

NEWPARK

November 2023 Investor Presentation

Positioned for Sustainable Growth



Notice to Investors

Disclaimers

Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. All statements other than statements of historical facts are forward-looking statements. Words such as “will,” “may,” “could,” “would,” “should,” “anticipates,” “believes,” “estimates,” “expects,” “plans,” “intends,” and similar expressions are intended to identify these forward-looking statements but are not the exclusive means of identifying them. These statements are not guarantees that our expectations will prove to be correct and involve a number of risks, uncertainties, and assumptions. Many factors, including those discussed more fully elsewhere in this release and in documents filed with the Securities and Exchange Commission by Newpark, particularly its Annual Report on Form 10-K, and its Quarterly Reports on Form 10-Q, as well as others, could cause actual plans or results to differ materially from those expressed in, or implied by, these statements. These risk factors include, but are not limited to, risks related to the worldwide oil and natural gas industry; our ability to generate internal growth; economic and market conditions that may impact our customers’ future spending; our customer concentration and reliance on the U.S. exploration and production market; our international operations; the ongoing conflicts in Europe and the Middle East; operating hazards present in the oil and natural gas and utilities industries and substantial liability claims, including catastrophic well incidents; our contracts that can be terminated or downsized by our customers without penalty; our product offering and market expansion; our ability to attract, retain, and develop qualified leaders, key employees, and skilled personnel; our expanding services in the utilities sector, which may require unionized labor; the price and availability of raw materials; inflation; capital investments, business acquisitions, and joint ventures; our market competition; technological developments and intellectual property; severe weather, natural disasters, and seasonality; public health crises, epidemics, and pandemics; our cost and continued availability of borrowed funds, including noncompliance with debt covenants; environmental laws and regulations; our legal compliance; the inherent limitations of insurance coverage; income taxes; cybersecurity breaches or business system disruptions; our ability to execute on strategic actions, including whether any transaction will take place in connection with the strategic review of our Fluids Systems division; our divestitures; activist stockholders that may attempt to effect changes at our Company or acquire control over our Company; share repurchases; and our amended and restated bylaws, which could limit our stockholders’ ability to obtain what such stockholders believe to be a favorable judicial forum for disputes with us or our directors, officers or other employees. We assume no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities laws. Newpark’s filings with the Securities and Exchange Commission can be obtained at no charge at www.sec.gov, as well as through our website at www.newpark.com.

Non-GAAP Financial Measures

This presentation includes references to financial measurements that are supplemental to the Company’s financial performance as calculated in accordance with generally accepted accounting principles (“GAAP”). These non-GAAP financial measures include earnings before interest, taxes, depreciation and amortization (“EBITDA”), Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Net Debt, and Net Leverage. We believe these non-GAAP financial measures are frequently used by investors, securities analysts and other parties in the evaluation of our performance and liquidity with that of other companies in our industry. Management uses these measures to evaluate our operating performance, liquidity and capital structure. In addition, our incentive compensation plan measures performance based on our consolidated EBITDA, along with other factors. The methods we use to produce these non-GAAP financial measures may differ from methods used by other companies. These measures should be considered in addition to, not as a substitute for, financial measures prepared in accordance with GAAP.



Agenda

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Introduction

2

End-Market Overview

3

Summary of Key Financial Data



1

Introduction

An aerial photograph showing a large steel lattice transmission tower under construction. The tower is situated on a cleared area of land next to a winding river. Several construction vehicles, including a yellow crane, are visible around the base of the tower. In the background, there are more power lines and another tower. The surrounding landscape is dry and brushy.

Aligning Portfolio to Maximize Value Creation Through Accelerated Growth in Power & Infrastructure Markets

Disciplined Strategy Aligned with Long-Term Global Megatrends

Company Overview

Specialty Rental & Services Company Supporting Power and Infrastructure Markets

Newpark Resources, Inc. headquartered in The Woodlands, TX, is a global company operating **two independent business units**, Industrial Solutions and Fluids Systems, supporting energy and infrastructure markets. We built a reputation for innovating and adapting to the changing needs of our customers, **delivering sustainable technologies** that enable society to prosper.

- NYSE Stock Symbol: NR
- Operating in more than 20 countries worldwide; ~70% of 2022 revenues in North America
- Earnings primarily driven by utilities and industrial end-markets, while exposure to O&G reduced through recent divestitures
- Strong financial profile with modest debt burden and no significant near-term maturities

NEWPARK RESOURCES GLOBAL FOOTPRINT



Diverse End-Market Coverage

Renewable
Generation



Transmission
& Distribution



Infrastructure
Construction



Petrochemical



Midstream



O&G Exploration
& Production



Leader in Power and Energy Infrastructure Solutions

Providing Innovative Product & Service Solutions for Power T&D and O&G Infrastructure

68% OF SEGMENT ADJ. EBITDA (YTD 2023)*	INDUSTRIAL SOLUTIONS Power Infrastructure, O&G, Construction and Renewables	89% OF SEGMENT CAPEX (YTD 2023)
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Leading provider of specialty rental and services, **redefining safety & efficiency standards**

Unique business model includes **integrated manufacturing** of 100% recyclable DURA-BASE[®] composite matting, which offers economic and ESG benefits vs. traditional access products

Longstanding, blue-chip customer relationships across T&D utility owners and infrastructure contractors



Consistent FCF generation, **strong EBITDA** margin, and solid ROI

32% OF SEGMENT ADJ. EBITDA (YTD 2023)*	FLUID SYSTEMS Oil, Natural Gas, and Geothermal	11% OF SEGMENT CAPEX (YTD 2023)
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#1 rated** drilling and reservoir fluids solutions provider in overall performance globally

Leading portfolio of sustainable **water-based technologies** delivering outstanding performance and reducing carbon footprint***

Globally positioned in long-term markets with established customers supported by current **O&G global demand tailwinds**



