

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): September 25, 2018



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

(IRS Employer Identification No.)

9320 Lakeside Boulevard, Suite 100  
The Woodlands, TX

(Address of principal executive offices)

77381

(Zip Code)

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

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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 240.13a-4(c))

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 September 25, 2018, 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 Investor Information 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; 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/or that of other companies in our industry. In addition, management uses these measures to evaluate operating performance, and our annual cash incentive compensation plan has included performance metrics based on our consolidated EBITDA, along with other factors. The methods we use to produce these non-GAAP financial measures may differ from methods used by other companies. These measures should be considered in addition to, not as a substitute for, financial measures prepared in accordance with GAAP. Applicable reconciliations to the nearest GAAP financial measure of each non-GAAP financial measure are included in the attached Exhibit 99.1.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Presentation Materials</a>

**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: September 25, 2018

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



## NEWPARK RESOURCES PRESENTATION



SEPTEMBER 2018

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## 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 that address expectations or projections about the future, including Newpark's strategy for growth, product development, market position, expected expenditures and future financial results 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 of future performance 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, 2017, as well as others, could cause results to differ materially from those expressed in, or implied by, these statements. These risk factors include, but are not limited to, risks related to the worldwide oil and natural gas industry, our customer concentration and reliance on the U.S. exploration and production market, risks related to our international operations, our ability to replace existing contracts, the cost and continued availability of borrowed funds including noncompliance with debt covenants, operating hazards present in the oil and natural gas industry, our ability to execute our business strategy and make successful business acquisitions and capital investments, the availability of raw materials or the impact of tariffs on the cost of such raw materials, the availability of skilled personnel, our market competition, our ability to expand our product and service offerings and enter new customer markets with our existing products, compliance with legal and regulatory matters, including environmental regulations, the availability of insurance and the risks and limitations of our insurance coverage, the ongoing impact of the U.S. Tax Cuts and Jobs Act and the refinement of provisional estimates, potential impairments of long-lived intangible assets, technological developments in our industry, risks related to severe weather, particularly in the U.S. Gulf Coast, cybersecurity breaches or business system disruptions and risks related to the fluctuations in the market value of our common stock. 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). We assume no obligation to update, amend or clarify publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities laws. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this presentation might not occur.



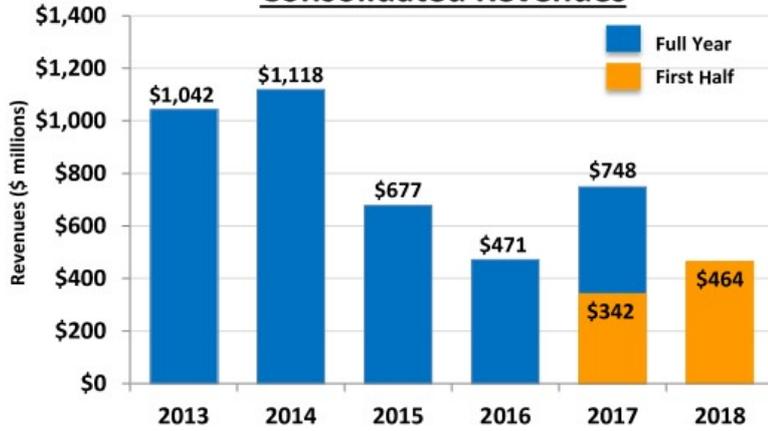
## NON-GAAP FINANCIAL MEASURES

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, Net Debt and the Ratio of Net Debt to Capital. Management believes that these non-GAAP financial measures are frequently used by investors, securities analysts and other parties in the evaluation of our performance and/or that of other companies in our industry. In addition, management uses these measures to evaluate operating performance, and our incentive compensation plan measures performance based on our consolidated EBITDA, along with other factors. The methods we use to produce these non-GAAP financial measures may differ from methods used by other companies. These measures should be considered in addition to, not as a substitute for, financial measures prepared in accordance with GAAP.

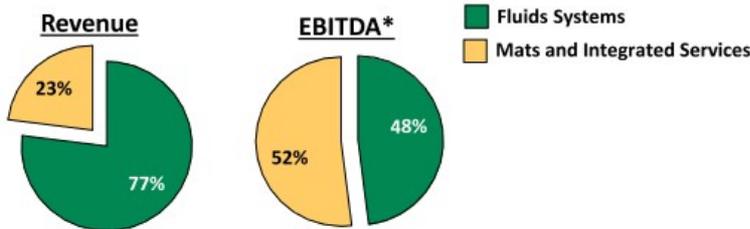




### Consolidated Revenues



### First Half 2018 - Breakdown by Segment



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

➤ **Balanced income contribution from two operating segments:**

#### Fluids Systems

3<sup>rd</sup> largest global provider of Drilling and Completions Fluids to Oil and Gas exploration\*\*

#### Mats and Integrated Services

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

- Oil and gas exploration
- Electrical transmission and distribution
- Pipeline
- Petrochemical
- Construction

