

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): June 12, 2020



**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
Rights to Purchase Series D Junior Participating Preferred Stock	N/A	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 June 12, 2020, 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.

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Q1 Presentation Materials</a>
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)



# Newpark Resources

## June 2020



# 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 “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 do not guarantee 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, 2019, and Quarterly Report on Form 10-Q as well as others, could cause actual plans or results to differ materially from those expressed or implied by these statements. These risk factors include, but are not limited to, risks related to the COVID-19 pandemic; 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; availability of raw materials; our cost and continued availability of borrowed funds, including noncompliance with covenants; operating hazards present in the oil and natural gas industry and substantial liability claims, including catastrophic incidents; our ability to execute our business strategy and make successful business acquisitions and capital investments; market competition; our contracts that can be terminated or downsized by our customers without penalty; our product offering expansion; our compliance with environmental laws and regulations; our legal compliance; the inherent limitations of insurance coverage; income taxes; the potential impairments of goodwill and long-lived intangible assets; technological developments in intellectual property in our industry; severe weather, natural disasters, and seasonality; cybersecurity breaches or business system disruptions; and fluctuations in the market value of our publicly traded securities, including our ability to maintain compliance with the New York Stock Exchange’s continued listing requirements. 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"), EBITDA Margin, Free Cash Flow, Net Debt, and 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.



# Company Overview



Our strategic playbook has led to improved diversification of our revenue stream in recent years, reducing our dependency on oil and gas customers, better positioning the Company to navigate through the current market volatility.

## Two operating segments:

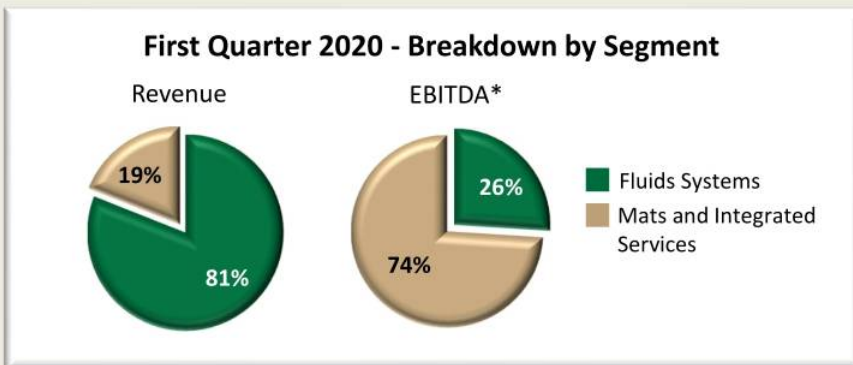
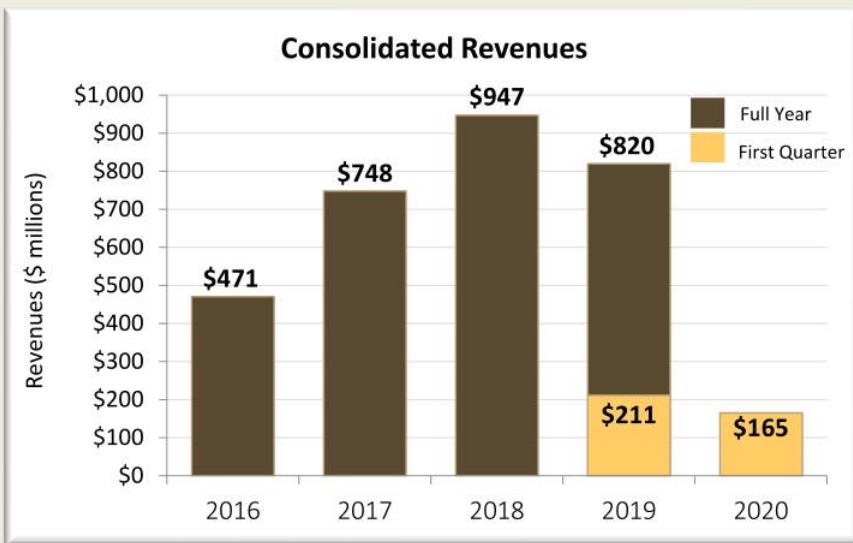
### Fluids Systems

3<sup>rd</sup> largest global provider of drilling and completions fluids chemistry to the oil and gas exploration industry\*\*

### Mats and Integrated Services

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

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



\* 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.

