UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

# FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

**Commission File Number: 001-02960**

NEWPARK

**Newpark Resources, Inc.**
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Delaware** | **72-1123385** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **9320 Lakeside Boulevard, Suite 100** | |
| **The Woodlands, Texas** | **77381** |
| (Address of principal executive offices) | (Zip Code) |

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

**Not Applicable**
(Former name, former address and former fiscal year, if changed since last report)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☑ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

As of August 2, 2024, a total of 86,465,506 shares of common stock, $0.01 par value per share, were outstanding.

**NEWPARK RESOURCES, INC.**

**INDEX TO QUARTERLY REPORT ON FORM 10-Q
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2024**



**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. We also may provide oral or written forward-looking statements in other materials we release to the public. 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 forward-looking statements reflect the current views of our management as of the filing date of this Quarterly Report on Form 10-Q; however, various risks, uncertainties, contingencies, and other factors, some of which are beyond our control, are difficult to predict and could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, these statements.

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 Quarterly Report on Form 10-Q might not occur.

For further information regarding these and other factors, risks, and uncertainties that could cause actual results to differ, we refer you to the risk factors set forth in Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023.

## PART I FINANCIAL INFORMATION

### ITEM 1. Financial Statements

**Newpark Resources, Inc.**
**Condensed Consolidated Balance Sheets**
**(Unaudited)**

| (In thousands, except share data) | June 30, 2024 | December 31, 2023 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 35,087 | $ 38,594 |
| Receivables, net of allowance of $5,510 and $4,751, respectively | 158,834 | 168,457 |
| Inventories | 127,421 | 141,079 |
| Prepaid expenses and other current assets | 10,284 | 9,094 |
| Total current assets | 331,626 | 357,224 |
| | | |
| Property, plant and equipment, net | 205,076 | 195,289 |
| Operating lease assets | 19,555 | 20,731 |
| Goodwill | 47,259 | 47,283 |
| Other intangible assets, net | 15,580 | 17,114 |
| Deferred tax assets | 3,553 | 2,628 |
| Other assets | 2,151 | 2,067 |
| Total assets | $ 624,800 | $ 642,336 |
| | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current debt | $ 17,591 | $ 16,916 |
| Accounts payable | 69,153 | 70,087 |
| Accrued liabilities | 40,162 | 49,281 |
| Total current liabilities | 126,906 | 136,284 |
| | | |
| Long-term debt, less current portion | 40,392 | 58,117 |
| Noncurrent operating lease liabilities | 16,587 | 17,404 |
| Deferred tax liabilities | 6,843 | 8,307 |
| Other noncurrent liabilities | 7,463 | 6,860 |
| Total liabilities | 198,191 | 226,972 |
| | | |
| Commitments and contingencies (Note 10) | | |
| | | |
| Common stock, $0.01 par value (200,000,000 shares authorized and 111,669,464 and 111,669,464 shares issued, respectively) | 1,117 | 1,117 |
| Paid-in capital | 631,497 | 639,645 |
| Accumulated other comprehensive loss | (66,084) | (62,839) |
| Retained earnings | 26,137 | 10,773 |
| Treasury stock, at cost (25,202,455 and 26,471,738 shares, respectively) | (166,058) | (173,332) |
| Total stockholders' equity | 426,609 | 415,364 |
| Total liabilities and stockholders' equity | $ 624,800 | $ 642,336 |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

**Newpark Resources, Inc.**
**Condensed Consolidated Statements of Operations**
**(Unaudited)**

| (In thousands, except per share data) | Three Months Ended June 30, 2024 | Three Months Ended June 30, 2023 | Six Months Ended June 30, 2024 | Six Months Ended June 30, 2023 |
|---|---|---|---|---|
| Revenues | $ 179,009 | $ 183,256 | $ 348,116 | $ 383,286 |
| Cost of revenues | 140,084 | 150,170 | 274,671 | 314,908 |
| Selling, general and administrative expenses | 26,381 | 25,576 | 50,725 | 50,986 |
| Other operating (income) loss, net | (755) | (1,184) | (2,438) | (1,445) |
| Impairments and other charges | — | 2,816 | — | 2,816 |
| Operating income | 13,299 | 5,878 | 25,158 | 16,021 |
| | | | | |
| Foreign currency exchange (gain) loss | 128 | (102) | 97 | 217 |
| Interest expense, net | 1,796 | 2,146 | 3,546 | 4,235 |
| Income before income taxes | 11,375 | 3,834 | 21,515 | 11,569 |
| | | | | |
| Provision for income taxes | 3,335 | 2,132 | 6,182 | 4,247 |
| Net income | $ 8,040 | $ 1,702 | $ 15,333 | $ 7,322 |
| | | | | |
| Net income per common share - basic: | $ 0.09 | $ 0.02 | $ 0.18 | $ 0.08 |
| Net income per common share - diluted: | $ 0.09 | $ 0.02 | $ 0.18 | $ 0.08 |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

**Newpark Resources, Inc.**
**Condensed Consolidated Statements of Comprehensive Income (Loss)**
**(Unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| (In thousands) | **2024** | **2023** | **2024** | **2023** |
| Net income | $ 8,040 | $ 1,702 | $ 15,333 | $ 7,322 |
| Foreign currency translation adjustments, net of tax benefit (expense) of $30, $(128), $111, $(118) | (710) | 303 | (3,245) | 2,302 |
| Comprehensive income | $ 7,330 | $ 2,005 | $ 12,088 | $ 9,624 |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

**Newpark Resources, Inc.**
**Condensed Consolidated Statements of Stockholders' Equity**
**(Unaudited)**

| (In thousands) | Common Stock | Paid-In Capital | Accumulated Other Comprehensive Loss | Retained Earnings | Treasury Stock | Total |
|---|---|---|---|---|---|---|
| Balance at March 31, 2024 | $ 1,117 | $ 641,061 | $ (65,374) | $ 18,137 | $ (173,352) | $ 421,589 |
| Net income | — | — | — | 8,040 | — | 8,040 |
| Employee stock options, restricted stock and employee stock purchase plan | — | (11,191) | — | (40) | 7,294 | (3,937) |
| Stock-based compensation expense | — | 1,627 | — | — | — | 1,627 |
| Treasury shares purchased at cost | — | — | — | — | — | — |
| Foreign currency translation, net of tax | — | — | (710) | — | — | (710) |
| Balance at June 30, 2024 | $ 1,117 | $ 631,497 | $ (66,084) | $ 26,137 | $ (166,058) | $ 426,609 |
| Balance at March 31, 2023 | $ 1,115 | $ 643,004 | $ (65,187) | $ 8,109 | $ (169,812) | $ 417,229 |
| Net income | — | — | — | 1,702 | — | 1,702 |
| Employee stock options, restricted stock and employee stock purchase plan | 2 | (7,129) | — | (5,908) | 11,374 | (1,661) |
| Stock-based compensation expense | — | 1,560 | — | — | — | 1,560 |
| Treasury shares purchased at cost | — | — | — | — | (5,000) | (5,000) |
| Foreign currency translation, net of tax | — | — | 303 | — | — | 303 |
| Balance at June 30, 2023 | $ 1,117 | $ 637,435 | $ (64,884) | $ 3,903 | $ (163,438) | $ 414,133 |
| Balance at December 31, 2023 | $ 1,117 | $ 639,645 | $ (62,839) | $ 10,773 | $ (173,332) | $ 415,364 |
| Net income | — | — | — | 15,333 | — | 15,333 |
| Employee stock options, restricted stock and employee stock purchase plan | — | (11,270) | — | 31 | 7,319 | (3,920) |
| Stock-based compensation expense | — | 3,122 | — | — | — | 3,122 |
| Treasury shares purchased at cost | — | — | — | — | (45) | (45) |
| Foreign currency translation, net of tax | — | — | (3,245) | — | — | (3,245) |
| Balance at June 30, 2024 | $ 1,117 | $ 631,497 | $ (66,084) | $ 26,137 | $ (166,058) | $ 426,609 |
| Balance at December 31, 2022 | $ 1,115 | $ 641,266 | $ (67,186) | $ 2,489 | $ (154,656) | $ 423,028 |
| Net income | — | — | — | 7,322 | — | 7,322 |
| Employee stock options, restricted stock and employee stock purchase plan | 2 | (7,129) | — | (5,908) | 11,367 | (1,668) |
| Stock-based compensation expense | — | 3,298 | — | — | — | 3,298 |
| Treasury shares purchased at cost | — | — | — | — | (20,149) | (20,149) |
| Foreign currency translation, net of tax | — | — | 2,302 | — | — | 2,302 |
| Balance at June 30, 2023 | $ 1,117 | $ 637,435 | $ (64,884) | $ 3,903 | $ (163,438) | $ 414,133 |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

**Newpark Resources, Inc.**
**Condensed Consolidated Statements of Cash Flows**
**(Unaudited)**

| | Six Months Ended June 30, | |
|---|---|---|
| (In thousands) | **2024** | **2023** |
| **Cash flows from operating activities:** | | |
| Net income | $ 15,333 | $ 7,322 |
| Adjustments to reconcile net income to net cash provided by operations: | | |
| Impairments and other non-cash charges | — | 2,816 |
| Depreciation and amortization | 14,835 | 15,803 |
| Stock-based compensation expense | 3,122 | 3,298 |
| Provision for deferred income taxes | (2,196) | (916) |
| Credit loss expense | 1,040 | 464 |
| Gain on sale of assets | (1,049) | (1,649) |
| Gain on insurance recovery | (874) | — |
| Amortization of original issue discount and debt issuance costs | 260 | 274 |
| Change in assets and liabilities: | | |
| Decrease in receivables | 4,369 | 39,324 |
| (Increase) decrease in inventories | 12,158 | (3,440) |
| Increase in other assets | (1,524) | (3,187) |
| Increase (decrease) in accounts payable | 647 | (14,453) |
| Decrease in accrued liabilities and other | (6,590) | (8,808) |
| **Net cash provided by operating activities** | 39,531 | 36,848 |
| | | |
| **Cash flows from investing activities:** | | |
| Capital expenditures | (20,468) | (15,347) |
| Proceeds from divestitures | — | 18,086 |
| Proceeds from sale of property, plant and equipment | 2,042 | 2,304 |
| Proceeds from insurance property claim | 1,385 | — |
| **Net cash provided by (used in) investing activities** | (17,041) | 5,043 |
| | | |
| **Cash flows from financing activities:** | | |
| Borrowings on lines of credit | 87,444 | 149,253 |
| Payments on lines of credit | (101,077) | (167,435) |
| Purchases of treasury stock | (4,332) | (21,966) |
| Proceeds from employee stock plans | 17 | — |
| Other financing activities | (7,040) | (2,864) |
| **Net cash used in financing activities** | (24,988) | (43,012) |
| | | |
| Effect of exchange rate changes on cash | (961) | 332 |
| | | |
| Net decrease in cash, cash equivalents, and restricted cash | (3,459) | (789) |
| Cash, cash equivalents, and restricted cash at beginning of period | 38,901 | 25,061 |
| Cash, cash equivalents, and restricted cash at end of period | $ 35,442 | $ 24,272 |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

**NEWPARK RESOURCES, INC.**

**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 – Basis of Presentation and Significant Accounting Policies**

Newpark Resources, Inc. is a geographically diversified supplier providing environmentally-sensitive products, as well as rentals and services to customers across multiple industries. The accompanying unaudited condensed consolidated financial statements of Newpark Resources, Inc. and our wholly-owned subsidiaries, which we collectively refer to as the "Company," "we," "our," or "us," have been prepared in accordance with Rule 10-01 of Regulation S-X for interim financial statements required to be filed with the Securities and Exchange Commission, and do not include all information and footnotes required by the accounting principles generally accepted in the United States ("U.S. GAAP") for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023. Our fiscal year end is December 31, our second quarter represents the three month period ended June 30, and our first half represents the six month period ended June 30. The results of operations for the second quarter and first half of 2024 are not necessarily indicative of the results to be expected for the entire year. Unless otherwise noted, all currency amounts are stated in U.S. dollars.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments necessary to present fairly our financial position as of June 30, 2024, our results of operations for the second quarter and first half of 2024 and 2023, and our cash flows for the first half of 2024 and 2023. All adjustments are of a normal recurring nature. Our balance sheet at December 31, 2023 is derived from the audited consolidated financial statements at that date.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. For further information, see Note 1 in our Annual Report on Form 10-K for the year ended December 31, 2023.

We currently operate our business through two reportable segments: Fluids Systems and Industrial Solutions.

- Our Fluids Systems segment provides drilling and completion fluids products and related technical services to customers for oil, natural gas, and geothermal projects primarily in Europe, the Middle East and Africa ("EMEA"), and North America, as well as certain countries in Asia Pacific.

  Over the past few years, our primary focus within the Fluids Systems segment has been the transformation into a more agile and simplified business focused on key markets, while monetizing assets in underperforming or sub-scale markets and reducing our invested capital, particularly in the U.S. In 2023, we exited our stimulation chemicals product line, certain operations for offshore Australia, and our operations in Chile. In September 2023, we launched a formal sale process for substantially all the Fluids Systems business. See Note 2 for additional information.

- Our Industrial Solutions segment provides temporary worksite access solutions, including the rental of our recyclable composite matting systems, along with related site construction and services to customers in various markets including power transmission, oil and natural gas exploration and production ("E&P"), pipeline, renewable energy, petrochemical, construction and other industries, primarily in the United States and United Kingdom. We also sell our manufactured recyclable composite mats to customers around the world, with power transmission being the primary end-market.

### New Accounting Pronouncements

### Standards Not Yet Adopted

***Segment Reporting.*** In November 2023, the Financial Accounting Standards Board ("FASB") issued new guidance which is intended to improve reportable segment disclosure requirements through enhanced disclosures. The amendments require disclosure of significant segment expenses regularly provided to the chief operating decision maker ("CODM") as well as other segment items, extend certain annual disclosures to interim periods, clarify the applicability to single reportable segment entities, permit more than one measure of profit or loss to be reported under certain conditions, and require disclosure of the title and position of the CODM. This guidance will be effective for us for the year ending December 31, 2024, and will be applied retrospectively. We are currently evaluating the impact of the new guidance on our consolidated financial statements and related disclosures. These requirements are not expected to have an impact on our financial statements, but will result in expanded reportable segment disclosures.