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

Segment Approach Supports Growth & Shareholder Return

Net Capital Employed*

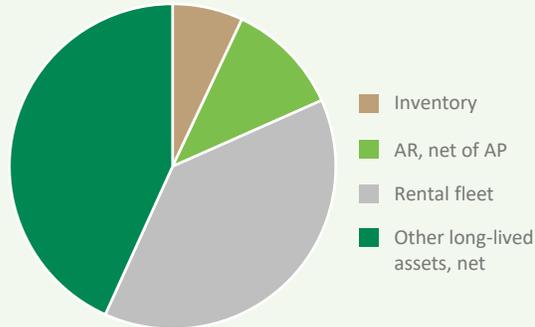
TTM ADJ EBITDA**

Market Outlook

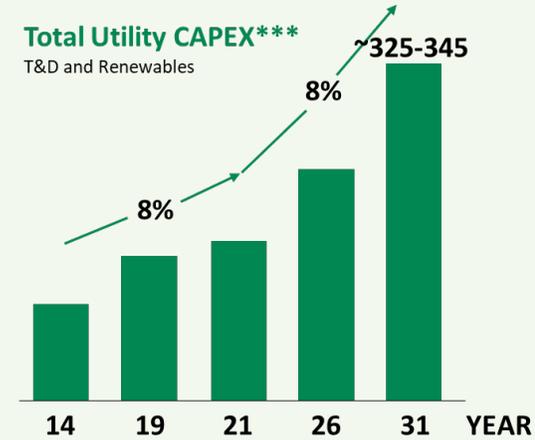
Approach

Industrial Solutions

\$229M



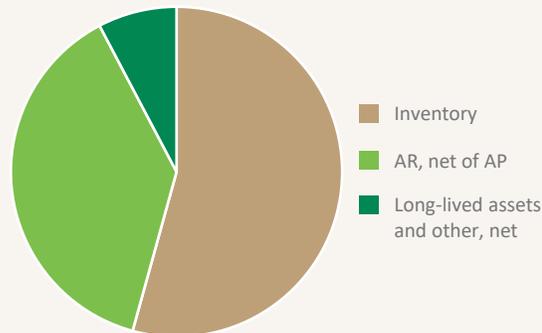
\$81M



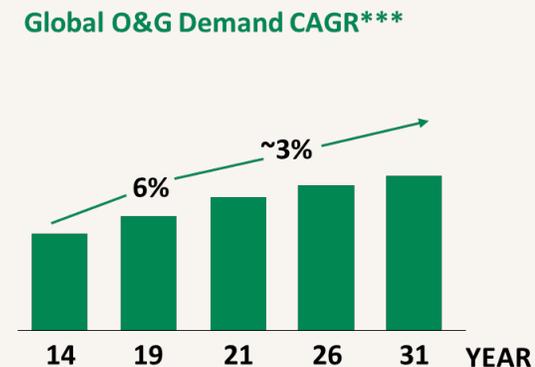
Invest & Grow

Fluids Systems

\$234M



\$35M



Optimize for Cash Generation

Sale Process Launched

* Net Capital Employed represents segment net assets, excluding cash and debt, as of September 30, 2023.

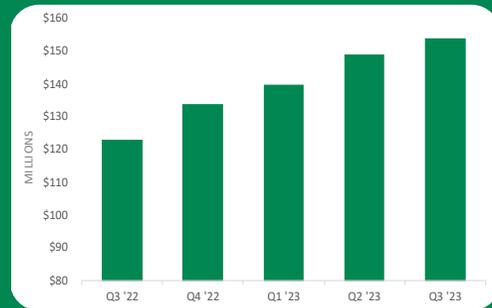
** Adjusted EBITDA is a non-GAAP financial measure. See earnings release and reconciliation to the most comparable GAAP measure in "Non-GAAP Financial Measures" slides within this presentation, as of September 30, 2023

*** Source: FERC; industry interviews; BCG analysis/Bloomberg NEF & S&P Global Market Intelligence, Feb 2021

Key Operational Highlights Aligned with Strategy

Disciplined Execution Delivering Shareholder Value Creation

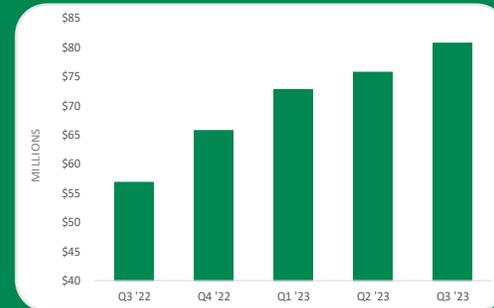
Rental and Service Revenue (TTM)



25%

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

Industrial Solutions EBITDA* (TTM)



42%

YoY growth in Industrial Solutions EBITDA (TTM)

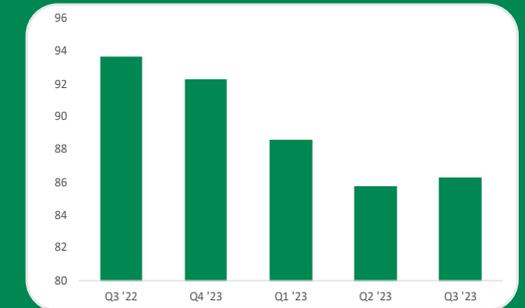
Fluid Systems Net Capital Employed



33%

YoY reduction in Fluids Systems asset base

Shares Outstanding



8%

YoY reduction in shares outstanding

Well Positioned in Substantial Energy Megatrends

Multi-Trillion Dollar Markets Provide Long-Term Opportunities



\$14T+

Electrification

Investment in global electrical grid to enable “electrification of everything”



\$1T+

Renewables

Renewable Generation tie-ins and grid hardening driving long-term infrastructure development



\$12T+

Global Oil & Gas

O&G Investment is projected to meet demand in Sustainable Development Scenario over next 30 years

Differentiated Model Exploiting Competitive Advantages

Over 50 Years of Technology & Service Innovation Positioning Us for Tomorrow's Opportunities