# Committed To Sustainability



## ENVIRONMENTALLY FOCUSED PRODUCT OFFERING

### Composite Matting System

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

### Environmentally-Focused Drilling Fluids Technologies

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

### Efficient Stimulation Products

- Lower water utilization
- Utilize more recycled water



## HIGH SOCIAL STANDARDS

### Safety First

- Aim for Zero Incidents
- Training
- Lower risk to people & environment

### Ethical Supply Chain

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

### Supported Employees

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

### Local Content

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

## ROBUST GOVERNANCE PROGRAMS

### Compliance Program

- Annual compliance training and Ethics certification required employees
- Zero tolerance for compliance violations
- Global Hotline available 24/7
- Compliance Committee of senior executives – “Tone from the Top”

### Board of Directors

- Non-executive Chairman
- Diverse and independent
- Stock ownership requirements
- Robust Enterprise Risk Management process

### Compensation and Benefits

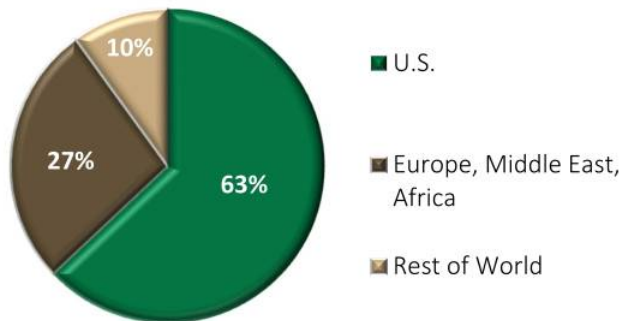
- Pay-for-Performance recognize Proxy Advisors and Shareholders
- Competitive pay and benefits
- Shareholder engagement



# COVID-19 Impact



First Quarter 2020 - Revenue

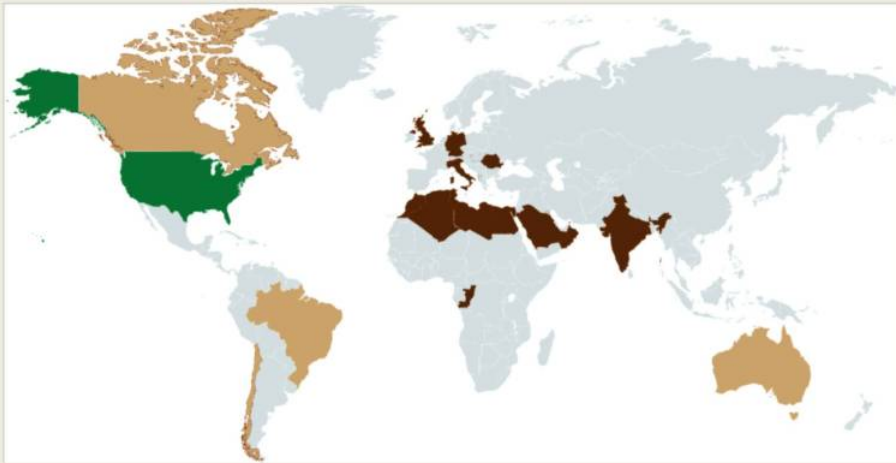


## Company Impact of COVID-19

- Both operating segments considered “essential services”
- Limited number of employee cases, none serious

## Primary Commercial Impact of COVID-19

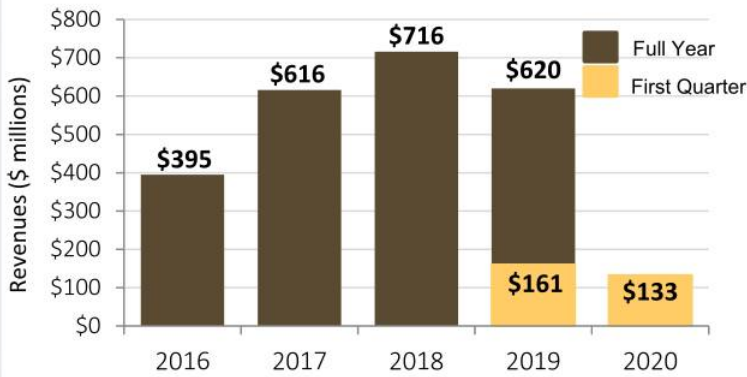
- Fluids Systems (EMEA region) – Logistics restrictions and workforce quarantining requirements resulting in near-term disruptions and customer project delays. Q2 2020 expected to be most impacted.
- Mats & Integrated Services (U.S.) – Disruption seen in Utility sector, as logistics and permitting challenges leading to delays in customer projects and purchases.