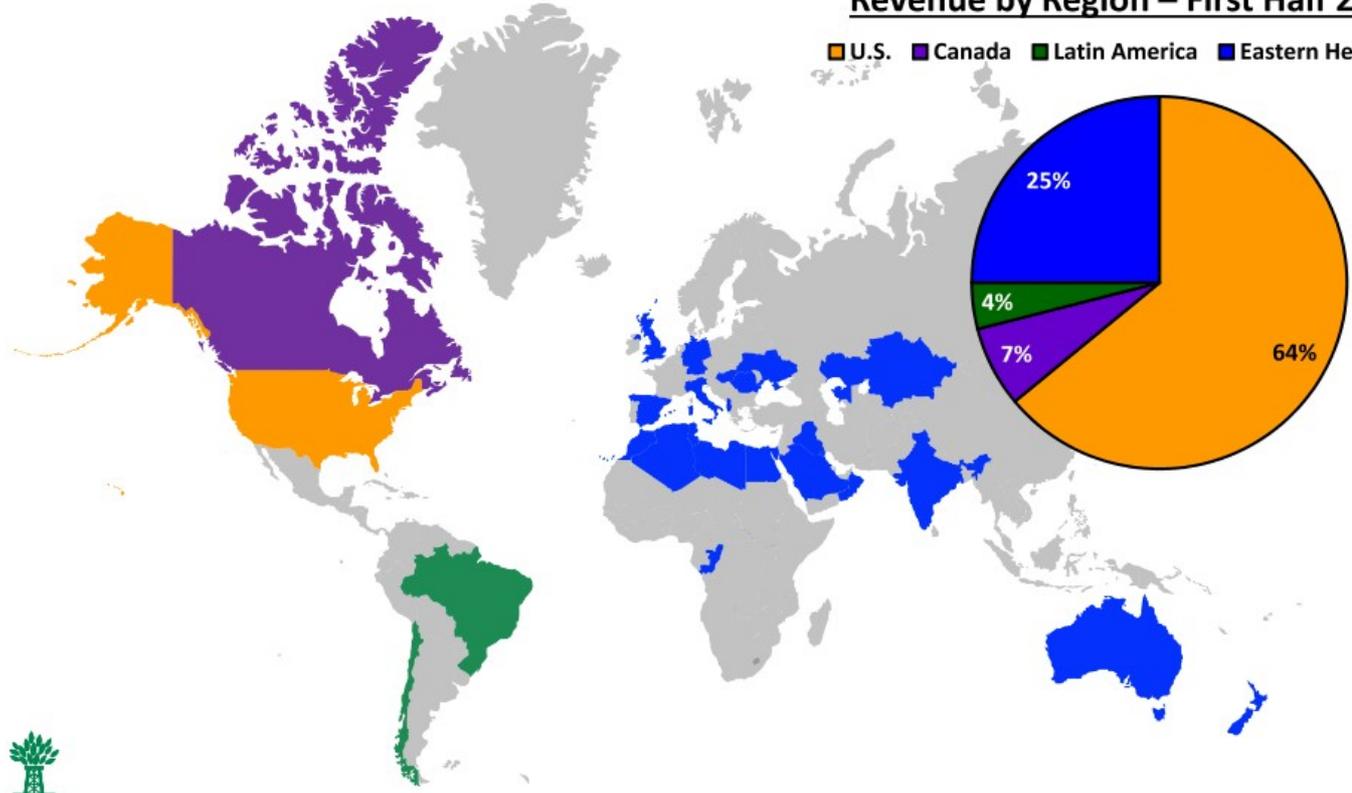
➤ **Revenue recovery driven by oilfield activity increase and strategic growth initiatives**

\*\* Source: 2017 Oilfield Market Report, Spears & Associates, Inc. 4



### Revenue by Region – First Half 2018

■ U.S. ■ Canada ■ Latin America ■ Eastern Hemisphere





- Infrastructure investments significantly enhance our competitiveness and support our market expansion and diversification initiatives
- Reflects our commitment to be the global leader in fluids and matting technology



**Fluids:** Manufacturing Facility & Distribution Center - Completed 2016



**Mats:** Manufacturing Facility - Completed 2015  
and Technology Center - Completed 2016



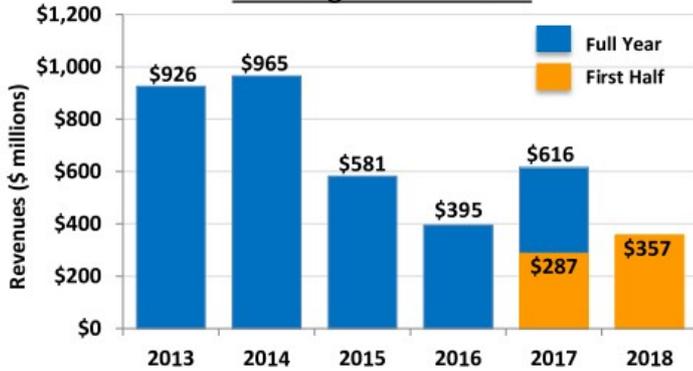
**Fluids:** Gulf of Mexico Deepwater Shorebase – Completed 2017



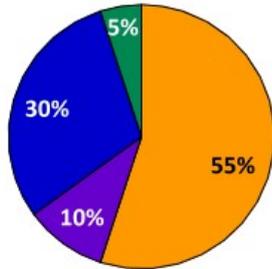


**FLUIDS SYSTEMS-OVERVIEW**

**Total Segment Revenues**



**First Half - 2018 Revenue by Region**



■ U.S. 
 ■ Canada 
 ■ Eastern Hemisphere 
 ■ Latin America

- **Largest independent Drilling and Completion Fluids provider globally\***
- **Capitalizing on strong market position in drilling fluids to expand offerings in completion fluids and stimulation chemicals**
- **Expanding IOC & NOC relationships to grow global market share**

\* Source: 2017 Oilfield Market Report, Spears & Associates, Inc.