- Self-funding organic expansion in **high-growth, high-returning** infrastructure markets
- Focused capital light Fluid Systems positioned to **generate cash** through cycles
- **Technology, scale, and service** drive customer loyalty and productivity
- Global presence in **diversified end markets** with blue-chip customers
- **Modest leverage** provides stability and potential inorganic growth funding
- Capable of balancing growth, returns, and FCF to **maximize long-term value creation** for our shareholders



Meaningful Progress in our Transformation

Strategic Focus on Growth in More Stable, Higher-Margin Industrial Markets Key to Long-Term Value Creation

	2019	YTD Q3 2023	Change
✓ Maintaining Adjusted EBITDA as we reposition the Company	\$82M Adjusted EBITDA**	\$85M Adjusted EBITDA** (TTM)	+4%
✓ Increasing Adjusted EBITDA generation from more stable Industrial Solutions segment	61% % of Segment Adj. EBITDA* generated from Industrial Solutions	68% % of Segment Adj. EBITDA* generated from Industrial Solutions	+11%
✓ Reducing capital employed to drive agility in cyclical Fluids Systems segment	\$708M Net Capital Employed (EOY)	\$500M Net Capital Employed (EOQ)	-29%
✓ Redeploying capital toward higher-returning segment	36% % of Segment Net Capital Employed deployed in Industrial Solutions	49% % of Segment Net Capital Employed deployed in Industrial Solutions	+36%
✓ Returning value to shareholders through share repurchases	90M Shares outstanding	86M Shares outstanding (Average)	-4%
✓ Reducing total debt and eliminated equity-linked debt	\$172M (\$100M) Total Principal Outstanding (Equity-Linked)	\$86M (\$0) Total Principal Outstanding (Equity-Linked)	-50% (-100%)



2

End-Market Overview

Utilities Infrastructure Megatrend Powering Growth

Significant Long-term Capital Investment in Innovation & Infrastructure Enhanced by Legislation

The **\$1.2 trillion Infrastructure Investment and Jobs Act (IIJA)** is investing significantly over next decade, including **~ \$70B for electric grid and hardened energy infrastructure**

\$300B federal clean energy tax package over next 10 years from **Inflation Reduction Act (IRA)**

Aging infrastructure, system hardening, grid reliability, and renewable energy projects are key drivers for approximately **\$32B** transmission infrastructure **temporary access specialty rental & services** spend

\$1.2T+

Infrastructure Investment and Jobs Act (IIJA) is investing significantly over next decade

\$140B+

U.S. investor-owned utilities are expected to make about **\$140B+ annual capital investments with ~8% CAGR** for clean energy technologies and decarbonization

\$32B+

Annual U.S. utility transmission investment with **~10% of spend on temporary access specialty rental & services**

Positioned for Growth in Multi-Billion Dollar Temporary Access Market

Specialty Rental and Services Supporting Infrastructure Megatrends

What We Do

Leading manufacturer and rental fleet provider of **composite temporary worksite access** solutions with a diversified customer base, which primarily compete against access alternatives such as wood, gravel, or permanent surfaces

Our Footprint



Industries We Serve



Utilities



O&G



Construction



Pipeline



Rail & Other

25%

YoY growth in Rental & Service Revenue (TTM)

42%

YoY growth in Industrial Solutions EBITDA (TTM)

34%

Average Adjusted Industrial Solutions EBITDA Margin 2021 – 2023

55%

YTD Q3 2023 annualized rental revenue as % of avg. fleet cost

12 year

Estimated useful life of mat deployed into rental fleet

Industrial Solutions End-to-End Operating Model

Differentiated by Optimizing Across the Value Chain Providing Strong Results

Product Engineering & Design

Materials Sourcing & Procurement

Precision Manufacturing

Product Direct Sales

Mat Fleet Rental & Services

Belief in Innovation

- High performance, safety, and service-centric culture
- Introduced DURA-BASE® to the world over 25 years ago as the 100% recyclable composite matting solution
- Committed R&D, Project Technical Support team with industry-leading experience
- Strategically located in Carencro, LA, close to suppliers using proprietary compounds of resins, including recycled product
- 50,000 sq ft automated manufacturing plant with over half a million 8' x 14' mats manufactured
- Quality management compliant with ISO 9001:2015

Scaled to Succeed With Proven Record of Delivering

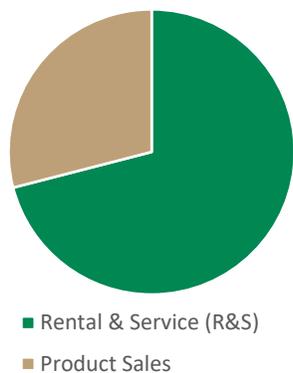
- Supplying small- and large-scale requests domestically and abroad
- Most experienced composite matting industry sales and operations team
- Dedicated to new and longstanding customer relationships
- Long asset life with low maintenance leveraging technology, and large scalable operating footprint
- Operate the largest composite DURA-BASE® matting fleet in the world

Industrial Solutions

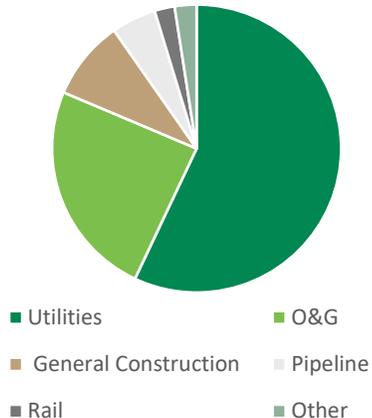
Strategic Progress Supported by Strong Infrastructure Trends

- Strategic investments in technology, scale, and service to drive specialty rental differentiation
- Expansion of specialty rental fleet to meet long-term infrastructure build-out in multiple industries
- 16% average revenue CAGR from Utilities & Industrial end-markets since 2016; contribute ~75% of YTD '23 segment revenues
- Leverage R&D to launch higher-margin products focused on driving operating efficiency and sustainability
- Robust rental unit economics drive strong EBITDA margin and ROIC profile

