

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): August 2, 2023

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 August 2, 2023, 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	Q2 2023 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: August 2, 2023

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

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**August 2023
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 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 conflict between Russia and Ukraine; 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 downsized 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; our expanding services in the utilities sector, which may require unionized labor; the price and availability of raw materials; inflation; capital investments, business acquisitions, and joint ventures; our 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; our legal compliance; the inherent limitations of insurance coverage; income taxes; cybersecurity breaches or business system disruptions; our ability to execute on strategic actions, including whether any transaction will take place in connection with the strategic review of our Fluids Systems division; our divestitures; 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.



Agenda

1

Introduction

2


End-Market Overview

3

Summary of Key Financial Data



1 Introduction



**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; ~70% of 2022 revenues in North America
- 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

Exploring strategic alternatives for the long-term positioning of Fluids Systems division

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 (1H 2023)**	INDUSTRIAL SOLUTIONS Power Infrastructure, O&G, Construction and Renewables	92% OF SEGMENT CAPEX (1H 2023)
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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 (1H 2023)**	FLUID SYSTEMS Oil, Natural Gas, and Geothermal	8% OF SEGMENT CAPEX (1H 2023)
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#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

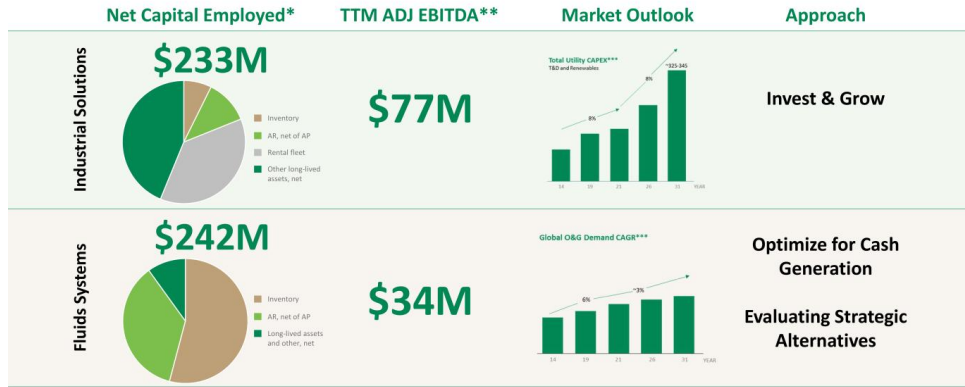


Improved margin and FCF generation profile through recent divestitures and focused asset-light operating model

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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, Kimberlize International Oilfield Research
 *** Relative to hydrocarbon-based fluids

Segment Approach Supports Growth & Shareholder Return

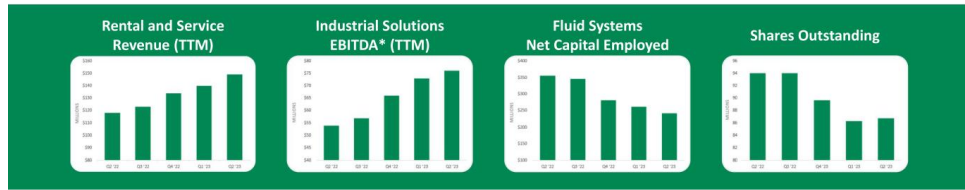


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* Net Capital Employed represents segment net assets excluding cash and debt, as of June 30, 2023.
 ** Adjusted EBITDA is a non-GAAP financial measure. See earnings release and reconciliation to the most comparable GAAP measure in "Non-GAAP Financial Measures" slides within this presentation, as of June 30, 2023.
 *** Source: EERC industry interviews; BCG analysis/Bloomberg NEF & S&P Global Market Intelligence, Feb 2021

Key Operational Highlights Aligned with Strategy

Disciplined Execution Delivering Shareholder Value Creation



27%

YoY growth from Industrial Solutions Rental and Services revenues (TTM)

41%

YoY growth in Industrial Solutions EBITDA (TTM)