FLUIDS SYSTEMS-LEADING TECHNOLOGY

**EVOLUTION<sup>®</sup>**

**Fusion<sup>™</sup>**

**KRONOS<sup>™</sup>**

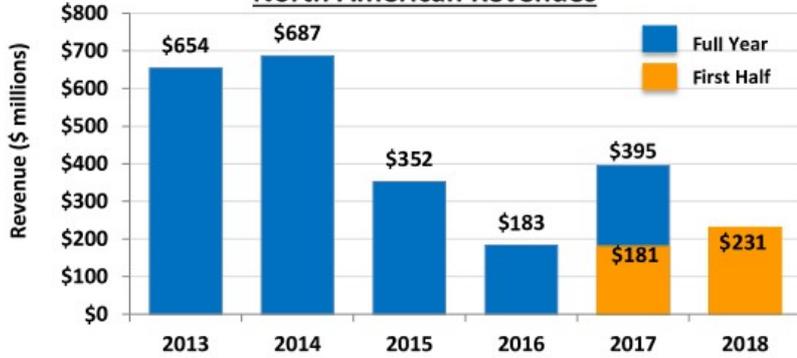
- **Proven drilling fluid systems designed to enhance wellsite performance**
  - Evolution<sup>®</sup> high-performance, water-based technology for global applications
  - Fusion<sup>™</sup> brine fluid system creates a unique enhancement for shale basins
  - Kronos<sup>™</sup> deepwater drilling fluid systems offers operators a consistent fluid across a wide temperature and pressure spectrum
  
- **Fluids Development**
  - Driving continued advancements in technology, bringing new chemistries to enhance drilling efficiencies in challenging environments



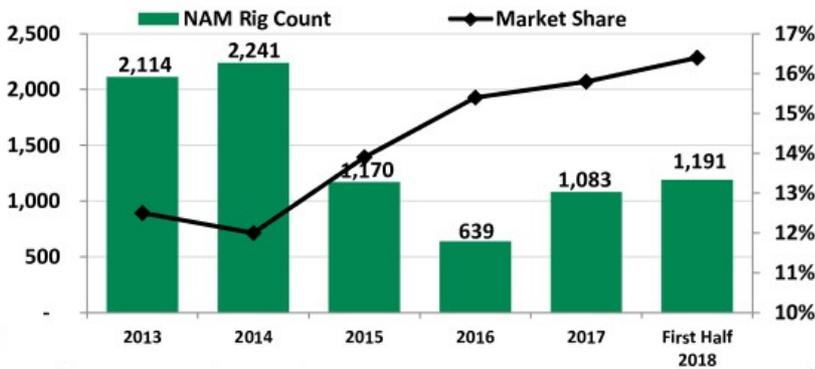


# FLUIDS SYSTEMS – NORTH AMERICA

**North American Revenues**



**Average NAM Rig Count & Market Share<sup>(1)</sup>**



<sup>(1)</sup> Source: BHGE and company data

➤ **Hold #2 drilling fluids market share position in U.S. land\***

➤ Significantly expanded share through cycle

➤ **Service quality, operational focus and organizational alignment driving share gains**

➤ **Expanding presence in deepwater GOM**

➤ First deepwater project with Shell completed in Q2 2018; additional work planned

➤ Continuing efforts to qualify Kronos system with other IOCs

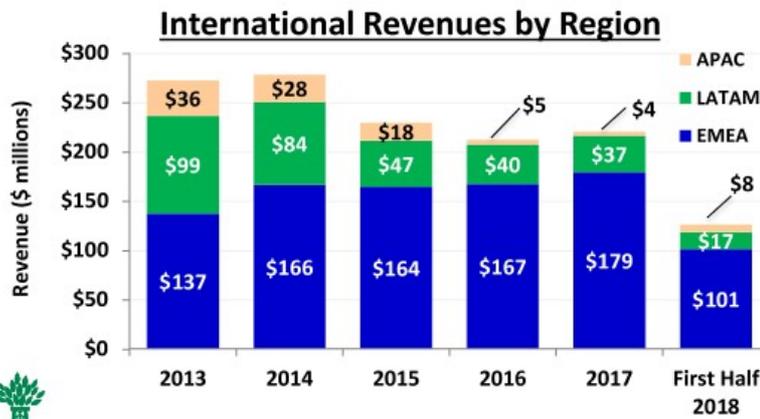
\*Source: Kimberlite International Oilfield Research, June 2017



# FLUIDS SYSTEMS – INTERNATIONAL



- International presence remains key to our strategy, leveraging IOC/NOC relationships globally
- More stable than NAM through the industry cycles
  - Longer term contracts
  - Largely IOCs/NOCs
  - Fewer competitors
- Key contract awards have driven steady growth in EMEA region
  - Kuwait (KOC)
  - Algeria (Sonatrach)
  - Republic of Congo (ENI)
  - Albania (Shell)
- APAC increasing due to Q1 2018 start-up of Woodside project in offshore Australia
  - Partnering with Baker Hughes on integrated service offering
- Petrobras contract to conclude Q4 2018; new long-term contract not yet awarded



