

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): November 2, 2022



**Newpark Resources, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)  
**9320 Lakeside Boulevard, Suite 100**  
**The Woodlands, Texas**  
(Address of principal executive offices)

**001-02960**  
(Commission File Number)

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

**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 November 2, 2022, 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, Adjusted 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.

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Q3 2022 Presentation Materials</a>
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: November 2, 2022

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

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# Investor Presentation

November 2022



**NEWPARK**

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# 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 most recent 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 ability to execute our strategic actions; our pending divestitures; the ongoing conflict between Russia and Ukraine; 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 price and 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 restructuring activities; activist stockholders that may attempt to effect changes at our Company or acquire control over our Company; 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).

### 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 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.

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# Why Invest in Newpark Resources?

Leading Provider of Sustainable Technologies and Services Across the Energy Industry

 **Global presence**  
in large-scale  
energy markets

**Proven technologies**  
that offer tangible  
economic and ESG  
benefits



 Divisions that **operate**  
**at both ends of the**  
**energy transition**

 **Demonstrated ability**  
**to adapt and grow** via  
successful expansion  
beyond O&G

**Focusing investment on**  
**higher growth industrial**  
opportunities to  
generate consistent  
cash flow generation

 Reshaping the balance  
sheet and capital  
structure to **support**  
**growth plans**



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## Who are Newpark Resources Today?



### Industrial Solutions

Preeminent manufacturer and rental fleet provider of composite temporary worksite access solutions with a diversified customer base servicing utilities, renewable energy, oil & gas, construction, pipeline, and general access.



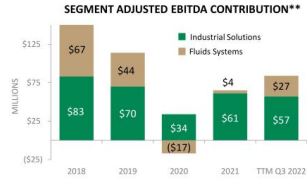
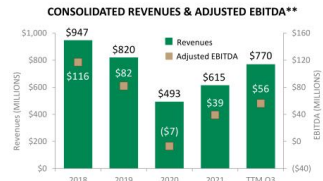
### Fluids Systems

Leading provider of drilling, reservoir, stimulation fluids, and associated services, supported by a suite of innovative digital modeling software; rated #1\* in overall performance globally.

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\* Source: 2022 Drilling Fluids Supplier Performance Report, Kimberlita International Oilfield Research

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



## Strong Foundations for Value Creation & Growth

INDUSTRY LEADER	TECHNOLOGY DRIVEN	SERVICE CULTURE	GLOBAL PRESENCE
 <p>Proven credibility, leveraging decades of experience</p>	 <p>Sustainable and economically advantaged technology offerings</p>	 <p>Newpark Service Advantage recognized by global customer base*</p>	 <p>Established presence in all continents, with primary focus on NAM (~70% of global revenues) and EMEA (~25%)</p>

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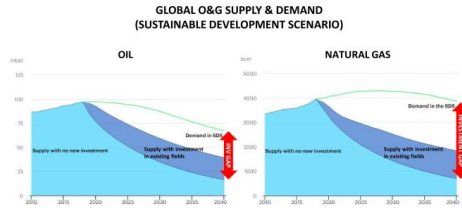
\* Ranked #1 in customer satisfaction globally, 2022 Drilling Fluids Supplier Performance Report, Kimberlite International Oilfield Research; Ranked #1 in Drilling-Related Services, 2022 EnergyPoint Research survey.



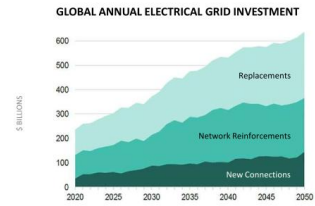


## Serving Large-Scale, Long-Term End Markets

Multi Billion-Dollar Markets Provide Opportunity for Each Newpark Division to Scale



**~\$12T - \$26T Investment** in Oil & Gas projected to meet demand in Sustainable Development Scenario over next 30 years



