



# National Energy Services Reunited Corp.

## The National Champion of MENA

November 2020



Sherif Foda  
Chairman and Chief Executive Officer

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**Non-GAAP Financial Measures:** This Presentation includes certain financial measures not presented in accordance with generally accepted accounting principles (“GAAP”) including, but not limited to, EBITDA, adjusted EBITDA, Free Cash Flow and certain ratios and other metrics derived there from. NESR believes that these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to NESR’s financial condition and results of operations. NESR’s management uses these non-GAAP measures to compare its performance to that of prior periods for, among other reasons, trend analysis and for budgeting and planning purposes. NESR believes that the use of these non-GAAP measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing NESR’s financial measures with other peer companies, many of which present similar non-GAAP measures to investors. Management of NESR does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP measures is that they exclude significant expenses that are required by GAAP to be recorded in the Company’s financial statements. In addition, these measures are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP measures. You should not place undue reliance on these non-GAAP measures. We urge you to review NESR’s financial statements, which are included in NESR’s SEC Filings. Certain non-GAAP financial information included in this investor presentation is preliminary, unaudited and subject to revision upon completion of the Company’s closing and audit processes. As such, potential investors are cautioned not to rely on such information, as audited results may differ materially from the information provided herein.

- Global economic recovery slow but predictable with increased oil demand as we look to post-pandemic future over next 24 months
- Commodities at 30-yr low indicates historic opportunity to invest
- Oil & Gas rebound widely expected over the next 12 months
- Supply in 2021 will come mainly from MENA
- MENA region largely insulated from downward pressures in US and poised for strong recovery – NESR is perfectly positioned to benefit from this uptick in activity
- Operations, contract pipeline and attractive balance sheet outline an extremely strong story, yet NESR remains undervalued vs. peers
- **NESR offers a deep value play to enter today and take advantage of building upward momentum in the stock that will continue to be unlocked by increased liquidity**

# NESR is a unique OFS play

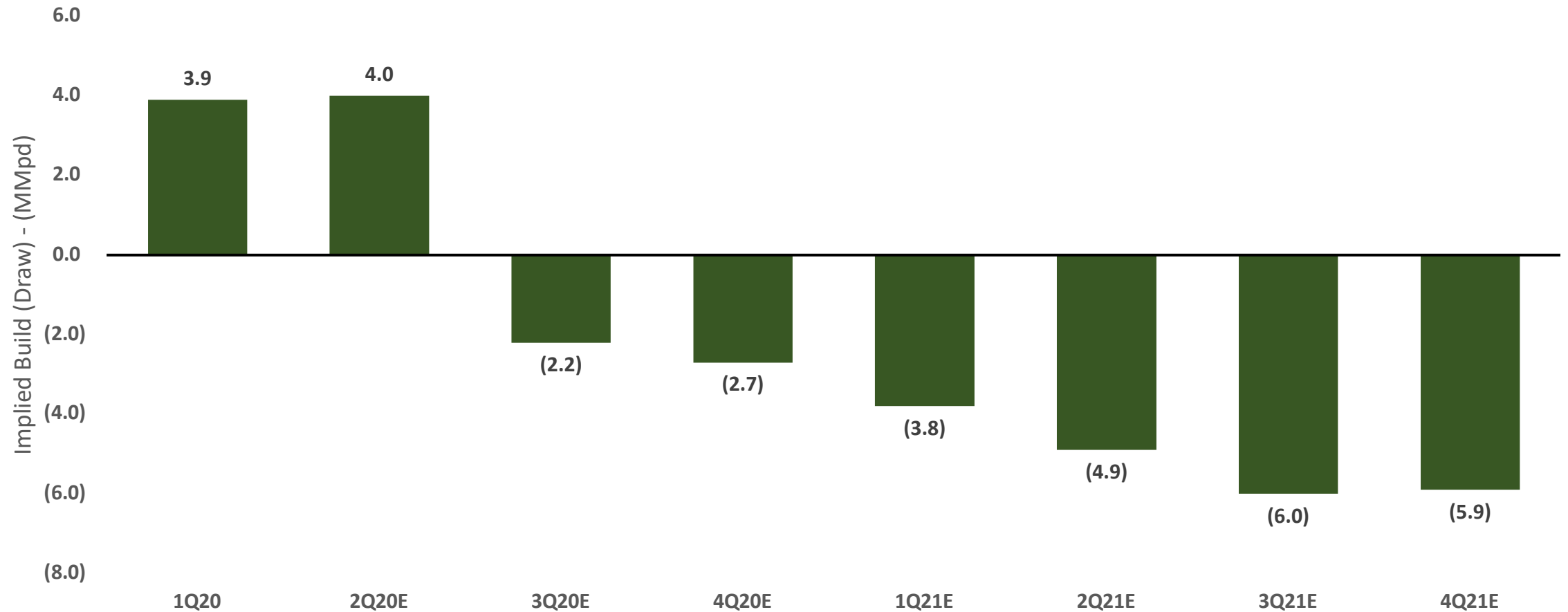


OFS...	NESR
"... is going to be affected long term changes by the energy transition"	In forecasts that predict a drastic shift away from Oil and 70% reduction in carbon emissions by 2050, the Middle East is the major oil producer with the lowest cost/bbl, in countries where NESR not only operates, but is considered "local" ✓
"...will be affected by short term demand changes post COVID"	Incremental supply for 2021 will come from OPEC+ based on IEA estimates ✓
"...in an oversupplied market"	NESR operates in a 20B\$ market, largely controlled by the "Big 3" , with a 4% market share today and enough headroom to go to 10% market share (Execution, Open Source Tech, ICV tailwinds) ✓
"...does not deliver real EPS"	NESR delivers positive EPS without any adjustments, write-offs, impairments - an exception in the Industry ✓
"...is over-levered with no FCF generation"	NESR Net Debt/EBITDA is less than 2x and decreasing, with a 10% FCF yield ✓
"...higher beta vs oil and gas landscape"	Historically true but NESR has produced consistent growth for the last 3 years and has clear path to double in size ✓
"...beholden to what happens in elections"	NESR is insulated from US elections. In either case NESR benefits (more regulated North America will lead to higher prices) ✓
"...better positioned for the upside in NAM"	NESR has been historically undervalued vs International or US Peers so if Oil price goes up and valuations improve, NESR has the same upside as any distressed US peer with minimal risk of operating activity ✓
"...behind on ESG"	NESR leads in ESG regionally. Local Govts have stated targets of >50% In-Country Value Creation and NESR is ahead of the curve. NESR is the first regional company listed on a US exchange, following a US governance model ✓