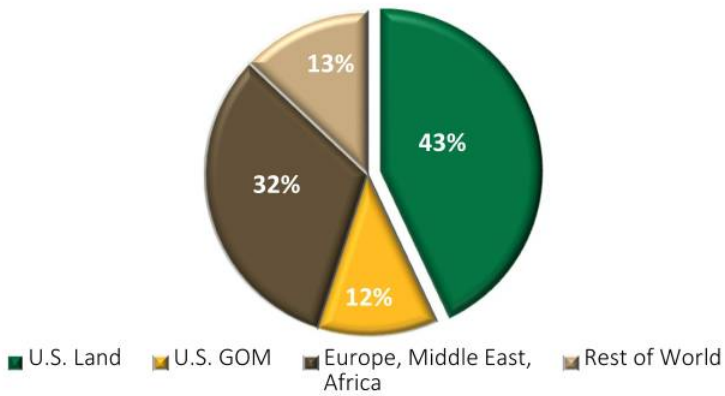
# Fluids Systems Overview



**Total Segment Revenues**



**First Quarter 2020 - Revenue by Region**



## PROVIDING TOTAL FLUIDS SOLUTION

### Drilling Fluids

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

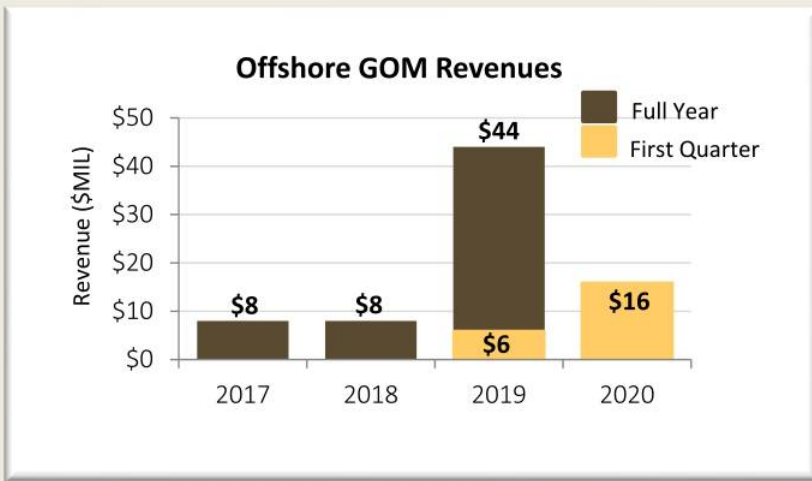
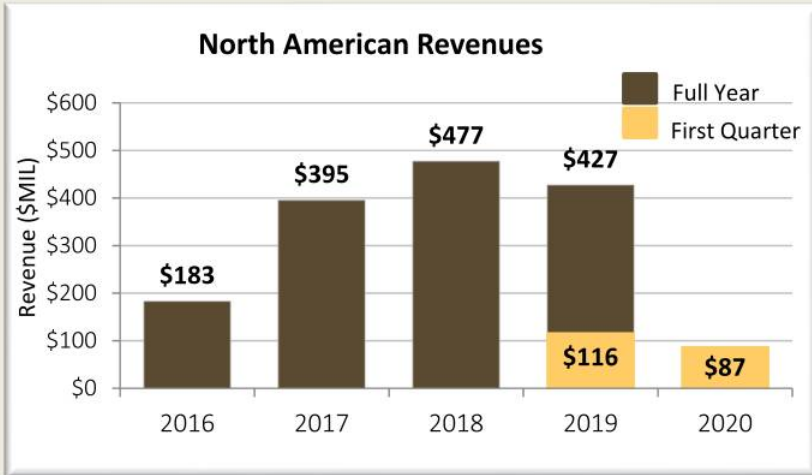
### Completion & Reservoir Fluids

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

### Stimulation Fluids

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

# Fluids Systems – North America



## U.S. Land

- Unprecedented market collapse in recent months with market rig count now 70% below 2019 average
- Swift actions taken to rationalize cost structure and monetize sizable working capital investments preserving presence in key markets
- U.S. workforce reduced by nearly 40% year-to-date, with further site rationalization ongoing
- Leveraging chemical blending capabilities and assets to produce disinfectant and cleaning products, with elevated longer-term demand anticipated in the wake of COVID-19