32%

YoY reduction in Fluids Systems asset base

8%

YoY reduction in shares outstanding

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	1H 2023	Change
✓ Maintaining Adjusted EBITDA as we reposition the Company	\$82M Adjusted EBITDA**	\$82M Adjusted EBITDA** (TTM)	---
✓ Increasing Adjusted EBITDA generation from more stable Industrial Solutions segment	61% % of Segment Adj. EBITDA* generated from Industrial Solutions	69% % of Segment Adj. EBITDA* generated from Industrial Solutions	+13%
✓ Reducing capital employed to drive agility in cyclical Fluids Systems segment	\$708M Net Capital Employed (EOY)	\$512M Net Capital Employed (EOQ)	-28%
✓ Redeploying capital toward higher-returning segment	36% % of Segment Net Capital Employed deployed in Industrial Solutions	49% % of Segment Net Capital Employed deployed in Industrial Solutions	+36%
✓ Returning value to shareholders through share repurchases	90M Shares outstanding (EOY)	87M Shares outstanding (EOQ)	-3%
✓ Reducing total debt and eliminated equity-linked debt	\$172M (\$100M) Total Principal Outstanding (Equity-Linked)	\$98M (\$0) Total Principal Outstanding (Equity-Linked)	-43% (-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 **\$32B** transmission infrastructure **temporary access specialty rental & services** 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

\$32B+

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 manufacturer and rental fleet provider 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

27%
YoY growth in Rental & Service Revenue (TTM)

41%
YoY growth in Industrial Solutions EBITDA (TTM)

34%
Average Adjusted Industrial Solutions EBITDA Margin 2021 – 2023

56%
1H 2023 annualized rental revenue as % of avg. fleet cost

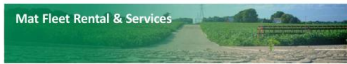
12 year
Estimated useful life of mat deployed into rental fleet

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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, including recycled product
- 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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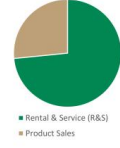
Industrial Solutions



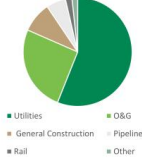
Strategic Progress Supported by Strong Infrastructure Trends

- 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
- 16% Revenue CAGR average from Utilities & Industrial Markets since 2016, contributing 75% of 1H '23 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

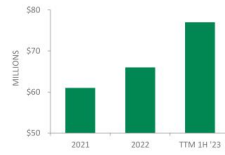
1H '23 REVENUE MIX



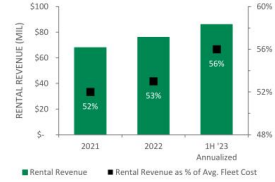
1H '23 BY INDUSTRY



ADJUSTED EBITDA*



RENTAL REV AS % AVG FLEET COST



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* Adjusted EBITDA and Adjusted EBITDA Margin is a non-GAAP financial measure. See reconciliation to the most comparable GAAP measure in "Non-GAAP Financial Measures" slides within this presentation.

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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

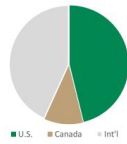
Fluids Systems



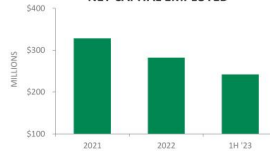
Agile, Capital-Light Technology & Services Capable of Cash Generation Through Cycles

- Recent divestitures driving shift to international markets; 54% of 1H '23 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, announced evaluation of strategic alternatives for Fluids Systems

1H '23 REVENUE MIX



NET CAPITAL EMPLOYED



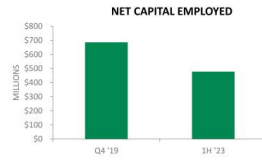
1H '23 CASH GENERATION FROM RECENT DIVESTITURES

\$32M

Simplifying Business and Driving Efficiency

28%

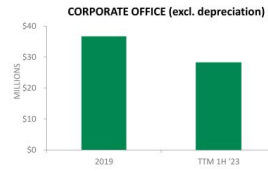
Reduction in Net Capital Employed from 2019 Levels



- Continued reduction in underperforming Fluids Systems NCE, driven by monetization of working capital

23%

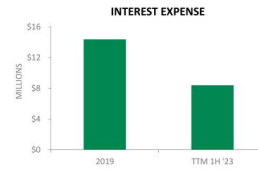
Reduction in Corporate Office Expense from 2019 Levels



- Streamlining cost structure as business evolves
- Additional actions taken in Q2 '23 to drive further reduction going forward

7%

Average Borrowing Rate on Outstanding Debt



- Leveraging asset-based lending to drive reductions in borrowing cost
- Primary bank facility matures in May '27

