operations: | | | Capital expenditures | (13,882) | (6,972) |
| Depreciation and amortization | 7,411 | 7,895 | Proceeds from divestitures | - | 7,153 |
| Stock-based compensation expense | 1,495 | 1,738 | Proceeds from sale of property, plant and equipment | 1,143 | 740 |
| Provision for deferred income taxes | (1,551) | (726) | Net cash provided by (used in) investing activities | (12,739) | 921 |
| Credit loss expense | 137 | 272 | Cash flows from financing activities: | | |
| Gain on sale of assets | (390) | (554) | Borrowings on lines of credit | 52,561 | 76,447 |
| Gain on insurance recovery | (874) | - | Payments on lines of credit | (48,633) | (90,212) |
| Amortization of original issue discount and debt issuance costs | 131 | 138 | Purchases of treasury stock | - | (15,006) |
| Change in assets and liabilities: | | | Proceeds from employee stock plans | 17 | - |
| (increase) decrease in receivables | (3,140) | 27,287 | Other financing activities | (3,356) | (1,499) |
| (increase) decrease in inventories | 8,250 | (3,870) | Net cash provided by (used in) financing activities | 589 | (30,270) |
| Decrease in other assets | 39 | 1,098 | Effect of exchange rate changes on cash | (761) | 375 |
| Decrease in accounts payable | (306) | (1,235) | Net increase (decrease) in cash, cash equivalents, and restricted cash | (961) | 470 |
| Decrease in accrued liabilities and other | (6,545) | (8,221) | Cash, cash equivalents, and restricted cash at beginning of period | 38,901 | 25,061 |
| Net cash provided by operating activities | 11,350 | 29,444 | Cash, cash equivalents, and restricted cash at end of period | \$ 37,940 | \$ 25,531 |

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Non-GAAP Financial Measures (unaudited)

The following tables reconcile the Company's net income (loss) calculated in accordance with GAAP to the non-GAAP financial measures of EBITDA and Adjusted EBITDA:

| Consolidated (in thousands) | Twelve Months Ended | | | | | Three Months Ended Q1 | | TTM Q1 |
|---|---------------------|-------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2023 | 2024 | 2024 |
| Net income (loss) (GAAP) | \$ (12,946) | \$ (80,696) | \$ (25,526) | \$ (20,834) | \$ 14,516 | \$ 5,620 | \$ 7,293 | \$ 16,189 |
| Interest expense, net | 14,369 | 10,986 | 8,805 | 7,040 | 8,181 | 2,089 | 1,750 | 7,842 |
| Provision (benefit) for income taxes | 9,788 | (11,883) | 7,293 | 4,371 | 10,666 | 2,115 | 2,847 | 11,398 |
| Depreciation and amortization | 47,144 | 45,314 | 42,225 | 38,610 | 31,372 | 7,895 | 7,411 | 30,888 |
| EBITDA (non-GAAP) | 58,355 | (36,279) | 32,797 | 29,187 | 64,735 | 17,719 | 19,301 | 66,317 |
| Impairments and other charges | 11,422 | 14,727 | - | 37,322 | 6,356 | - | - | 6,356 |
| Fluids sale process transaction expenses | - | - | - | - | 1,786 | - | 2,256 | 4,042 |
| Gain on divestitures | - | - | - | (3,596) | - | - | - | - |
| Fourchon, Louisiana hurricane-related costs | - | - | 2,596 | - | - | - | - | - |
| Facility exit costs and other, net | 2,631 | (201) | 2,399 | 2,452 | 4,594 | 2,292 | - | 2,302 |
| Severance costs | 3,814 | 4,773 | 1,898 | 736 | 2,659 | 955 | 1,147 | 2,851 |
| Inventory write-downs | 1,881 | 10,345 | - | - | - | - | - | - |
| Gain on legal settlement | - | - | (1,000) | - | - | - | (550) | (550) |
| (Gain) loss on extinguishment of debt | - | (419) | 1,000 | - | - | - | - | - |
| Other | 3,955 | - | (849) | - | - | - | (874) | (874) |
| Adjusted EBITDA (non-GAAP) | \$ 82,058 | \$ (7,054) | \$ 38,841 | \$ 66,101 | \$ 80,130 | \$ 20,966 | \$ 21,280 | \$ 80,444 |

Non-GAAP Financial Measures (unaudited)

The following tables reconcile the Company's segment operating income (loss) calculated in accordance with GAAP to the non-GAAP financial measures of EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin:

| Fluids Systems (In thousands) | Twelve Months Ended | | | | | Three Months Ended Q1 | | TTM Q1 |
|---|---------------------|-------------|-------------|-------------|------------|-----------------------|------------|------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2023 | 2024 | 2024 |
| Revenues | \$ 620,317 | \$ 354,608 | \$ 420,789 | \$ 622,601 | \$ 541,952 | \$ 144,174 | \$ 120,140 | \$ 517,918 |
| Operating Income (loss) (GAAP) | \$ 3,814 | \$ (66,403) | \$ (19,012) | \$ (15,566) | \$ 11,857 | \$ 3,466 | \$ 6,836 | \$ 15,227 |
| Depreciation and amortization | 21,202 | 20,555 | 17,877 | 13,875 | 7,776 | 1,975 | 1,745 | 7,546 |
| EBITDA (non-GAAP) | 25,016 | (45,848) | (1,135) | (1,691) | 19,633 | 5,441 | 8,581 | 22,773 |
| Impairments and other charges | 11,422 | 14,727 | - | 29,417 | 6,356 | - | - | 6,356 |
| Fluids sale process transaction expenses | - | - | - | - | 619 | - | 313 | 932 |
| Gain on divestiture | - | - | - | (971) | - | - | - | - |
| Fourchon, Louisiana hurricane-related costs | - | - | 2,596 | - | - | - | - | - |
| Facility exit costs and other, net | 2,631 | (201) | 2,399 | 1,000 | 4,594 | 2,292 | - | 2,302 |
| Inventory write-downs | 1,881 | 10,345 | - | - | - | - | - | - |
| Severance costs | 2,264 | 3,729 | 1,329 | 398 | 1,172 | 955 | 515 | 732 |
| Other | 605 | - | (849) | - | - | - | (807) | (807) |
| Adjusted EBITDA (non-GAAP) | \$ 43,819 | \$ (17,248) | \$ 4,340 | \$ 28,151 | \$ 32,374 | \$ 8,688 | \$ 8,602 | \$ 32,288 |
| Operating Margin (GAAP) | 0.6% | -18.7% | -4.5% | -2.5% | 2.2% | 2.4% | 5.7% | 2.9% |
| Adjusted EBITDA Margin (non-GAAP) | 7.1% | -4.9% | 1.0% | 4.5% | 6.0% | 6.0% | 7.2% | 6.2% |