**~\$14T Investment** in global electrical grid to enable "electrification of everything"

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Source: (Left Charts & Data) International Energy Agency Fuel Report, Jan 2020 & Industry Investment Estimates (Right Charts & Data) Bloomberg NEF & S&P Global Market Intelligence, Feb 2021



## Clear Strategic Focus

- 1 Prioritize investment into high returning industrial growth markets aligned to energy transition and sustainability tailwinds
- 2 Leverage strong foundations to expand sustainable technology and service solutions
- 3 Laser focus on operating cost and balance sheet discipline to fund growth responsibly, balancing growth investments with return of capital to shareholders

# Ability to Transition Business in Evolving Markets

From Origins as US Land Oil & Gas Services Provider

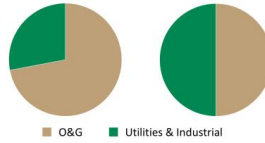


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Through Evolution by Focusing on Sustainable Technology



2018 vs 2022 YTD RELATIVE EBITDA CONTRIBUTION



To Global Sustainable Technology and Services Provider across the Energy Industry



UTILITIES



GEOTHERMAL



CR PLASTICS

# Proven Commitment to ESG

Board of Directors ESG Committee Provides Oversight

## Environmental Social Governance

### Environmental

**Industrial Solutions**  
**400,000+** Trees Saved\*  
**11+ MILLION** Miles Saved TTM\*  
**19,900+ Tons** CO<sub>2</sub> Emissions Saved TTM\*

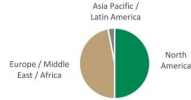
### Fluids Systems

- Water-based fluids lowers environmental impact, risk to people, and overall carbon footprint
- Brine-tolerant chemicals reduces need for fresh water in stimulation

### Social



- Committed to the development of local personnel across our operations



- Globally adopted *Standards of Business Practices* clearly define expectations of all employees and contractors

- Formalized annual major shareholder outreach campaign, soliciting input on governance matters

**88%** Board Independence  
**38%** Board Diversity

**94%** Shareholder approval rate of executive compensation

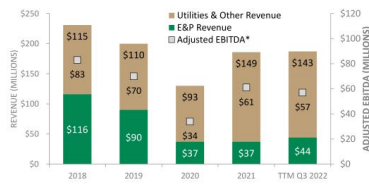
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\* Reflects internal estimates of impact of DURA-BASE® Composite Matting System. Reflects cumulative effect unless otherwise stated.



# Business Segment Overview

## Industrial Solutions



TTM Q3 2022 REVENUES (MIL)

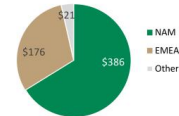


- Consistent cash flow and solid ROI
- Strong Energy Transition market tailwinds
- Meaningful growth opportunities

## Fluids Systems



TTM Q3 2022 REVENUES (MIL)



- Strong O&G market tailwinds in NAM Land and EMEA
- Transformative actions reshaping portfolio to improve returns

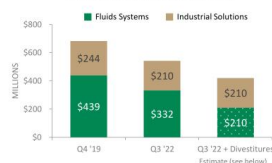
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\* Adjusted EBITDA is a non-GAAP financial measure. See reconciliation to the most comparable GAAP measure in the Appendix to this presentation

## Responsibly Managing Our Transition

### 35%

Reduction in Net Capital Employed from 2019 levels  
(Includes announced divestitures in progress)

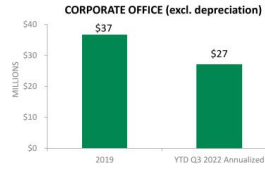


- Pending divestitures of U.S. minerals and Gulf of Mexico business units expected to drive \$90m+ reduction in Fluids Systems
- Transitioning Fluids HQ to multi-tenant facility, reducing cost burden

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### 27%

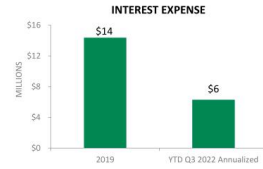
Reduction in Corporate Office expense from 2019 levels



