



# National Energy Services Reunited Corp.

## The National Champion of MENA

September 2019



**Sherif Foda**  
Chairman and Chief Executive Officer

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# NESR – An Introduction



# NESR – Largest indigenous OFS in the region

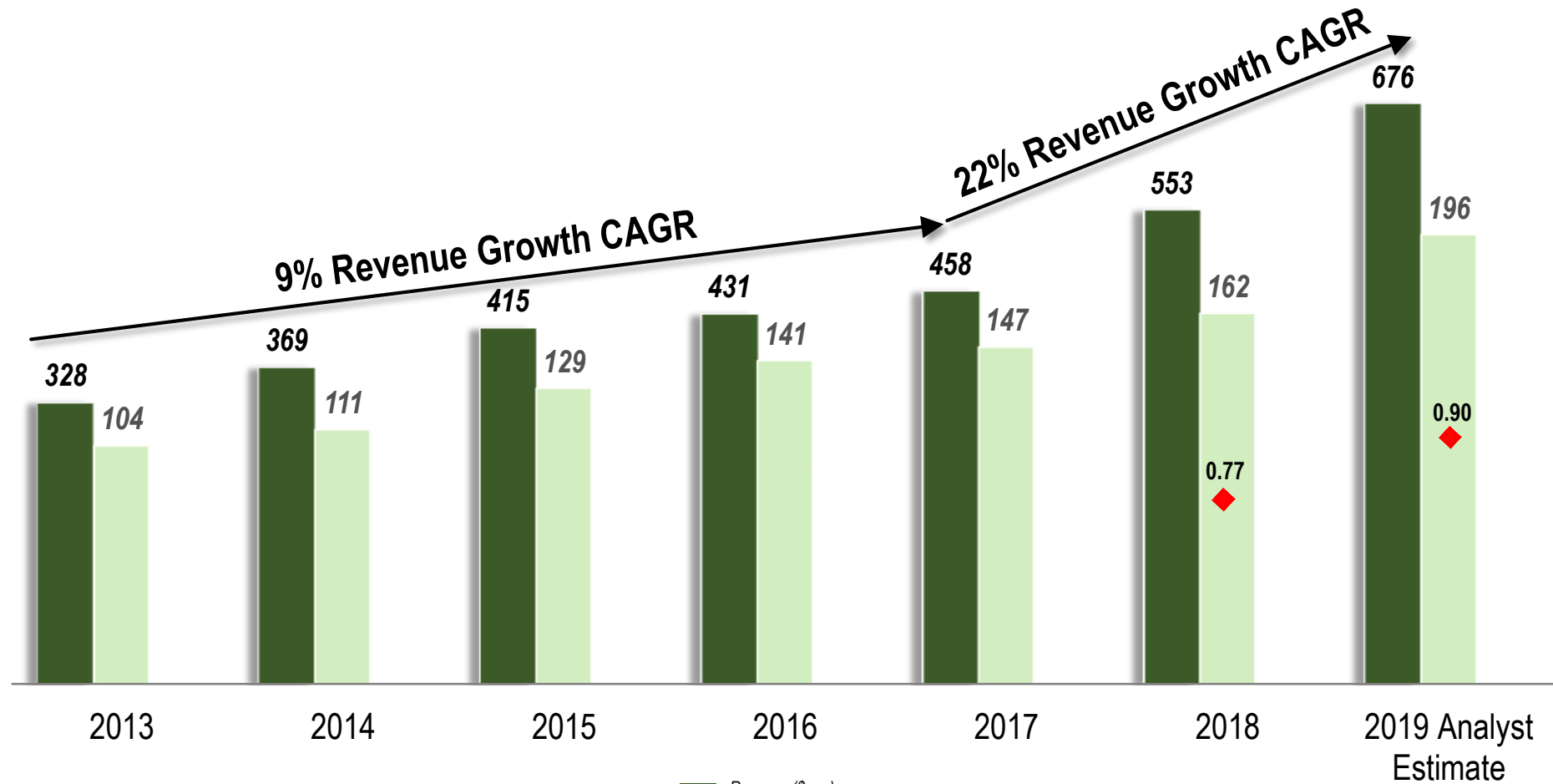


- Head office in Houston and regional offices across MENA and Asia Pacific
- Operations Bases: 14 Countries
- 4000 Employees
- 20 Product Lines
- Clients Portfolio: 25+ Customers (Major IOCs | NOCs | Independents)
- Major Operations: KSA | Oman | Iraq | Algeria | UAE | Qatar
- Top tier service provider in the region