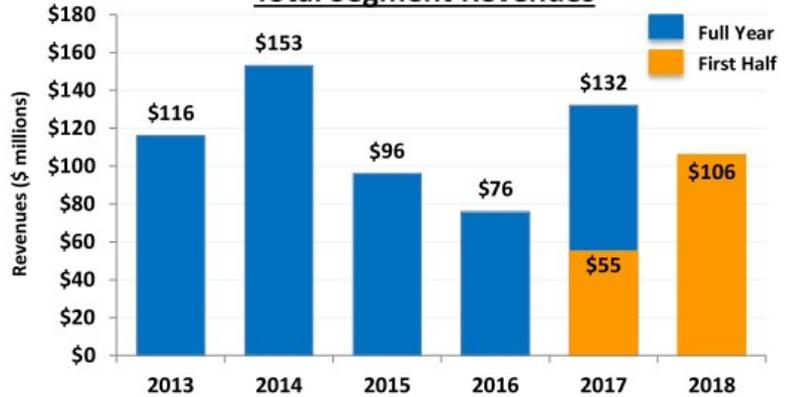


# MATS & INTEGRATED SERVICES - OVERVIEW

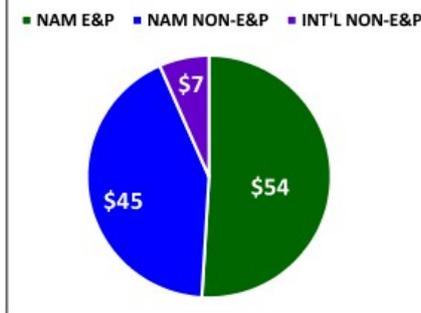
- **Leading provider of engineered worksite and access solutions**
  - Established core business in NAM E&P market, where mats reduce operator's costs and improve environmental protection during drilling and completion phase
  - In recent years, expanded into non-E&P end markets, which now comprise ~50% of revenues
- **Revenues include rentals & service, as well as sales of manufactured matting products**
  - 2017 acquisition significantly expanded service revenues
- **Patented technology, service capability and size of composite mat rental fleet provide competitive advantage**



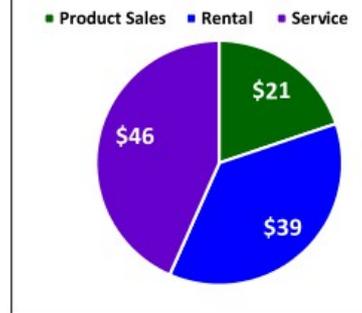
**Total Segment Revenues**



**First Half Revenue by End Market**



**First Half Revenue by Type**

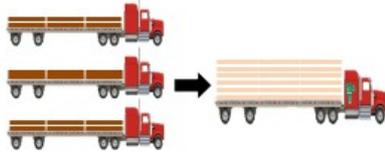


# MATS - COMPETITIVE ADVANTAGES ACROSS INDUSTRIES

## Superior Quality



## Transportation, Install & Remediation Efficiency



## Enhanced EH&S Attributes



## Scale & Responsiveness





**MATS – ACCELERATING MARKET DIVERSIFICATION**



Utility Transmission



Pipeline



Well Completions



Oil & Gas Drilling



Heavy Haul



Construction

➤ **Leveraging manufacturing capacity expansion to diversify market exposure. Primary markets targeted include:**

**Utility Transmission & Distribution**

- Primary competitive offerings include wood mats and gravel
- Market share currently <3%\*
- Industry spending projected to grow by 4% annually\*\*

**Oil & Gas Pipeline**

- Primary competitive offerings include wood mats and gravel
- Market share currently <3%\*
- Industry spending projected to grow by 2.9% annually\*\*

\*Company estimates  
 \*\*IBISWorld Industry Report



## MATS – ACCELERATING PRODUCT DEVELOPMENT



EPZ Grounding System



Safety Railings



Pedestrian Access Ramp



Mobile Mat Washing System



Turning Mat



Stronghold Berms

- Leveraging R&D center to drive innovation, including next-generation matting systems, accessories and adaptations

### EPZ Grounding System

- Patented system
- Elevates worksite safety in utility transmission and distribution markets
- Fully integrated with Dura-Base matting system

### Mobile Mat Washer

- Automated system provides efficient mat cleaning on customer sites
- Reduces labor costs
- Environmental benefits include reduced water consumption and improved separation of contaminants

### Accessories

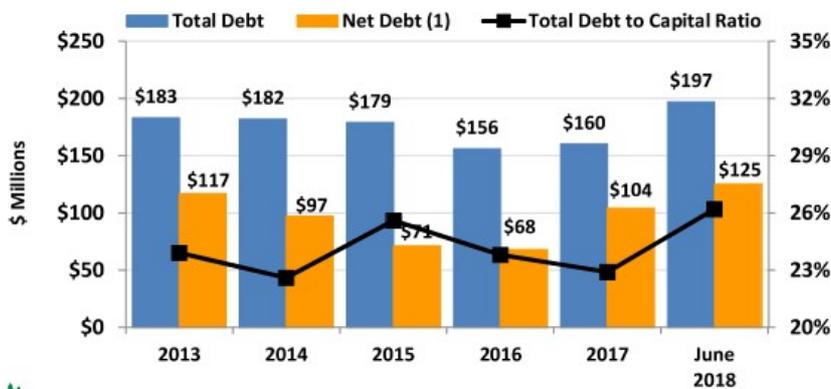
- Safety railing
- Pedestrian access ramps
- Secondary containment
  - Berms
  - Liners
- Grapple installation system



### Operating Cash Flow



### Capital Structure



(1) Net Debt is a non-GAAP financial measure. See reconciliation to the most comparable GAAP measure in the Appendix to this presentation.

- Consistently generated positive operating cash flow and maintained modest debt level throughout the cycle

### Short-Term Focus

- Pursue repatriation of available foreign cash following U.S. tax reform
- Continue efforts to optimize working capital

### Long-Term Strategic Focus

- Continue strategic investments in fluids
  - IOC/deepwater penetration
  - Expand product offering to leverage global footprint
- Aggressively pursue non-E&P market expansion in mats

## APPENDIX

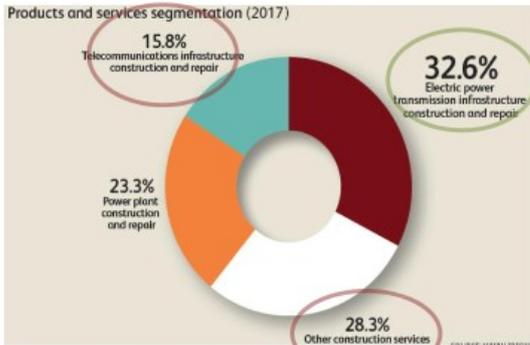




# MATS – UTILITY TRANSMISSION AND DISTRIBUTION

## Key Statistics Snapshot

Revenue **\$46.3bn**      Annual Growth 12-17 **-0.9%**      Annual Growth 17-22 **4.0%**