## Gulf of Mexico

- Market remaining much more stable, reflecting impact of IOC customer base
- 2019 expansion into Completion and Reserve Fluids provides opportunity for incremental growth in 2020

# Fluids Systems - International



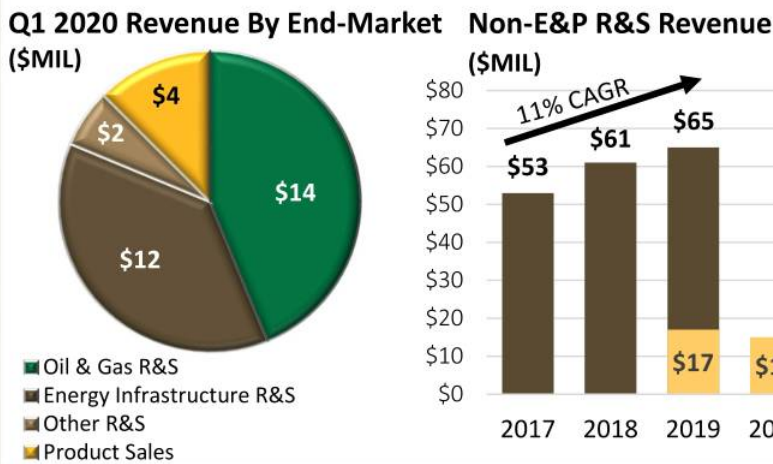
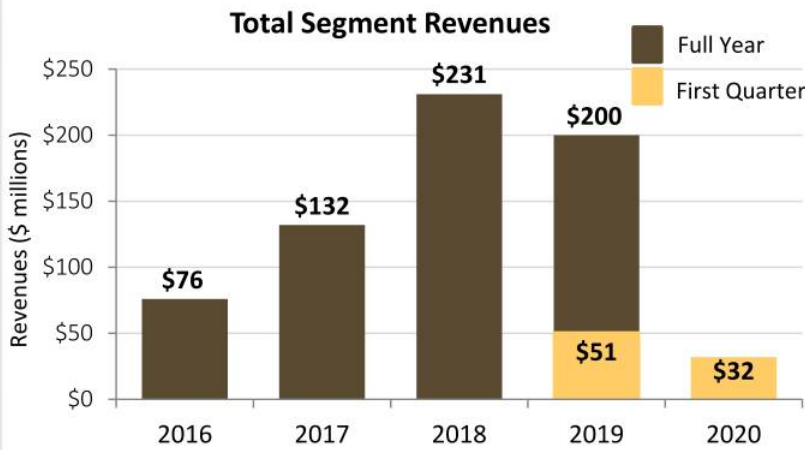
## EMEA

- Beyond near-term COVID-19 impact on customer operations, region anticipated to demonstrate greater stability, consistent with 2015-2016
- Foundation is built upon long-term NOC contracts in Kuwait and Algeria
- Middle East remains an area of opportunity, building on recent completion chemical contract extension in Saudi Arabia
- Recent three-year contract award with Wintershall (Germany) provides our first North Sea activity

## All Other

- Geographic expansion efforts anticipated to be limited in near-term, until market outlook improves
- Selective exit of geographic markets based on changes in longer-term market expectations

# Mats & Integrated Services - Overview



## Value Proposition

- Leading provider of engineered worksite access solutions, designed to:
  - Reduce customer operating costs
  - Reduce customer execution risk
  - Improve environmental sustainability

## Diversified Market Presence

- With expanding presence in multi-billion dollar Energy Infrastructure market, 60% of first quarter 2020 revenues derived from non-O&G end-markets
- O&G presence remains heavily tied to natural gas-focused basins in Northeast US

## Strategic Course Unchanged

- Beyond near-term COVID-19 impact to utility sector, longer-term market landscape remains unchanged
- Strategy expected to continue to reduce dependency on O&G end-market

# Mats – Environmental Commitment



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



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



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

*\*Reflects internal estimates of impact of DURA-BASE® Composite Matting System, verified by 3<sup>rd</sup> party.*

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# Mats – Core Market Overview