***Income Taxes: Improvements to Income Tax Disclosures.*** In December 2023, the FASB issued new guidance which is intended to enhance the transparency and decision usefulness of income tax disclosures. This guidance will be effective for us in the first quarter of 2025. We are currently evaluating the impact of the new guidance on our consolidated financial statements and related disclosures. These requirements are not expected to have an impact on our financial statements, but will impact our income tax disclosures.

## Note 2 – Divestitures and Other Exit Activities

We regularly review our global portfolio of business activities, evaluating changes in the outlook for our served markets and customer priorities, while identifying opportunities for value-creating options in our portfolio. As part of these reviews, we have taken the following strategic actions.

Review of Strategic Alternatives for Fluids Systems Business

We initiated a review of strategic alternatives for the long-term positioning of the Fluids Systems business in June 2023, and in September 2023, we launched a formal sale process for substantially all the Fluids Systems business as part of this strategic review. During the second quarter and first half of 2024, we incurred sale process-related costs of $1.9 million and $4.1 million, respectively.

The ongoing Fluids Systems sale process did not meet the held for sale accounting criteria as of June 30, 2024, and as such, continued to be accounted for as held for use. As of June 30, 2024, the Fluids Systems business had approximately $210 million of net assets, including $31 million in cash, $12 million of debt, and $160 million of net working capital. In addition, as of June 30, 2024, the Fluids Systems business had approximately $63 million of accumulated translation losses, which would be reclassified as a charge to income upon a disposition or substantial liquidation of the associated entities.

Exit of Other Operations

In 2023, we made the decision to exit our offshore Australia operations, as well as our stimulation chemicals product line. The Fluids Systems segment operating results for the first half of 2024 includes $0.7 million of charges related to the substantial completion of the exit of our offshore Australia operations. In 2023, we also completed our customer contract in Chile and completed the substantial liquidation of our Chile subsidiary. The operating results for these now exited businesses were not material for 2024 or 2023.

**Note 3 – Earnings Per Share**

The following table presents the reconciliation of the numerator and denominator for calculating net income per share:

| | Second Quarter | | First Half | |
|---|---|---|---|---|
| (In thousands, except per share data) | 2024 | 2023 | 2024 | 2023 |
| **Numerator** | | | | |
| Net income - basic and diluted | $ 8,040 | $ 1,702 | $ 15,333 | $ 7,322 |
| | | | | |
| **Denominator** | | | | |
| Weighted average common shares outstanding - basic | 85,473 | 85,761 | 85,237 | 87,159 |
| Dilutive effect of stock options and restricted stock awards | 2,153 | 1,712 | 2,198 | 1,853 |
| Weighted average common shares outstanding - diluted | 87,626 | 87,473 | 87,435 | 89,012 |
| | | | | |
| **Net income per common share** | | | | |
| Basic | $ 0.09 | $ 0.02 | $ 0.18 | $ 0.08 |
| Diluted | $ 0.09 | $ 0.02 | $ 0.18 | $ 0.08 |

We excluded the following weighted-average potential shares from the calculations of diluted net income per share during the applicable periods because their inclusion would have been anti-dilutive:

| | Second Quarter | | First Half | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | 2024 | 2023 |
| Stock options and restricted stock awards | 373 | 1,330 | 433 | 1,035 |

**Note 4 – Repurchase Program**

Our Board of Directors has authorized a securities repurchase program available for repurchases of our common stock. In February 2024, our Board of Directors replaced the prior program with a new repurchase program for repurchases of common stock up to $50.0 million.

Our repurchase program authorizes us to purchase outstanding shares of our common stock in the open market or as otherwise determined by management, subject to certain limitations under the Amended ABL Facility (as defined in Note 8) and other factors. The repurchase program has no specific term. Repurchases are expected to be funded from operating cash flows, available cash on hand, and borrowings under our Amended ABL Facility. As part of the share repurchase program, our management has been authorized to establish trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934. As of June 30, 2024, we had $50.0 million remaining under the program.

There were no shares of common stock repurchased under the repurchase program during the first half of 2024. During the first half of 2023, we repurchased an aggregate of 4.6 million shares of our common stock under the prior repurchase program for a total cost of $20.1 million.

**Note 5 – Stock-Based and Other Long-Term Incentive Compensation**

During the second quarter of 2024, the Compensation Committee of our Board of Directors ("Compensation Committee") approved equity-based compensation awards to executive officers and other key employees consisting of an aggregate of 0.7 million restricted stock units, which will vest in equal installments over a three-year period. In addition, non-employee directors received grants of an aggregate of 0.1 million restricted stock awards, which will vest in full on the earlier of the day prior to the next annual meeting of stockholders following the grant date or the first anniversary of the grant date. The weighted average grant-date fair value was $7.68 per share for the restricted stock units and $7.76 per share for the restricted stock awards. At June 30, 2024, 2.6 million shares remained available for award under the 2015 Plan and 0.4 million shares remained available for award under the 2014 Director Plan.

Also during the second quarter of 2024, the Compensation Committee approved the issuance of performance-based cash awards to certain executive officers with an aggregate target value of $2.6 million. Of the $2.6 million, $1.8 million will be settled based on the relative ranking of the Company's total shareholder return ("TSR") as compared to the TSR of a designated peer group and $0.8 million will be settled based on the Company's consolidated return on net capital employed ("RONCE"), each measured over a three-year performance period. The cash payout for each executive ranges from 0% to 200% of target. TSR performance for the 2024 grants will be determined based upon the Company's and peer group's average closing share price for the 30 calendar day period ending May 31, 2027, adjusted for dividends, as compared to the 30 calendar day period ending May 31, 2024. RONCE performance for the 2024 grants will be determined based upon the Company's average three-year RONCE performance for the fiscal years ending December 31, 2024, 2025 and 2026. The performance-based cash awards are accrued as a liability award over the performance period based on the estimated fair value. The fair value of the TSR performance-based cash awards is remeasured each period using a Monte-Carlo valuation model with changes in fair value recognized in the consolidated statements of operations.

**Note 6 – Receivables**

Receivables consisted of the following:

| (In thousands) | June 30, 2024 | December 31, 2023 |
|---|---|---|
| Trade receivables: | | |
| Gross trade receivables | $ 155,825 | $ 164,292 |
| Allowance for credit losses | (5,510) | (4,751) |
| Net trade receivables | 150,315 | 159,541 |
| Income tax receivables | 2,220 | 2,984 |
| Other receivables | 6,299 | 5,932 |
| Total receivables, net | $ 158,834 | $ 168,457 |

Other receivables included $5.5 million and $3.6 million for value added, goods and service taxes related to foreign jurisdictions as of June 30, 2024 and December 31, 2023, respectively.

Changes in our allowance for credit losses were as follows:

| | First Half | |
|---|---|---|
| (In thousands) | 2024 | 2023 |
| Balance at beginning of period | $ 4,751 | $ 4,817 |
| Credit loss expense | 1,040 | 464 |
| Write-offs, net of recoveries | (281) | (76) |
| Balance at end of period | $ 5,510 | $ 5,205 |

**Note 7 – Inventories**

Inventories consisted of the following:

| (In thousands) | June 30, 2024 | December 31, 2023 |
|---|---|---|
| Raw materials: | | |
| Fluids Systems | $ 98,343 | $ 104,227 |
| Industrial Solutions | 4,360 | 4,232 |
| Total raw materials | 102,703 | 108,459 |
| Blended fluids systems components | 16,736 | 18,246 |
| Finished goods — mats | 7,982 | 14,374 |
| Total inventories | $ 127,421 | $ 141,079 |

Raw materials for the Fluids Systems segment consist primarily of chemicals and other additives that are consumed in the production of our fluids systems. Raw materials for the Industrial Solutions segment consist primarily of resins and other materials used to manufacture composite mats, as well as materials that are consumed in providing spill containment and other services to our customers. Our blended fluids systems components consist of base fluids systems that have been either mixed internally at our blending facilities or purchased from third-party vendors. These base fluids systems require raw materials to be added, as needed to meet specified customer requirements.

**Note 8 – Financing Arrangements and Fair Value of Financial Instruments**

Financing arrangements consisted of the following:

| (In thousands) | June 30, 2024 Principal Amount | June 30, 2024 Unamortized Discount and Debt Issuance Costs | June 30, 2024 Total Debt | December 31, 2023 Principal Amount | December 31, 2023 Unamortized Discount and Debt Issuance Costs | December 31, 2023 Total Debt |
|---|---|---|---|---|---|---|
| Amended ABL Facility | $ 32,000 | $ — | $ 32,000 | $ 45,000 | $ — | $ 45,000 |
| Foreign subsidiary facilities | 8,507 | — | 8,507 | 11,394 | — | 11,394 |
| Finance leases | 12,124 | — | 12,124 | 9,899 | — | 9,899 |
| U.K. term loan | 4,868 | (27) | 4,841 | 5,793 | (49) | 5,744 |
| Other debt | 516 | (5) | 511 | 3,007 | (11) | 2,996 |
| Total debt | 58,015 | (32) | 57,983 | 75,093 | (60) | 75,033 |
| Less: current portion | (17,618) | 27 | (17,591) | (16,916) | — | (16,916) |
| Long-term debt | $ 40,397 | $ (5) | $ 40,392 | $ 58,177 | $ (60) | $ 58,117 |

***Asset-Based Loan Facility.*** In October 2017, we entered into a U.S. asset-based revolving credit agreement, which was amended in March 2019 and amended and restated in May 2022 (the "Amended ABL Facility"). The Amended ABL Facility provides financing of up to $175.0 million available for borrowings (inclusive of letters of credit), which can be increased up to $250.0 million, subject to certain conditions. The Amended ABL Facility has a five-year term expiring May 2027, is based on a Bloomberg Short-Term Bank Yield Index ("BSBY") pricing grid, and includes a mechanism to incorporate a sustainability-linked pricing framework with the consent of the required lenders (as defined in the Amended ABL Facility).

As of June 30, 2024, our total availability under the Amended ABL Facility was $110.4 million, of which $32.0 million was drawn and $4.0 million was used for outstanding letters of credit, resulting in remaining availability of $74.4 million.

Borrowing availability under the Amended ABL Facility is calculated based on eligible U.S. accounts receivable, inventory and composite mats included in the rental fleet, net of reserves and subject to limits on certain of the assets included in the borrowing base calculation. To the extent pledged by the borrowers, the borrowing base calculation also includes the amount of eligible pledged cash. The administrative agent may establish reserves in accordance with the Amended ABL Facility, in part based on appraisals of the asset base, and other limits in its discretion, which could reduce the amounts otherwise available under the Amended ABL Facility.

Under the terms of the Amended ABL Facility, we may elect to borrow at a variable interest rate based on either, (1) the BSBY rate (subject to a floor of zero) or (2) the base rate (subject to a floor of zero), equal to the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate of Bank of America, N.A., and (c) BSBY for a one-month interest period plus 1.00%, plus, in each case, an applicable margin per annum. The applicable margin ranges from 1.50% to 2.00% per annum for BSBY borrowings, and 0.50% to 1.00% per annum for base rate borrowings, based on the consolidated leverage ratio (as defined in the Amended ABL Facility) as of the last day of the most recent fiscal quarter. We are also required to pay a commitment fee equal to (i) 0.375% per annum at any time the average daily unused portion of the commitments is greater than 50% and (ii) 0.25% per annum at any time the average daily unused portion of the commitments is less than 50%.

As of June 30, 2024, the applicable margin for borrowings under the Amended ABL Facility was 1.50% with respect to BSBY borrowings and 0.50% with respect to base rate borrowings. As of June 30, 2024, the weighted average interest rate for the Amended ABL Facility was 6.9% and the applicable commitment fee on the unused portion of the Amended ABL Facility was 0.375% per annum.

The Amended ABL Facility is a senior secured obligation of the Company and certain of our U.S. subsidiaries constituting borrowers thereunder, secured by a first priority lien on substantially all of the personal property and certain real property of the borrowers, including a first priority lien on certain equity interests of direct or indirect domestic subsidiaries of the borrowers and certain equity interests issued by certain foreign subsidiaries of the borrowers.

The Amended ABL Facility contains customary representations, warranties and covenants that, among other things, and subject to certain specified circumstances and exceptions, restrict or limit the ability of the borrowers and certain of their subsidiaries to incur indebtedness (including guarantees), grant liens, make investments, pay dividends or distributions with respect to capital stock and make other restricted payments, make prepayments on certain indebtedness, engage in mergers or other fundamental changes, dispose of property, and change the nature of their business.

The Amended ABL Facility requires compliance with the following financial covenants: (i) a minimum fixed charge coverage ratio of 1.00 to 1.00 for the most recently completed four fiscal quarters and (ii) while a leverage covenant trigger period (as defined in the Amended ABL Facility) is in effect, a maximum consolidated leverage ratio of 4.00 to 1.00 as of the last day of the most recently completed fiscal quarter.

The Amended ABL Facility includes customary events of default including non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations or warranties, cross-default to other material indebtedness, bankruptcy and insolvency events, invalidity or impairment of security interests or invalidity of loan documents, certain ERISA events, unsatisfied or unstayed judgments and change of control.

***Other Financing Arrangements.*** Certain of our foreign subsidiaries maintain local credit arrangements consisting primarily of lines of credit or overdraft facilities which are generally renewed on an annual basis. We utilize local financing arrangements in our foreign operations in order to provide short-term local liquidity needs. In addition, in April 2022, a U.K. subsidiary entered a £7.0 million term loan and a £2.0 million revolving credit facility. Both the term loan and revolving credit facility mature in April 2025 and bear interest at a rate of Sterling Overnight Index Average plus a margin of 3.25% per year. As of June 30, 2024, the interest rate for the U.K. facilities was 8.5%. The term loan is payable in quarterly installments of £350,000 plus interest beginning June 2022 and a £2.8 million payment due at maturity. We also maintain finance leases primarily related to transportation equipment. During the first half of 2024, we entered into $4.0 million of new finance lease liabilities in exchange for leased assets.