- Market fully addressable by Newpark\*
- Market partially addressable by Newpark\*

### Site Access Market

- Represents 5-10% of total industry spend \*
- Primary competitive offerings to composite mats include wood mats and gravel

### Other Key Demand Drivers (for Access Products)

- Aging infrastructure, grid hardening
- Substation upgrade programs
- Environmental regulations and sensitivity
- Location / Terrain
- Weather



### Outlook

The industry is expected to grow moderately over the next five years. Demand from private electrical power customers is expected to continue expanding as economic growth boosts electricity demand from businesses. Additionally, as power generation is increasingly shifted from coal to natural gas and renewable sources, requiring higher infrastructure investment, the industry is anticipated to benefit.



Market Data and Outlook Source: IBISWorld Industry Report 23713 – Transmission Line Construction in the U.S. – September 2017

\* Based on Company estimates



# MATS – UTILITY TRANSMISSION

## Market % Spend Distribution by State <sup>1</sup>

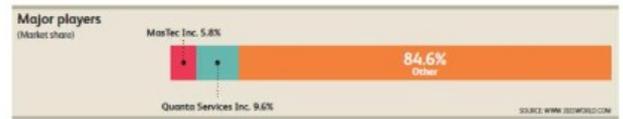


Infrastructure activity levels tend to track directionally with population distribution across the U.S.

### Targeted Customer Base

- Utility Companies
- EPC Companies
- Construction Service Companies

Service company market is very fragmented, as illustrated below: <sup>1</sup>



### Key Factors for Newpark to be Successful

- Ability to provide products/services in diverse locations
- Large-scale fleet
- Service and product offering
- Ability to quickly adopt new technology
- Access to skilled labor
- Industry agnostic assets and service capabilities



<sup>1</sup> IBISWorld Industry Report 23713 – Transmission Line Construction in the U.S. – September 2017



# MATS – OIL AND GAS PIPELINE

## Key Statistics Snapshot

Revenue

**\$54.6bn**

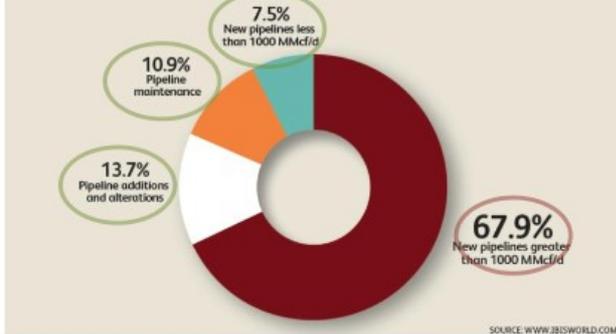
Annual Growth 13–18

**2.6%**

Annual Growth 18–23

**2.9%**

Products and services segmentation (2018)



SOURCE: WWW.IBISWORLD.COM

○ Market fully addressable by Newpark\*

○ Market partially addressable by Newpark\*

### Site Access Market

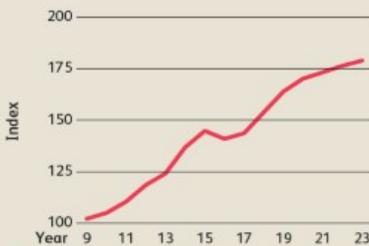
- Represents 5-10% of total industry spend \*
- Primary competitive offerings to composite mats include wood mats and gravel

### Other Key Demand Drivers (for Access Products)

- Government policy
- Regulatory framework (inspection / integrity)
- Environmental regulations and sensitivity
- Location / Terrain
- Weather

\* Based on Company estimates

Us oil and gas production index



### Outlook

Industry performance is expected to strengthen over the five years to 2023, due to growth in the construction of facilities for crude oil and gas refining. The gas utilities construction market is also forecast to grow over the next five years, propelled mainly by heightened demand for natural gas, serving both the residential market and the expanding electricity-generation market.

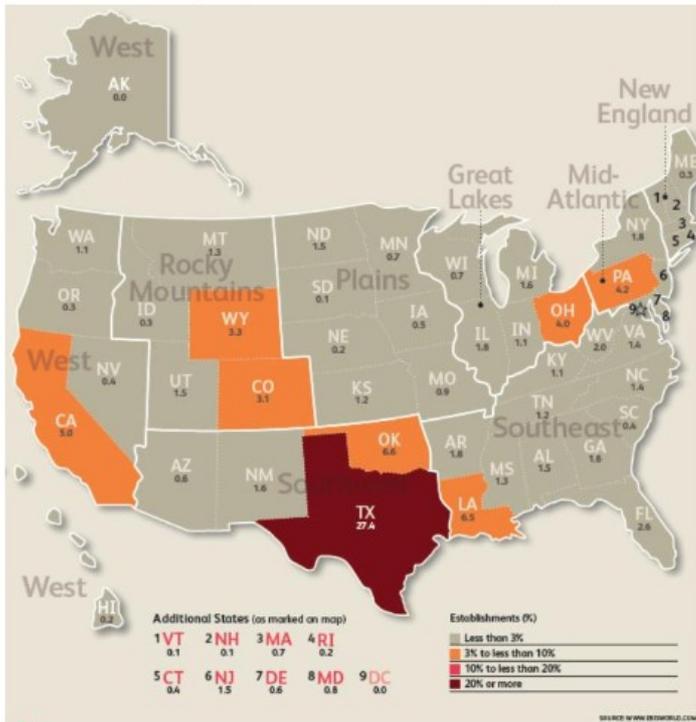


Market Data and Outlook Source: IBISWorld Industry Report 23712 – Oil & Gas Construction in the U.S. – April 2018