# Global Demand Will Draw on Inventories into 2021...

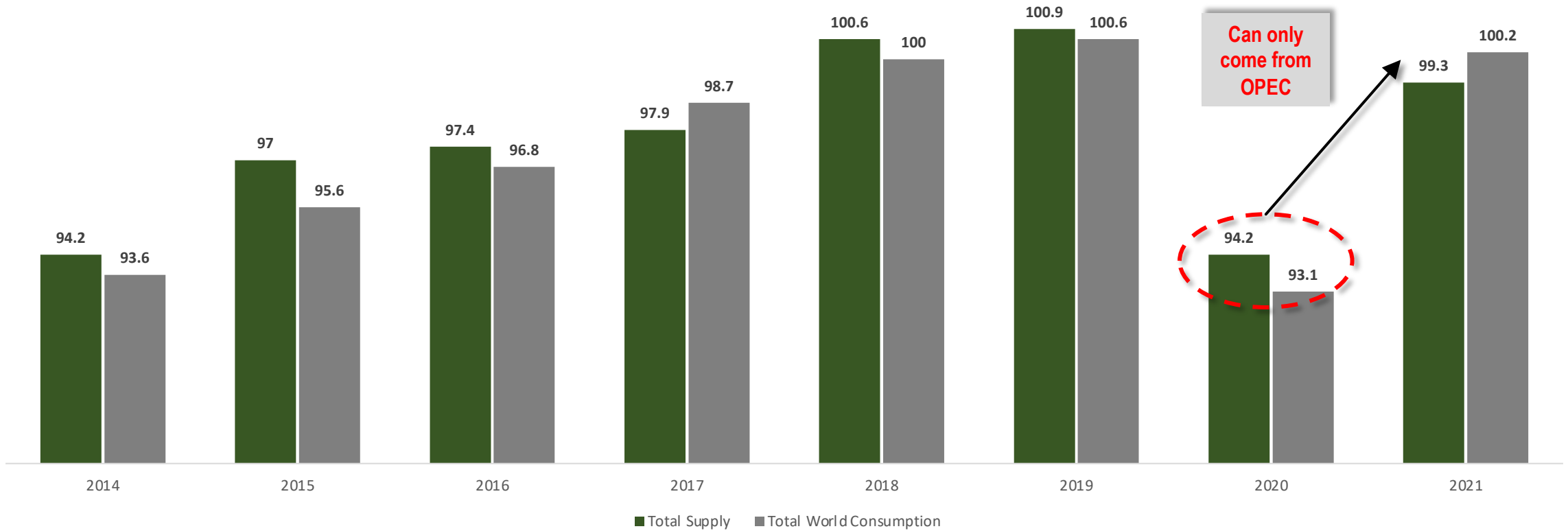


Est. Quarterly Global Inventory Builds (Draws)

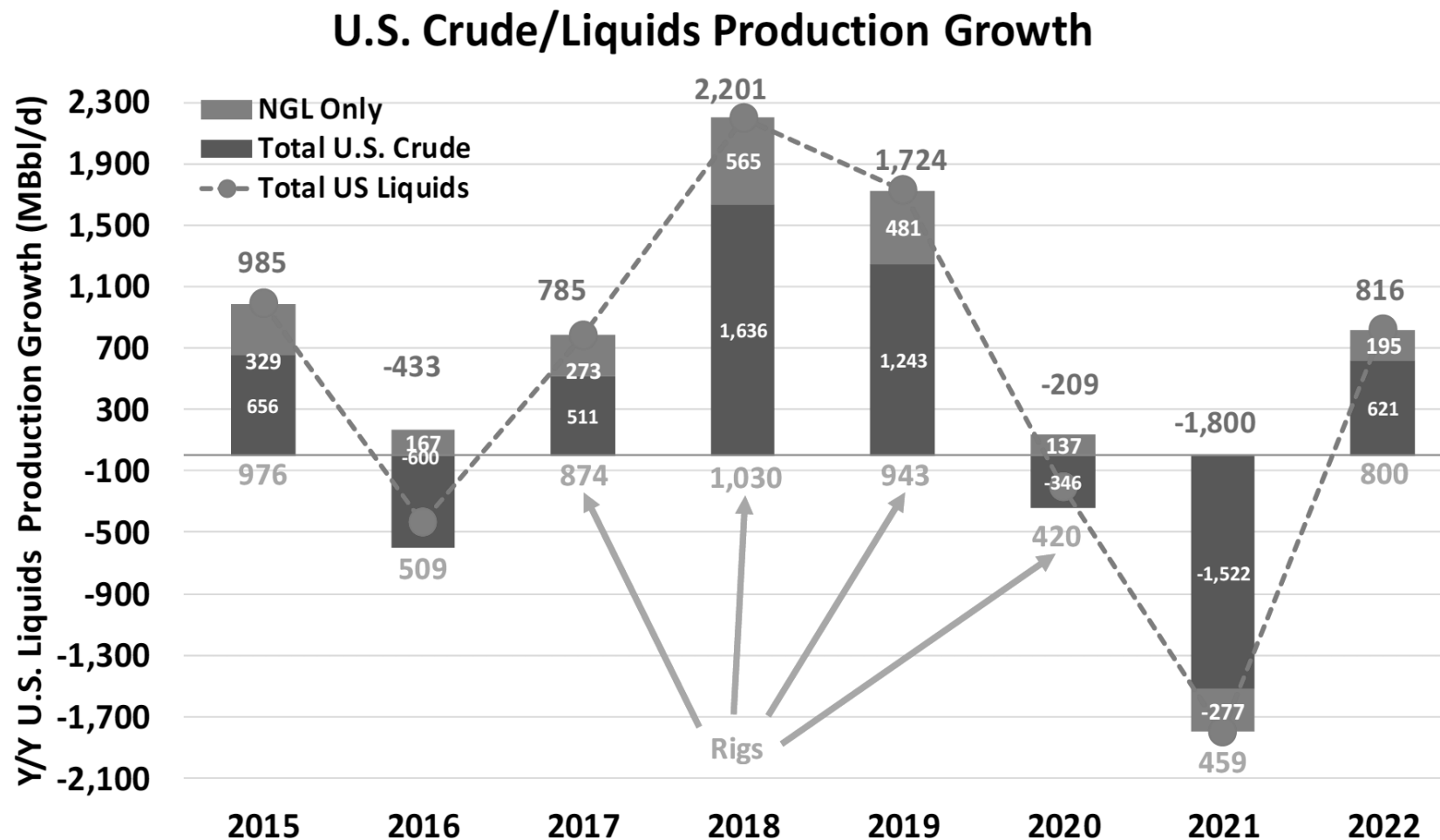


# ...As Consumption Begins to Outpace Supply...

Annual Global Production & Consumption  
(mmbpd)



# ... and U.S. recovery only picking up by 2022

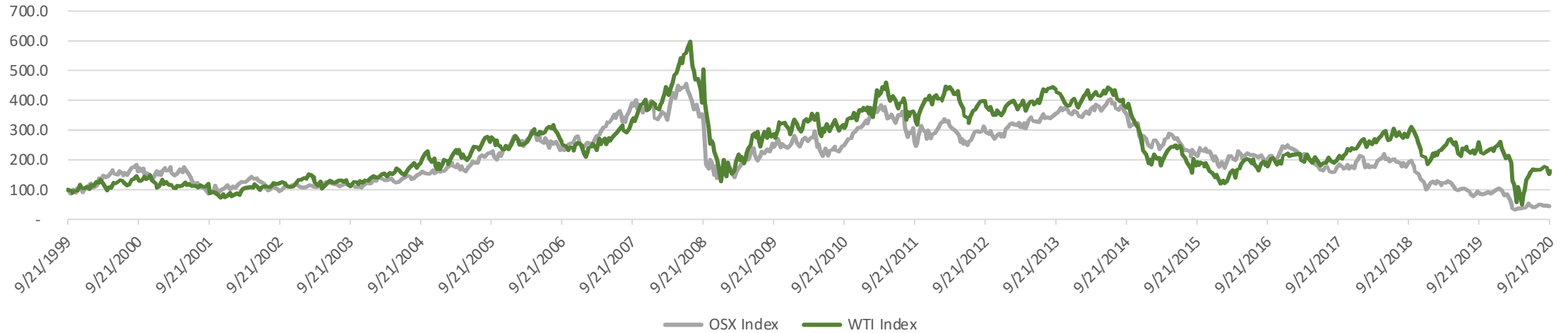




# OSX & WTI Correlations



- The OSX and WTI have been highly correlated...until the last several years



- The OSX ratio to WTI has never been lower... return to norm implies 2.5x-3.0x increase