In addition, at June 30, 2024, we had $38.4 million in outstanding letters of credit, performance bonds, and other guarantees for which certain of the letters of credit are collateralized by $0.4 million in restricted cash, the majority of which relates to the Fluids Systems segment.

Our financial instruments include cash and cash equivalents, receivables, payables, and debt. We believe the carrying values of these instruments approximated their fair values at June 30, 2024 and December 31, 2023.

**Note 9 – Income Taxes**

The provision for income taxes was $6.2 million for the first half of 2024, reflecting an effective tax rate of 29%, compared to income taxes of $4.2 million for the first half of 2023, reflecting an effective tax rate of 37%. The provision for income taxes for the first half of 2024 and 2023 primarily reflects income taxes associated with our international operations, as the tax provision associated with U.S. income is largely offset by the partial valuation allowance release associated with previously unbenefited U.S. net operating losses.

**Note 10 – Commitments and Contingencies**

In the ordinary course of conducting our business, we become involved in litigation and other claims from private party actions, as well as judicial and administrative proceedings involving governmental authorities at the federal, state, and local levels. While the outcome of litigation or other proceedings against us cannot be predicted with certainty, management does not expect that any loss resulting from such litigation or other proceedings, in excess of any amounts accrued or covered by insurance, will have a material adverse impact on our consolidated financial statements.

The first half of 2024 includes a $0.9 million gain related to the final insurance settlement associated with Hurricane Ida in August 2021, as well as a $0.6 million gain related to a legal settlement.

**Note 11 – Supplemental Disclosures to the Statements of Cash Flows**

Supplemental disclosures to the statements of cash flows are presented below:

| | First Half | |
|---|---|---|
| (In thousands) | 2024 | 2023 |
| Cash paid for: | | |
| Income taxes (net of refunds) | $ 6,945 | $ 4,503 |
| Interest | $ 3,307 | $ 4,025 |

Cash, cash equivalents, and restricted cash in the consolidated statements of cash flows consisted of the following:

| (In thousands) | June 30, 2024 | December 31, 2023 |
|---|---|---|
| Cash and cash equivalents | $ 35,087 | $ 38,594 |
| Restricted cash (included in prepaid expenses and other current assets) | 355 | 307 |
| Cash, cash equivalents, and restricted cash | $ 35,442 | $ 38,901 |

**Note 12 – Segment Data**

Summarized operating results for our reportable segments are shown in the following table (net of inter-segment transfers):

| | Second Quarter | | First Half | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | 2024 | 2023 |
| **Revenues** | | | | |
| Fluids Systems | $ 112,218 | $ 135,181 | $ 232,358 | $ 279,355 |
| Industrial Solutions | 66,791 | 48,075 | 115,758 | 103,931 |
| **Total revenues** | $ 179,009 | $ 183,256 | $ 348,116 | $ 383,286 |
| | | | | |
| **Operating income (loss)** | | | | |
| Fluids Systems | $ 2,345 | $ 1,965 | $ 9,181 | $ 5,431 |
| Industrial Solutions | 19,392 | 12,774 | 32,328 | 27,257 |
| Corporate office | (8,438) | (8,861) | (16,351) | (16,667) |
| **Total operating income** | $ 13,299 | $ 5,878 | $ 25,158 | $ 16,021 |

Operating results shown above include the following items:

| | Second Quarter | | First Half | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | 2024 | 2023 |
| Fluids Systems sale process transaction expenses | $ 304 | $ — | $ 617 | $ — |
| Impairments and other charges | — | 2,816 | — | 2,816 |
| Gain on insurance recovery | — | — | (807) | — |
| Facility exit costs and other, net | 741 | 2,107 | 741 | 4,399 |
| Severance costs | 36 | 148 | 551 | 1,103 |
| **Total Fluids Systems** | 1,081 | 5,071 | 1,102 | 8,318 |
| Gain on insurance recovery | — | — | (67) | — |
| Gain on legal settlement | — | — | (550) | — |
| Severance costs | 175 | 92 | 693 | 92 |
| **Total Industrial Solutions** | 175 | 92 | 76 | 92 |
| Fluids Systems sale process transaction expenses | 1,556 | — | 3,498 | — |
| Severance costs | — | 929 | 115 | 929 |
| **Total Corporate office** | 1,556 | 929 | 3,613 | 929 |
| **Total** | $ 2,812 | $ 6,092 | $ 4,791 | $ 9,339 |

The following table presents further disaggregated revenues for the Fluids Systems segment:

| | Second Quarter | | First Half | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | 2024 | 2023 |
| United States | $ 32,594 | $ 59,955 | $ 63,071 | $ 128,853 |
| Canada | 13,332 | 10,399 | 34,555 | 29,764 |
| **Total North America** | 45,926 | 70,354 | 97,626 | 158,617 |
| EMEA | 61,774 | 60,913 | 124,329 | 113,490 |
| Other | 4,518 | 3,914 | 10,403 | 7,248 |
| **Total Rest of World** | 66,292 | 64,827 | 134,732 | 120,738 |
| **Total Fluids Systems revenues** | $ 112,218 | $ 135,181 | $ 232,358 | $ 279,355 |

The following table presents further disaggregated revenues for the Industrial Solutions segment:

| | Second Quarter | | First Half | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | 2024 | 2023 |
| Rental revenues | $ 23,682 | $ 21,743 | $ 44,914 | $ 42,874 |
| Service revenues | 12,714 | 18,206 | 26,663 | 33,435 |
| Product sales revenues | 30,395 | 8,126 | 44,181 | 27,622 |
| **Total Industrial Solutions revenues** | $ 66,791 | $ 48,075 | $ 115,758 | $ 103,931 |

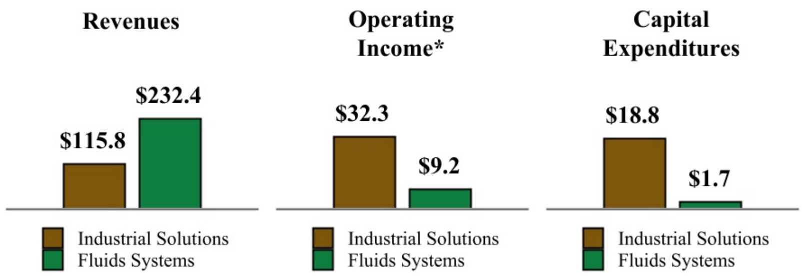
### ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition, results of operations, liquidity, and capital resources should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included in this report as well as our Annual Report on Form 10-K for the year ended December 31, 2023. Our second quarter represents the three-month period ended June 30 and our first half represents the six-month period ended June 30. Unless otherwise noted, all currency amounts are stated in U.S. dollars. The reference to a "Note" herein refers to the accompanying Notes to Unaudited Condensed Consolidated Financial Statements contained in Item 1 "Financial Statements."

**Business Overview**

Newpark Resources, Inc. (the "Company," "we," "our," or "us") is a geographically diversified supplier providing environmentally-sensitive products, as well as rentals and services to customers across multiple industries. We currently operate our business through two reportable segments: Industrial Solutions and Fluids Systems, as described further below.

Over much of the past decade, while the Fluids Systems segment has been the primary driver of revenues, the Industrial Solutions segment has been the primary driver of operating income, cash flows, and financial returns. Consequently, our growth investments in recent years have been heavily concentrated in the Industrial Solutions segment. The relative revenues, operating income, and capital expenditures for the Industrial Solutions and Fluids Systems segments for the first half of 2024 are as follows (amounts in millions):




** See Note 12 for certain items included in the Fluids Systems and Industrial Solutions segment operating results.*

We initiated a review of strategic alternatives for the Fluids Systems business in June 2023, and in September 2023, we launched a formal sale process for the Fluids Systems business as part of this strategic review. While the sale process is ongoing, we anticipate substantially completing the process in the third quarter of 2024, although it is not certain that any such transaction will be consummated on that timeline or at all. As part of the strategic review, we will continue to evaluate under-performing areas within our business and anticipate additional actions may be necessary to optimize our operational footprint and invested capital within the Fluids Systems segment. If we successfully complete the process to substantially exit the Fluids Systems segment, our remaining operations will primarily reflect a specialty rental and service business, serving the utilities sector and other critical infrastructure markets. See further information below.

**2024 Priorities**

The following priorities have been established for 2024:

- *Accelerate Industrial Solutions Growth* – We plan to continue to prioritize investment capital in the growth of our Industrial Solutions business, where over the past several years, we have seen the strong market adoption of our specialty rental products and differentiated service offering. During the first half of 2024, over 90% of our capital expenditures were directed to the Industrial Solutions segment.
- *Drive Operational Efficiency* – We plan to maintain our focus on efficiency improvements and operating cost optimization across every aspect of our global footprint. With a simplified business model and enhanced focus on balance sheet optimization, we seek to improve returns and consistency in cash flow generation. In addition, we continue to evaluate and execute actions intended to streamline the organization and our cost structure, driving improvements in profitability. During the first half of 2024, we continued to take actions to streamline our overhead structure across both segments and the corporate office, generating approximately $3 million in annual cost savings, while incurring $1.4 million of severance costs.
- *Prioritize Return of Capital* – We are committed to maintaining a strong balance sheet, using excess cash generation to reduce our debt and return value to our shareholders. In February 2024, our Board of Directors replaced our existing share repurchase program with a new program for repurchases of common stock up to $50.0 million.

**Segment Overview**

*Industrial Solutions* – Our Industrial Solutions segment, which generated 33% of our consolidated revenues and 78% of our segment-level operating income for the first half of 2024, provides temporary worksite access solutions, including the rental of our manufactured recyclable composite matting systems, along with related site construction and services to customers in various markets including power transmission, E&P, pipeline, renewable energy, petrochemical, construction and other industries, primarily in the United States and United Kingdom. We also sell our manufactured recyclable composite mats to customers around the world, with power transmission being the primary end-market.

The expansion of our business within the power transmission and other industrial markets remains a strategic priority for us due to the relative stability of such markets compared to E&P, as well as the magnitude of growth opportunity in these markets, including the potential positive impact from the energy transition and future legislation and regulations related to greenhouse gas emissions and climate change. We expect customer activity, particularly in the power transmission sector, will remain robust in the coming years, driven in part by the impacts of the U.S. energy transition and the increasing investment in grid reliance initiatives.

*Fluids Systems* – Our Fluids Systems segment, which generated 67% of our consolidated revenues and 22% of our segment-level operating income for the first half of 2024, provides drilling and completion fluids products and related technical services to customers for oil, natural gas, and geothermal projects primarily in EMEA and North America, as well as certain countries in Asia Pacific. Over the past few years, our primary focus within Fluids Systems has been the transformation into a more agile and simplified business focused on key markets, while monetizing assets in underperforming or sub-scale markets and reducing our invested capital to drive improvements in segment profitability and returns.

Our Fluids Systems operating results remain dependent on oil and natural gas drilling activity levels in the markets we serve and the nature of the drilling operations, which governs the revenue potential of each well. Drilling activity levels depend on a variety of factors, including oil and natural gas commodity pricing, inventory levels, product demand, and regulatory restrictions. Oil and natural gas prices and activity are cyclical and volatile, and this market volatility has a significant impact on our Fluids Systems operating results.

Rig count data remains the most widely accepted indicator of drilling activity. Average North American rig count data for the second quarter and first half of 2024 as compared to the same periods of 2023 is as follows:

| | Second Quarter | | 2024 vs 2023 | |
|---|---|---|---|---|
| | 2024 | 2023 | Count | % |
| U.S. Rig Count | 603 | 719 | (116) | (16)% |
| Canada Rig Count | 136 | 117 | 19 | 16 % |
| North America Rig Count | 739 | 836 | (97) | (12)% |

| | First Half | | 2024 vs 2023 | |
|---|---|---|---|---|
| | 2024 | 2023 | Count | % |
| U.S. Rig Count | 613 | 740 | (127) | (17)% |
| Canada Rig Count | 172 | 169 | 3 | 2 % |
| North America Rig Count | 785 | 909 | (124) | (14)% |

Source: Baker Hughes Company

In 2023, market activity in the U.S. steadily declined, ending the year at 622 active rigs, down 20% from the end of 2022. Despite continued strength in oil prices, the 2024 outlook for U.S. market activity generally remains below the 2023 average level, as many of our customers maintain strong capital discipline and prioritize cash flow generation over growth.

Outside of North America, drilling activity is generally more stable as this drilling activity is based on longer-term economic projections and multi-year drilling programs, which typically reduces the impact of short-term changes in commodity prices on overall drilling activity. Further, geopolitical events in recent years are causing several markets to increase drilling activity levels, to help ensure reliable energy supply in the coming years, while reducing their dependency on Russia-sourced oil and natural gas. Consequently, the outlook for several markets within the EMEA region remains strong, with growth in activity expected over the next few years.

***2023 Strategic Actions***

The following strategic actions were taken in 2023.

Review of Strategic Alternatives for Fluids Systems Business

As described above, we launched a formal sale process for substantially all the Fluids Systems business in September 2023. During the second quarter and first half of 2024, we incurred sale process-related costs of $1.9 million and $4.1 million, respectively. The ongoing Fluids Systems sale process did not meet the held for sale accounting criteria as of June 30, 2024, and as such, continued to be accounted for as held for use. As of June 30, 2024, the Fluids Systems business had approximately $210 million of net assets, including $31 million in cash, $12 million of debt, and $160 million of net working capital. In addition, as of June 30, 2024, the Fluids Systems business had approximately $63 million of accumulated translation losses which would be reclassified as a charge to income upon a disposition or substantial liquidation of the associated entities.

As we continue to evaluate strategic alternatives for our Fluids Systems portfolio, we may incur future charges, including a loss on a potential transaction related to these efforts or potential asset impairments, which may negatively impact our future results.