| Industrial Solutions (In thousands) | Twelve Months Ended | | | | | Three Months Ended Q1 | | TTM Q1 |
|--|---------------------|------------|------------|------------|------------|-----------------------|-----------|------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2023 | 2024 | 2024 |
| Revenues | \$ 199,802 | \$ 130,469 | \$ 185,171 | \$ 192,993 | \$ 207,648 | \$ 55,856 | \$ 48,967 | \$ 200,759 |
| Operating Income (GAAP) | \$ 47,466 | \$ 13,030 | \$ 42,117 | \$ 43,899 | \$ 53,008 | \$ 14,483 | \$ 12,936 | \$ 51,461 |
| Depreciation and amortization | 21,763 | 20,127 | 19,904 | 21,653 | 21,108 | 5,257 | 5,181 | 21,032 |
| EBITDA (non-GAAP) | 69,229 | 33,157 | 61,421 | 65,552 | 74,116 | 19,740 | 18,117 | 72,493 |
| Severance costs | 434 | 437 | 302 | 214 | 254 | - | 518 | 772 |
| Gain on legal settlement | - | - | (1,000) | - | - | - | (550) | (550) |
| Other | - | - | - | - | - | - | (67) | (67) |
| Adjusted EBITDA (non-GAAP) | \$ 69,663 | \$ 33,594 | \$ 60,723 | \$ 65,766 | \$ 74,370 | \$ 19,740 | \$ 18,018 | \$ 72,648 |
| Operating Margin (GAAP) | 23.8% | 10.0% | 22.7% | 22.7% | 25.5% | 25.9% | 26.4% | 25.6% |
| Adjusted EBITDA Margin (non-GAAP) | 34.9% | 25.7% | 32.8% | 34.1% | 35.8% | 35.3% | 36.8% | 36.2% |

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Non-GAAP Financial Measures (unaudited)

The following table reconciles the Company's net cash provided by (used in) operating activities calculated in accordance with GAAP to the non-GAAP financial measure of Free Cash Flow:

| Consolidated (In thousands) | Twelve Months Ended | | | | | Three Months Ended | |
|--|---------------------|------------------|-------------------|--------------------|------------------|--------------------|-----------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | March 31, 2023 | 2024 |
| Net cash provided by (used in) operating activities (GAAP) | \$ 72,286 | \$ 55,791 | \$ (3,013) | \$ (25,021) | \$ 100,001 | \$ 29,444 | \$ 11,950 |
| Capital expenditures | (44,806) | (15,794) | (21,793) | (28,273) | (29,232) | (6,972) | (13,882) |
| Proceeds from sale of property, plant and equipment | 13,734 | 12,399 | 15,999 | 3,217 | 3,709 | 740 | 1,143 |
| Free Cash Flow (non-GAAP) | \$ 41,214 | \$ 52,396 | \$ (8,807) | \$ (50,077) | \$ 74,478 | \$ 23,212 | \$ (789) |

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Non-GAAP Financial Measures (unaudited)

The following table reconciles the Company's total debt calculated in accordance with GAAP to the non-GAAP financial measures of Net Debt and Net

| Consolidated (In thousands) | December 31, | | | | | |
|---|-------------------|-------------------|------------------|------------------|------------------|-------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | March 31, 2024 |
| Current debt | \$ 6,335 | \$ 67,472 | \$ 19,210 | \$ 22,438 | \$ 16,916 | \$ 16,433 |
| Long-term debt, less current portion | 153,538 | 19,690 | 95,593 | 91,677 | 58,117 | 61,005 |
| Total Debt | 159,873 | 87,162 | 114,803 | 114,115 | 75,033 | 77,438 |
| Less: cash and cash equivalents | (48,672) | (24,197) | (24,088) | (23,182) | (38,594) | (37,695) |
| Net Debt | <u>\$ 111,201</u> | <u>\$ 62,965</u> | <u>\$ 90,715</u> | <u>\$ 90,933</u> | <u>\$ 36,439</u> | <u>\$ 39,743</u> |
| | | | | | | |
| Adjusted EBITDA (non-GAAP) - TTM | <u>\$ 82,058</u> | <u>\$ (7,054)</u> | <u>\$ 38,841</u> | <u>\$ 66,101</u> | <u>\$ 80,130</u> | <u>\$ 80,444</u> |
| | | | | | | |
| Net Leverage | <u>1.4</u> | <u>(8.9)</u> | <u>2.3</u> | <u>1.4</u> | <u>0.5</u> | <u>0.5</u> |

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