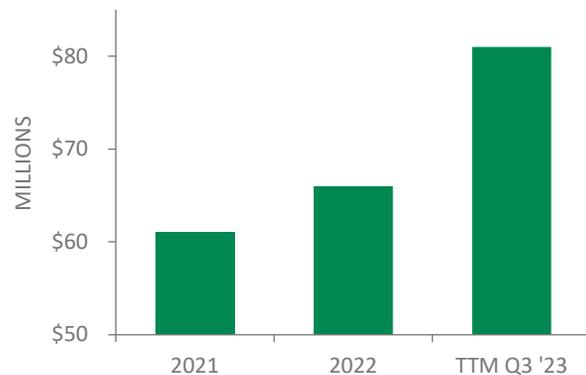
YTD Q3 '23 REVENUE MIX



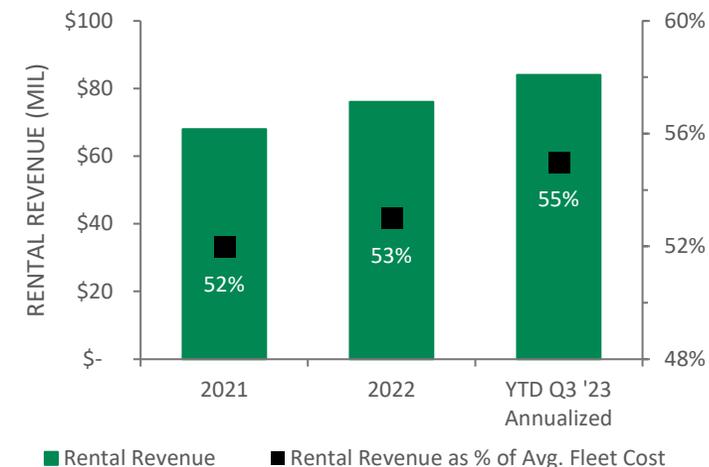
YTD Q3 '23 BY INDUSTRY



ADJUSTED EBITDA*



RENTAL REV AS % AVG FLEET COST



Global Demand for Oil and Gas Remains Resilient

Emergence of Alternative Energy Lags Global Demand

\$12T+ Investment in Oil & Gas projected to meet global demand in Sustainable Development Scenario over next 30 years

Access to affordable and reliable energy critical for developing economies

Geopolitical instability heightens global focus on energy security during the transition to alternative energy sources

OUTLOOK BY 2050

80%+

World's Energy which comes from fossil fuels today

70%+

Renewables demand growth requiring new infrastructure construction and related services

20%+

Total demand results in an increase of global Oil/Liquids/Natural Gas demand calling for efficient, innovative, and sustainable drilling and reservoir solutions

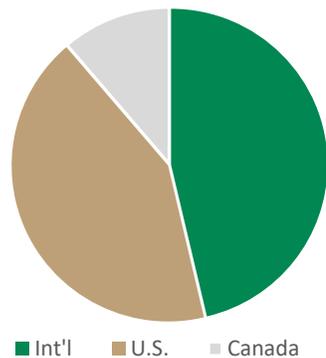
Fluids Systems



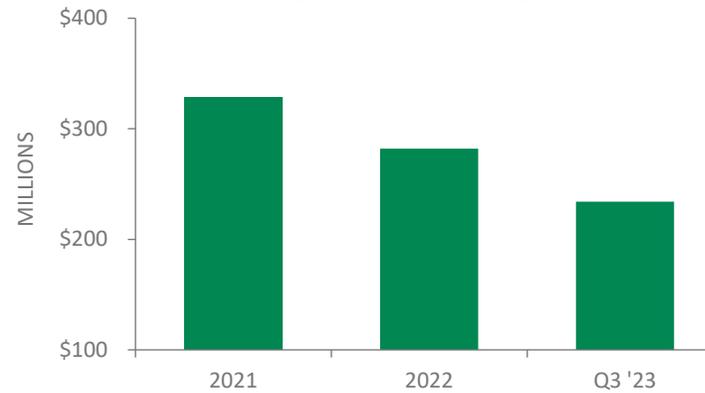
Agile, Capital-Light Technology & Services Capable of Cash Generation Through Cycles

- Recent divestitures driving shift to international markets; 58% of YTD Q3 '23 revenues generated outside of U.S.
- Global footprint aligned to long-term, strategic markets
- Reshaping balance sheet to drive “Capital-Light” model, and reduce return cyclicality
- FCF generation to support higher-returning growth and return to shareholders
- In September 2023, sale process launched for Fluids Systems; anticipate substantial completion by mid-2024

YTD Q3 '23 REVENUE MIX



NET CAPITAL EMPLOYED



YTD Q3 '23 CASH GENERATION FROM RECENT DIVESTITURES

\$33M

Long-Term Capital Allocation Strategy

Disciplined Approach Balances Growth Investments with Return of Capital



Maintain Target Leverage

- Target net leverage range of 0.5x–1.5x
- Net leverage*: 0.7x
- Total liquidity**: \$95M
- Maintaining sufficient liquidity to support strategic growth
- ABL Facility matures 2027
- YTD Q3 '23 Free Cash Flow generation of \$47M; solid Free Cash Flow expected in Q4



Invest in Growth



Organic

- Continued organic investment in high returning opportunities
- > 80% of YTD Q3 '23 CAPEX deployed to expand rental fleet and support utilities and industrial market penetration



M&A

- Continually evaluate opportunities to accelerate Industrial strategy
- Disciplined execution based on strategic value, size, risk and appropriate economics
- Improving equity value key to inorganic strategy & shareholder value



Return Excess Cash to Investors

- As assets in Fluids Systems are monetized, returning a significant portion of proceeds to shareholders through share repurchase program
- 8% YoY reduction in shares outstanding