Exit of Other Operations

In 2023, we made the decision to exit our offshore Australia operations, as well as our stimulation chemicals product line. The Fluids Systems segment operating results for the first half of 2024 includes $0.7 million of charges related to the substantial completion of the exit of our offshore Australia operations. In 2023, we also completed our customer contract in Chile and completed the substantial liquidation of our Chile subsidiary. The operating results for these now exited businesses were not material for 2024 or 2023.

**Second Quarter of 2024 Compared to Second Quarter of 2023**

**Consolidated Results of Operations**

Summarized results of operations for the second quarter of 2024 compared to the second quarter of 2023 are as follows:

| | Second Quarter | | 2024 vs 2023 | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | $ | % |
| Revenues | $ 179,009 | $ 183,256 | $ (4,247) | (2)% |
| Cost of revenues | 140,084 | 150,170 | (10,086) | (7)% |
| Selling, general and administrative expenses | 26,381 | 25,576 | 805 | 3 % |
| Other operating (income) loss, net | (755) | (1,184) | 429 | NM |
| Impairments and other charges | — | 2,816 | (2,816) | NM |
| Operating income | 13,299 | 5,878 | 7,421 | NM |
| | | | | |
| Foreign currency exchange (gain) loss | 128 | (102) | 230 | NM |
| Interest expense, net | 1,796 | 2,146 | (350) | (16)% |
| Income before income taxes | 11,375 | 3,834 | 7,541 | NM |
| | | | | |
| Provision for income taxes | 3,335 | 2,132 | 1,203 | 56 % |
| Net income | $ 8,040 | $ 1,702 | $ 6,338 | NM |

***Revenues***

Revenues decreased 2% to $179.0 million for the second quarter of 2024, compared to $183.3 million for the second quarter of 2023. This $4.2 million decrease in revenues includes a $5.8 million (5%) decrease in North America, comprised of a $24.5 million decrease in the Fluids Systems segment partially offset by a $18.7 million increase in the Industrial Solutions segment. In our Fluids Systems segment, revenues from our North America operations decreased primarily due to the effect of lower U.S. market share and reduced U.S. market activity. In our Industrial Solutions segment, revenues from our North America operations increased primarily due to higher product sales, which typically fluctuate based on the timing of customer projects and orders. Revenues from our Rest of World operations increased by $1.5 million (2%), driven by higher Fluids Systems activity in Europe and Africa. Additional information regarding the change in revenues is provided within the operating segment results below.

***Cost of revenues***

Cost of revenues decreased 7% to $140.1 million for the second quarter of 2024, compared to $150.2 million for the second quarter of 2023. This $10.1 million decrease in cost of revenues was primarily driven by the 2% decrease in revenues described above, as well as the impact of segment revenue mix, with Industrial Solutions representing a higher proportion of revenues for the second quarter of 2024, as compared to the prior year.

***Selling, general and administrative expenses***

Selling, general and administrative expenses increased to $26.4 million for the second quarter of 2024, compared to $25.6 million for the second quarter of 2023. This increase was primarily driven by higher strategic planning project costs partially offset by lower personnel expense resulting from efforts to streamline the overhead structure. The second quarter of 2024 includes $1.9 million related to the Fluids Systems sale process while the second quarter of 2023 included $0.8 million primarily related to strategic planning projects. Selling, general and administrative expenses as a percentage of revenues was 14.7% for the second quarter of 2024 compared to 14.0% for the second quarter of 2023.

***Other operating income, net***

Other operating (income) loss, net, includes gains and losses on sales of assets.

***Impairments and Other Charges***

During the second quarter of 2023, $2.8 million of non-cash charges were included in the Fluids Systems segment, including $1.6 million to reduce the carrying values of certain inventory related to the exit of our stimulation chemicals product line to their net realizable value, and $1.2 million of total charges to reduce the carrying values of certain offshore Australia inventory to their net realizable value as well as impairments related to the long-lived assets previously used in this now exited business.

***Foreign currency exchange***

Foreign currency exchange was a $0.1 million loss for the second quarter of 2024 compared to a $0.1 million gain for the second quarter of 2023 and reflects the impact of currency translation on assets and liabilities (including intercompany balances) that are denominated in currencies other than functional currencies.

***Interest expense, net***

Interest expense was $1.8 million for the second quarter of 2024 compared to $2.1 million for the second quarter of 2023. The decrease in interest expense is primarily due to a decrease in average debt outstanding.

***Provision for income taxes***

The provision for income taxes was $3.3 million for the second quarter of 2024, reflecting an effective tax rate of 29%, compared to income taxes of $2.1 million for the second quarter of 2023, reflecting an effective tax rate of 56%. The provision for income taxes for the second quarter of 2024 and 2023 primarily reflects income taxes associated with our international operations, as the tax provision associated with U.S. income is largely offset by the partial valuation allowance release associated with previously unbenefited U.S. net operating losses.

**Operating Segment Results**

Summarized financial information for our reportable segments is shown in the following table (net of inter-segment transfers):

| | Second Quarter | | 2024 vs 2023 | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | $ | % |
| **Revenues** | | | | |
| Fluids Systems | $ 112,218 | $ 135,181 | $ (22,963) | (17)% |
| Industrial Solutions | 66,791 | 48,075 | 18,716 | 39 % |
| **Total revenues** | $ 179,009 | $ 183,256 | $ (4,247) | (2)% |
| | | | | |
| **Operating income (loss)** | | | | |
| Fluids Systems | $ 2,345 | $ 1,965 | $ 380 | |
| Industrial Solutions | 19,392 | 12,774 | 6,618 | |
| Corporate office | (8,438) | (8,861) | 423 | |
| **Total operating income** | $ 13,299 | $ 5,878 | $ 7,421 | |
| | | | | |
| **Segment operating margin** | | | | |
| Fluids Systems | 2.1 % | 1.5 % | | |
| Industrial Solutions | 29.0 % | 26.6 % | | |

**Fluids Systems**

***Revenues***

Total revenues for this segment consisted of the following:

| | Second Quarter | | 2024 vs 2023 | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | $ | % |
| United States | $ 32,594 | $ 59,955 | $ (27,361) | (46)% |
| Canada | 13,332 | 10,399 | 2,933 | 28 % |
| **Total North America** | 45,926 | 70,354 | (24,428) | (35)% |
| | | | | |
| EMEA | 61,774 | 60,913 | 861 | 1 % |
| Other | 4,518 | 3,914 | 604 | 15 % |
| **Total Rest of World** | 66,292 | 64,827 | 1,465 | 2 % |
| | | | | |
| **Total Fluids Systems revenues** | $ 112,218 | $ 135,181 | $ (22,963) | (17)% |

North America revenues decreased 35% to $45.9 million for the second quarter of 2024, compared to $70.4 million for the second quarter of 2023, primarily related to a decline in U.S. as a result of lower U.S. market share and reduced U.S. market activity. Canada revenues increased $2.9 million driven primarily by an increase in Canada rig count as well as elevated product consumption per rig, partially offset by a slight decrease in market share, which typically fluctuates based on the mix and timing of projects.

Rest of World revenues increased 2% to $66.3 million for the second quarter of 2024, compared to $64.8 million for the second quarter of 2023. The increase was primarily driven by higher customer activity and elevated product consumption per rig in Europe and Africa.

***Operating income***

The Fluids Systems segment generated operating income of $2.3 million for the second quarter of 2024 compared to $2.0 million for the second quarter of 2023. The increase in operating income primarily reflects the impact of charges recorded in the respective periods. The second quarter of 2024 segment operating income includes $1.1 million in facility exit costs, transaction expenses related to the Fluids Systems segment sale process, and severance costs, while the second quarter of 2023 segment operating income included $5.1 million in charges primarily related to impairments, facility exit costs, and severance costs. The remaining $3.7 million reduction in operating income reflected the effect of lower revenues, partially offset by improved regional mix (higher international revenues, lower U.S. revenues) and improvements in customer pricing, particularly within the international markets, as well as cost reductions within the U.S. business.

**Industrial Solutions**

***Revenues***

Total revenues for this segment consisted of the following:

| | Second Quarter | | 2024 vs 2023 | |
|---|---|---|---|---|
| (In thousands) | **2024** | **2023** | $ | % |
| Rental and service revenues | $ 36,396 | $ 39,949 | $ (3,553) | (9)% |
| Product sales revenues | 30,395 | 8,126 | 22,269 | 274 % |
| **Total Industrial Solutions revenues** | $ 66,791 | $ 48,075 | $ 18,716 | 39 % |

Rental and service revenues decreased for the second quarter of 2024, primarily reflecting a $5.5 million decline in service revenues, attributable to the timing and mix of service included within customer rental projects, and we expect this trend to continue. This decline was partially offset by a $1.9 million (9%) increase in rental revenues, driven primarily by higher volume. Product sales revenues increased for the second quarter of 2024, as sales volumes typically fluctuate based on the timing of customer projects and orders. The majority of the second quarter 2024 and 2023 revenues are derived from customers in the power transmission sector.

***Operating income***

The Industrial Solutions segment generated operating income of $19.4 million for the second quarter of 2024 compared to $12.8 million for the second quarter of 2023, the increase being primarily attributable to the higher product sales revenues, as well as efficiencies in the rental and manufacturing operations.

**Corporate Office**

Corporate office expenses decreased $0.4 million to $8.4 million for the second quarter of 2024, compared to $8.9 million for the second quarter of 2023. The decrease was primarily driven by lower personnel expense resulting from efforts to streamline the overhead structure partially offset by higher performance-based incentives. In addition, the second quarter of 2024 includes $1.6 million related to the Fluids Systems sale process, while the second quarter of 2023 included $0.9 million of severance expense associated with second quarter 2023 restructuring actions as well as $0.8 million related to strategic planning projects.

**First Half of 2024 Compared to First Half of 2023**

**Consolidated Results of Operations**

Summarized results of operations for the first half of 2024 compared to the first half of 2023 are as follows:

| | First Half | | 2024 vs 2023 | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | $ | % |
| Revenues | $ 348,116 | $ 383,286 | $ (35,170) | (9)% |
| Cost of revenues | 274,671 | 314,908 | (40,237) | (13)% |
| Selling, general and administrative expenses | 50,725 | 50,986 | (261) | (1)% |
| Other operating (income) loss, net | (2,438) | (1,445) | (993) | NM |
| Impairments and other charges | — | 2,816 | (2,816) | NM |
| Operating income | 25,158 | 16,021 | 9,137 | 57 % |
| | | | | |
| Foreign currency exchange loss | 97 | 217 | (120) | (55)% |
| Interest expense, net | 3,546 | 4,235 | (689) | (16)% |
| Income before income taxes | 21,515 | 11,569 | 9,946 | 86 % |
| | | | | |
| Provision for income taxes | 6,182 | 4,247 | 1,935 | 46 % |
| Net income | $ 15,333 | $ 7,322 | $ 8,011 | NM |

***Revenues***

Revenues decreased 9% to $348.1 million for the first half of 2024, compared to $383.3 million for the first half of 2023. This $35.2 million decrease in revenues includes a $49.3 million (19%) decrease in North America, comprised of a $61.0 million decrease in the Fluids Systems segment partially offset by a $11.7 million increase in the Industrial Solutions segment. In our Fluids Systems segment, revenues from our North America operations decreased primarily due to the effect of lower U.S. market share and reduced U.S. market activity. In our Industrial Solutions segment, revenues from our North America operations increased primarily due to higher product sales, which typically fluctuate based on the timing of customer projects and orders. Revenues from our Rest of World operations increased by $14.1 million (11%), driven by higher Fluids Systems activity in Europe and Africa. Additional information regarding the change in revenues is provided within the operating segment results below.

***Cost of revenues***

Cost of revenues decreased 13% to $274.7 million for the first half of 2024, compared to $314.9 million for the first half of 2023. This $40.2 million decrease in cost of revenues was primarily driven by the 9% decrease in revenues described above, as well as the impact of segment revenue mix, with Industrial Solutions representing a higher proportion of revenues for the first half of 2024, as compared to the prior year.

***Selling, general and administrative expenses***

Selling, general and administrative expenses decreased $0.3 million to $50.7 million for the first half of 2024, compared to $51.0 million for the first half of 2023. The first half of 2024 includes $4.1 million related to the Fluids Systems sale process while the first half of 2023 included $1.7 million of costs related to strategic planning projects. The remaining $2.7 million decrease was primarily driven by lower personnel expense resulting from efforts to streamline the overhead structure partially offset by higher strategic planning project costs. Selling, general and administrative expenses as a percentage of revenues was 14.6% for the first half of 2024 compared to 13.3% for the first half of 2023.

***Other operating income, net***

The first half of 2024 includes a \$0.9 million gain related to the final insurance settlement associated with Hurricane Ida in August 2021, which caused damage to our facilities in Fourchon, Louisiana, as well as a \$0.6 million gain related to a legal settlement in the Industrial Solutions segment. Other operating (income) loss, net, also includes gains and losses on sales of assets.

***Impairments and Other Charges***

The Fluids Systems segment included \$2.8 million of non-cash charges in the first half of 2023 for inventory write-downs and asset impairments.

***Foreign currency exchange***

Foreign currency exchange was a \$0.1 million loss for the first half of 2024 compared to a \$0.2 million loss for the first half of 2023 and reflects the impact of currency translation on assets and liabilities (including intercompany balances) that are denominated in currencies other than functional currencies.

***Interest expense, net***

Interest expense was \$3.5 million for the first half of 2024 compared to \$4.2 million for the first half of 2023. The decrease in interest expense is primarily due to a decrease in average debt outstanding.

***Provision for income taxes***

The provision for income taxes was \$6.2 million for the first half of 2024, reflecting an effective tax rate of 29%, compared to income taxes of \$4.2 million for the first half of 2023, reflecting an effective tax rate of 37%. The provision for income taxes for the first half of 2024 and 2023 primarily reflects income taxes associated with our international operations, as the tax provision associated with U.S. income is largely offset by the partial valuation allowance release associated with previously unbenefited U.S. net operating losses.