Long-Term Capital Allocation Strategy

Disciplined Approach Balances Growth Investments with Return of Capital



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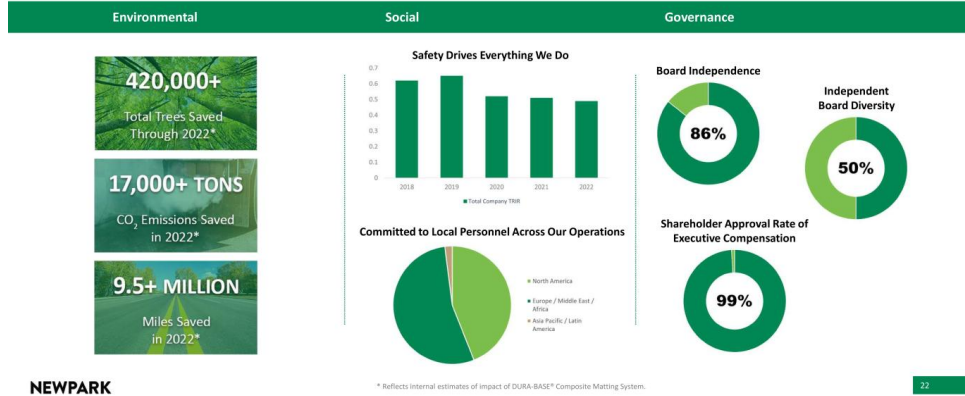
* Net leverage ratio calculated as Net Debt divided by Q2 2023 FTM Adjusted EBITDA.
 ** Reflects ABL facility availability plus cash and cash equivalents as of June 30, 2023.

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Sustainability Embedded in Our DNA



2022 Sustainability Report Including SASB & TCFD Disclosures Available on Website



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

Why Invest in Newpark Resources?

Leading Provider of Sustainable Technologies and Services



Meaningful growth opportunity tied to the energy transition



Global presence in large-scale energy markets



Proven technologies with economic and ESG benefits



Demonstrated ability to adapt and grow



Balancing investment in growth markets with return of capital



Capital structure to support growth plans

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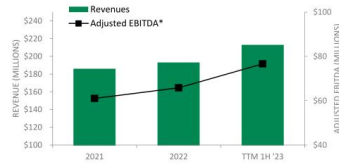
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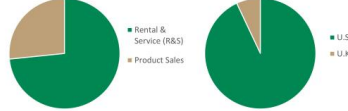
3 Summary of Key Financial Data

Business Segment Overview

Industrial Solutions

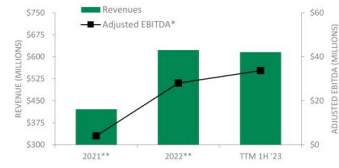


1H '23 REVENUES

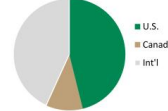


- Delivering double-digit annual revenue growth
- Strong Energy Transition market tailwinds
- Consistent cash flow and solid ROI

Fluids Systems



1H '23 REVENUES



- Reshaping portfolio to monetize working capital and improve returns
- ~85% 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)

(In thousands, except per share data)	Three Months Ended			Six Months Ended	
	June 30, 2023	March 31, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenues	\$ 183,256	\$ 200,030	\$ 194,144	\$ 383,286	\$ 370,582
Cost of revenues	150,170	164,738	168,206	314,908	319,194
Selling, general and administrative expenses	25,576	25,410	24,330	50,986	48,763
Other operating (income) loss, net	(1,184)	(261)	(80)	(1,445)	(30)
Impairments and other charges	2,816	-	7,905	2,816	7,905
Operating income (loss)	5,878	10,143	(6,217)	16,021	(5,250)
Foreign currency exchange (gain) loss	(102)	319	(583)	217	(519)
Interest expense, net	2,146	2,089	1,638	4,235	2,844
Income (loss) before income taxes	3,834	7,735	(7,272)	11,569	(7,575)
Provision (benefit) for income taxes	2,132	2,115	480	4,247	(2,344)
Net income (loss)	\$ 1,702	\$ 5,620	\$ (7,752)	\$ 7,322	\$ (5,231)
Calculation of EPS:					
Net income (loss) - basic and diluted	\$ 1,702	\$ 5,620	\$ (7,752)	\$ 7,322	\$ (5,231)
Weighted average common shares outstanding - basic	85,761	88,573	92,657	87,159	92,389
Dilutive effect of stock options and restricted stock awards	1,712	1,997	-	1,853	-
Weighted average common shares outstanding - diluted	87,473	90,570	92,657	89,012	92,389
Net income (loss) per common share - basic:	\$ 0.02	\$ 0.06	\$ (0.08)	\$ 0.08	\$ (0.06)
Net income (loss) per common share - diluted:	\$ 0.02	\$ 0.06	\$ (0.08)	\$ 0.08	\$ (0.06)