## TRANSMISSION & DISTRIBUTION



SIZE



PENETRATION



HISTORY



## PIPELINE



SIZE



PENETRATION



HISTORY



## EXPLORATION & PRODUCTION



SIZE



PENETRATION



HISTORY



## CONSTRUCTION & OTHER



SIZE

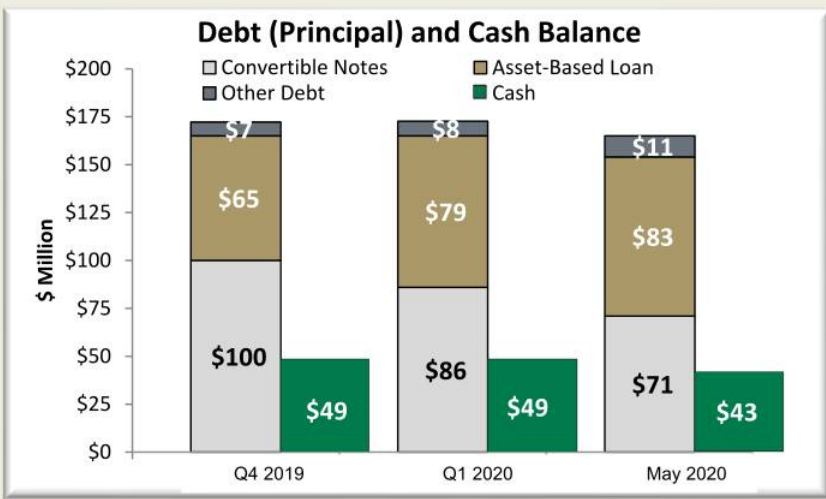
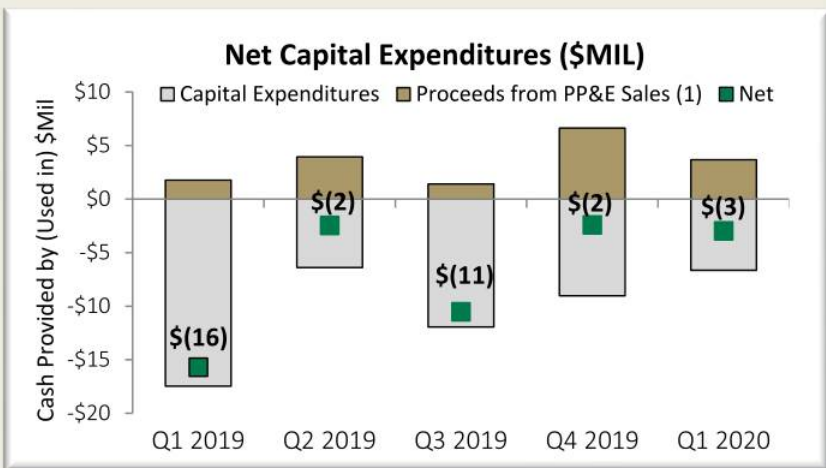


PENETRATION



HISTORY





## Cash Flow and Liquidity

- Swiftly restructuring U.S. Fluids business to minimize near-term cash burn
- \$280m of net working capital<sup>(2)</sup> provides tail to near-term cash generation
- All non-critical capital investments delayed

## Capital Structure

- Convertible Notes (December 2021) represent the only sizable debt maturity within the next three years
  - \$29m of Converts purchased on the open market since the beginning of the year
  - Intend to settle remaining \$71m balance without access to public capital markets
- Asset-based Loan facility has \$63m of remaining availability as of May 2020
- Working capital reductions and excess cash repatriation of foreign subsidiaries to drive additional debt reduction

(1) Proceeds from sale of property, plant and equipment include the commercial sale of assets from mat rental fleet and other asset disposals.  
 (2) Net working capital represents: Receivables + Inventory – Accounts Payable – Accrued Liabilities, as of March 31, 2020.



# APPENDIX



## CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDIT)

(In thousands, except per share data)	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
Revenues	\$ 164,550	\$ 189,471	\$ 211,473
Cost of revenues	146,084	162,400	174,976
Selling, general and administrative expenses	24,696	27,598	30,742
Other operating (income) loss, net	(344)	537	76
Goodwill impairment	-	11,422	-
Operating income (loss)	(5,886)	(12,486)	5,679
Foreign currency exchange (gain) loss	1,982	(1,572)	(1,062)
Interest expense, net	3,201	3,562	3,656
Loss on extinguishment of debt	915	-	-
Income (loss) before income taxes	(11,984)	(14,476)	3,085
Provision for income taxes	164	2,617	1,803
Net income (loss)	\$ (12,148)	\$ (17,093)	\$ 1,282
<b>Calculation of EPS:</b>			
Net income (loss) - basic and diluted	\$ (12,148)	\$ (17,093)	\$ 1,282
Weighted average common shares outstanding - basic	89,645	89,543	90,111
Dilutive effect of stock options and restricted stock awards	-	-	2,267
Dilutive effect of Convertible Notes	-	-	-
Weighted average common shares outstanding - diluted	89,645	89,543	92,378
Net income (loss) per common share - basic:	\$ (0.14)	\$ (0.19)	\$ 0.01
Net income (loss) per common share - diluted:	\$ (0.14)	\$ (0.19)	\$ 0.01