**Operating Segment Results**

Summarized financial information for our reportable segments is shown in the following table (net of inter-segment transfers):

| | First Half | | 2024 vs 2023 | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | $ | % |
| **Revenues** | | | | |
| Fluids Systems | $ 232,358 | $ 279,355 | $ (46,997) | (17)% |
| Industrial Solutions | 115,758 | 103,931 | 11,827 | 11 % |
| **Total revenues** | $ 348,116 | $ 383,286 | $ (35,170) | (9)% |
| | | | | |
| **Operating income (loss)** | | | | |
| Fluids Systems | $ 9,181 | $ 5,431 | $ 3,750 | |
| Industrial Solutions | 32,328 | 27,257 | 5,071 | |
| Corporate office | (16,351) | (16,667) | 316 | |
| **Total operating income** | $ 25,158 | $ 16,021 | $ 9,137 | |
| | | | | |
| **Segment operating margin** | | | | |
| Fluids Systems | 4.0 % | 1.9 % | | |
| Industrial Solutions | 27.9 % | 26.2 % | | |

**Fluids Systems**

***Revenues***

Total revenues for this segment consisted of the following:

| | First Half | | 2024 vs 2023 | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | $ | % |
| United States | $ 63,071 | $ 128,853 | $ (65,782) | (51)% |
| Canada | 34,555 | 29,764 | 4,791 | 16 % |
| **Total North America** | 97,626 | 158,617 | (60,991) | (38)% |
| | | | | |
| EMEA | 124,329 | 113,490 | 10,839 | 10 % |
| Other | 10,403 | 7,248 | 3,155 | 44 % |
| **Total Rest of World** | 134,732 | 120,738 | 13,994 | 12 % |
| | | | | |
| **Total Fluids Systems revenues** | $ 232,358 | $ 279,355 | $ (46,997) | (17)% |

North America revenues decreased 38% to $97.6 million for the first half of 2024, compared to $158.6 million for the first half of 2023, primarily related to a decline in U.S. as a result of lower U.S. market share and reduced U.S. market activity. Canada revenues increased $4.8 million driven primarily by elevated product consumption per rig.

Rest of World revenues increased 12% to $134.7 million for the first half of 2024, compared to $120.7 million for the first half of 2023. The increase was primarily driven by higher customer activity and elevated product consumption per rig in Europe and Africa.

***Operating income***

The Fluids Systems segment generated operating income of $9.2 million for the first half of 2024 compared to $5.4 million for the first half of 2023. The first half of 2024 segment operating income includes $1.9 million in facility exit costs, transaction expenses related to the Fluids Systems segment sale process, and severance costs, partially offset by a $0.8 million gain on insurance recovery, while the first half of 2023 included $8.3 million in total charges including $5.5 million of net facility exit costs in the Gulf of Mexico and severance costs, as well as $2.8 million of impairments and other charges. The remaining $3.4 million reduction in operating income reflected the effect of lower revenues, partially offset by the combined effects of improved regional mix (higher international revenues, lower U.S. revenues) and improvements in customer pricing, particularly within the international markets, as well as cost reductions within the U.S. business.

**Industrial Solutions**

***Revenues***

Total revenues for this segment consisted of the following:

| | First Half | | 2024 vs 2023 | |
|---|---|---|---|---|
| (In thousands) | 2024 | 2023 | $ | % |
| Rental and service revenues | $ 71,577 | $ 76,309 | $ (4,732) | (6)% |
| Product sales revenues | 44,181 | 27,622 | 16,559 | 60 % |
| **Total Industrial Solutions revenues** | $ 115,758 | $ 103,931 | $ 11,827 | 11 % |

Rental and service revenues decreased for the first half of 2024, primarily reflecting a $6.8 million decline in service revenues, attributable to the timing and mix of service included within customer rental projects. This decline was partially offset by a $2.0 million (5%) increase in rental revenues, driven primarily by higher volume. Product sales revenues increased for the first half of 2024, and typically fluctuate based on the timing of customer projects and orders. The majority of the first half 2024 and 2023 revenues are derived from customers in the power transmission sector.

***Operating income***

The Industrial Solutions segment generated operating income of $32.3 million for the first half of 2024 compared to $27.3 million for the first half of 2023, the increase being primarily attributable to the higher product sales revenues, as well as higher profitability driven by efficiencies in rental and manufacturing operations.

**Corporate Office**

Corporate office expenses decreased $0.3 million to $16.4 million for the first half of 2024, compared to $16.7 million for the first half of 2023. The decrease was primarily driven by lower personnel expense resulting from efforts to streamline the overhead structure, partially offset by higher strategic planning project costs as well as higher performance-based incentives. The first half of 2024 includes $3.5 million related to the Fluids Systems sale process, while the first half of 2023 included $1.7 million of costs related to strategic planning projects as well as $0.9 million of severance expense associated with second quarter 2023 restructuring actions.

**Liquidity and Capital Resources**

Net cash provided by operating activities was $39.5 million for the first half of 2024 compared to net cash provided by operating activities of $36.8 million for the first half of 2023. During the first half of 2024, net income adjusted for non-cash items provided cash of $30.5 million and changes in working capital provided cash of $9.1 million. Operating cash flow for the first half of 2023 benefited from approximately $13.6 million related to the wind down of working capital associated with certain fourth quarter 2022 divestiture transactions.

Net cash used in investing activities was $17.0 million for the first half of 2024, including $20.5 million in capital expenditures partially offset by $2.0 million in proceeds from the sale of assets, which includes the sale of used mats from our Industrial Solutions rental fleet. The substantial majority of our capital expenditures for the first half of 2024 were directed to expanding our Industrial Solutions segment rental fleet.

Net cash used in financing activities was $25.0 million for the first half of 2024, and primarily relates to net payments on our Amended ABL Facility and other financing arrangements.

Substantially all our $35.1 million of cash on hand at June 30, 2024 resides in our international Fluids Systems subsidiaries. We primarily manage our liquidity utilizing availability under our Amended ABL Facility and other existing financing arrangements. Under our Amended ABL Facility, we manage daily cash requirements by utilizing borrowings or repayments under this revolving credit facility, while maintaining minimal cash on hand in the U.S.

We expect total availability under the Amended ABL Facility to fluctuate directionally based on the level of eligible U.S. accounts receivable, inventory, and composite mats included in the rental fleet. We expect the projected availability under our Amended ABL Facility and other existing financing arrangements, cash generated by operations, and available cash on-hand in our international subsidiaries to be adequate to fund our current operations during the next 12 months.

We anticipate that our near-term working capital requirements for our operations will generally fluctuate directionally with revenues. We expect capital expenditures in 2024 to be approximately $30 million to $40 million, with spending heavily focused on the expansion of our mat rental fleet. We also expect to return value to our shareholders, utilizing excess cash generation to fund additional share repurchases upon completion of the Fluids Systems sale process. In addition, if we are successful in completing the process to substantially exit the Fluids Systems business, we anticipate the proceeds to be used to repay a significant portion of our existing outstanding debt, providing additional liquidity to fund our long-term strategic initiatives.

Our capitalization is as follows:

| (In thousands) | June 30, 2024 | December 31, 2023 |
|---|---|---|
| Amended ABL Facility | 32,000 | 45,000 |
| Other debt | 26,015 | 30,093 |
| Unamortized discount and debt issuance costs | (32) | (60) |
| Total debt | $ 57,983 | $ 75,033 |
| | | |
| Stockholder's equity | 426,609 | 415,364 |
| Total capitalization | $ 484,592 | $ 490,397 |
| | | |
| Total debt to capitalization | 12.0 % | 15.3 % |

***Asset-Based Loan Facility.*** In October 2017, we entered into a U.S. asset-based revolving credit agreement, which was amended in March 2019 and amended and restated in May 2022 (the "Amended ABL Facility"). The Amended ABL Facility provides financing of up to $175.0 million available for borrowings (inclusive of letters of credit), which can be increased up to $250.0 million, subject to certain conditions. The Amended ABL Facility has a five-year term expiring May 2027, is based on a Bloomberg Short-Term Bank Yield Index ("BSBY") pricing grid, and includes a mechanism to incorporate a sustainability-linked pricing framework with the consent of the required lenders (as defined in the Amended ABL Facility).

As of June 30, 2024, our total availability under the Amended ABL Facility was $110.4 million, of which $32.0 million was drawn and $4.0 million was used for outstanding letters of credit, resulting in remaining availability of $74.4 million.

Borrowing availability under the Amended ABL Facility is calculated based on eligible U.S. accounts receivable, inventory and composite mats included in the rental fleet, net of reserves and subject to limits on certain of the assets included in the borrowing base calculation. To the extent pledged by the borrowers, the borrowing base calculation also includes the amount of eligible pledged cash. The administrative agent may establish reserves in accordance with the Amended ABL Facility, in part based on appraisals of the asset base, and other limits in its discretion, which could reduce the amounts otherwise available under the Amended ABL Facility.

Under the terms of the Amended ABL Facility, we may elect to borrow at a variable interest rate based on either, (1) the BSBY rate (subject to a floor of zero) or (2) the base rate (subject to a floor of zero), equal to the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate of Bank of America, N.A., and (c) BSBY for a one-month interest period plus 1.00%, plus, in each case, an applicable margin per annum. The applicable margin ranges from 1.50% to 2.00% per annum for BSBY borrowings, and 0.50% to 1.00% per annum for base rate borrowings, based on the consolidated leverage ratio (as defined in the Amended ABL Facility) as of the last day of the most recent fiscal quarter. We are also required to pay a commitment fee equal to (i) 0.375% per annum at any time the average daily unused portion of the commitments is greater than 50% and (ii) 0.25% per annum at any time the average daily unused portion of the commitments is less than 50%.

As of June 30, 2024, the applicable margin for borrowings under the Amended ABL Facility was 1.50% with respect to BSBY borrowings and 0.50% with respect to base rate borrowings. As of June 30, 2024, the weighted average interest rate for the Amended ABL Facility was 6.9% and the applicable commitment fee on the unused portion of the Amended ABL Facility was 0.375% per annum.

The Amended ABL Facility is a senior secured obligation of the Company and certain of our U.S. subsidiaries constituting borrowers thereunder, secured by a first priority lien on substantially all of the personal property and certain real property of the borrowers, including a first priority lien on certain equity interests of direct or indirect domestic subsidiaries of the borrowers and certain equity interests issued by certain foreign subsidiaries of the borrowers.

The Amended ABL Facility contains customary representations, warranties and covenants that, among other things, and subject to certain specified circumstances and exceptions, restrict or limit the ability of the borrowers and certain of their subsidiaries to incur indebtedness (including guarantees), grant liens, make investments, pay dividends or distributions with respect to capital stock and make other restricted payments, make prepayments on certain indebtedness, engage in mergers or other fundamental changes, dispose of property, and change the nature of their business.

The Amended ABL Facility requires compliance with the following financial covenants: (i) a minimum fixed charge coverage ratio of 1.00 to 1.00 for the most recently completed four fiscal quarters and (ii) while a leverage covenant trigger period (as defined in the Amended ABL Facility) is in effect, a maximum consolidated leverage ratio of 4.00 to 1.00 as of the last day of the most recently completed fiscal quarter.

The Amended ABL Facility includes customary events of default including non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations or warranties, cross-default to other material indebtedness, bankruptcy and insolvency events, invalidity or impairment of security interests or invalidity of loan documents, certain ERISA events, unsatisfied or unstayed judgments and change of control.

***Other Financing Arrangements.*** Certain of our foreign subsidiaries maintain local credit arrangements consisting primarily of lines of credit or overdraft facilities which are generally renewed on an annual basis. We utilize local financing arrangements in our foreign operations in order to provide short-term local liquidity needs. In addition, in April 2022, a U.K. subsidiary entered a £7.0 million term loan and a £2.0 million revolving credit facility. Both the term loan and revolving credit facility mature in April 2025 and bear interest at a rate of Sterling Overnight Index Average plus a margin of 3.25% per year. As of June 30, 2024, the interest rate for the U.K. facilities was 8.5%. The term loan is payable in quarterly installments of £350,000 plus interest beginning June 2022 and a £2.8 million payment due at maturity. We also maintain finance leases primarily related to transportation equipment. During the first half of 2024, we entered into $4.0 million of new finance lease liabilities in exchange for leased assets.

In addition, at June 30, 2024, we had $38.4 million in outstanding letters of credit, performance bonds, and other guarantees for which certain of the letters of credit are collateralized by $0.4 million in restricted cash, the majority of which relates to the Fluids Systems segment.

***Critical Accounting Estimates and Policies***

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts and disclosures. Significant estimates used in preparing our consolidated financial statements include estimated cash flows and fair values used for impairments of long-lived assets, including goodwill and other intangibles, and valuation allowances for deferred tax assets. Our estimates are based on historical experience and on our future expectations that we believe to be reasonable. The combination of these factors forms the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from our current estimates and those differences may be material.

For additional discussion of our critical accounting estimates and policies, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2023. Our critical accounting estimates and policies have not materially changed since December 31, 2023.

## ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates and changes in foreign currency exchange rates. A discussion of our primary market risk exposure in financial instruments is presented below.

**Interest Rate Risk**

At June 30, 2024, we had total principal amounts outstanding under financing arrangements of $58.0 million, including $32.0 million of borrowings under our Amended ABL Facility, $5.6 million of borrowings under a U.K. term loan and credit facility, and $2.0 million under certain other international credit facilities, which are subject to variable interest rates as determined by the respective debt agreements. The weighted average interest rates at June 30, 2024 for the Amended ABL Facility, U.K. debt, and other international credit facilities was 6.9%, 8.5%, and 8.7%, respectively. Based on the balance of variable rate debt at June 30, 2024, a 100 basis-point increase in short-term interest rates would have increased annual pre-tax interest expense by $0.4 million.