- Streamlining cost structure as business evolves

### 5%

Average borrowing rate on outstanding debt



- Leveraging asset-based lending to drive reductions in borrowing cost
- Primary bank facility matures in May 2027

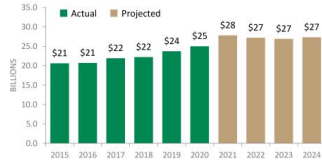
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## Prioritizing Investment in High Returning Industrial Growth

**10%\*\***

Of Transmission Investment focused on worksite access; provides significant scale opportunity

US ELECTRICAL TRANSMISSION INVESTMENT\*



**11%**

CAGR in Revenues from Utilities & Industrial Markets from 2018 - 2021

REVENUES FROM UTILITY AND OTHER INDUSTRIAL MARKETS

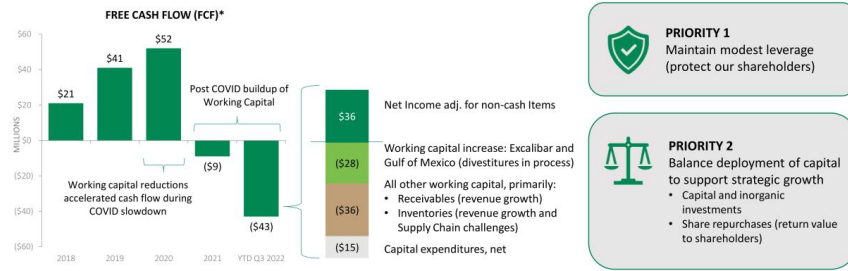


**80%**

2021-2022 Newpark Capital Investments directed to expansion within Utilities & Industrial Markets

# FCF Generation and Capital Allocation Philosophy

Q4 2022 Divestitures Set the Stage for Positive FCF Generation; Clear Priorities Established





## Why Invest in Newpark Resources?

Leading Provider of Sustainable Technologies and Services Across the Energy Industry



Global presence in large scale energy markets



Demonstrated ability to transition and grow



Operate at both ends of the energy spectrum



Proven technologies with economic and ESG benefits



Focusing investment on higher growth industrial opportunities



Capital structure to support growth plans

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## APPENDIX

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## Consolidated Statements of Operations (unaudited)

(In thousands, except per share data)	Three Months Ended			Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Revenues	\$ 219,853	\$ 194,144	\$ 151,797	\$ 590,435	\$ 435,218
Cost of revenues	187,884	168,206	132,273	507,078	376,370
Selling, general and administrative expenses	24,207	24,330	23,864	72,970	67,755
Other operating (income) loss, net	(345)	(80)	1,723	(375)	(141)
Impairments and other charges	29,417	7,905	-	37,322	-
Operating loss	(21,310)	(6,217)	(6,063)	(26,560)	(8,766)
Foreign currency exchange (gain) loss	(1,424)	(583)	25	(1,943)	(83)
Interest expense, net	1,875	1,638	2,176	4,719	6,748
Loss on extinguishment of debt	-	-	210	-	1,000
Loss before income taxes	(21,761)	(7,272)	(8,474)	(29,336)	(16,431)
Provision for income taxes	2,834	480	2,011	490	5,414
Net loss	\$ (24,595)	\$ (7,752)	\$ (10,485)	\$ (29,826)	\$ (21,845)
<b>Calculation of EPS:</b>					
Net loss - basic and diluted	\$ (24,595)	\$ (7,752)	\$ (10,485)	\$ (29,826)	\$ (21,845)
Weighted average common shares outstanding - basic	93,737	92,657	91,932	92,843	91,264
Dilutive effect of stock options and restricted stock awards	-	-	-	-	-
Weighted average common shares outstanding - diluted	93,737	92,657	91,932	92,843	91,264
Net loss per common share - basic:	\$ (0.26)	\$ (0.08)	\$ (0.11)	\$ (0.32)	\$ (0.24)
Net loss per common share - diluted:	\$ (0.26)	\$ (0.08)	\$ (0.11)	\$ (0.32)	\$ (0.24)