## MATS – OIL AND GAS PIPELINE

### % Spend Distribution by State<sup>1</sup>



Infrastructure activity is concentrated in the regions close to oil and gas resources

### Targeted Customer Base

- Pipeline Operators
- EPC Firms
- Integrity/Inspection Companies
- Construction Service Companies

Service company market is very fragmented, with no single company accounting for > 3% market share<sup>1</sup>

### Key Factors for Newpark to be Successful

- Large-scale fleet
- Compliance with Government Regulations
- Access to skilled labor
- Ability to accommodate environmental requirements
- Industry agnostic assets and service capabilities
- Ability to expand and curtail operations rapidly, in line with market demand.



**CONSOLIDATED STATEMENTS OF OPERATIONS** (UNAUDITED)

	Three Months Ended		
	June 30, 2018	March 31, 2018	June 30, 2017
(In thousands, except per share data)			
Revenues	\$ 236,262	\$ 227,293	\$ 183,020
Cost of revenues	188,480	186,455	148,431
Selling, general and administrative expenses	28,708	26,954	26,630
Other operating (income) loss, net	(69)	46	(9)
Operating income	19,143	13,838	7,968
Foreign currency exchange loss	458	225	534
Interest expense, net	3,691	3,300	3,441
Income from operations before income taxes	14,994	10,313	3,993
Provision for income taxes	4,148	3,091	2,361
Net income	\$ 10,846	\$ 7,222	\$ 1,632
<b>Calculation of EPS:</b>			
Net income - basic and diluted	\$ 10,846	\$ 7,222	\$ 1,632
Weighted average common shares outstanding - basic	89,703	89,094	84,653
Dilutive effect of stock options and restricted stock awards	2,823	2,637	2,662
Dilutive effect of 2021 Convertible Notes	1,265	-	-
Weighted average common shares outstanding - diluted	93,791	91,731	87,315
Income per common share - basic	\$ 0.12	\$ 0.08	\$ 0.02
Income per common share - diluted	\$ 0.12	\$ 0.08	\$ 0.02



**OPERATING SEGMENT RESULTS (UNAUDITED)**

(In thousands)	Three Months Ended			Six Months Ended	
	June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017
<b>Revenues</b>					
Fluids systems	\$ 179,738	\$ 177,379	\$ 150,623	\$ 357,117	\$ 286,673
Mats and integrated services	56,524	49,914	32,397	106,438	55,038
<b>Total revenues</b>	<u>\$ 236,262</u>	<u>\$ 227,293</u>	<u>\$ 183,020</u>	<u>\$ 463,555</u>	<u>\$ 341,711</u>
<b>Operating income (loss)</b>					
Fluids systems	\$ 13,327	\$ 10,477	\$ 5,863	\$ 23,804	\$ 12,215
Mats and integrated services	14,853	12,086	11,419	26,939	17,821
Corporate office	(9,037)	(8,725)	(9,314)	(17,762)	(18,322)
<b>Operating income</b>	<u>\$ 19,143</u>	<u>\$ 13,838</u>	<u>\$ 7,968</u>	<u>\$ 32,981</u>	<u>\$ 11,714</u>
<b>Segment operating margin</b>					
Fluids systems	7.4%	5.9%	3.9%	6.7%	4.3%
Mats and integrated services	26.3%	24.2%	35.2%	25.3%	32.4%



## CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In thousands, except share data)	June 30, 2018	December 31, 2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 71,722	\$ 56,352
Receivables, net	252,154	265,866
Inventories	189,571	165,336
Prepaid expenses and other current assets	<u>20,492</u>	<u>17,483</u>
Total current assets	533,939	505,037
Property, plant and equipment, net	316,062	315,320
Goodwill	44,020	43,620
Other intangible assets, net	27,622	30,004
Deferred tax assets	4,484	4,753
Other assets	<u>3,587</u>	<u>3,982</u>
Total assets	<u>\$ 929,714</u>	<u>\$ 902,716</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current debt	\$ 3,584	\$ 1,518
Accounts payable	93,254	88,648
Accrued liabilities	<u>39,769</u>	<u>68,248</u>
Total current liabilities	136,607	158,414
Long-term debt, less current portion	193,636	158,957
Deferred tax liabilities	36,158	31,580
Other noncurrent liabilities	<u>8,590</u>	<u>6,285</u>
Total liabilities	374,991	355,236
Common stock, \$0.01 par value (200,000,000 shares authorized and 106,071,255 and 104,571,839 shares issued, respectively)	1,061	1,046
Paid-in capital	611,667	603,849
Accumulated other comprehensive loss	(63,097)	(53,219)
Retained earnings	134,589	123,375
Treasury stock, at cost (15,513,806 and 15,366,504 shares, respectively)	<u>(129,497)</u>	<u>(127,571)</u>
Total stockholders' equity	554,723	547,480
Total liabilities and stockholders' equity	<u>\$ 929,714</u>	<u>\$ 902,716</u>



## CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In thousands)	Six Months Ended June 30,	
	2018	2017
<b>Cash flows from operating activities:</b>		
Net income	\$ 18,068	\$ 649
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	22,755	19,244
Stock-based compensation expense	4,848	5,874
Provision for deferred income taxes	243	(3,672)
Net provision for doubtful accounts	1,229	1,412
Gain on sale of assets	(371)	(1,266)
Amortization of original issue discount and debt issuance costs	2,643	2,679
Change in assets and liabilities:		
Increase in receivables	(1,185)	(48,612)
Increase in inventories	(21,459)	(10,500)
Increase in other assets	(3,417)	(2,773)
Increase in accounts payable	6,659	15,590
Increase (decrease) in accrued liabilities and other	(9,326)	43,685
<b>Net cash provided by operating activities</b>	<b>20,687</b>	<b>22,310</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(24,458)	(16,644)
Refund of proceeds from sale of a business	(13,974)	-
Proceeds from sale of property, plant and equipment	920	1,222
Business acquisitions, net of cash acquired	(249)	-
<b>Net cash used in investing activities</b>	<b>(37,761)</b>	<b>(15,422)</b>
<b>Cash flows from financing activities:</b>		
Borrowings on lines of credit	203,716	-
Payments on lines of credit	(171,796)	-
Debt issuance costs	(11)	(335)
Proceeds from employee stock plans	3,700	1,517
Purchases of treasury stock	(3,074)	(2,382)
Other financing activities	2,515	2,333
<b>Net cash provided by financing activities</b>	<b>35,050</b>	<b>1,133</b>
Effect of exchange rate changes on cash	(2,926)	2,017
Net increase in cash, cash equivalents, and restricted cash	15,050	10,038
Cash, cash equivalents, and restricted cash at beginning of period	65,460	95,299
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 80,510</u>	<u>\$ 105,337</u>



## NON-GAAP FINANCIAL MEASURES (UNAUDITED)

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, 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/or that of other companies in our industry. In addition, management uses these measures to evaluate operating performance, and 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.

<b>Consolidated</b> (In thousands)	<b>Twelve Months Ended December 31,</b>					<b>Six Months Ended</b>
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>June 30,</b> <b>2018</b>
<b>Net income (loss) from continuing operations (GAAP) (1)</b>	\$ 65,323	\$ 102,278	\$ (90,828)	\$ (40,712)	\$ (6,148)	\$ 18,068
(Gain) loss from disposal of discontinued operations, net of tax	-	(22,117)	-	-	17,367	-
(Income) from discontinued operations, net of tax	(12,701)	(1,152)	-	-	-	-
Interest expense, net	11,279	10,431	9,111	9,866	13,273	6,991
Provision (benefit) for income taxes	28,725	41,048	(21,398)	(24,042)	4,893	7,239
Depreciation and amortization	39,764	41,175	43,917	37,955	39,757	22,755
<b>EBITDA (non-GAAP) (1)</b>	<b>\$ 132,390</b>	<b>\$ 171,663</b>	<b>\$ (59,198)</b>	<b>\$ (16,933)</b>	<b>\$ 69,142</b>	<b>\$ 55,053</b>

(1) 2015 net loss and EBITDA included \$88.7 million of pre-tax charges associated with goodwill and other asset impairments, workforce reductions and estimated resolution of wage and hour litigation. 2016 net loss and EBITDA included \$13.8 million of net pre-tax 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.



**NON-GAAP FINANCIAL MEASURES (UNAUDITED)**

Fluids Systems (In thousands)	Twelve Months Ended December 31,					Six Months Ended June 30,
	2013	2014	2015	2016	2017	2018
<b>Operating income (loss) (GAAP) (2)</b>	\$ 72,604	\$ 95,600	\$ (86,770)	\$ (43,631)	\$ 27,580	\$ 23,804
Depreciation and amortization	26,679	22,934	22,108	20,746	21,566	10,607
<b>EBITDA (non-GAAP) (2)</b>	99,283	118,534	(64,662)	(22,885)	49,146	34,411
Revenues	926,392	965,049	581,136	395,461	615,803	357,117
<b>Operating Margin (GAAP)</b>	7.8%	9.9%	-14.9%	-11.0%	4.5%	6.7%
<b>EBITDA Margin (non-GAAP)</b>	10.7%	12.3%	-11.1%	-5.8%	8.0%	9.6%

Mats and Integrated Services (In thousands)	Twelve Months Ended December 31,					Six Months Ended June 30,
	2013	2014	2015	2016	2017	2018
<b>Operating income (loss) (GAAP) (3)</b>	\$ 49,394	\$ 70,526	\$ 24,949	\$ 14,741	\$ 40,491	\$ 26,939
Depreciation and amortization	10,501	15,507	18,869	14,227	14,991	10,361
<b>EBITDA (non-GAAP) (3)</b>	59,895	86,033	43,818	28,968	55,482	37,300
Revenues	115,964	153,367	95,729	76,035	131,960	106,438
<b>Operating Margin (GAAP)</b>	42.6%	46.0%	26.1%	19.4%	30.7%	25.3%
<b>EBITDA Margin (non-GAAP)</b>	51.6%	56.1%	45.8%	38.1%	42.0%	35.0%

(2) 2015 Fluids Systems operating results and EBITDA included \$82.7 million of pre-tax charges associated with goodwill and other asset impairments and workforce reductions. 2016 Fluids Systems operating results and EBITDA included \$15.6 million of pre-tax charges associated with asset impairments and workforce reductions.

(3) 2015 Mats and Integrated Services operating results and EBITDA included \$0.7 million of pre-tax charges associated with workforce reductions. 2016 Mats and Integrated Services operating results and EBITDA included \$0.3 million of pre-tax charges associated with workforce reductions.