Sustainability Embedded in Our DNA

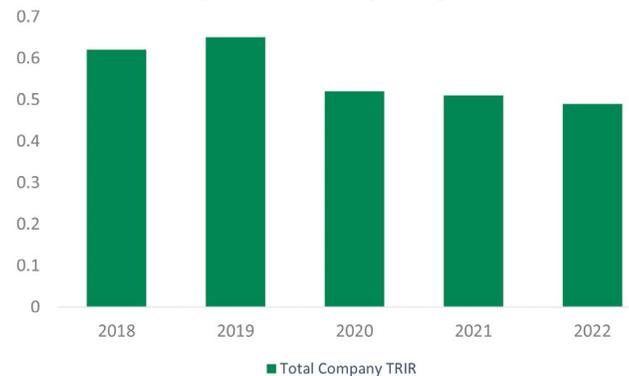


2022 Sustainability Report Including SASB & TCFD Disclosures Available on Website

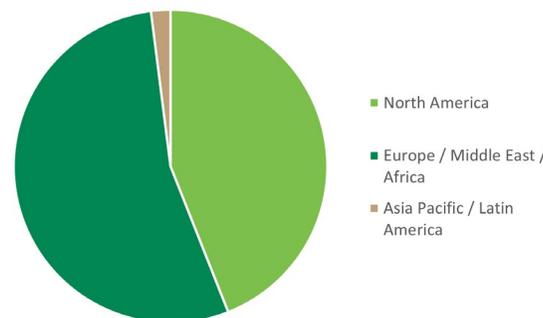
Environmental Social Governance



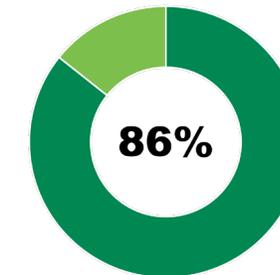
Safety Drives Everything We Do



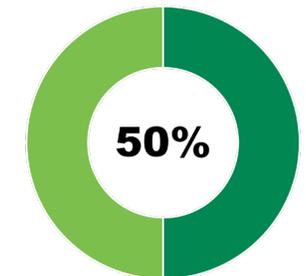
Committed to Local Personnel Across Our Operations



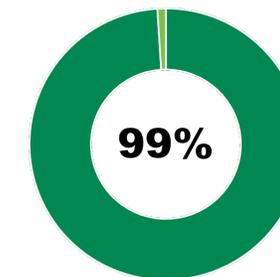
Board Independence



Independent Board Diversity



Shareholder Approval Rate of Executive Compensation



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

Why Invest in Newpark Resources?

Leading Provider of Sustainable Technologies and Services



Meaningful growth opportunity tied to the energy transition



Global presence in large-scale energy markets



Proven technologies with economic and ESG benefits



Demonstrated ability to adapt and grow



Balancing investment in growth markets with return of capital



Capital structure to support growth plans

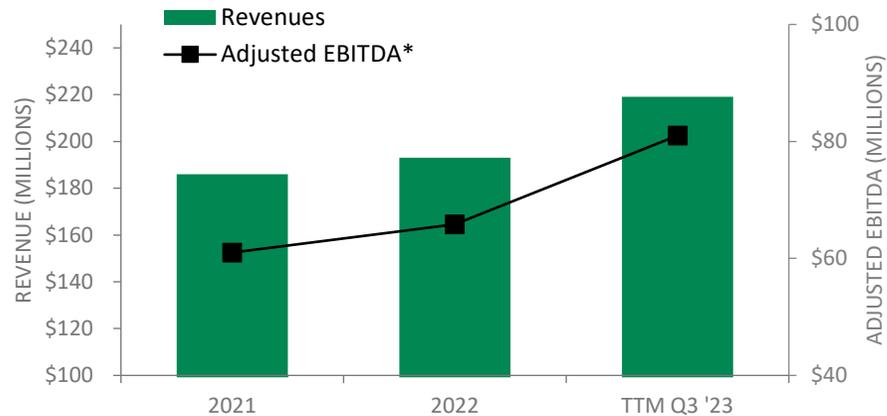


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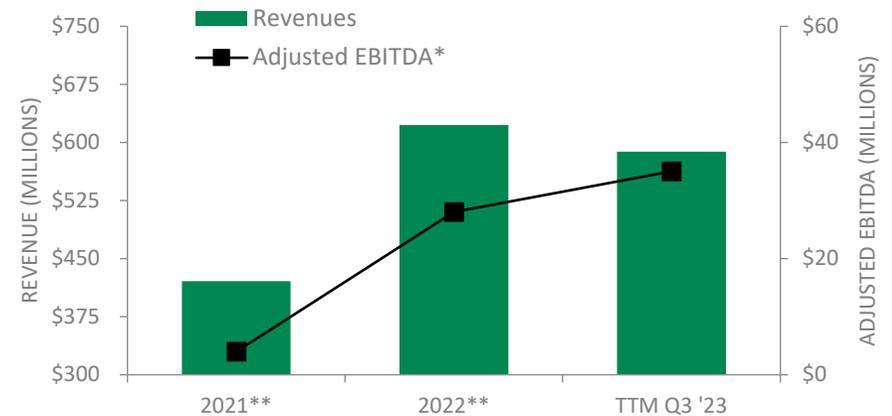
Summary of Key Financial Data