**MENA has been and will be the  
most resilient energy market  
for the years to come**



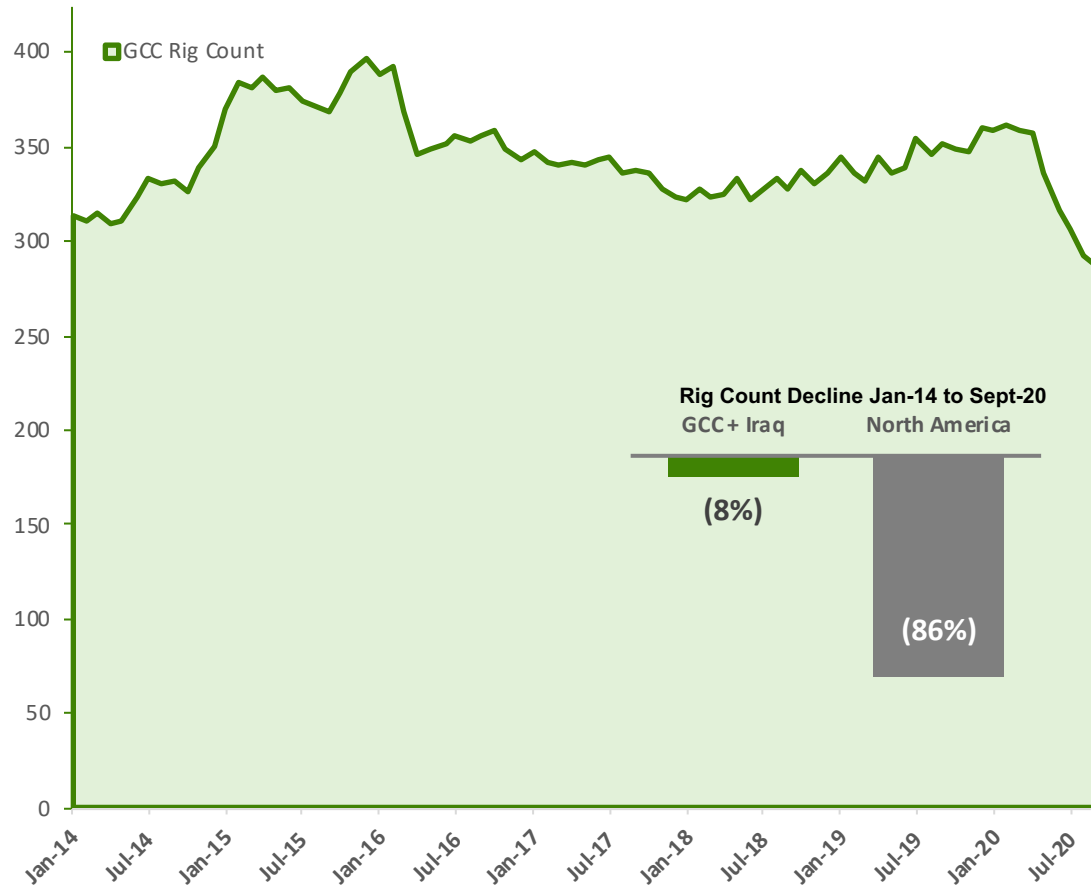
# Middle-East forecast as major producer of Oil regardless of scenario

In both the Rapid Transition scenario, which cause carbon emissions from energy use to fall by around 70% by 2050; or the Business-as-usual scenario which assumes that government policies, technologies and social preferences continue to evolve in a manner and speed seen over the recent past and emissions in 2050 are less than 10% below 2018 levels; **the Middle East region remains the principal producer of Oil, contributing the largest share of production even as the overall production stays flat or drops**

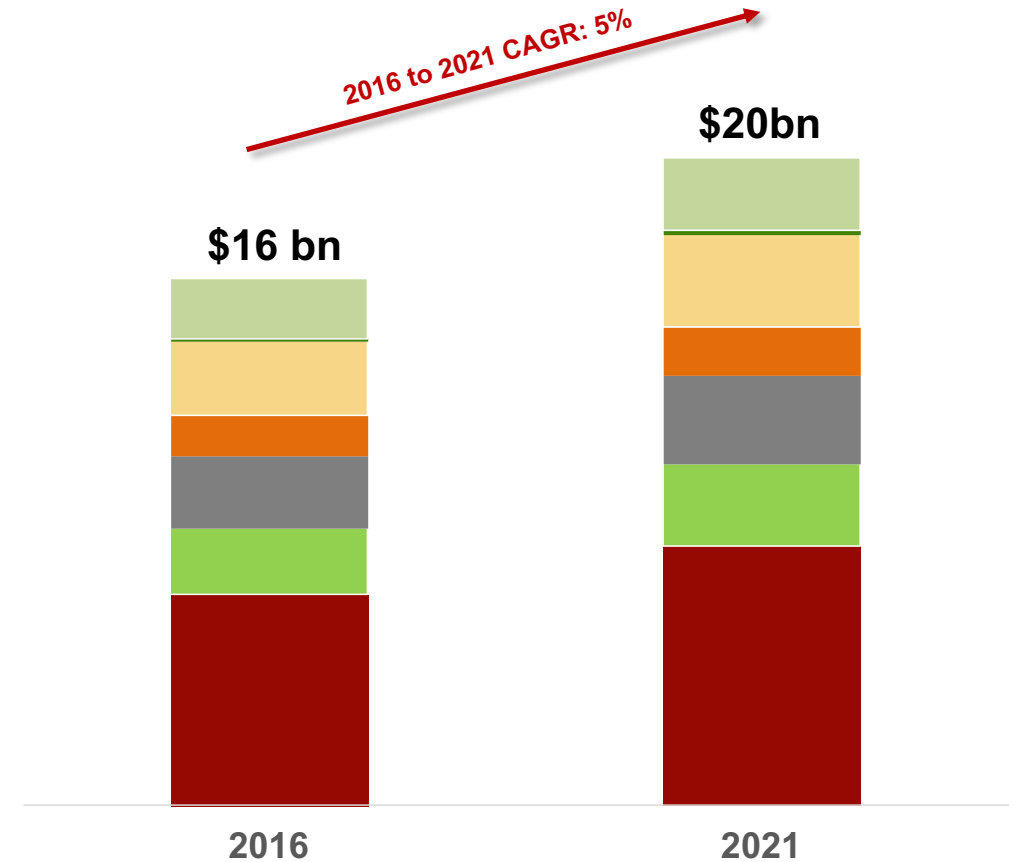
MMpd	Rapid Transition scenario							Business-as-usual scenario						
	2025	2030	2035	2040	2045	2050	2018-2050 CAGR (%)	2025	2030	2035	2040	2045	2050	2018-2050 CAGR (%)
<b>North America</b>	<b>25</b>	<b>27</b>	<b>24</b>	<b>17</b>	<b>13</b>	<b>10</b>	<b>-2.5%</b>	<b>26</b>	<b>28</b>	<b>28</b>	<b>25</b>	<b>22</b>	<b>19</b>	<b>-0.6%</b>
United States	18	19	17	14	11	9	-1.9%	18	20	19	17	15	14	-0.5%
<b>S. &amp; Cent. America</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>-2.7%</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>0.2%</b>
Brazil	4	4	4	4	2	1	-1.9%	4	4	5	5	4	4	1.0%
<b>Europe</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-5.1%</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>-2.7%</b>
EU	2	1	1	1	1	1	-3.8%	2	2	1	1	1	1	-1.6%
<b>CIS</b>	<b>15</b>	<b>15</b>	<b>14</b>	<b>12</b>	<b>10</b>	<b>8</b>	<b>-1.8%</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>14</b>	<b>0.0%</b>
Russia	12	12	11	10	8	7	-1.6%	12	12	12	12	12	12	0.0%
<b>Middle East</b>	<b>29</b>	<b>24</b>	<b>22</b>	<b>22</b>	<b>23</b>	<b>21</b>	<b>-1.3%</b>	<b>30</b>	<b>27</b>	<b>27</b>	<b>29</b>	<b>31</b>	<b>33</b>	<b>0.1%</b>
% Share of World Prod.	30%	27%	27%	33%	41%	45%		31%	28%	28%	31%	34%	37%	
<b>Africa</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>-4.7%</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>-0.6%</b>
<b>Asia Pacific</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>-4.3%</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>-0.6%</b>
China	4	3	3	3	2	1	-4.1%	4	4	4	4	4	3	-0.7%
India	1	1	1	0	0	0	-4.8%	1	1	1	1	1	1	0.0%
Other Asia	2	2	1	1	1	1	-4.2%	2	2	2	2	2	2	-0.8%
<b>World</b>	<b>94</b>	<b>89</b>	<b>79</b>	<b>67</b>	<b>57</b>	<b>47</b>	<b>-2.2%</b>	<b>98</b>	<b>98</b>	<b>97</b>	<b>94</b>	<b>92</b>	<b>89</b>	<b>-0.3%</b>