# Exceptional growth story



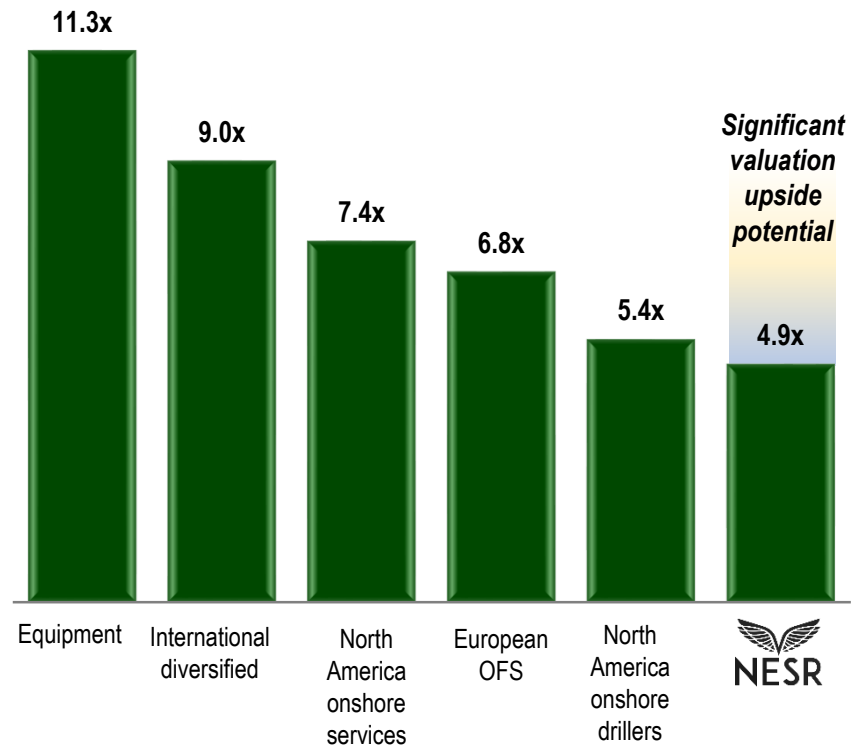
NPS financial results for 2013, 2014 are prepared under IFRS and 2015-2017 are prepared under USGAAP; GES 2013-2017 financial results are prepared under IFRS. 2018 from Company financial information as published in fourth quarter earnings release. 2019 E from Sell-side estimates from NESR's current coverage list (BTIG, Evercore ISI, J.P. Morgan, National Bank Financial, and Peters & Co.). EBITDA is adjusted for impairment which is not recognized as part of EBITDA under US GAAP.

■ Revenue (\$mm)  
■ Adjusted EBITDA (\$mm)  
◆ Adjusted EPS (\$ per share)

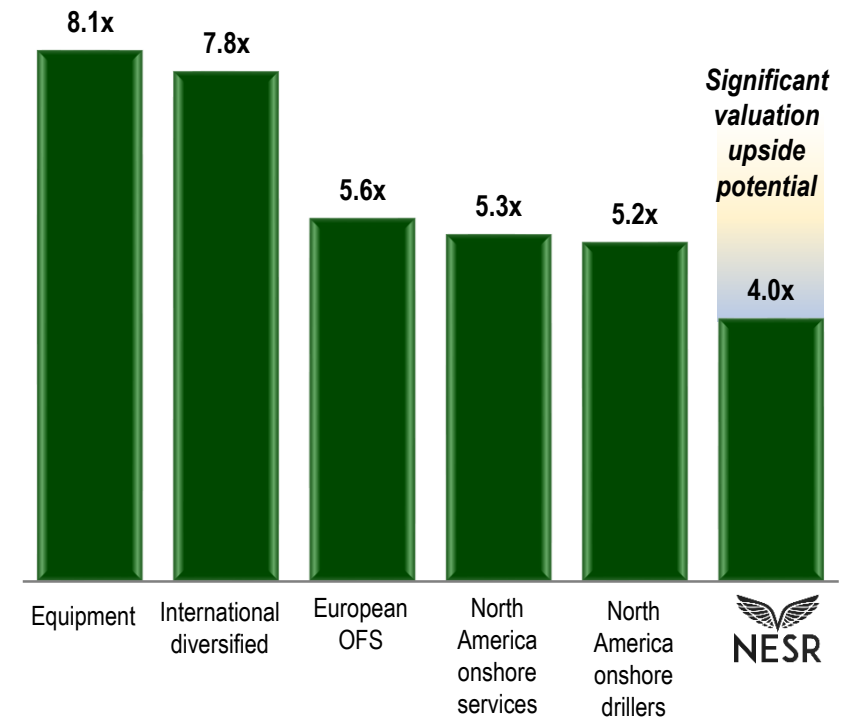
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# and.....Significant upside potential