**Foreign Currency Risk**

Our principal foreign operations are conducted in certain areas of EMEA, Canada, and Asia Pacific. We have foreign currency exchange risks associated with these operations, which are conducted principally in the foreign currency of the jurisdictions in which we operate, including European euros, Canadian dollars, Kuwaiti dinar, Algerian dinar, Romanian new leu, British pounds, and Australian dollars. Historically, we have not used off-balance sheet financial hedging instruments to manage foreign currency risks when we enter into a transaction denominated in a currency other than our local currencies.

## ITEM 4. Controls and Procedures

**Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this quarterly report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2024, the end of the period covered by this quarterly report.

**Changes in Internal Control Over Financial Reporting**

There were no changes in internal control over financial reporting during the quarter ended June 30, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II OTHER INFORMATION

### ITEM 1. Legal Proceedings

In the ordinary course of conducting our business, we become involved in litigation and other claims from private party actions, as well as judicial and administrative proceedings involving governmental authorities at the federal, state, and local levels. While the outcome of litigation or other proceedings against us cannot be predicted with certainty, management does not expect that any loss resulting from such litigation or other proceedings, in excess of any amounts accrued or covered by insurance, will have a material adverse impact on our consolidated financial statements.

### ITEM 1A. Risk Factors

There have been no material changes during the period ended June 30, 2024 to our “Risk Factors” as discussed in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023.

## ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

a) Not applicable

b) Not applicable

c) The following table details our repurchases of shares of our common stock for the three months ended June 30, 2024:

| Period | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under Plans or Programs ($ in Millions) |
|---|---|---|---|---|
| April 2024 | — | $ — | — | $ 50.0 |
| May 2024 | — | $ — | — | $ 50.0 |
| June 2024 | 510,860 | $ 8.48 | — | $ 50.0 |
| Total | 510,860 | | — | |

Our Board of Directors has authorized a securities repurchase program available for repurchases of our common stock. In February 2024, our Board of Directors replaced the prior program with a new repurchase program for repurchases of common stock up to $50.0 million.

Our repurchase program is available to purchase outstanding shares of our common stock in the open market or as otherwise determined by management, subject to certain limitations under the Amended ABL Facility and other factors. The repurchase program has no specific term. Future repurchases are expected to be funded from operating cash flows, available cash on hand, and borrowings under our Amended ABL Facility. As part of the share repurchase program, our management has been authorized to establish trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934.

There were no shares of common stock repurchased under the repurchase program during the three months ended June 30, 2024. As of June 30, 2024, we had $50.0 million remaining under the program.

During the three months ended June 30, 2024, we purchased an aggregate of 510,860 shares surrendered in lieu of taxes under vesting of restricted shares.

## ITEM 3. Defaults Upon Senior Securities

None.

## ITEM 4. Mine Safety Disclosures

Not applicable.

## ITEM 5. Other Information

***Insider Trading Arrangements***

During the quarter ended June 30, 2024, no director or officer of the Company adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

**ITEM 6. Exhibits**

The exhibits listed are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

| | |
|---|---|
| 3.1 | Second Restated Certificate of Incorporation of Newpark Resources, Inc., dated May 17, 2024, incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed on May 20, 2024 (SEC File No. 001-02960). |
| †*10.1 | Form of Restricted Stock Unit Agreement under the Newpark Resources, Inc. 2015 Employee Equity Incentive Plan |
| †*10.2 | Form of Performance-Based Cash Award Agreement under the Newpark Resources, Inc. Long-Term Cash Incentive Plan |
| *31.1 | Certification of Matthew S. Lanigan pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| *31.2 | Certification of Gregg S. Piontek pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| **32.1 | Certification of Matthew S. Lanigan pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| **32.2 | Certification of Gregg S. Piontek pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| *101.INS | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document |
| *101.SCH | Inline XBRL Schema Document |
| *101.CAL | Inline XBRL Calculation Linkbase Document |
| *101.DEF | Inline XBRL Definition Linkbase Document |
| *101.LAB | Inline XBRL Label Linkbase Document |
| *101.PRE | Inline XBRL Presentation Linkbase Document |
| *104 | Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document. |

† Management compensation plan or agreement.

* Filed herewith.

** Furnished herewith.

## 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 thereunto duly authorized.

Date: August 6, 2024

NEWPARK RESOURCES, INC.
(Registrant)

By: /s/ Matthew S. Lanigan
Matthew S. Lanigan
President and Chief Executive Officer
(Principal Executive Officer)

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

By: /s/ Douglas L. White
Douglas L. White
Vice President, Chief Accounting Officer and Treasurer
(Principal Accounting Officer)

**Exhibit 10.1**

# NEWPARK RESOURCES, INC.
# RESTRICTED STOCK UNIT AGREEMENT

## 1. Grant of Restricted Stock Units.

(a) Subject to the conditions described in this agreement (the "***Award Agreement***") and in the Second Amended and Restated Newpark Resources, Inc. 2015 Employee Equity Incentive Plan, as may be amended from time to time (the "***Plan***"), Newpark Resources, Inc., a Delaware corporation (the "***Company***"), hereby grants to the below individual (the "***Participant***"), the Restricted Stock Units set forth below (this "***Award***" or the "***Restricted Stock Units***") as of the date of grant set forth below (the "***Date of Grant***"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan, the terms of which are incorporated herein by reference.

| | | | |
|---|---|---|---|
| Participant Name | ______________________ | Date of Grant: | ______________ |
| and Address: | ______________________ | Number of Restricted Stock Units: | ______________ |
| | ______________________ | | |

(b) The Company shall establish and maintain a Restricted Stock Unit account for the Participant, and such account shall be credited with the number of Restricted Stock Units granted to the Participant. The Restricted Stock Unit account shall be credited with any securities or other property (including cash dividends) declared and distributed during the Restriction Period with respect to one Share of Common Stock for each Restricted Stock Unit that has not otherwise been paid or forfeited ("***Notional Dividends***"). Any such property shall be subject to the same vesting schedule as the Restricted Stock Units to which they relate and references herein to a Restricted Stock Unit shall mean and include all Notional Dividends with respect to such Restricted Stock Unit.

## 2. Vesting.

(a) Vesting Schedule. Subject to the satisfaction of the terms and conditions set forth in the Plan and this Award Agreement, the Restricted Stock Units shall vest according to the following schedule:

[ ____________ ]

The term "***Restriction Period***" refers to the period, applicable to a given Restricted Stock Unit, from the Date of Grant until that Restricted Stock Unit has become vested and the restrictions thereon have lapsed, whether pursuant to this Section 2(a) or Section 2(b) below. References to the end of the Restriction Period or to times following the Restriction Period shall refer to the time of, or the time following, as the case may be, the vesting of a Restricted Stock Unit and the lapse of the restrictions thereon, and shall not be construed to refer to the event of or the period following the forfeiture of a Restricted Stock Unit.

(b) Vesting upon a Qualifying Termination in a Change in Control Period. Notwithstanding anything to the contrary provided in any written agreement with the Participant or under the terms of any severance plan or program in which the Participant is eligible for severance, involuntary termination or substantially similar benefits, including the Newpark Resources, Inc. Change in Control Plan (the "***CIC Plan***"), in the event of the Participant's Qualifying Termination during the Change in Control Period (each as defined in the CIC Plan), any Restricted Stock Units held by the Participant which remain unvested as of such Qualifying Termination shall immediately become vested.

(c) Vesting upon Qualifying Retirement. Notwithstanding anything to the contrary provided in a written agreement with the Participant or under the terms of any severance plan or program in which the Participant is eligible for severance, involuntary termination or substantially similar benefits, if a Participant's employment is terminated by reason of a Qualifying Retirement, the unvested portion of the Restricted Stock Units held by the Participant at that time shall not be forfeited, but shall continue to vest as if the Participant's employment had continued uninterrupted; provided, however, that if the Participant should die after his Qualifying Retirement, the Restricted Stock Units held by the Participant which remain unvested at such time shall immediately become vested. For purposes of this paragraph, a "Qualifying Retirement" shall mean a voluntary termination of employment after accruing 70 "points" based on the sum of (i) the Participant's age and (ii) the Participant's full years of continued service with the Company and its subsidiaries, subject to the following terms: (1) the Participant must have attained at least age 60, (2) "points" are the sum of the Participant's age in whole years and full years of continued service as a full-time or part-time employee, (3) the Participant must provide the Compensation Committee written notice of his or her planned retirement date at least six (6) months in advance thereof, unless such notice is waived or reduced by the Compensation Committee, and (4) the Participant must execute and deliver to the Company a release of claims in a form satisfactory to the Company, not revoke such release, and such release must become binding and irrevocable no earlier than the date of termination and no later than the settlement date for any Restricted Stock Units for which such vesting is accelerated. Continued service is defined as the most recent uninterrupted period of full-time or part-time service with the Company and its subsidiaries. Unless otherwise specified by the Compensation Committee, service with an entity acquired by the Company shall be considered for this purpose only following the effective date of the acquisition. Notwithstanding the foregoing, if subsequent to a Qualifying Retirement, the Participant commences employment with, or otherwise provides services as a consultant or independent contractor to, a competitor of the Company ("Commencement of Competing Service"), all Restricted Stock Units subject to this Award Agreement, other than those that vested and have been settled in full prior to the Commencement of Competing Service, shall be forfeited and the Participant shall be deemed not to have incurred a Qualifying Retirement with respect to Restricted Stock Units.

(d) Vesting Upon Death or Disability. Notwithstanding the foregoing, in the event of the Participant's death or Disability, any of the Restricted Stock Units held by the Participant which remain unvested at such time shall immediately become vested.

**3. Settlement of Award**. Settlement of the vested Restricted Stock Units, excluding any Notional Dividends, shall be made in Shares of Common Stock and such Shares shall be free of all restrictions hereunder, except for applicable federal securities laws restrictions. Notional Dividends credited to the Restricted Stock Unit account with respect to Restricted Stock Units that vest shall be settled in-kind, or, in the discretion of the Committee, paid in cash. All settlements and payments hereunder shall be made within thirty (30) days after the vesting date of the Restricted Stock Units. Pending the payment or delivery of amounts, Shares or other property hereunder, the Company's obligation hereunder shall constitute an unfunded, unsecured general obligation of the Company.

**4.** **Forfeiture**. Subject to Section 14 below, in the event of the termination of the Participant's employment during the Restriction Period by either the Company or by the Participant for any reason other than the Participant's Qualifying Termination in a Change in Control Period, Qualifying Retirement or as a result of the Participant's death or Disability, the unvested portion of the Restricted Stock Units held by the Participant at that time shall immediately be forfeited. Furthermore, in the case of any Commencement of Competing Service subsequent to a Qualifying Retirement, the Participant shall forfeit Restricted Stock Units (and associated Notional Dividends) as provided in Section 2(c).

**5.** **Restrictions on Transfer**. Neither this Award, this Award Agreement nor the Restricted Stock Units may be assigned, pledged, sold or otherwise transferred or encumbered by the Participant; provided, however, that the designation of a beneficiary pursuant to the Plan shall not constitute an assignment, alienation, pledge, sale, transfer or encumbrance. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities, or torts of the Participant. Any purported assignment, alienation, pledge, attachment, sale, transfer or other encumbrance of the Restricted Stock Units, regardless of by whom initiated or attempted, shall be void and unenforceable against the Company. If, notwithstanding the foregoing, an assignment, alienation, pledge, attachment, sale, transfer or other encumbrance of the Restricted Stock Units is effected by operation of law, court order or otherwise, the affected Restricted Stock Units shall remain subject to the risk of forfeiture, vesting requirement and all other terms and conditions of this Award Agreement. In the case of the Participant's death or Disability, the Participant's vested rights under this Award Agreement may be exercised and enforced by the Participant's guardian or legal representative.

**6.** **Reorganization of the Company**. The existence of this Award Agreement shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business; any merger or consolidation of the Company; any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock underlying the Restricted Stock Units or the rights of such Common Stock; the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

**7.** **Changes in Capitalization**. In the event that at any time after the Date of Grant the outstanding shares of Common Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of a merger, consolidation, spin-off, recapitalization, reorganization, liquidation, dissolution or other similar corporate change, or any other increase, decrease or change in the Common Stock without receipt or payment of consideration by the Company including stock split, stock dividend, combination of shares or the like, the aggregate number of Restricted Stock Units which have not vested under this Award Agreement, subject to any required action by the stockholders of the Company, shall automatically be proportionately adjusted.

**8.** **Certain Restrictions**. By executing this Award Agreement, the Participant acknowledges that he will make or enter into such written representations, warranties and agreements and execute such documents as the Company may reasonably request in order to comply with the securities law or any other applicable laws, rules or regulations, or with this Award Agreement or the terms of the Plan. The Company may from time to time impose such conditions on the transfer of the Shares issuable upon vesting of the Restricted Stock Units as it deems necessary or advisable to ensure that any transfers of such Shares will satisfy the applicable requirements of federal and state securities laws. Such conditions may include, without limitation, the partial or complete suspension of the right to transfer such Shares until the Shares have been registered under the Securities Act of 1933, as amended.

**9. Amendment and Termination**. This Award Agreement may not be terminated by the Board of Directors or the Compensation Committee at any time without the written consent of the Participant. No amendment or termination of the Plan will adversely affect the rights and privileges of the Participant under the Award Agreement or to the Restricted Stock Units granted hereunder without the consent of the Participant.

**10. No Guarantee of Employment**. Neither this Award Agreement nor the award of Restricted Stock Units evidenced hereby shall confer upon the Participant any right with respect to continuance of employment with the Company nor shall it interfere in any way with the right the Company would otherwise have to terminate such Participant's employment at any time.

**11. Taxes and Withholdings**.

(a) Tax Consequences. The granting, vesting and/or payments of all or any portion of the Restricted Stock Units, including any Notional Dividends, may trigger tax liability. The Participant agrees that he shall be solely responsible for all tax liability arising from the Restricted Stock Units, including the Notional Dividends. The Participant has been advised to seek independent legal advice to discuss any tax implications which may arise in connection with the Restricted Stock Units, and has either obtained such advice or waived its right to obtain such advice.