# Robust OFS&E activity growth profile

## Resilient Onshore Rig Market



## Middle East OFS Spend By Country (\$)



# ESG & ICV @ NESR





## Environmental Stewardship

Reducing the environmental footprint of our businesses and operations

## Social Responsibility

Delivering social, environmental and economic value to the communities in which we live and work



## Governance

Doing business ethically, legally, and with the highest standards of integrity

NESR creates shared value by simultaneously maximizing benefits to society and advancing NESR's core business strategies



# Environmental Stewardship

- Tackling environmental performance in 2019
- Reduced plastic consumption in offices and raised environmental awareness
- NESR recognized for contributions to environmental campaigns, pioneering environmental initiatives and outstanding environmental accomplishments
- Signed an MOU with Gradient Energy Services to enhance water conservation
- Engaged with partners and investors on sustainability



# Aligning ESG and Local Content





# Local Content: Investing in Local Communities

- Opened a manufacturing facility in Oman
- Broke ground on NESR Oilfield Research and Innovation Center (NORI) in Saudi Arabia
- Signed a training agreement with SPSP to develop local talents
- Signed a technology collaboration framework agreement with KFUPM



# Employee Engagement and Corporate Giving

- 14 Community Involvement Teams (CIT) in the major countries
- Target approximately 5000 hours a year for community volunteering across the Company
- Donated to the Health Endowment Fund of the Saudi Arabian Ministry of Health to help fight the spread of COVID-19 and support healthcare workers
- Supported the initiative of the Supreme Committee in Oman by matching the donations of our employees to the Omani Ministry of Health's COVID-19 efforts





# Diversity and Inclusion

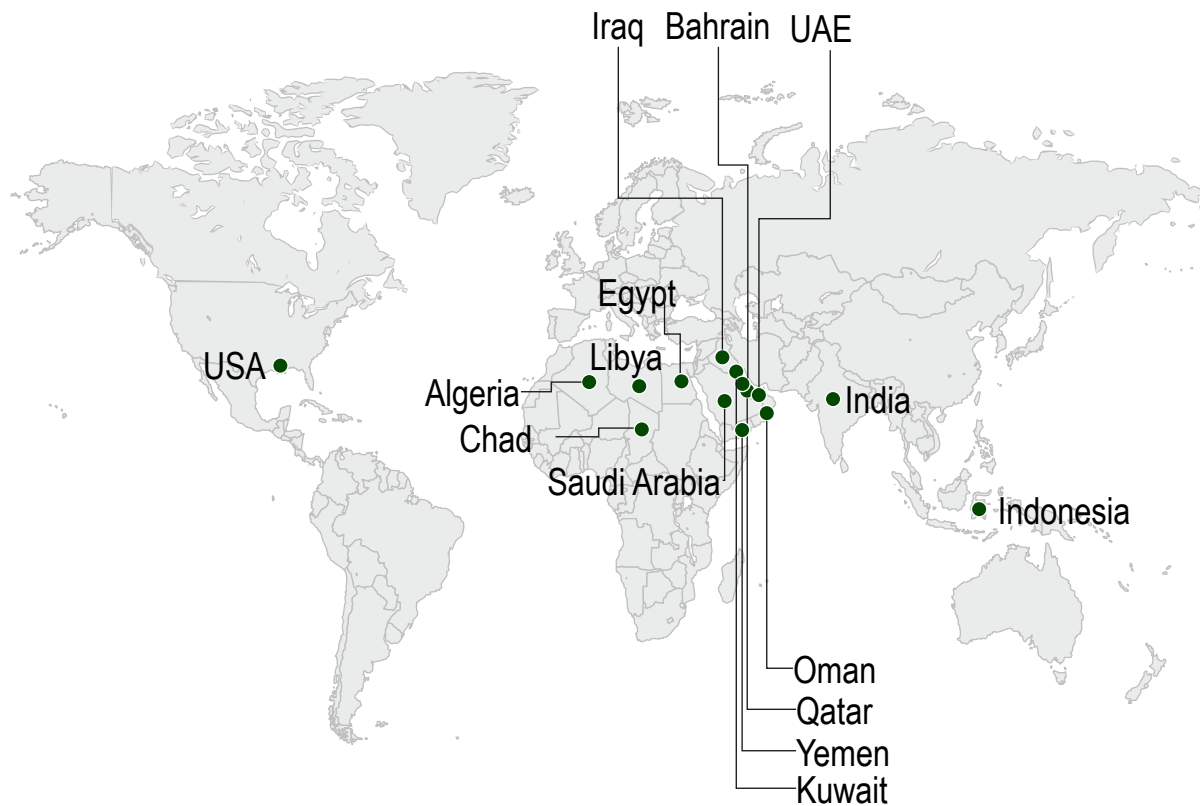
- Gender Diversity Targets
- WIN (Women In NESR) Initiative
- More than 60 nationalities
- Localization/Nationalization Targets and Initiatives
- Engagement on D&I with communities, clients and partners



## NESR - The Deep Undervalued Growth Story



# NESR – Largest Indigenous OFS in the Region



- Head office in Houston and regional offices across MENA and Asia Pacific
- Operations Bases: 15 Countries
- 5,000+ Employees
- 20 Product Lines
- Clients Portfolio: 30+ Customers (Major IOCs | NOCs | Independents)
- Major Operations: KSA | Oman | Iraq | Algeria | UAE | Egypt | Kuwait | Qatar
- Top Tier service provider in the region





# NESR – We are unique



- Started as a SPAC in May 2017
- Agreed to merge National Petroleum Services (NPS) and Gulf Energy SAOC (GES) in November 2017
- Transaction closed June 2018
- Trades under the “NESR” ticker on NASDAQ
- The first and only NASDAQ-listed national oilfield services company focused on the MENA region
- Diverse shareholder base and board representation



## Enhanced services portfolio

	Stim	Coil	Cem	WL OH	WL CH	DM	DTR	SWT	Fluids	AL	WS
NPS											
GES											
NESR											

## Extended geographic footprint

	Saudi	Oman	UAE	Kuwait	Iraq	Egypt	Qatar	Algeria	Libya	Outside
NPS										
GES										
NESR										

# SAPESCO Acquisition complete and more to come



- Oldest oilfield service company in the region
- Transaction effective from June 1, 2020
- Egypt ~ 1 B\$ OFS Market, NESR does not exist in Egypt
- Addition of Industrial Cleaning (pipeline maintenance) product line which can be expanded to other NESR markets
- Non-overlapping product lines in existing NESR markets outside of Egypt
- Accretive – upfront valuation at more than 20% discount to NESR's existing valuation
- In line with NESR precedent of issuing equity at not less than **USD10** per ordinary share
- Significant back office synergies and ERP capabilities



**SAPESCO, Providing High-Quality Services at the Pre-Commissioning of Atoll, Zohr, and New Power Stations**



Less than two decades after its founding, SAPESCO has become a leading industrial cleaning and maintenance company in Egypt. The company's success is a testament to its commitment to excellence and innovation. SAPESCO has been awarded numerous contracts by major oilfield service companies, including ANRPC, and has played a key role in the pre-commissioning of the Zohr oilfield and new power stations. The company's expertise in industrial cleaning and maintenance is a key differentiator in the market, and its commitment to safety and quality is a testament to its professional standards.