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Operating Segment Results (unaudited)

(In thousands)	Three Months Ended			Six Months Ended	
	June 30, 2023	March 31, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenues					
Fluids Systems	\$ 135,181	\$ 144,174	\$ 145,261	\$ 279,355	\$ 286,275
Industrial Solutions	48,075	55,856	48,883	103,931	84,307
Industrial Blending	-	-	-	-	-
Total revenues	\$ 183,256	\$ 200,030	\$ 194,144	\$ 383,286	\$ 370,582
Operating income (loss)					
Fluids Systems	\$ 1,965	\$ 3,466	\$ 425	\$ 5,431	\$ 3,799
Industrial Solutions	12,774	14,483	9,754	27,257	16,112
Industrial Blending	-	-	(8,912)	-	(9,798)
Corporate office	(8,861)	(7,806)	(7,484)	(16,667)	(15,363)
Total operating income (loss)	\$ 5,878	\$ 10,143	\$ (6,217)	\$ 16,021	\$ (5,250)
Segment operating margin					
Fluids Systems	1.5%	2.4%	0.3%	1.9%	1.3%
Industrial Solutions	26.6%	25.9%	20.0%	26.2%	19.1%

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Impact of 2022 Divestitures (unaudited)

Summarized operating results (including impairments and other charges) of our Excalibar business and Gulf of Mexico operations, both included in the Fluids Systems segment historical results, are shown in the following tables:

(In thousands)	Three Months Ended			Six Months Ended	
	June 30, 2023	March 31, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenues					
Excalibar	\$ -	\$ -	\$ 12,099	\$ -	\$ 26,445
Gulf of Mexico	-	-	7,412	-	10,106
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,511</u>	<u>\$ -</u>	<u>\$ 36,551</u>
Operating income (loss)					
Excalibar	\$ -	\$ (77)	\$ 817	\$ (77)	\$ 1,650
Gulf of Mexico	(2,107)	(2,311)	(3,643)	(4,418)	(6,260)
Total operating income (loss)	<u>\$ (2,107)</u>	<u>\$ (2,388)</u>	<u>\$ (2,826)</u>	<u>\$ (4,495)</u>	<u>\$ (4,610)</u>

Consolidated Balance Sheets (unaudited)

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(In thousands, except share data)	June 30, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	\$ 22,353	\$ 23,182
Receivables, net	193,365	242,247
Inventories	147,113	149,571
Prepaid expenses and other current assets	14,231	10,966
Total current assets	377,062	425,966
Property, plant and equipment, net	194,584	193,099
Operating lease assets	22,549	23,769
Goodwill	47,273	47,110
Other intangible assets, net	18,766	20,215
Deferred tax assets	2,480	2,275
Other assets	2,237	2,441
Total assets	\$ 664,951	\$ 714,875
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current debt	\$ 21,654	\$ 22,438
Accounts payable	79,437	93,633
Accrued liabilities	39,327	46,871
Total current liabilities	140,418	162,942
Long-term debt, less current portion	76,466	91,677
Noncurrent operating lease liabilities	18,844	19,816
Deferred tax liabilities	7,780	8,121
Other noncurrent liabilities	7,310	9,291
Total liabilities	250,818	291,847
Common stock, \$0.01 par value (200,000,000 shares authorized and 111,669,464 and 111,451,999 shares issued, respectively)	1,117	1,115
Paid-in capital	637,435	641,266
Accumulated other comprehensive loss	(64,884)	(67,186)
Retained earnings	3,903	2,489
Treasury stock, at cost (24,889,137 and 21,751,232 shares, respectively)	(163,438)	(154,656)
Total stockholders' equity	414,133	423,028
Total liabilities and stockholders' equity	\$ 664,951	\$ 714,875

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Consolidated Statements of Cash Flows (unaudited)