(b) Withholding. The Participant shall be liable for any and all taxes, including withholding taxes, arising from the Restricted Stock Units and/or any Notional Dividends. The Participant understands and acknowledges that the Company will not deliver the Shares or make any other payment hereunder until it is satisfied that appropriate arrangements have been made to satisfy any tax obligation under this Award Agreement or the Plan and agrees to make appropriate arrangements suitable to the Company for satisfaction of all tax withholding obligations. Further, the Participant hereby agrees and grants to the Company the right to withhold from any payments or amounts of compensation, payable in cash or otherwise, in order to meet any tax withholding obligations under this Award Agreement or the Plan. As such, if the Company requests that the Participant take any action required to effect any action described in this Section 11 and to satisfy the tax withholding obligation pursuant to this Award Agreement and the Plan, the Participant hereby agrees to promptly take any such action.

**12. No Guarantee of Tax Consequences**. The Company, Board of Directors and Compensation Committee make no commitment or guarantee to the Participant that any federal, state or local tax treatment will apply or be available to any person eligible for benefits under this Award Agreement and assumes no liability whatsoever for the tax consequences to the Participant.

**13. Severability**. In the event that any provision of this Award Agreement is, becomes or is deemed to be illegal, invalid, or unenforceable for any reason, or would disqualify the Plan or this Award

Agreement under any law deemed applicable by the Board of Directors or the Compensation Committee, such provision shall be construed or deemed amended as necessary to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Board of Directors or the Compensation Committee, materially altering the intent of the Plan or this Award Agreement, such provision shall be stricken as to such jurisdiction, the Participant or this Award Agreement, and the remainder of this Award Agreement shall remain in full force and effect.

**14. Terms of the Plan Control**. This Award Agreement and the underlying Award are made pursuant to the Plan. The terms of the Plan, as amended from time to time and interpreted and applied by the Compensation Committee, shall govern and take precedence in the event of any conflict with the terms of this Award Agreement. Notwithstanding the foregoing, if the Participant is a participant in the Newpark Resources, Inc. U.S. Executive Severance Plan (the "***Severance Plan***"), in the event of any conflict between the terms of this Award Agreement and the Plan, on the one hand, and the terms and provisions of the Severance Plan on the other hand, the terms of the Severance Plan shall control.

**15. Governing Law**. This Award Agreement shall be construed in accordance with (excluding any conflict or choice of law provisions of) the laws of the State of Delaware to the extent federal law does not supersede and preempt Delaware law.

**16. Consent to Electronic Delivery; Electronic Signature**. Except as otherwise prohibited by law, in lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectuses supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his electronic signature is the same as, and shall have the same force and effect as, his manual signature.

**17. Clawback Policy**. Notwithstanding any provisions in the Plan or this Award Agreement to the contrary, the Restricted Stock Units granted under this Award Agreement shall be subject to any recoupment policy that the Company may adopt from time to time, to the extent any such policy is applicable to the Participant and to such compensation including, but not limited to, the Newpark Resources, Inc. Clawback Policy, designed to comply with the requirements of Rule 10D-1 promulgated under the U.S. Securities Exchange Act of 1934, as amended, as well as any recoupment provisions required under applicable law. For purposes of the foregoing, the Participant expressly and explicitly authorizes (x) the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Participant's Restricted Stock Units, any Shares of Common Stock issued in settlement thereof, and other amounts acquired under this Award Agreement to re-convey, transfer or otherwise return such Restricted Stock Units, Shares and/or other amounts to the Company and (y) the Company's recovery of any covered compensation through any method of recovery that the Company deems appropriate, including without limitation by reducing any amount that is or may become payable to the Participant. The Participant further agrees to comply with any request or demand for repayment by any affiliate of the Company in order to comply with such policies or applicable law. To the extent that the terms of this Award Agreement and any Company recoupment policy conflict, the terms of the recoupment policy shall prevail.

**18. Section 409A**. It is intended that the provisions of this Award Agreement comply with Section 409A of the Code, and all provisions of this Award Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If, at the time of the Participant's separation from service (within the meaning of Section 409A, (i) the Participant is a specified employee (within the meaning of Section 409A) and using the identification methodology selected by the Company from time to time), and (ii) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date pursuant to this Award Agreement but shall instead pay it without interest, on the first business day after such six-month period, or if earlier, upon the Participant's death. The Company reserves the right to make amendments to this Award Agreement as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A.

**19. Data Authorization**. Pursuant to applicable data protection laws, the Participant's personal data will be collected and used as necessary for the Company's administration of the Plan and the Participant's participation in the Plan. The Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's participation in the Plan. As such, the Participant voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.

As part of the Company's administration of the Plan, the Company and its Subsidiaries may hold certain personal information about the Participant including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares of Common Stock or directorships held in the Company, details of all options, units or any other entitlement to Shares of Common Stock awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor. This information is held for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company or its subsidiaries will process the Data for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. Data processing will take place through electronic and non-electronic means as necessary to administer the Plan and will be handled in conformance with the confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence (and country of employment, if different). The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Participant's participation in the Plan.

The Company and its Subsidiaries may transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company and its Subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. Please note these entities may be located in the European Economic Area, the United States or elsewhere in the world. The Participant hereby authorizes (where required under applicable law) these parties to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the Plan. This includes any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares of Common Stock on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any Shares of Common Stock acquired pursuant to the Plan.

The Participant may, at any time, exercise the Participant's rights provided under applicable personal data protection laws. These rights may include (i) obtain confirmation as to the existence of the Data, (ii) verify the content, origin and accuracy of the Data, (iii) request the integration, update, amendment, deletion, or blockage of the Data, (iv) oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Participant's participation in the Plan, and (v) withdraw the Participant's consent to the collection, processing or transfer of Data as provided hereunder (in which case, the Participant's Award will be null and void). The Participant may seek to exercise these rights by contacting the Participant's local Human Resources manager or the Company's Human Resources Department.

**Exhibit 10.2**

# NEWPARK RESOURCES, INC.
# PERFORMANCE-BASED CASH AWARD AGREEMENT

Subject to the terms and conditions of this Performance-Based Cash Award Agreement (this "***Cash Award Agreement***"), the Newpark Resources, Inc. Second Amended and Restated 2015 Employee Equity Incentive Plan, as may be amended from time to time (the "***2015 Equity Incentive Plan***") and the Amended and Restated Long-Term Cash Incentive Plan, a sub-plan to the 2015 Equity Incentive Plan, as may be amended from time to time (the "***Cash Plan***"), Newpark Resources, Inc., a Delaware corporation (the "***Company***"), hereby grants to the below individual (the "***Participant***") a Performance-Based Cash Award (the "***Cash Award***"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Cash Plan first and the 2015 Equity Incentive Plan second, and the terms of both the Cash Plan and the 2015 Equity Incentive Plan are incorporated herein by reference.

1. Identifying Information.

| | | | |
|---|---|---|---|
| Participant Name and Address: | ____________________ | Date of Grant: | ____________________ |
| | ____________________ | Projected Cash Award: | ____________________ |
| | ____________________ | | |

2. Vesting and Forfeiture.

(a) Vesting due to Satisfaction of Performance Criteria. Subject to the satisfaction of the terms and conditions set forth in the 2015 Equity Incentive Plan, the Cash Plan and this Cash Award Agreement, the amount of the Cash Award that shall vest on the Performance Vesting Date shall equal the Projected Cash Award multiplied by the Final Vesting Percentage. Any portion of the Cash Award that does not vest in accordance with this Section 2 shall be forfeited.

(b) Vesting upon a Qualifying Termination in a Change in Control Period. Notwithstanding anything to the contrary provided in any written agreement with the Participant or under the terms of any severance plan or program in which the Participant is eligible for severance, involuntary termination or substantially similar benefits, including the Newpark Resources, Inc. Change in Control Plan (the "***CIC Plan***"), in the event of the Participant's Qualifying Termination during the Change in Control Period (each as defined in the CIC Plan), this Cash Award shall fully vest (with performance deemed achieved based on the greater of (i) the Projected Cash Award with no application of the Final Vesting Percentage, and (ii) the Projected Cash Award multiplied by the Final Vesting Percentage determined based on actual performance through the Performance Vesting Date).

(c) Vesting upon Death or Disability. In the event of the Participant's death or Disability, the Cash Award shall immediately become vested and the cash amount that shall be payable in settlement of the Cash Award on the date specified in Section 3 below shall be the Projected Cash Award (as provided in Section 1 above), with no application of the Final Vesting Percentage.

(d) Vesting upon Qualifying Retirement. Notwithstanding anything to the contrary provided in a written agreement with the Participant or under the terms of any severance plan or program in which the Participant is eligible for severance, involuntary termination or substantially similar benefits, if a Participant's employment is terminated by reason of a Qualifying Retirement either (i) prior to the end of a Performance Period or (ii) after the end of a Performance Period but prior to payment to that Participant of the Cash Award otherwise payable (or any portion thereof) under this Cash Award Agreement, the amount of the Cash Award that shall vest on the Performance Vesting Date shall equal the Projected Cash Award multiplied by the Final Vesting Percentage.

(e) Forfeiture. Subject to Section 10 below, in the event of the termination of the Participant's employment prior to the Performance Vesting Date by either the Company or by the Participant for any reason other than as a result of the Participant's Qualifying Termination in a Change in Control Period, death, Disability, or Qualifying Retirement, the unvested portion of the Cash Award held by the Participant at that time shall immediately be forfeited.

3. Payment. Payment of any vested portion of the Cash Award shall be made only in cash by the Company or an applicable Subsidiary (as determined in the sole discretion of the Company). All payments hereunder, if any, shall be made as soon as practicable after the Performance Vesting Date but in any event no later than thirty (30) days after such Performance Vesting Date. Pending the payment or delivery of cash hereunder, the Company's obligation hereunder shall constitute an unfunded, unsecured general obligation of the Company and if applicable, any Subsidiary.

4. Restrictions on Transfer. Neither this Cash Award Agreement nor the Cash Award may be assigned, pledged, sold or otherwise transferred or encumbered by the Participant; provided, however, that the designation of a beneficiary pursuant to the 2015 Equity Incentive Plan shall not constitute an assignment, alienation, pledge, sale, transfer or encumbrance. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities, or torts of the Participant. Any purported assignment, alienation, pledge, attachment, sale, transfer or other encumbrance of the Cash Award, regardless of by whom initiated or attempted, shall be void and unenforceable against the Company. If, notwithstanding the foregoing, an assignment, alienation, pledge, attachment, sale, transfer or other encumbrance of the Cash Award is effected by operation of law, court order or otherwise, the affected Cash Award shall remain subject to the risk of forfeiture, vesting requirement and all other terms and conditions of this Cash Award Agreement. In the case of the Participant's death or Disability, the Participant's vested rights under this Cash Award Agreement may be exercised and enforced by the Participant's guardian or legal representative. Notwithstanding anything in the foregoing to the contrary, the Company and any applicable Subsidiary shall be permitted to assign its rights and obligations under this Award Agreement.

5. Amendment and Termination. This Cash Award Agreement may not be terminated by the Board of Directors or the Compensation Committee at any time without the written consent of the Participant. No amendment or termination of the 2015 Equity Incentive Plan or the Cash Plan will adversely affect the rights and privileges of the Participant under this Cash Award Agreement or to the Cash Award granted hereunder without the consent of the Participant.

6. No Guarantee of Employment. Neither this Cash Award Agreement nor grant of the Cash Award evidenced hereby shall confer upon the Participant any right with respect to continuance of employment with the Company nor shall it interfere in any way with the right the Company would otherwise have to terminate such Participant's employment at any time.

7. Taxes and Withholdings.

(a) Tax Consequences. The granting, vesting and/or payments of all or any portion of the Cash Award may trigger tax liability. The Participant agrees that he or she shall be solely responsible for all tax liability arising from the Cash Award. The Participant is encouraged to contact his or her tax advisor to discuss any tax implications which may arise in connection with the Cash Award.

(b) Withholding. The Participant shall be liable for any and all taxes, including withholding taxes, arising from the Cash Award. The Participant understands and acknowledges that the Company will not make payments hereunder until it is satisfied that appropriate arrangements have been made to satisfy any tax obligation under this Cash Award Agreement, the 2015 Equity Incentive Plan or the Cash Plan and agrees to make appropriate arrangements suitable to the Company for satisfaction of all tax withholding obligations. Further, the Participant hereby agrees and grants to the Company the right to withhold from any payments or amounts of compensation, payable in cash or otherwise, in order to meet any tax withholding obligations under this Cash Award Agreement, the 2015 Equity Incentive Plan or the Cash Plan. As such, if the Company requests that the Participant take any action required to effect any action described in this Section 7 and to satisfy the tax withholding obligation pursuant to this Cash Award Agreement, the 2015 Equity Incentive Plan and the Cash Plan, the Participant hereby agrees to promptly take any such action.

8. No Guarantee of Tax Consequences. The Company, Board of Directors and Compensation Committee make no commitment or guarantee to the Participant that any federal, state or local tax treatment will apply or be available to any person eligible for benefits under this Cash Award Agreement and assumes no liability whatsoever for the tax consequences to the Participant.

9. Severability. In the event that any provision of this Cash Award Agreement is, becomes or is deemed to be illegal, invalid, or unenforceable for any reason, or would disqualify the 2015 Equity Incentive Plan, the Cash Plan or this Cash Award Agreement under any law deemed applicable by the Board of Directors or the Compensation Committee, such provision shall be construed or deemed amended as necessary to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Board of Directors or the Compensation Committee, materially altering the intent of the 2015 Equity Incentive Plan, the Cash Plan or this Cash Award Agreement, such provision shall be stricken as to such jurisdiction, the Participant or this Cash Award Agreement, and the remainder of this Cash Award Agreement shall remain in full force and effect.