# Open Platform approach on Technology

## Strategic partnerships for R&D and portfolio expansion



Rotary Steerable System  
(RSS)



Multiphase Flow Meter  
(MPFM)



Perforation Systems  
(PERF)



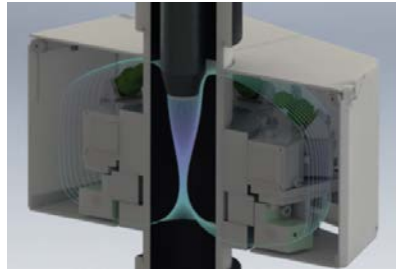
Wireless Tools for  
Slickline



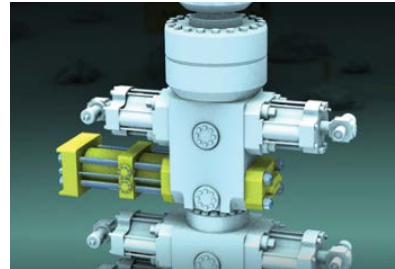
Production Chemicals  
(CHEM)



Advanced Production  
Logging



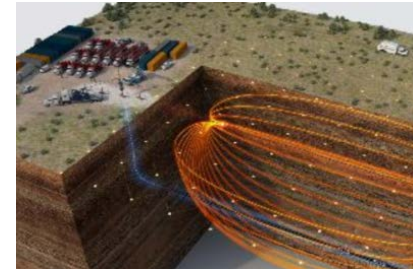
Well Head System for  
Coil, WL and SL



Next Gen Well Head  
System

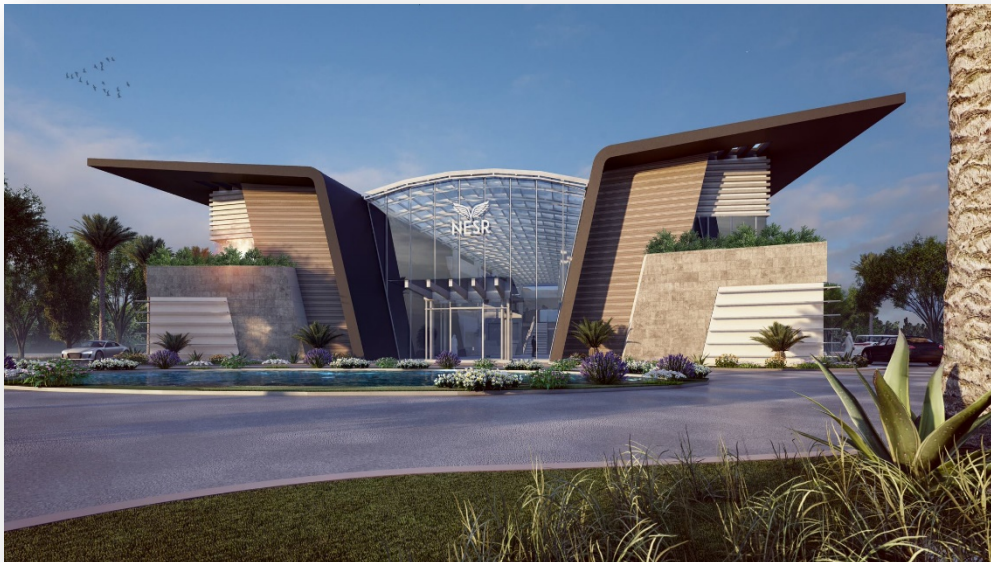


Downhole Coil Tools  
And Intelligent Coil

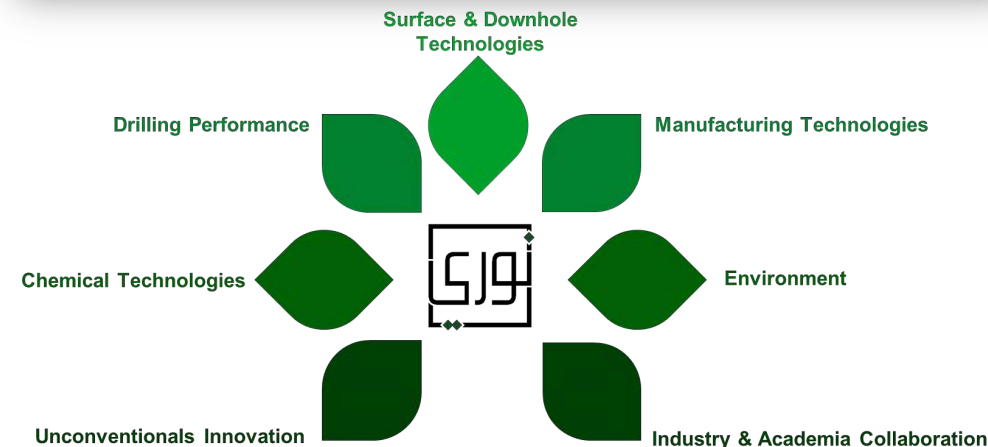


Fracturing and  
Stimulation Monitoring

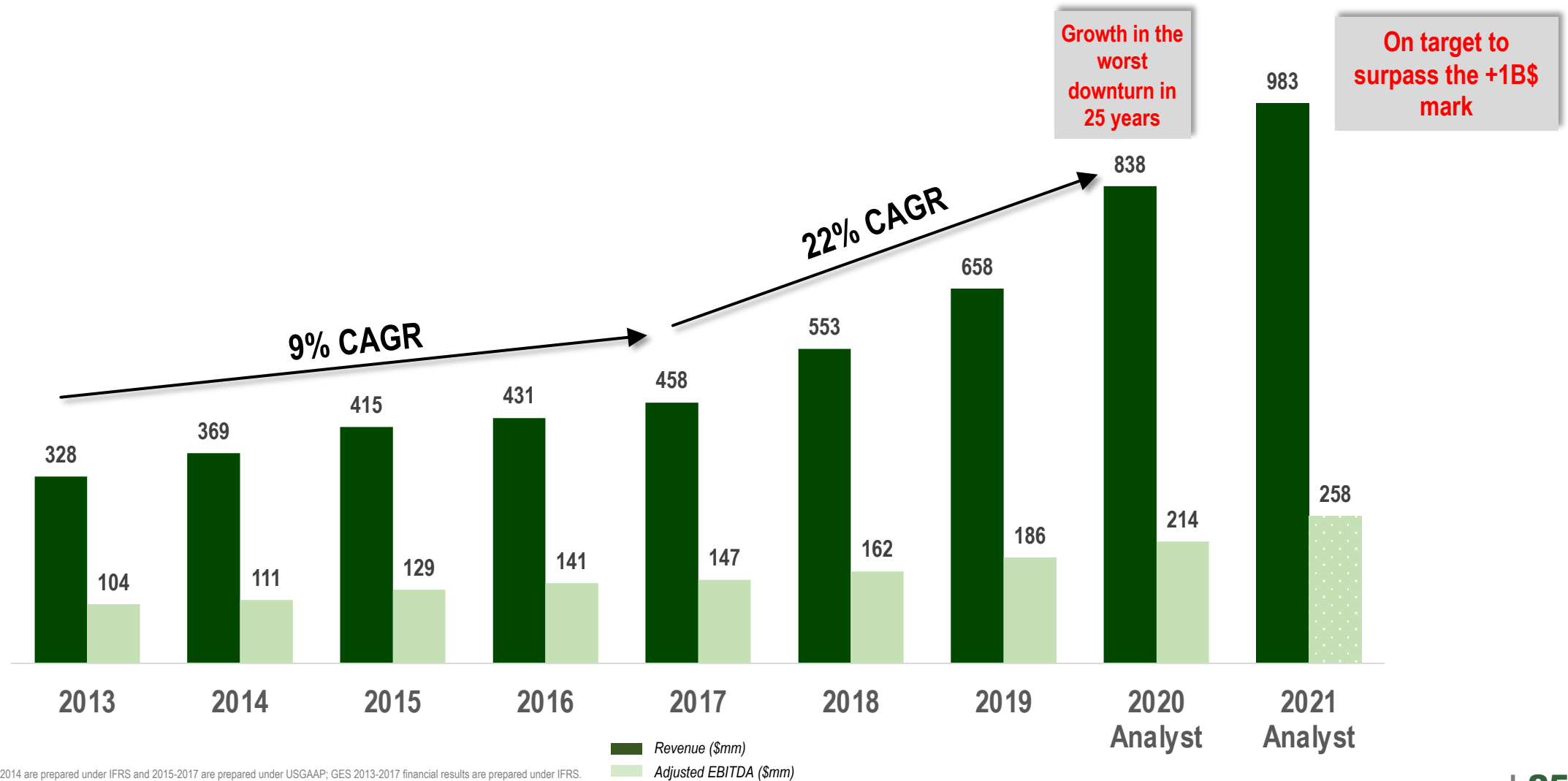
# NESR Oilfield Research and Innovation (NORI)