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## Operating Segment Results (unaudited)

(In thousands)	Three Months Ended			Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>Revenues</b>					
Fluids Systems	\$ 168,621	\$ 145,261	\$ 107,955	\$ 454,896	\$ 292,897
Industrial Solutions	51,232	48,883	41,976	135,539	134,033
Industrial Blending	-	-	1,866	-	8,288
<b>Total revenues</b>	<b>\$ 219,853</b>	<b>\$ 194,144</b>	<b>\$ 151,797</b>	<b>\$ 590,435</b>	<b>\$ 435,218</b>
<b>Operating income (loss)</b>					
Fluids Systems <sup>(1)</sup>	\$ (24,193)	\$ 425	\$ (6,646)	\$ (20,394)	\$ (19,944)
Industrial Solutions	10,036	9,754	8,167	26,148	32,645
Industrial Blending <sup>(2)</sup>	(526)	(8,912)	(64)	(10,324)	(1,269)
Corporate office	(6,627)	(7,484)	(7,520)	(21,990)	(20,198)
<b>Total operating income (loss)</b>	<b>\$ (21,310)</b>	<b>\$ (6,217)</b>	<b>\$ (6,063)</b>	<b>\$ (26,560)</b>	<b>\$ (8,766)</b>
<b>Segment operating margin</b>					
Fluids Systems	-14.3%	0.3%	-6.2%	-4.5%	-6.8%
Industrial Solutions	19.6%	20.0%	19.5%	19.3%	24.4%
Industrial Blending	NM	NM	-3.4%	NM	-15.3%

(1) Fluids Systems operating loss for the three and nine months ended September 30, 2022 includes \$29.4 million of non-cash impairment charges related to the long-lived assets and inventory associated with the exit of our Gulf of Mexico operations. Fluids Systems operating loss for the three months ended September 30, 2021 included \$4.0 million of charges primarily related to self-insured costs associated with Hurricane Ida damage to our Fourchon, Louisiana Fluids Systems operating base, facility exit, and severance costs. Fluids Systems operating loss for the nine months ended September 30, 2021 included \$4.6 million of charges primarily related to self-insured costs associated with Hurricane Ida damage to our Fourchon, Louisiana Fluids Systems operating base, facility exit, and severance costs.

(2) Industrial Blending operating loss for the three months ended June 30, 2022 and the nine months ended September 30, 2022 included a \$7.9 million non-cash charge for the impairment of the long-lived assets as well as exit and other costs related to the ongoing process to sell these assets.

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## Consolidated Balance Sheets (unaudited)

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(In thousands, except share data)	September 30, 2022	December 31, 2021
<b>ASSETS</b>		
Cash and cash equivalents	\$ 20,450	\$ 24,088
Receivables, net	211,496	194,296
Inventories	160,039	155,341
Prepaid expenses and other current assets	14,162	14,787
Current assets held for sale	71,191	-
Total current assets	477,338	388,512
Property, plant and equipment, net	189,899	260,256
Operating lease assets	23,195	27,569
Goodwill	46,853	47,283
Other intangible assets, net	20,664	24,959
Deferred tax assets	5,995	2,316
Other assets	2,740	1,991
Total assets	\$ 766,684	\$ 752,886
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current debt	\$ 23,431	\$ 19,210
Accounts payable	104,803	84,585
Accrued liabilities	42,693	46,597
Current liabilities held for sale	1,882	-
Total current liabilities	172,809	150,392
Long-term debt, less current portion	133,637	95,593
Noncurrent operating lease liabilities	19,534	22,352
Deferred tax liabilities	8,803	11,819
Other noncurrent liabilities	9,929	10,344
Total liabilities	344,712	290,500
Common stock, \$0.01 par value (200,000,000 shares authorized and 111,357,108 and 109,330,733 shares issued, respectively)	1,114	1,093
Paid-in capital	639,196	634,929
Accumulated other comprehensive loss	(74,807)	(61,480)
Retained earnings	(6,504)	24,345
Treasury stock, at cost (17,310,231 and 16,981,147 shares, respectively)	(137,027)	(136,501)
Total stockholders' equity	421,972	462,386
Total liabilities and stockholders' equity	\$ 766,684	\$ 752,886