## OPERATING SEGMENT RESULTS (UNAUDIT)

(In thousands)	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
<b>Revenues</b>			
Fluids systems	\$ 132,805	\$ 134,573	\$ 160,653
Mats and integrated services	31,745	54,898	50,820
<b>Total revenues</b>	<u>\$ 164,550</u>	<u>\$ 189,471</u>	<u>\$ 211,473</u>
<b>Operating income (loss)</b>			
Fluids systems <sup>(1)</sup>	\$ (2,268)	\$ (18,137)	\$ 3,874
Mats and integrated services	3,062	14,603	13,538
Corporate office <sup>(2)</sup>	(6,680)	(8,952)	(11,733)
<b>Total operating income (loss)</b>	<u>\$ (5,886)</u>	<u>\$ (12,486)</u>	<u>\$ 5,679</u>
<b>Segment operating margin</b>			
Fluids systems	-1.7%	-13.5%	2.4%
Mats and integrated services	9.6%	26.6%	26.6%

(1) Fluids Systems operating loss for the three months ended March 31, 2020 includes a total of \$1.2 million of charges associated with inventory write-downs and severance costs. Fluids Systems operating loss for the three months ended December 31, 2019 includes a total of \$17.0 million of charges, consisting of an \$11.4 million non-cash impairment of goodwill and a total of \$5.6 million of charges associated with facility closures and related exit cost inventory write-downs, and severance costs. Fluids Systems operating income for the three months ended March 31, 2019 includes \$1.1 million of charges associated with the modification of the Company's retirement policy and severance costs.

(2) Corporate office operating loss for the three months ended March 31, 2020 includes a total of \$0.2 million of charges associated with severance costs. Corporate office operating loss for the three months ended December 31, 2019 includes a total of \$1.1 million of charges associated with severance costs. Corporate office operating loss for the three months ended March 31, 2019 includes \$3.4 million of charges associated with the modification of the Company's retirement policy.

# Financial Report



## CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In thousands, except share data)	March 31, 2020	December 31, 2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 49,064	\$ 48,672
Receivables, net	197,440	216,714
Inventories	187,979	196,897
Prepaid expenses and other current assets	16,241	16,526
Total current assets	<u>450,724</u>	<u>478,809</u>
Property, plant and equipment, net	305,732	310,409
Operating lease assets	32,049	32,009
Goodwill	42,108	42,332
Other intangible assets, net	28,032	29,677
Deferred tax assets	5,077	3,600
Other assets	3,110	3,243
Total assets	<u>\$ 866,832</u>	<u>\$ 900,079</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current debt	\$ 6,981	\$ 6,335
Accounts payable	69,940	79,777
Accrued liabilities	36,335	42,750
Total current liabilities	<u>113,256</u>	<u>128,862</u>
Long-term debt, less current portion	155,965	153,538
Noncurrent operating lease liabilities	26,546	26,946
Deferred tax liabilities	32,614	34,247
Other noncurrent liabilities	8,092	7,841
Total liabilities	<u>336,473</u>	<u>351,434</u>
Common stock, \$0.01 par value (200,000,000 shares authorized and 106,696,719 and 106,696,719 shares issued, respectively)	1,067	1,067
Paid-in capital	622,115	620,626
Accumulated other comprehensive loss	(75,440)	(67,947)
Retained earnings	120,501	134,119
Treasury stock, at cost (16,797,666 and 16,958,418 shares, respectively)	(137,884)	(139,220)
Total stockholders' equity	<u>530,359</u>	<u>548,645</u>
Total liabilities and stockholders' equity	<u>\$ 866,832</u>	<u>\$ 900,079</u>