*NORI's model, akin to the larger technological changes we are seeing globally, will create an open platform for innovative technology companies in the upstream space to come to the Kingdom and will benefit the Saudi oil and gas industry - Dr. Mohammed Y. Al-Qahtani, Saudi Aramco's Senior Vice President for Upstream*



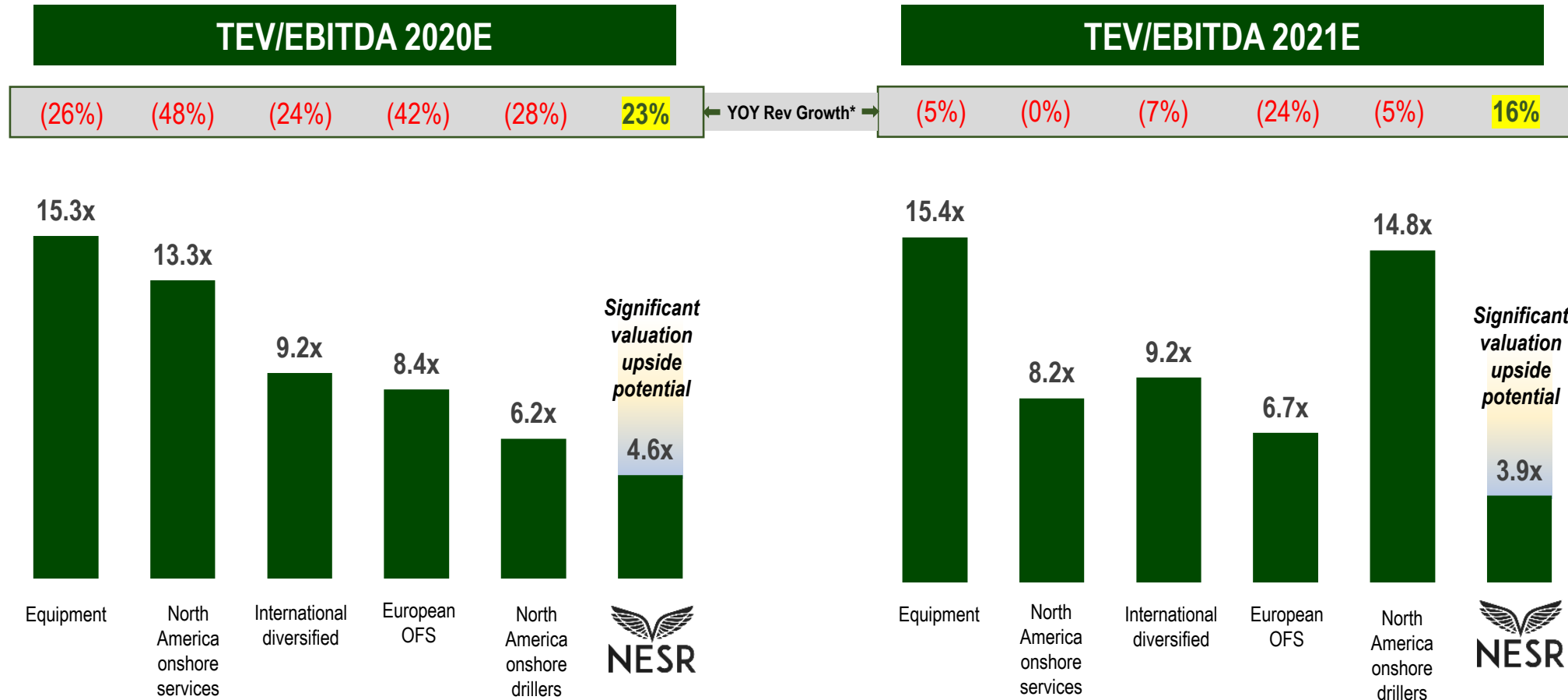
# Exceptional and Unmatched Growth to continue



NPS financial results for 2013, 2014 are prepared under IFRS and 2015-2017 are prepared under USGAAP; GES 2013-2017 financial results are prepared under IFRS. 2019 from Company financial information as published in fourth quarter earnings release. 2020E and 2021E from Bloomberg as November 3, 2020. Adjusted EBITDA is not recognized as part of EBITDA under US GAAP.



# and Significant Upside Potential



Source: Bloomberg Estimates as of September 15, 2020 including NESR estimates of 2020 and 2021 EBITDA

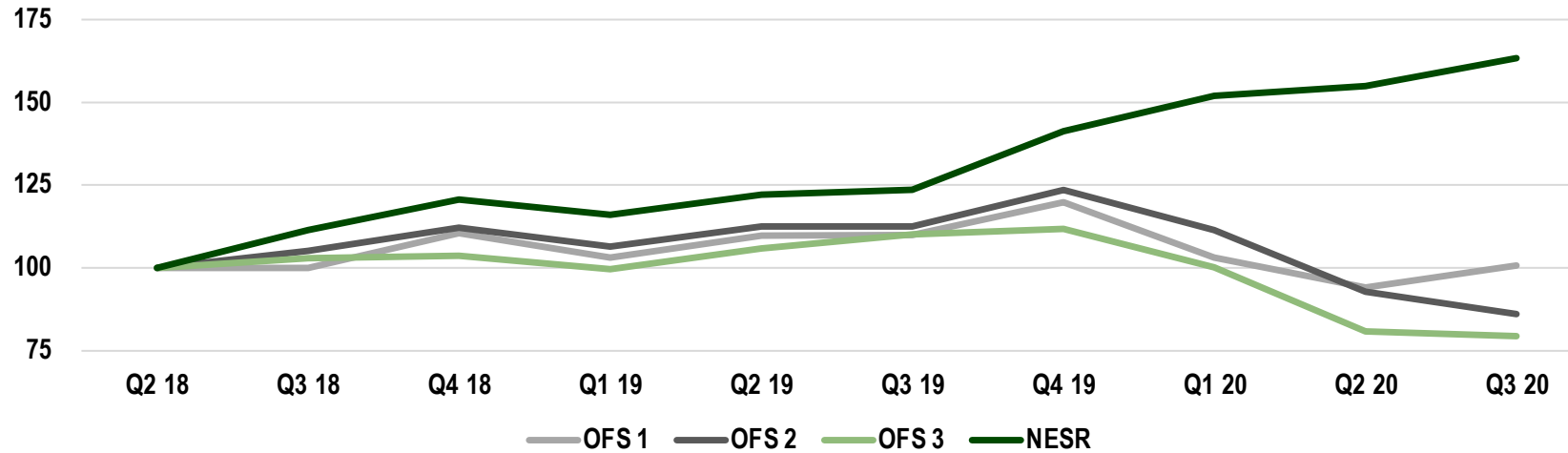
Note: North America onshore services includes NexTier Oilfield Solutions, ProPetro Holding Corp., Liberty Oilfield Services, and Superior Energy Services; North America onshore drillers includes Patterson, Helmerich & Payne, and Nabors Industries; Equipment includes Cactus, Drill-Quip, TechnipFMC, National Oilwell Varco, and Oil States International; International diversified includes Schlumberger, Halliburton, and Baker Hughes; European OFS includes Schoeller-Bleckmann Oilfield Equipment, Hunting plc and Fugro.