(In thousands)	Six Months Ended June 30,		(In thousands)	Six Months Ended June 30,	
	2023	2022		2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Net income (loss)	\$ 7,322	\$ (5,231)	Capital expenditures	(15,347)	(9,515)
Adjustments to reconcile net income (loss) to net cash provided by operations:			Proceeds from divestitures	18,086	-
Impairments and other non-cash charges	3,816	7,905	Proceeds from sale of property, plant and equipment	2,304	1,943
Depreciation and amortization	15,803	20,563	Net cash provided by (used in) investing activities	5,043	(7,572)
Stock-based compensation expense	3,298	3,198	Cash flows from financing activities:		
Provision for deferred income taxes	(916)	(6,918)	Borrowings on lines of credit	149,253	156,420
Credit loss expense	464	447	Payments on lines of credit	(167,435)	(129,914)
Gain on sale of assets	(1,649)	(2,001)	Proceeds from term loan	-	3,754
Amortization of original issue discount and debt issuance costs	274	587	Debt issuance costs	-	(897)
Change in assets and liabilities:			Purchases of treasury stock	(21,966)	(2,537)
(Increase) decrease in receivables	39,324	(5,350)	Other financing activities	(2,864)	296
Increase in inventories	(3,440)	(38,660)	Net cash provided by (used in) financing activities	(43,012)	27,022
Increase in other assets	(3,187)	(5,196)	Effect of exchange rate changes on cash	332	(1,412)
Increase (decrease) in accounts payable	(14,453)	12,208	Net decrease in cash, cash equivalents, and restricted cash	(789)	(4,973)
Decrease in accrued liabilities and other	(8,808)	(4,563)	Cash, cash equivalents, and restricted cash at beginning of period	25,061	29,489
Net cash provided by (used in) operating activities	36,848	(23,011)	Cash, cash equivalents, and restricted cash at end of period	\$ 24,272	\$ 24,516

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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				Six Months Ended		TTM Q2
	2019	2020	2021	2022	2022	2023	2023
Net income (loss) (GAAP)	\$ (12,946)	\$ (80,696)	\$ (25,526)	\$ (20,834)	\$ (5,231)	\$ 7,322	\$ (8,281)
Interest expense, net	14,369	10,986	8,805	7,040	2,844	4,235	8,431
Provision (benefit) for income taxes	9,788	(11,883)	7,293	4,371	(2,344)	4,247	10,962
Depreciation and amortization	47,144	45,314	42,225	38,610	20,563	15,803	33,850
EBITDA (non-GAAP)	58,355	(36,279)	32,797	29,187	15,832	31,607	44,962
Impairments and other charges	11,422	14,727	-	37,322	7,905	2,816	32,233
Gain on divestitures	-	-	-	(3,596)	-	-	(3,596)
Fourchon, Louisiana hurricane-related costs	-	-	2,596	-	-	-	-
Facility exit costs and other	2,631	(201)	2,399	2,452	761	4,236	5,927
Severance costs	3,814	4,773	1,898	736	520	2,124	2,340
Inventory write-downs	1,881	10,345	-	-	-	-	-
Gain on legal settlement	-	-	(1,000)	-	-	-	-
(Gain) loss on extinguishment of debt	-	(419)	1,000	-	-	-	-
Other	3,955	-	(849)	-	-	-	-
Adjusted EBITDA (non-GAAP)	<u>\$ 82,058</u>	<u>\$ (7,054)</u>	<u>\$ 38,841</u>	<u>\$ 66,101</u>	<u>\$ 25,018</u>	<u>\$ 40,783</u>	<u>\$ 81,866</u>

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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	Three Months Ended				
	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
(In thousands)					
Net income (loss) (GAAP)	\$ (7,752)	\$ (24,595)	\$ 8,992	\$ 5,620	\$ 1,702
Interest expense, net	1,638	1,875	2,321	2,089	2,146
Provision (benefit) for income taxes	480	2,834	3,881	2,115	2,132
Depreciation and amortization	10,111	9,696	8,351	7,895	7,908
EBITDA (non-GAAP)	4,477	(10,190)	23,545	17,719	13,888
Impairments and other charges	7,905	29,417	-	-	2,816
Gain on divestitures	-	-	(3,596)	-	-
Facility exit costs and other	761	388	1,303	2,292	1,944
Severance costs	153	-	216	955	1,169
Adjusted EBITDA (non-GAAP)	\$ 13,296	\$ 19,615	\$ 21,468	\$ 20,966	\$ 19,817