# Financial Report



## CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In thousands)	Three Months Ended March 31,	
	2020	2019
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ (12,148)	\$ 1,282
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Depreciation and amortization	11,453	11,438
Stock-based compensation expense	1,592	4,969
Provision for deferred income taxes	(2,801)	(438)
Credit loss expense	20	386
Gain on sale of assets	(1,033)	(2,339)
Loss on extinguishment of debt	915	-
Amortization of original issue discount and debt issuance costs	1,573	1,481
Change in assets and liabilities:		
Decrease in receivables	10,652	5,300
Decrease in inventories	5,466	10,139
Increase in other assets	(644)	(273)
Decrease in accounts payable	(9,842)	(15,149)
Decrease in accrued liabilities and other	(815)	(14,527)
<b>Net cash provided by operating activities</b>	<b>4,388</b>	<b>2,269</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(6,649)	(17,467)
Proceeds from sale of property, plant and equipment	3,673	1,771
<b>Net cash used in investing activities</b>	<b>(2,976)</b>	<b>(15,696)</b>
<b>Cash flows from financing activities:</b>		
Borrowings on lines of credit	74,909	80,656
Payments on lines of credit	(58,948)	(61,524)
Purchases of Convertible Notes	(13,775)	-
Debt issuance costs	-	(927)
Proceeds from employee stock plans	-	330
Purchases of treasury stock	(32)	(5,013)
Other financing activities	(1,218)	(1,169)
<b>Net cash provided in financing activities</b>	<b>936</b>	<b>12,353</b>
Effect of exchange rate changes on cash	(2,576)	(581)
Net decrease in cash, cash equivalents, and restricted cash	(228)	(1,655)
Cash, cash equivalents, and restricted cash at beginning of period	56,863	64,266
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 56,635</u>	<u>\$ 62,611</u>

## NON-GAAP FINANCIAL MEASURES (UNAUDITED)

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

<b>Consolidated</b>					<b>Three Months Ended March 31,</b>
(In thousands)	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Net income (loss) (GAAP) <sup>(1)</sup></b>	\$ (40,712)	\$ (6,148)	\$ 32,281	\$ (12,946)	\$ (12,148)
Loss from disposal of discontinued operations, net of tax	-	17,367	-	-	-
Interest expense, net	9,866	13,273	14,864	14,369	3,201
Provision (benefit) for income taxes	(24,042)	4,893	14,997	9,788	164
Depreciation and amortization	37,955	39,757	45,899	47,144	11,453
<b>EBITDA (non-GAAP) <sup>(1)</sup></b>	<b>\$ (16,933)</b>	<b>\$ 69,142</b>	<b>\$ 108,041</b>	<b>\$ 58,355</b>	<b>\$ 2,670</b>

(1) 2020 net loss and EBITDA include a total of \$2.3 million of charges, consisting of an \$0.9 million loss associated with the purchase of a portion of our convertible notes on the open market and a total of \$1.4 million of charges associated with inventory write-downs and severance costs. 2019 net loss and EBITDA include a total of \$23.2 million of charges, consisting of an \$11.4 million non-cash impairment of goodwill and a total of \$11.8 million of charges associated with facility closures and related exit costs, inventory write-downs, and severance costs, as well as the modification of the Company's retirement policy. 2018 net income and EBITDA include a total of \$6.8 million of charges, consisting of a corporate office charge of \$1.8 million associated with the retirement of our former Senior Vice President, General Counsel and Chief Administrative Officer, as well as a total of \$5.0 million of charges associated with severance costs, the Kenedy, Texas facility fire, and expenses related to the conversion of a drilling fluids facility into a completion fluids facility. 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.

# Financial Report



## NON-GAAP FINANCIAL MEASURES (UNAUDITED)

Fluids Systems					Three Months Ended March 31, 2020
(In thousands)	2016	2017	2018	2019	2020
<b>Operating income (loss) (GAAP) <sup>(1)</sup></b>	\$ (43,631)	\$ 27,580	\$ 40,337	\$ 3,814	\$ (2,268)
Depreciation and amortization	20,746	21,566	20,922	21,202	5,234
<b>EBITDA (non-GAAP) <sup>(1)</sup></b>	(22,885)	49,146	61,259	25,016	2,966
Revenues	395,461	615,803	715,813	620,317	132,805
<b>Operating Margin (GAAP)</b>	<u>-11.0%</u>	<u>4.5%</u>	<u>5.6%</u>	<u>0.6%</u>	<u>-1.7%</u>
<b>EBITDA Margin (non-GAAP)</b>	<u>-5.8%</u>	<u>8.0%</u>	<u>8.6%</u>	<u>4.0%</u>	<u>2.2%</u>

(1) 2020 Fluids Systems operating loss and EBITDA includes a total of \$1.2 million of charges associated with inventory write-downs and severance costs. 2019 Fluids Systems operating income and EBITDA include \$18.7 million of charges, consisting of an \$11.4 million non-cash impairment of goodwill and a total of \$7.3 million of charge associated with facility closures and related exit costs, inventory write-downs, and severance costs, as well as the modification of the Company's retirement policy. 2018 Fluids Systems operating income and EBITDA 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.