## Consolidated Statements of Cash Flows (unaudited)

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(In thousands)	Nine Months Ended September 30,	
	2022	2021
<b>Cash flows from operating activities:</b>		
Net loss	\$ (29,826)	\$ (21,845)
Adjustments to reconcile net loss to net cash provided by (used in) operations:		
Impairments and other non-cash charges	37,322	-
Depreciation and amortization	30,259	32,009
Stock-based compensation expense	5,102	5,721
Provision for deferred income taxes	(5,717)	282
Credit loss expense	721	426
Gain on sale of assets	(2,550)	(6,863)
Gain on insurance recovery	-	(849)
Loss on extinguishment of debt	-	1,000
Amortization of original issue discount and debt issuance costs	724	3,062
Change in assets and liabilities:		
Increase in receivables	(26,494)	(26,382)
Increase in inventories	(58,722)	(2,536)
Increase in other assets	(3,976)	(2,535)
Increase in accounts payable	24,751	25,232
Increase in accrued liabilities and other	313	6,888
<b>Net cash provided by (used in) operating activities</b>	<b>(28,093)</b>	<b>13,670</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(17,720)	(19,103)
Proceeds from sale of property, plant and equipment	2,497	11,730
Proceeds from insurance property claim	-	85
<b>Net cash used in investing activities</b>	<b>(15,223)</b>	<b>(7,288)</b>
<b>Cash flows from financing activities:</b>		
Borrowings on lines of credit	241,487	166,012
Payments on lines of credit	(199,549)	(150,132)
Purchases of Convertible Notes	-	(28,137)
Proceeds from term loan	3,754	8,258
Proceeds from financing obligation	-	8,004
Debt issuance costs	(999)	(295)
Purchases of treasury stock	(2,619)	(1,435)
Other financing activities	(2,251)	(458)
<b>Net cash provided by financing activities</b>	<b>39,823</b>	<b>1,817</b>
Effect of exchange rate changes on cash	(2,083)	(1,349)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(5,576)	6,850
Cash, cash equivalents, and restricted cash at beginning of period	29,489	30,348
Cash, cash equivalents, and restricted cash at end of period	\$ 23,913	\$ 37,198

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## 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 measures of EBITDA and Adjusted EBITDA:

Consolidated (in thousands)	Twelve Months Ended			Nine Months Ended			TTM Q3
	2018	2019	2020	2021	2022	2022	2022
<b>Net income (loss) (GAAP)</b>	\$ 32,281	\$ (12,946)	\$ (80,696)	\$ (25,526)	\$ (21,845)	\$ (29,826)	\$ (33,507)
Interest expense, net	14,864	14,369	10,986	8,805	6,748	4,719	6,776
Provision (benefit) for income taxes	14,997	9,788	(11,883)	7,293	5,414	490	2,369
Depreciation and amortization	45,899	47,144	45,314	42,225	32,009	30,259	40,475
<b>EBITDA (non-GAAP)</b>	108,041	58,355	(36,279)	32,797	22,326	5,642	16,113
Impairments and other charges	-	11,422	14,727	-	-	37,322	37,322
Fourchon, Louisiana hurricane-related costs	-	-	-	2,596	2,596	-	-
Facility exit costs and other	-	2,631	(201)	2,399	1,691	1,150	1,857
Severance costs	4,621	3,814	4,773	1,898	1,697	519	721
Inventory write-downs	-	1,881	10,345	-	-	-	-
Gain on legal settlement	-	-	-	(1,000)	(1,000)	-	-
(Gain) loss on extinguishment of debt	-	-	(419)	1,000	1,000	-	-
Other	3,741	3,955	-	-	(849)	-	-
<b>Adjusted EBITDA (non-GAAP)</b>	\$ 116,403	\$ 82,058	\$ (7,054)	\$ 38,841	\$ 27,461	\$ 44,633	\$ 56,013