\*2019 Actual Revenue, and Projected 2020 and 2021 Revenue – Bloomberg Estimates as of September 15, 2020

# NESR Outperforming Big 3<sup>(1)</sup> Int'l Revenue Growth

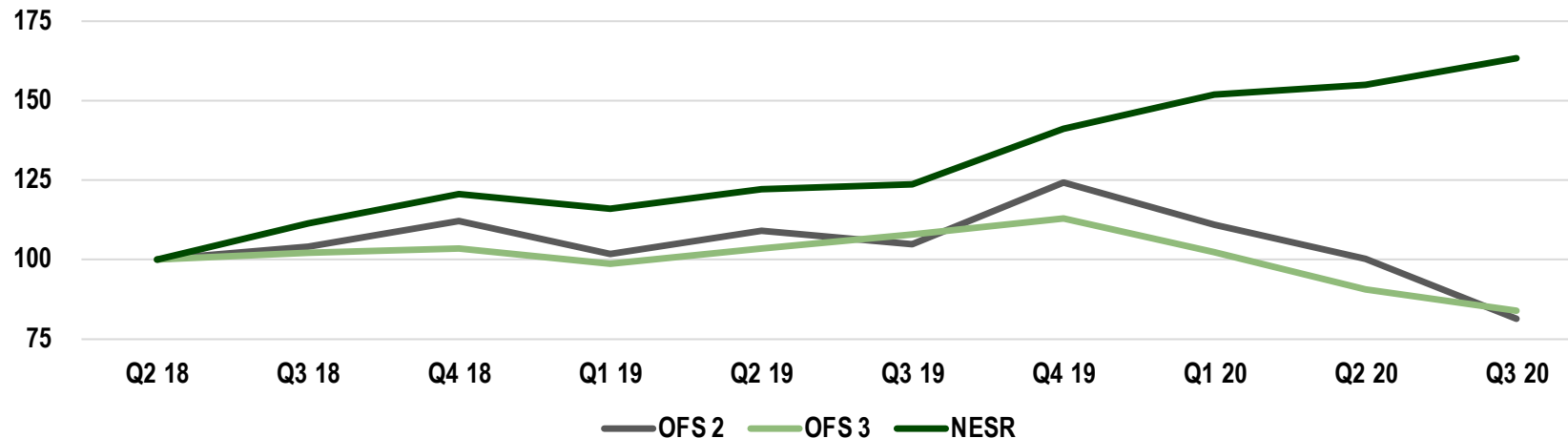


## ➤ Indexed to International Revenue



Significant outperformance during 2020 COVID market

## ➤ Indexed to Middle East/Asia Revenue

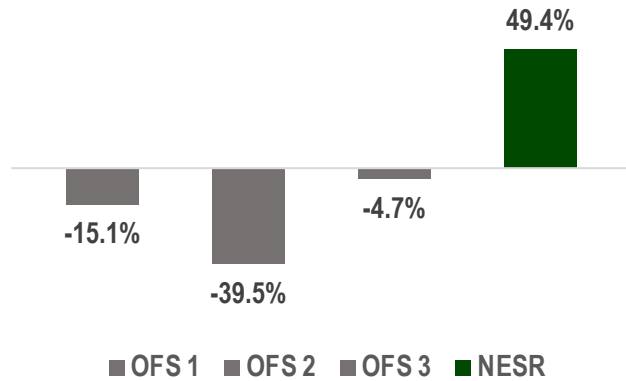


# NESR beats the Big 3 in every metric...

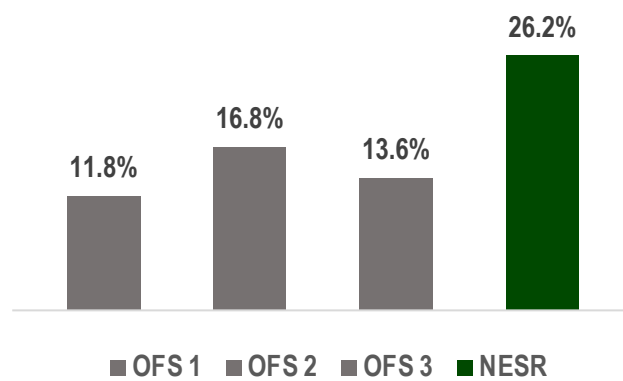


## ➤ Superior projected financial performance

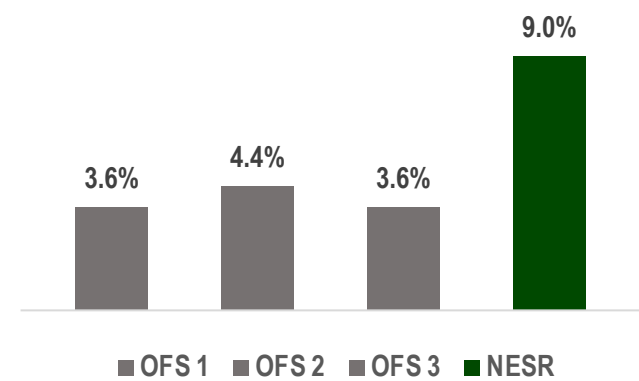
2019 – 2021 Revenue Change %



2021 EBITDA %

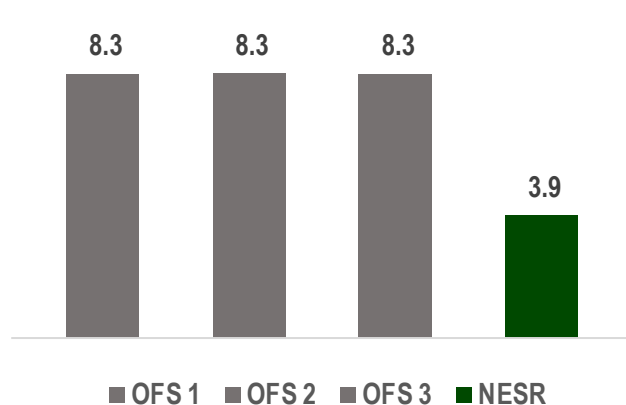


2021 Net Margin %

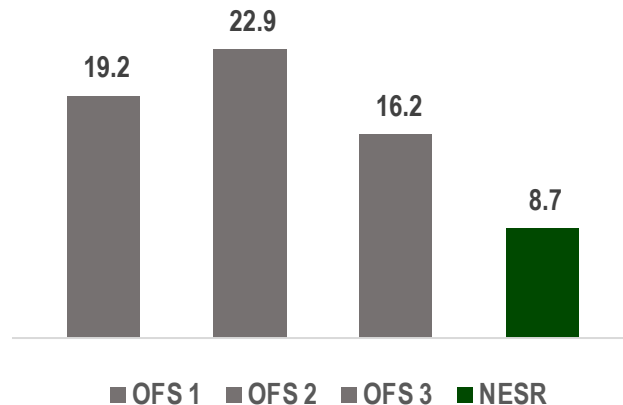


## ➤ Significant upside valuation potential

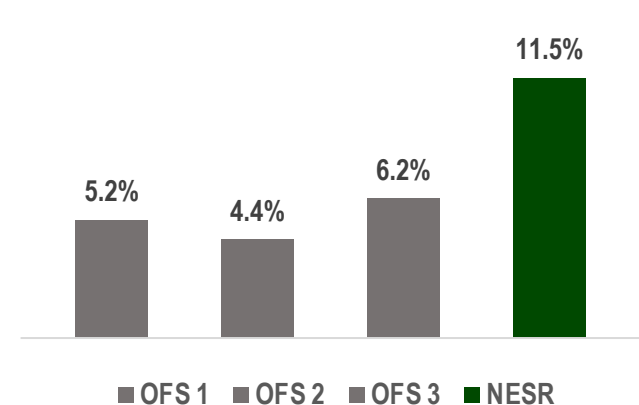
2021 EV / EBITDA



2021 EV / FCF



2021 FCF Yield (FCF/EV)

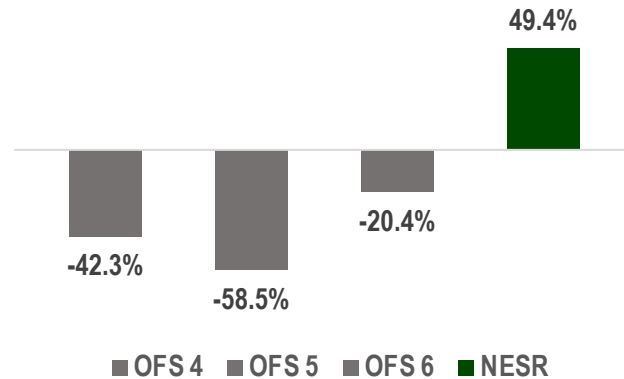


# And beats the US Top Tier Independent Frac

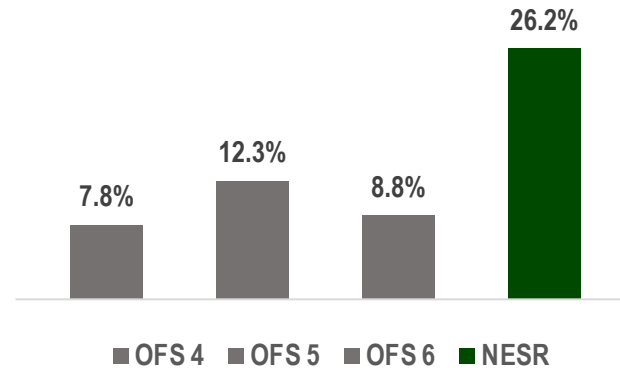


## ➤ Also exceeding in projected financial performance

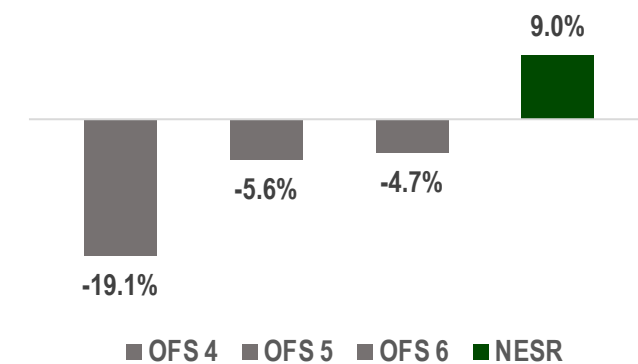
2019 – 2021 Revenue Change %



2021 EBITDA %

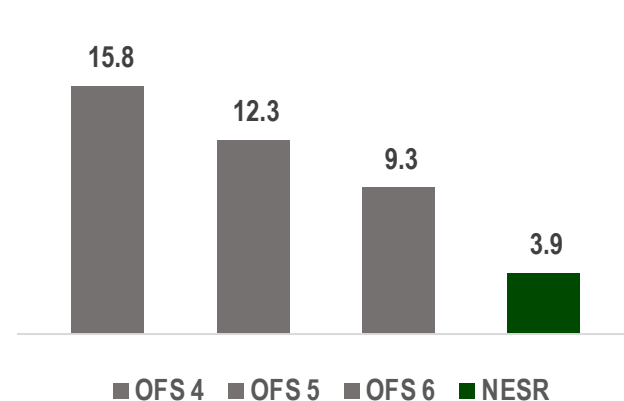


2021 Net Margin %

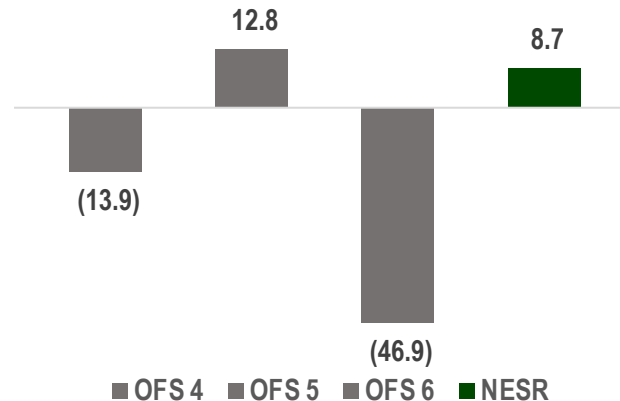


## ➤ Also showing significant upside valuation potential

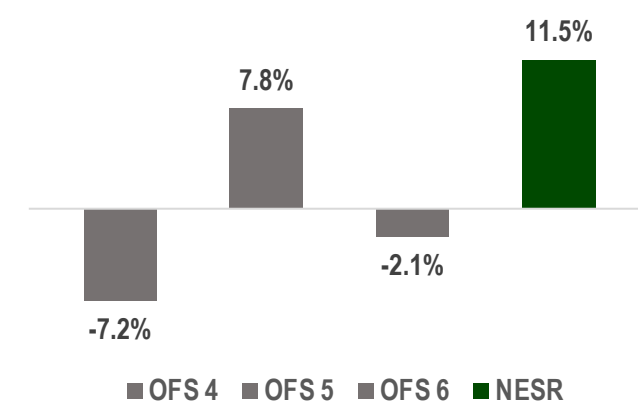
2021 EV / EBITDA



2021 EV / FCF



2021 FCF Yield (FCF/EV)







**NESR is the First NASDAQ listed MENA Co**



# 2020 Adjusted EBITDA by Quarter

(Non-GAAP reconciliation)



NESR (\$million)	Q1 2020	Q2 2020	Q3 2020
Revenue	199.3	203.2	218.4