**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> (In thousands)	<b>December 31,</b>					<b>June 30,</b>
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Current debt	\$ 12,867	\$ 11,648	\$ 7,382	\$ 83,368	\$ 1,518	\$ 3,584
Long-term debt, less current portion	170,009	170,462	171,211	72,900	158,957	193,636
<b>Total Debt</b>	<b>182,876</b>	<b>182,110</b>	<b>178,593</b>	<b>156,268</b>	<b>160,475</b>	<b>197,220</b>
Total stockholders' equity	581,054	625,458	520,259	500,543	547,480	554,723
<b>Total Capital</b>	<b>\$ 763,930</b>	<b>\$ 807,568</b>	<b>\$ 698,852</b>	<b>\$ 656,811</b>	<b>\$ 707,955</b>	<b>\$ 751,943</b>
<b>Ratio of Total Debt to Capital</b>	<b>23.9%</b>	<b>22.6%</b>	<b>25.6%</b>	<b>23.8%</b>	<b>22.7%</b>	<b>26.2%</b>
<b>Total Debt</b>	\$ 182,876	\$ 182,110	\$ 178,593	\$ 156,268	\$ 160,475	\$ 197,220
Less: cash and cash equivalents	(65,840)	(85,052)	(107,138)	(87,878)	(56,352)	(71,722)
<b>Net Debt</b>	<b>117,036</b>	<b>97,058</b>	<b>71,455</b>	<b>68,390</b>	<b>104,123</b>	<b>125,498</b>
Total stockholders' equity	581,054	625,458	520,259	500,543	547,480	554,723
<b>Total Capital, Net of Cash</b>	<b>\$ 698,090</b>	<b>\$ 722,516</b>	<b>\$ 591,714</b>	<b>\$ 568,933</b>	<b>\$ 651,603</b>	<b>\$ 680,221</b>
<b>Ratio of Net Debt to Capital</b>	<b>16.8%</b>	<b>13.4%</b>	<b>12.1%</b>	<b>12.0%</b>	<b>16.0%</b>	<b>18.4%</b>



## EXPERIENCED LEADERSHIP

- **Paul Howes** President & Chief Executive Officer
- **Gregg Piontek** Senior Vice President & Chief Financial Officer
- **Chip Earle** Vice President, General Counsel & Chief Administrative Officer, Chief Compliance Officer & Corporate Secretary
- **Phil Vollands** President  
*Fluids Systems*
- **Bruce Smith** Chief Technology Marketing Officer
- **Matthew Lanigan** President  
*Mats & Integrated Services*
- **Ida Ashley** Vice President, Human Resources
- **Mark Airola** Senior Vice President and Special Advisor to the CEO



## MANAGEMENT BIOGRAPHIES

**Paul L. Howes, President & CEO:** Paul L. Howes joined our Board of Directors and was appointed as our Chief Executive Officer in March 2006. In June 2006, Mr. Howes was also appointed as our 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 our 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 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 Association of Manufacturers (NAM). He was previously Chairman of the General Membership Committee and a member of the Executive Committee of the API. Additionally, Mr. Howes was also a previous member of the Board of Directors of the National Ocean Industries Association (NOIA).

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



## MANAGEMENT BIOGRAPHIES

**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.

**Phillip T. Vollands, President, Fluids Systems:** Phil joined Newpark in October 2013 as President, North America Fluids Systems and became President, Western Hemisphere in 2016. Prior to Newpark, he was Vice President, Tubular Running Services for Weatherford International from 2010 to 2013. Previously, from 1997 to 2010, he served in a variety of sales and operational roles of increasing responsibility for National Oilwell Varco including VP Power Generation Division and VP Global Strategic Accounts. Phil started his oilfield career as a wireline logging engineer working primarily in the North Sea. He brings over 25 years of global oilfield service experience that span multiple disciplines with a strong track record in driving profitable growth across the globe. Phil holds a BA in Engineering Science from Oxford University and MA (Oxon).

**Bruce C. Smith, Chief Technology Marketing Officer:** Bruce has been in the drilling fluids industry since 1973 and has held many technical, operational and leadership positions during this 35 year period. Bruce joined Newpark in April 1998 as Vice President International and served as President of Newpark Drilling Fluids from October 2000 – June 2017. Prior to joining Newpark, Mr. Smith was the Managing Director of the UK operations of M-I SWACO.



## MANAGEMENT BIOGRAPHIES

**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.

**Ida Ashley, VP, Human Resources:** Ida joined Newpark in March 2015 as Vice President, Human Resources. Ida has over 20 years of experience in Human Resources, 17 of which were specific to Oilfield Services where she specialized in Employee Relations, Mergers & Acquisitions and International HR programs. Ida has worked in a variety of HR leadership roles in Smith International, M-I SWACO and Schlumberger. Her role prior to joining Newpark was VP of HR, North America in Schlumberger. Originating from Smith International, she had the unique opportunity to lead the HR integration project team during the Schlumberger/Smith merger from August 2010 – December 2012. Ida earned her Masters of Science in Human Resources from Houston Baptist University in 2000 and her Bachelors of Arts in Modern Languages from Texas A&M in 1991.

**Mark J. Airola, Senior Vice President and Special Advisor to the CEO:** Mark joined Newpark in October 2006 as its Vice President, General Counsel and Chief Administrative Officer. Mr. Airola was named Senior Vice President in February of 2011. Prior to joining Newpark, Mr. Airola was Assistant General Counsel and Chief Compliance Officer for BJ Services Company, a leading provider of pressure pumping and other oilfield services to the petroleum industry, serving as an executive officer since 2003. From 1988 to 1995, he held the position of Senior Litigation Counsel at Cooper Industries, Inc., a global manufacturer of electrical products and tools, with initial responsibility for managing environmental regulatory matters and litigation and subsequently managing the company's commercial litigation.



## 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> <i>Chairman of the Board</i>	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
<b>GARY L. WARREN</b>	Retired Senior Vice President, Weatherford



**Please visit our website for full biographies of our Board.**

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