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				Nine Months Ended	
	2018	2019	2020	2021	2021	September 30, 2022
<b>Net cash provided by (used in) operating activities (GAAP)</b>	\$ 63,403	\$ 72,286	\$ 55,791	\$ (3,013)	\$ 13,670	\$ (28,093)
Capital expenditures	(45,141)	(44,806)	(15,794)	(21,793)	(19,103)	(17,720)
Proceeds from sale of property, plant and equipment	2,612	13,734	12,399	15,999	11,730	2,497
<b>Free Cash Flow (non-GAAP)</b>	\$ 20,874	\$ 41,214	\$ 52,396	\$ (8,807)	\$ 6,297	\$ (43,316)

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## 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				Nine Months Ended		TTM Q3
	2018	2019	2020	2021	2021	2022	2022
Revenues	\$ 715,813	\$ 620,317	\$ 354,608	\$ 420,789	\$ 292,897	\$ 454,896	\$ 582,788
Operating income (loss) (GAAP)	\$ 40,337	\$ 3,814	\$ (66,403)	\$ (19,012)	\$ (19,944)	\$ (20,394)	\$ (19,462)
Depreciation and amortization	20,922	21,202	20,555	17,877	13,585	11,517	15,809
EBITDA (non-GAAP)	61,259	25,016	(45,848)	(1,135)	(6,359)	(8,877)	(3,653)
Impairments and other charges	-	11,422	14,727	-	-	29,417	29,417
Fourchon, Louisiana hurricane-related costs	-	-	-	2,596	2,596	-	-
Facility exit costs and other	-	2,631	(201)	2,399	1,691	-	708
Inventory write-downs	-	1,881	10,345	-	-	-	-
Severance costs	3,933	2,264	3,729	1,329	1,177	235	387
Other	1,908	605	-	(849)	(849)	-	-
Adjusted EBITDA (non-GAAP)	\$ 67,100	\$ 43,819	\$ (17,248)	\$ 4,340	\$ (1,744)	\$ 20,775	\$ 26,859
Operating Margin (GAAP)	5.6%	0.6%	-18.7%	-4.5%	-6.8%	-4.5%	-3.3%
Adjusted EBITDA Margin (non-GAAP)	9.4%	7.1%	-4.9%	1.0%	-0.6%	4.6%	4.6%

Industrial Solutions (In thousands)	Twelve Months Ended				Nine Months Ended		TTM Q3
	2018	2019	2020	2021	2021	2022	2022
Revenues	\$ 230,735	\$ 199,802	\$ 130,469	\$ 185,171	\$ 134,033	\$ 135,539	\$ 186,677
Operating income (GAAP)	\$ 60,604	\$ 47,466	\$ 13,030	\$ 42,117	\$ 32,645	\$ 26,148	\$ 35,621
Depreciation and amortization	21,321	21,763	20,127	19,304	14,344	16,171	21,131
EBITDA (non-GAAP)	81,925	69,229	33,157	61,421	46,989	42,319	56,752
Severance costs	634	434	437	302	253	161	210
Gain on legal settlement	-	-	-	(1,000)	(1,000)	-	-
Adjusted EBITDA (non-GAAP)	\$ 82,559	\$ 69,663	\$ 33,594	\$ 60,723	\$ 46,242	\$ 42,480	\$ 56,962
Operating Margin (GAAP)	26.3%	23.8%	10.0%	22.7%	24.4%	19.3%	19.1%
Adjusted EBITDA Margin (non-GAAP)	35.8%	34.9%	25.7%	32.8%	34.5%	31.3%	30.5%

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