Net income (loss)	11.4	10.5	11.6
Depreciation and amortization	30.8	32.5	34.3
Finance cost	4.5	4.2	3.8
Tax	2.5	2.8	3.6
Transaction, Integration and Start-Up Costs	1.7	1.8	2.5
Other provisions	-	-	-
Adjusted EBTIDA	50.9	51.8	55.8

Source: Company financial information as published in 2020 first and second quarter earnings releases.

# 2018/2019 Adjusted EBITDA

(Non-GAAP reconciliation)



NESR (\$million)	2019	2018 <sup>(1)</sup>
Revenue	658.4	552.5
Net income (loss)	39.4	39.5
Depreciation and amortization	93.8	69.5
Finance cost	19.0	19.5
Tax	13.1	13.1
Charges & credits	20.7	20.1
Adjusted EBTIDA	186	161.7

<sup>(1)</sup> Successor and Predecessor Combined, January 1, 2018 to December 31, 2018; as presented in February 25, 2019 Press Release.

# Historical Adjusted EBITDA

(Non-GAAP reconciliation)



## Adjusted EBITDA

NPS (\$million)	2013	2014	2015	2016	2017
Revenue	180	199	204	224	271
Net income (loss)	25	32	5	8	28
Depreciation and amortization	19	23	52	52	38
Finance Cost	10	9	4	6	7
Goodwill Impairment	-	-	-	-	-
Impairment	-	-	-	3	-
Tax	5	3	2	3	5
Adjusted EBITDA	59	67	64	72	78

GES (\$million)	2013	2014	2015	2016	2017
Revenue	148	170	211	207	187
Net income (loss)	24	19	31	32	36
Depreciation	15	21	25	27	23
Finance Cost	3	4	4	4	4
Interest income	-	(4)	(1)	(1)	(2)
Impairment	-	-	-	2	-
Tax	3	4	5	6	7
Adjusted EBITDA	45	44	65	69	69

NPS financial results for 2013, 2014 are prepared under IFRS, and 2015-2017 are prepared under US GAAP; GES 2013-2017 financial results are prepared under IFRS. EBITDA is adjusted for impairment, which is not recognized as part of EBITDA under US GAAP.