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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				Six Months Ended		TTM Q2
	2019	2020	2021	2022	2022	2023	2023
Revenues	\$ 620,317	\$ 354,608	\$ 420,789	\$ 622,601	\$ 286,275	\$ 279,355	\$ 615,681
Operating income (loss) (GAAP)	\$ 3,814	\$ (66,403)	\$ (19,012)	\$ (15,566)	\$ 3,799	\$ 5,431	\$ (13,934)
Depreciation and amortization	21,202	20,555	17,877	13,875	7,919	3,936	9,892
EBITDA (non-GAAP)	25,016	(45,848)	(1,135)	(1,691)	11,718	9,367	(4,042)
Impairments and other charges	11,422	14,727	-	29,417	-	2,816	32,233
Gain on divestiture	-	-	-	(971)	-	-	(971)
Fourchon, Louisiana hurricane-related costs	-	-	2,596	-	-	-	-
Facility exit costs and other	2,631	(201)	2,399	1,000	-	4,236	5,236
Inventory write-downs	1,881	10,345	-	-	-	-	-
Severance costs	2,264	3,729	1,329	398	235	1,103	1,266
Other	605	-	(849)	-	-	-	-
Adjusted EBITDA (non-GAAP)	\$ 43,819	\$ (17,248)	\$ 4,340	\$ 28,153	\$ 11,953	\$ 17,522	\$ 33,722
Operating Margin (GAAP)	0.6%	-18.7%	-4.5%	-2.5%	1.3%	1.9%	-2.3%
Adjusted EBITDA Margin (non-GAAP)	7.1%	-4.9%	1.0%	4.5%	4.2%	6.3%	5.5%

Industrial Solutions (In thousands)	Twelve Months Ended				Six Months Ended		TTM Q2
	2019	2020	2021	2022	2022	2023	2023
Revenues	\$ 199,802	\$ 130,469	\$ 185,171	\$ 192,993	\$ 84,307	\$ 103,931	\$ 212,617
Operating income (GAAP)	\$ 47,466	\$ 13,030	\$ 42,117	\$ 43,899	\$ 16,112	\$ 27,257	\$ 55,044
Depreciation and amortization	21,763	20,127	19,304	21,653	10,804	10,534	21,383
EBITDA (non-GAAP)	69,229	33,157	61,421	65,552	26,916	37,791	76,427
Severance costs	434	437	302	214	161	92	145
Gain on legal settlement	-	-	(1,000)	-	-	-	-
Adjusted EBITDA (non-GAAP)	\$ 69,663	\$ 33,594	\$ 60,723	\$ 65,766	\$ 27,077	\$ 37,883	\$ 76,572
Operating Margin (GAAP)	23.8%	10.0%	22.7%	22.7%	19.1%	26.2%	25.9%
Adjusted EBITDA Margin (non-GAAP)	34.9%	25.7%	32.8%	34.1%	32.1%	36.5%	36.0%

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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			Six Months Ended June 30,		
	2019	2020	2021	2022	2023	
Net cash provided by (used in) operating activities (GAAP)	\$ 72,286	\$ 55,791	\$ (3,013)	\$ (25,021)	\$ (23,011)	\$ 36,848
Capital expenditures	(44,806)	(15,794)	(21,793)	(28,273)	(9,515)	(15,347)
Proceeds from sale of property, plant and equipment	13,734	12,399	15,999	3,217	1,943	2,304
Free Cash Flow (non-GAAP)	<u>\$ 41,214</u>	<u>\$ 52,396</u>	<u>\$ (8,807)</u>	<u>\$ (50,077)</u>	<u>\$ (30,583)</u>	<u>\$ 23,805</u>

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 Leverage:

Consolidated (In thousands)	December 31,					
	2019	2020	2021	2022	2022	2023
Current debt	\$ 6,335	\$ 67,472	\$ 19,210	\$ 22,438	\$ 22,484	\$ 21,654
Long-term debt, less current portion	153,538	19,690	95,593	91,677	121,975	76,466
Total Debt	159,873	87,162	114,803	114,115	144,459	98,120
Less: cash and cash equivalents	(48,672)	(24,197)	(24,088)	(23,182)	(20,159)	(22,353)
Net Debt	<u>\$ 111,201</u>	<u>\$ 62,965</u>	<u>\$ 90,715</u>	<u>\$ 90,933</u>	<u>\$ 124,300</u>	<u>\$ 75,767</u>
Adjusted EBITDA (non-GAAP) - TTM	<u>\$ 82,058</u>	<u>\$ (7,054)</u>	<u>\$ 38,841</u>	<u>\$ 66,101</u>	<u>\$ 44,904</u>	<u>\$ 81,866</u>
Net Leverage	<u>1.4</u>	<u>NM</u>	<u>2.3</u>	<u>1.4</u>	<u>2.8</u>	<u>0.9</u>