Business Segment Overview

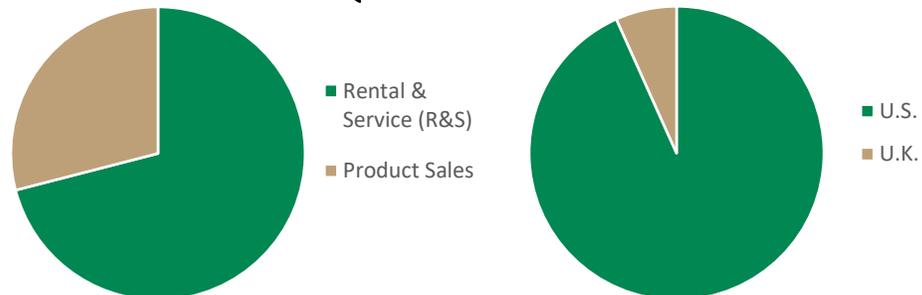
Industrial Solutions



Fluids Systems

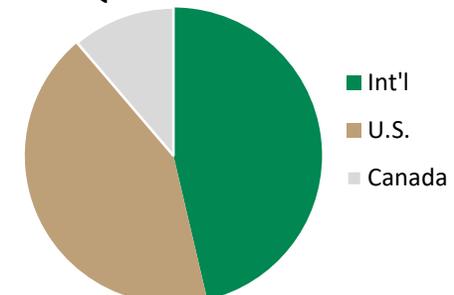


YTD Q3 '23 REVENUES



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

YTD Q3 '23 REVENUES



- Reshaping portfolio to monetize working capital and improve returns
- ~ 85% of asset base comprised of receivables, inventory, and other working capital

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

** Includes operations of Gulf of Mexico and U.S. Mineral Grinding operations, both of which were exited in Q4 2022. Divested units contributed \$83 million of revenues, \$5 million of depreciation expense, and a \$40 million operating loss in 2022, including \$29 million impairment charge, and \$62 million of revenues, \$7 million of depreciation expense and \$7 million operating loss in 2021.

Consolidated Statements of Operations (unaudited)

(In thousands, except per share data)	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenues	\$ 198,498	\$ 183,256	\$ 219,853	\$ 581,784	\$ 590,435
Cost of revenues	159,133	150,170	187,884	474,041	507,078
Selling, general and administrative expenses	26,821	25,576	24,207	77,807	72,970
Other operating (income) loss, net	(703)	(1,184)	(345)	(2,148)	(375)
Impairments and other charges	-	2,816	29,417	2,816	37,322
Operating income (loss)	13,247	5,878	(21,310)	29,268	(26,560)
Foreign currency exchange gain	(445)	(102)	(1,424)	(228)	(1,943)
Interest expense, net	2,027	2,146	1,875	6,262	4,719
Income (loss) before income taxes	11,665	3,834	(21,761)	23,234	(29,336)
Provision for income taxes	3,995	2,132	2,834	8,242	490
Net income (loss)	\$ 7,670	\$ 1,702	\$ (24,595)	\$ 14,992	\$ (29,826)
Calculation of EPS:					
Net income (loss) - basic and diluted	\$ 7,670	\$ 1,702	\$ (24,595)	\$ 14,992	\$ (29,826)
Weighted average common shares outstanding - basic	86,310	85,761	93,737	86,873	92,843
Dilutive effect of stock options and restricted stock awards	1,724	1,712	-	1,810	
Weighted average common shares outstanding - diluted	88,034	87,473	93,737	88,683	92,843
Net income (loss) per common share - basic:	\$ 0.09	\$ 0.02	\$ (0.26)	\$ 0.17	\$ (0.32)
Net income (loss) per common share - diluted:	\$ 0.09	\$ 0.02	\$ (0.26)	\$ 0.17	\$ (0.32)

Operating Segment Results (unaudited)

(In thousands)	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenues					
Fluids Systems	\$ 141,236	\$ 135,181	\$ 168,621	\$ 420,591	\$ 454,896
Industrial Solutions	57,262	48,075	51,232	161,193	135,539
Industrial Blending	-	-	-	-	-
Total revenues	<u>\$ 198,498</u>	<u>\$ 183,256</u>	<u>\$ 219,853</u>	<u>\$ 581,784</u>	<u>\$ 590,435</u>
Operating income (loss)					
Fluids Systems	\$ 7,573	\$ 1,965	\$ (24,193)	\$ 13,004	\$ (20,394)
Industrial Solutions	14,336	12,774	10,036	41,593	26,148
Industrial Blending	-	-	(526)	-	(10,324)
Corporate office	(8,662)	(8,861)	(6,627)	(25,329)	(21,990)
Total operating income (loss)	<u>\$ 13,247</u>	<u>\$ 5,878</u>	<u>\$ (21,310)</u>	<u>\$ 29,268</u>	<u>\$ (26,560)</u>
Segment operating margin					
Fluids Systems	5.4%	1.5%	-14.3%	3.1%	-4.5%
Industrial Solutions	25.0%	26.6%	19.6%	25.8%	19.3%

Impact of 2022 Divestitures (unaudited)

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

(In thousands)	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenues					
Excalibar	\$ -	\$ -	\$ 17,623	\$ -	\$ 44,068
Gulf of Mexico	-	-	8,591	-	18,697
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,214</u>	<u>\$ -</u>	<u>\$ 62,765</u>
Operating income (loss)					
Excalibar	\$ -	\$ -	\$ 888	\$ -	\$ 2,538
Gulf of Mexico	(358)	(2,107)	(32,931)	(4,776)	(39,192)
Total operating income (loss)	<u>\$ (358)</u>	<u>\$ (2,107)</u>	<u>\$ (32,043)</u>	<u>\$ (4,776)</u>	<u>\$ (36,654)</u>

Consolidated Balance Sheets (unaudited)