Mats and Integrated Services					Three Months Ended March 31, 2020
(In thousands)	2016	2017	2018	2019	2020
<b>Operating income (GAAP) <sup>(1)</sup></b>	\$ 14,741	\$ 40,491	\$ 60,604	\$ 47,466	\$ 3,062
Depreciation and amortization	14,227	14,991	21,321	21,763	5,168
<b>EBITDA (non-GAAP) <sup>(1)</sup></b>	28,968	55,482	81,925	69,229	8,230
Revenues	76,035	131,960	230,735	199,802	31,745
<b>Operating Margin (GAAP)</b>	<u>19.4%</u>	<u>30.7%</u>	<u>26.3%</u>	<u>23.8%</u>	<u>9.6%</u>
<b>EBITDA Margin (non-GAAP)</b>	<u>38.1%</u>	<u>42.0%</u>	<u>35.5%</u>	<u>34.6%</u>	<u>25.9%</u>

(1) 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.

# Financial Report



## 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:

<b>Consolidated</b>					<b>Three Months Ended</b>
<b>(In thousands)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>March 31,</b>
					<b>2020</b>
<b>Net cash provided by operating activities (GAAP)</b>	\$ 11,095	\$ 38,381	\$ 63,403	\$ 72,286	\$ 4,388
Capital expenditures	(38,440)	(31,371)	(45,141)	(44,806)	(6,649)
Proceeds from sale of property, plant and equipment	4,540	7,747	2,612	13,734	3,673
<b>Free Cash Flow (non-GAAP)</b>	<u>\$ (22,805)</u>	<u>\$ 14,757</u>	<u>\$ 20,874</u>	<u>\$ 41,214</u>	<u>\$ 1,412</u>



# Financial Report



## NON-GAAP FINANCIAL MEASURES (UNAUDITED)

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:

<b>Consolidated</b>					<b>March 31,</b>
(In thousands)	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Current debt	\$ 83,368	\$ 1,518	\$ 2,522	\$ 6,335	6,981
Long-term debt, less current portion	72,900	158,957	159,225	153,538	155,965
<b>Total Debt</b>	<b>156,268</b>	<b>160,475</b>	<b>161,747</b>	<b>159,873</b>	<b>162,946</b>
Total stockholders' equity	500,543	547,480	569,681	548,645	530,359
<b>Total Capital</b>	<b>\$ 656,811</b>	<b>\$ 707,955</b>	<b>\$ 731,428</b>	<b>\$ 708,518</b>	<b>\$693,305</b>
<b>Ratio of Total Debt to Capital</b>	<b>23.8%</b>	<b>22.7%</b>	<b>22.1%</b>	<b>22.6%</b>	<b>23.5%</b>
<b>Total Debt</b>	<b>\$ 156,268</b>	<b>\$ 160,475</b>	<b>\$ 161,747</b>	<b>\$ 159,873</b>	<b>\$162,946</b>
Less: cash and cash equivalents	(87,878)	(56,352)	(56,118)	(48,672)	(49,064)
<b>Net Debt</b>	<b>68,390</b>	<b>104,123</b>	<b>105,629</b>	<b>111,201</b>	<b>113,882</b>
Total stockholders' equity	500,543	547,480	569,681	548,645	530,359
<b>Total Capital, Net of Cash</b>	<b>\$ 568,933</b>	<b>\$ 651,603</b>	<b>\$ 675,310</b>	<b>\$ 659,846</b>	<b>\$644,241</b>
<b>Ratio of Net Debt to Capital</b>	<b>12.0%</b>	<b>16.0%</b>	<b>15.6%</b>	<b>16.9%</b>	<b>17.7%</b>

# Executive Management



EXPERIENCED LEADERS

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

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

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

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

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**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.

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**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.

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# Board of Directors



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

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

Please visit our website for full biographies of our Board.

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