10. Terms of the Plans Control. This Cash Award Agreement and the Cash Award are made pursuant to the 2015 Equity Incentive Plan and the Cash Plan. The terms of the 2015 Equity Incentive Plan and the Cash Plan, each as amended from time to time and interpreted and applied by the Compensation Committee, shall govern and take precedence in the event of any conflict with the terms of this Cash Award Agreement. Notwithstanding the foregoing, if the Participant is a participant in the Newpark Resources, Inc. U.S. Executive Severance Plan (the "***Severance Plan***"), in the event of any conflict between the terms of this Cash Award Agreement, the 2015 Equity Incentive Plan and the Cash Plan, on the one hand, and the terms and provisions of such Severance Plan on the other hand, the terms of the Severance Plan shall control.

11. Governing Law. This Cash Award Agreement shall be construed in accordance with (excluding any conflict or choice of law provisions of) the laws of the State of Delaware to the extent federal law does not supersede and preempt Delaware law.

12. Consent to Electronic Delivery; Electronic Signature. Except as otherwise prohibited by law, in lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectuses supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

13. Clawback Policy. Notwithstanding any provisions in the 2015 Equity Incentive Plan, the Cash Plan or this Cash Award Agreement to the contrary, the Cash Award granted under this Cash Award Agreement shall be subject to any recoupment policy that the Company may adopt from time to time, to the extent any such policy is applicable to the Participant and to such compensation including, but not limited to, the Newpark Resources, Inc. Clawback Policy, designed to comply with the requirements of Rule 10D-1 promulgated under the U.S. Securities Exchange Act of 1934, as amended, as well as any recoupment provisions required under applicable law. For purposes of the foregoing, the Participant expressly and explicitly authorizes (x) the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Participant's Cash Award and other amounts acquired under the Cash Award Agreement to re-convey, transfer or otherwise return such Cash Award and/or other amounts to the Company and (y) the Company's recovery of any covered compensation through any method of recovery that the Company deems appropriate, including without limitation by reducing any amount that is or may become payable to the Participant. The Participant further agrees to comply with any request or demand for repayment by any affiliate of the Company in order to comply with such policies or applicable law. To the extent that the terms of this Cash Award Agreement and any Company recoupment policy conflict, the terms of the recoupment policy shall prevail.

14. Section 409A. It is intended that the provisions of this Cash Award Agreement either comply with, or be exempt from, Section 409A of the Code ("***Section 409A***"), and all provisions of this Cash Award Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If, at the time of the Participant's separation from service (within the meaning of Section 409A, (i) the Participant is a specified employee (within the meaning of Section 409A) and using the identification methodology selected by the Company from time to time), and (ii) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date pursuant to this Cash Award Agreement but shall instead pay it without interest, on the first business day after such six-month period, or if earlier, upon the Participant's death. The Company reserves the right to make amendments to this Cash Award Agreement as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A.

15. Data Authorization. Pursuant to applicable data protection laws, the Participant's personal data will be collected and used as necessary for the Company's administration of the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan. The Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan. As such, the Participant voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.

As part of the Company's administration of the 2015 Equity Incentive Plan and the Cash Plan, the Company and its Subsidiaries may hold certain personal information about the Participant including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares of Common Stock or directorships held in the Company, details of all options, units or any other entitlement to Shares of Common Stock awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor. This information is held for the purpose of managing and administering the 2015 Equity Incentive Plan and the Cash Plan ("***Data***"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company or its subsidiaries will process the Data for the exclusive purpose of implementing, administering and managing the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan. Data processing will take place through electronic and non-electronic means as necessary to administer the 2015 Equity Incentive Plan and the Cash Plan and will be handled in conformance with the confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence (and country of employment, if different). The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the 2015 Equity Incentive Plan and the Cash Plan and for the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan.

The Company and its Subsidiaries may transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan, and the Company and its Subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the 2015 Equity Incentive Plan and the Cash Plan. Please note these entities may be located in the European Economic Area, the United States or elsewhere in the world. The Participant hereby authorizes (where required under applicable law) these parties to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan. This includes any requisite transfer of such Data as may be required for the administration of the 2015 Equity Incentive Plan and the Cash Plan. The Participant may, at any time, exercise the Participant's rights provided under applicable personal data protection laws. These rights may include (i) obtain confirmation as to the existence of the Data, (ii) verify the content, origin and accuracy of the Data, (iii) request the integration, update, amendment, deletion, or blockage of the Data, (iv) oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the 2015 Equity Incentive Plan and the Cash Plan and the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan, and (v) withdraw the Participant's consent to the collection, processing or transfer of Data as provided hereunder (in which case, the Participant's Award will be null and void). The Participant may seek to exercise these rights by contacting the Participant's local Human Resources manager or the Company's Human Resources Department.

16. Definitions. The following terms shall have the meanings set forth in Appendix A.

## Appendix A

## Definitions

(a) "***Anticipated Peer Group***" means the Company and the following entities to the extent such entities or their successors are in existence and have publicly traded common stock as of the last day of the Performance Period, as such may be adjusted by the Compensation Committee to account for extraordinary events, such as mergers, acquisitions, divestitures, restructurings, or bankruptcies or other extraordinary items, affecting the Company or such other entities; provided, however, that the Anticipated Peer Group shall only be applicable under this Cash Award if the Divestiture Date occurs before the end of the Performance Period.

*1. [_]*

(b) "***Company RONCE Percentage***" means the average RONCE for each calendar year ending [_], [_] and [_].

(c) "***Company TSR Percentile***" means the percentile of the Company's TSR relative to the TSRs of the other members of the Peer Group or the Anticipated Peer Group (as applicable). Such will be determined by ranking the Company and the members of the Peer Group or the Anticipated Peer Group (as applicable) from highest to lowest according to their respective TSRs. After this ranking, the percentile performance of the Company relative to the members in the Peer Group or the Anticipated Peer Group (as applicable) will be determined as follows:

$$P = 1 - \frac{R - 1}{N - 1}$$

where: "P" represents the percentile performance which will be rounded, if necessary, to the nearest whole percentile by application of regular rounding.

"N" represents the number of companies in the Peer Group or the Anticipated Peer Group (as applicable), plus the Company.

"R" represents the Company's ranking among the members of the Peer Group or the Anticipated Peer Group (as applicable).

(d) "***Divestiture Date***" means the date that the Company reports the Fluids segment as discontinued operations under GAAP.

(e) "***Ending Share Price***" means the average closing price of one share of common stock of the Company, the relevant member of the Peer Group, or the relevant member of the Anticipated Peer Group, as applicable, over the 30-calendar day period ending on the last day of the Performance Period; provided, however, that if the Divestiture Date occurs before the end of the Performance Period, the "***Ending Share Price***" with respect to the Peer Group shall mean the average closing price of one share of common stock of the relevant member of the Peer Group over the 30-calendar day period ending on the date prior to the Divestiture Date.

(f) “***Final Vesting Percentage***” means the aggregate of (i) seventy percent (70%) multiplied by the TSR Vesting Percentage and (ii) thirty percent (30%) multiplied by the RONCE Vesting Percentage.

(g) “***GAAP***” means United States generally accepted accounting principles and practices as in effect from time to time.

(h) “***Maximum RONCE Percentage***” means [_]%.

(i) “***Maximum TSR Percentile***” means the ninetieth (90th) percentile.

(j) “***Peer Group***” means the Company and the following entities to the extent such entities or their successors are in existence and have publicly traded common stock as of the last day of the Performance Period, as such may be adjusted by the Compensation Committee to account for extraordinary events, such as mergers, acquisitions, divestitures, restructurings, or bankruptcies or other extraordinary items, affecting the Company or such other entities.

*1. [_]*

(k) “***Performance Certification Date***” means the date as of which the Compensation Committee makes its final written certifications of the TSR Vesting Percentage and the RONCE Vesting Percentage, and its determination of whether and the extent to which the applicable Performance Requirements have been met in accordance with Paragraph 2(a) or 2(b) of the Award Agreement.

(l) “***Performance Period***” means the period beginning [_] and ending on the earlier of [_], and the applicable Performance Vesting Date.

(m) “***Performance Requirement***” means the condition(s) that must necessarily be attained for the vesting of the Cash Award.

(n) “***Performance Vesting Date***” means:

i. in the event of the Participant’s Qualifying Termination during a Change in Control Period and before payment of the Cash Award otherwise payable hereunder, the date of such Qualifying Termination;

ii. in the event of the Participant’s death or Disability before the last day of the Performance Period, the date of death or Disability; and

iii. in all other cases, the later of [_], and the Performance Certification Date.

(o) “***Projected Cash Award***” means the dollar amount set forth in Section 1 of this Cash Award Agreement, which shall initially reflect the dollar amount that would be paid to the Participant if (i) the Company’s TSR Percentile is equal to the Target TSR Percentile, and (ii) the Company’s RONCE Percentage is equal to the Target RONCE Percentage.

(p) “***Qualifying Retirement***” means a voluntary termination of employment after accruing 70 “points” based on the sum of (i) the Participant’s age and (ii) the Participant’s full years of continued service with the Company and its subsidiaries, subject to the following terms: (1) the Participant must have attained at least age 60, (2) "points" are the sum of the Participant's age in whole years and full years of continued service as a full-time or part-time employee, (3) the Participant must provide the Compensation Committee written notice of his or her planned retirement date at least six (6) months in advance thereof, unless such notice is waived or reduced by the Compensation Committee, and (4) the Participant must execute and deliver to the Company a release of claims in a form satisfactory to the Company, not revoke such release, and such release must become binding and irrevocable no earlier than the date of termination and no later than the Performance Vesting Date. Continued service is defined as the most recent uninterrupted period of full-time or part-time service with the Company and its subsidiaries. Unless otherwise specified by the Compensation Committee, service with an entity acquired by the Company shall be considered for this purpose only following the effective date of the acquisition.

(q) "***RONCE***" or "***Return on Net Capital Employed***" is calculated as follows:

$$\text{RONCE} = \frac{\text{Operating Income (as budgeted and reported in Form 10-K, as adjusted)}}{\text{Four Quarter Average Total Debt \& Equity (as reported in Form 10-K, 10-Qs)}}$$

(r) "***RONCE Vesting Percentage***" means:

i. if the Company RONCE Percentage is less than the Threshold RONCE Percentage, zero percent (0%);

ii. if the Company RONCE Percentage equals the Threshold RONCE Percentage, fifty percent (50%);

iii. if the Company RONCE Percentage equals the Target RONCE Percentage, 100%; and

iv. if the Company RONCE Percentage is at least equal to the Maximum RONCE Percentage, two hundred percent (200%).

In the event the Company RONCE Percentage is between the Threshold RONCE Percentage and the Target RONCE Percentage or between the Target RONCE Percentage and the Maximum RONCE Percentage, the resulting RONCE Vesting Percentage shall be interpolated on a straight line basis. In no event may the RONCE Vesting Percentage be more than two hundred percent (200%).

(s) "***Starting Share Price***" means the average closing price of one share of common stock of the Company, the relevant member of the Peer Group, or the relevant member of the Anticipated Peer Group, as applicable, over the 30-calendar day period prior to and including the first day of the Performance Period or the Divestiture Date, as applicable.

(t) "***Target RONCE Percentage***" means [_]%.

(u) "***Target TSR Percentile***" means the fiftieth (50th) percentile.

(v) "***Threshold RONCE Percentage***" means [_]%.

(w) "***Threshold TSR Percentile***" means the twenty-fifth (25th) percentile.

(x) "***TSR***" or "***Total Shareholder Return***" means, for the Company, each member of the Peer Group and each member of the Anticipated Peer Group, as applicable: (i) the Ending Share Price, minus the Starting Share Price, plus the cumulative amount of dividends on one share of the relevant company's common stock for the Performance Period or from the Divestiture Date through the end of the Performance Period, as applicable, divided by (ii) the Starting Share Price.

(y) "***TSR Vesting Percentage***" means:

i. if the Company TSR Percentile is less than the Threshold TSR Percentile, zero percent (0%);

ii. if the Company TSR Percentile is at least equal to the Threshold TSR Percentile, but less than the Target TSR Percentile, the sum of (A) fifty percent (50%) and (B) the percentage derived by multiplying the excess, if any, of the Company TSR Percentile over the Threshold TSR Percentile by 2;

iii. if the Company TSR Percentile is at least equal to the Target TSR Percentile, but less than the Maximum TSR Percentile, the sum of (A) one hundred percent (100%) and (B) the percentage derived by multiplying the excess, if any, of the Company TSR Percentile over the Target TSR Percentile by 2.5; and

iv. if the Company TSR Percentile is at least equal to the Maximum TSR Percentile, two hundred percent (200%).

In the event that the Divestiture Date occurs before the end of the Performance Period and the Committee is required to calculate two TSR Vesting Percentages (the first based on the Peer Group and the second based on the Anticipated Peer Group), the final TSR Vesting Percentage shall be calculated by weighting the two TSR Vesting Percentages as determined separately in accordance with subclauses (i)-(iv) above and based on the amount of time during the Performance Period each of the peer groups were in effect. In no event may the TSR Vesting Percentage be more than two hundred percent (200%).

* * * * *

**Exhibit 31.1**

**Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Matthew S. Lanigan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Newpark Resources, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 6, 2024

/s/ Matthew S. Lanigan

Matthew S. Lanigan
President and Chief Executive Officer

**Exhibit 31.2**

**Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Gregg S. Piontek, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Newpark Resources, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2024

/s/ Gregg S. Piontek
Gregg S. Piontek
Senior Vice President and Chief Financial Officer

**Exhibit 32.1**

**Certification**
**Pursuant to 18 U.S.C. Section 1350**
**As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2024, of Newpark Resources, Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Matthew S. Lanigan, President and Chief Executive Officer (Principal Executive Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2024

/s/ Matthew S. Lanigan
Matthew S. Lanigan
President and Chief Executive Officer

**Exhibit 32.2**

**Certification**
**Pursuant to 18 U.S.C. Section 1350**
**As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2024, of Newpark Resources, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregg S. Piontek, Senior Vice President and Chief Financial Officer (Principal Financial Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2024

/s/ Gregg S. Piontek
Gregg S. Piontek
Senior Vice President and Chief Financial Officer