(In thousands, except share data)	September 30, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	\$ 26,611	\$ 23,182
Receivables, net	195,269	242,247
Inventories	143,252	149,571
Prepaid expenses and other current assets	12,961	10,966
Total current assets	<u>378,093</u>	<u>425,966</u>
Property, plant and equipment, net	192,718	193,099
Operating lease assets	21,950	23,769
Goodwill	47,138	47,110
Other intangible assets, net	17,750	20,215
Deferred tax assets	2,282	2,275
Other assets	2,104	2,441
Total assets	<u>\$ 662,035</u>	<u>\$ 714,875</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current debt	\$ 24,818	\$ 22,438
Accounts payable	81,423	93,633
Accrued liabilities	46,815	46,871
Total current liabilities	<u>153,056</u>	<u>162,942</u>
Long-term debt, less current portion	60,896	91,677
Noncurrent operating lease liabilities	18,219	19,816
Deferred tax liabilities	7,183	8,121
Other noncurrent liabilities	8,714	9,291
Total liabilities	<u>248,068</u>	<u>291,847</u>
Common stock, \$0.01 par value (200,000,000 shares authorized and 111,669,464 and 111,451,999 shares issued, respectively)	1,117	1,115
Paid-in capital	638,338	641,266
Accumulated other comprehensive loss	(68,309)	(67,186)
Retained earnings	11,441	2,489
Treasury stock, at cost (25,792,378 and 21,751,232 shares, respectively)	(168,620)	(154,656)
Total stockholders' equity	<u>413,967</u>	<u>423,028</u>
Total liabilities and stockholders' equity	<u>\$ 662,035</u>	<u>\$ 714,875</u>

Consolidated Statements of Cash Flows (unaudited)

(In thousands)	Nine Months Ended September 30,		(In thousands)	Nine Months Ended September 30,	
	2023	2022		2023	2022
Cash flows from operating activities:					
Net income (loss)	\$ 14,992	\$ (29,826)	Cash flows from investing activities:		
Adjustments to reconcile net income (loss) to net cash provided by operations:			Capital expenditures	(20,134)	(17,720)
Impairments and other non-cash charges	2,816	37,322	Proceeds from divestitures	19,355	-
Depreciation and amortization	23,507	30,259	Proceeds from sale of property, plant and equipment	2,952	2,497
Stock-based compensation expense	4,967	5,102	Net cash provided by (used in) investing activities	<u>2,173</u>	<u>(15,223)</u>
Provision for deferred income taxes	(1,031)	(5,717)	Cash flows from financing activities:		
Credit loss expense	827	721	Borrowings on lines of credit	198,486	241,487
Gain on sale of assets	(2,176)	(2,550)	Payments on lines of credit	(229,657)	(199,549)
Amortization of original issue discount and debt issuance costs	409	724	Proceeds from term loan	-	3,754
Change in assets and liabilities:			Debt issuance costs	-	(999)
(Increase) decrease in receivables	33,917	(26,494)	Purchases of treasury stock	(28,226)	(2,619)
Increase in inventories	(2,160)	(58,722)	Proceeds from employee stock plans	179	-
Increase in other assets	(2,133)	(3,976)	Other financing activities	(2,950)	(2,251)
Increase (decrease) in accounts payable	(11,179)	24,751	Net cash provided by (used in) financing activities	<u>(62,168)</u>	<u>39,823</u>
Decrease in accrued liabilities and other	1,086	313	Effect of exchange rate changes on cash	<u>(504)</u>	<u>(2,083)</u>
Net cash provided by (used in) operating activities	<u>63,842</u>	<u>(28,093)</u>	Net increase (decrease) in cash, cash equivalents, and restricted cash	3,343	(5,576)
			Cash, cash equivalents, and restricted cash at beginning of period	25,061	29,489
			Cash, cash equivalents, and restricted cash at end of period	<u>\$ 28,404</u>	<u>\$ 23,913</u>

Non-GAAP Financial Measures (unaudited)

The following tables reconcile the Company's net income (loss) calculated in accordance with GAAP to the non-GAAP financial measures of EBITDA and Adjusted EBITDA:

Consolidated (In thousands)	Twelve Months Ended				Nine Months Ended		TTM Q3
	2019	2020	2021	2022	2022	2023	2023
Net income (loss) (GAAP)	\$ (12,946)	\$ (80,696)	\$ (25,526)	\$ (20,834)	\$ (29,826)	\$ 14,992	\$ 23,984
Interest expense, net	14,369	10,986	8,805	7,040	4,719	6,262	8,583
Provision (benefit) for income taxes	9,788	(11,883)	7,293	4,371	490	8,242	12,123
Depreciation and amortization	47,144	45,314	42,225	38,610	30,259	23,507	31,858
EBITDA (non-GAAP)	58,355	(36,279)	32,797	29,187	5,642	53,003	76,548
Impairments and other charges	11,422	14,727	-	37,322	37,322	2,816	2,816
Gain on divestitures	-	-	-	(3,596)	-	-	(3,596)
Fourchon, Louisiana hurricane-related costs	-	-	2,596	-	-	-	-
Facility exit costs and other	2,631	(201)	2,399	2,452	1,150	4,594	5,897
Severance costs	3,814	4,773	1,898	736	519	2,630	2,846
Inventory write-downs	1,881	10,345	-	-	-	-	-
Gain on legal settlement	-	-	(1,000)	-	-	-	-
(Gain) loss on extinguishment of debt	-	(419)	1,000	-	-	-	-
Other	3,955	-	(849)	-	-	-	-
Adjusted EBITDA (non-GAAP)	<u>\$ 82,058</u>	<u>\$ (7,054)</u>	<u>\$ 38,841</u>	<u>\$ 66,101</u>	<u>\$ 44,633</u>	<u>\$ 63,043</u>	<u>\$ 84,511</u>

Non-GAAP Financial Measures (unaudited)

The following tables reconcile the Company's net income (loss) calculated in accordance with GAAP to the non-GAAP financial measures of EBITDA and Adjusted EBITDA:

Consolidated (In thousands)	Three Months Ended				
	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023
Net income (loss) (GAAP)	\$ (24,595)	\$ 8,992	\$ 5,620	\$ 1,702	\$ 7,670
Interest expense, net	1,875	2,321	2,089	2,146	2,027
Provision (benefit) for income taxes	2,834	3,881	2,115	2,132	3,995
Depreciation and amortization	9,696	8,351	7,895	7,908	7,704
EBITDA (non-GAAP)	(10,190)	23,545	17,719	13,888	21,396
Impairments and other charges	29,417	-	-	2,816	-
Gain on divestitures	-	(3,596)	-	-	-
Facility exit costs and other	388	1,303	2,292	1,944	358
Severance costs	-	216	955	1,169	506
Adjusted EBITDA (non-GAAP)	<u>\$ 19,615</u>	<u>\$ 21,468</u>	<u>\$ 20,966</u>	<u>\$ 19,817</u>	<u>\$ 22,260</u>

The following tables reconcile the Company's segment operating income (loss) calculated in accordance with GAAP to the non-GAAP financial measures of EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin:

Non-GAAP Financial Measures (unaudited)

Fluids Systems (In thousands)	Twelve Months Ended				Nine Months Ended		TTM Q3
	2019	2020	2021	2022	2022	2023	2023
Revenues	\$ 620,317	\$ 354,608	\$ 420,789	\$ 622,601	\$ 454,896	\$ 420,591	\$ 588,296
Operating income (loss) (GAAP)	\$ 3,814	\$ (66,403)	\$ (19,012)	\$ (15,566)	\$ (20,394)	\$ 13,004	\$ 17,832
Depreciation and amortization	21,202	20,555	17,877	13,875	11,517	5,819	8,177
EBITDA (non-GAAP)	25,016	(45,848)	(1,135)	(1,691)	(8,877)	18,823	26,009
Impairments and other charges	11,422	14,727	-	29,417	29,417	2,816	2,816
Gain on divestiture	-	-	-	(971)	-	-	(971)
Fourchon, Louisiana hurricane-related costs	-	-	2,596	-	-	-	-
Facility exit costs and other	2,631	(201)	2,399	1,000	-	4,594	5,594
Inventory write-downs	1,881	10,345	-	-	-	-	-
Severance costs	2,264	3,729	1,329	398	235	1,143	1,306
Other	605	-	(849)	-	-	-	-
Adjusted EBITDA (non-GAAP)	\$ 43,819	\$ (17,248)	\$ 4,340	\$ 28,153	\$ 20,775	\$ 27,376	\$ 34,754
Operating Margin (GAAP)	0.6%	-18.7%	-4.5%	-2.5%	-4.5%	3.1%	3.0%
Adjusted EBITDA Margin (non-GAAP)	7.1%	-4.9%	1.0%	4.5%	4.6%	6.5%	5.9%

Industrial Solutions (In thousands)	Twelve Months Ended				Nine Months Ended		TTM Q3
	2019	2020	2021	2022	2022	2023	2023
Revenues	\$ 199,802	\$ 130,469	\$ 185,171	\$ 192,993	\$ 135,539	\$ 161,193	\$ 218,647
Operating income (GAAP)	\$ 47,466	\$ 13,030	\$ 42,117	\$ 43,899	\$ 26,148	\$ 41,593	\$ 59,344
Depreciation and amortization	21,763	20,127	19,304	21,653	16,171	15,758	21,240
EBITDA (non-GAAP)	69,229	33,157	61,421	65,552	42,319	57,351	80,584
Severance costs	434	437	302	214	161	254	307
Gain on legal settlement	-	-	(1,000)	-	-	-	-
Adjusted EBITDA (non-GAAP)	\$ 69,663	\$ 33,594	\$ 60,723	\$ 65,766	\$ 42,480	\$ 57,605	\$ 80,891
Operating Margin (GAAP)	23.8%	10.0%	22.7%	22.7%	19.3%	25.8%	27.1%
Adjusted EBITDA Margin (non-GAAP)	34.9%	25.7%	32.8%	34.1%	31.3%	35.7%	37.0%

Non-GAAP Financial Measures (unaudited)

The following table reconciles the Company's net cash provided by (used in) operating activities calculated in accordance with GAAP to the non-GAAP financial measure of Free Cash Flow:

Consolidated (In thousands)	Twelve Months Ended				Nine Months Ended September 30,	
	2019	2020	2021	2022	2022	2023
Net cash provided by (used in) operating activities (GAAP)	\$ 72,286	\$ 55,791	\$ (3,013)	\$ (25,021)	\$ (28,093)	\$ 63,842
Capital expenditures	(44,806)	(15,794)	(21,793)	(28,273)	(17,720)	(20,134)
Proceeds from sale of property, plant and equipment	13,734	12,399	15,999	3,217	2,497	2,952
Free Cash Flow (non-GAAP)	\$ 41,214	\$ 52,396	\$ (8,807)	\$ (50,077)	\$ (43,316)	\$ 46,660

Non-GAAP Financial Measures (unaudited)

The following table reconciles the Company's total debt calculated in accordance with GAAP to the non-GAAP financial measures of Net Debt and Net Leverage:

Consolidated (In thousands)	December 31,				September 30,	
	2019	2020	2021	2022	2022	2023
Current debt	\$ 6,335	\$ 67,472	\$ 19,210	\$ 22,438	\$ 23,431	\$ 24,818
Long-term debt, less current portion	153,538	19,690	95,593	91,677	133,637	60,896
Total Debt	159,873	87,162	114,803	114,115	157,068	85,714
Less: cash and cash equivalents	(48,672)	(24,197)	(24,088)	(23,182)	(20,450)	(26,611)
Net Debt	<u>\$ 111,201</u>	<u>\$ 62,965</u>	<u>\$ 90,715</u>	<u>\$ 90,933</u>	<u>\$ 136,618</u>	<u>\$ 59,103</u>
Adjusted EBITDA (non-GAAP) - TTM	<u>\$ 82,058</u>	<u>\$ (7,054)</u>	<u>\$ 38,841</u>	<u>\$ 66,101</u>	<u>\$ 56,013</u>	<u>\$ 84,511</u>
Net Leverage	<u>1.4</u>	<u>NM</u>	<u>2.3</u>	<u>1.4</u>	<u>2.4</u>	<u>0.7</u>