TEV/EBITDA 2019E



TEV/EBITDA 2020E



Source: Bloomberg Estimates as of August 2019 including NESR estimates of 2019 and 2020 EBITDA

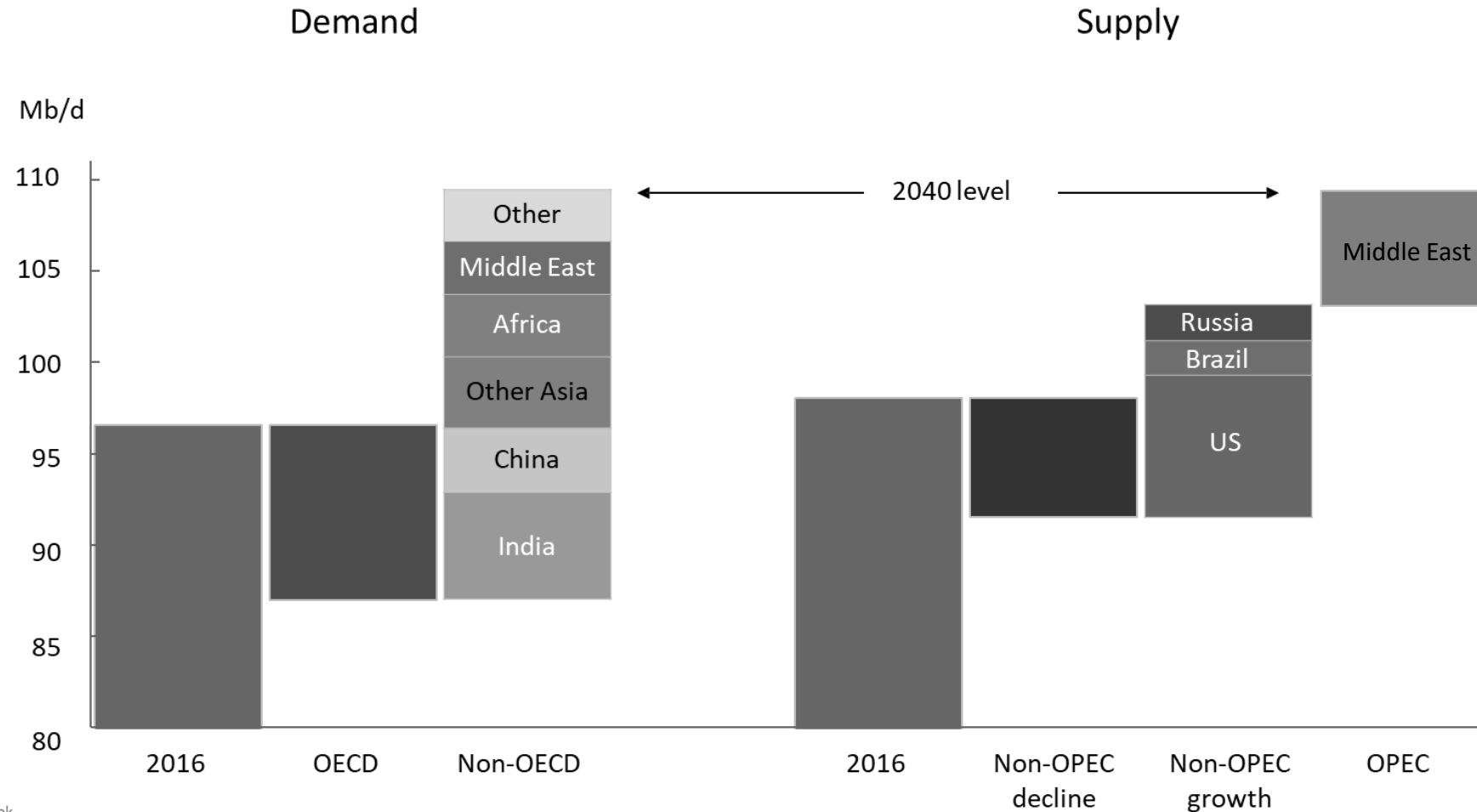
Note: North America onshore services include Basic Energy Services, C&J Energy Services, Key Energy Services, RPC and Superior Energy Services; North America onshore drillers include Patterson, Helmerich & Payne, Nabors Industries and Pioneer Industry Services; Equipment include Cactus, Dril-Quip, TechnipFMC, Forum Energy Technologies, National Oilwell Varco, Oil States International and NCS Multistage; International diversified includes Schlumberger, Halliburton, and Baker Hughes; European OFS includes Schoeller-Bleckmann Oilfield Equipment, Hunting plc and Fugro.

# Macro Outlook



# Last drop of oil will come from...

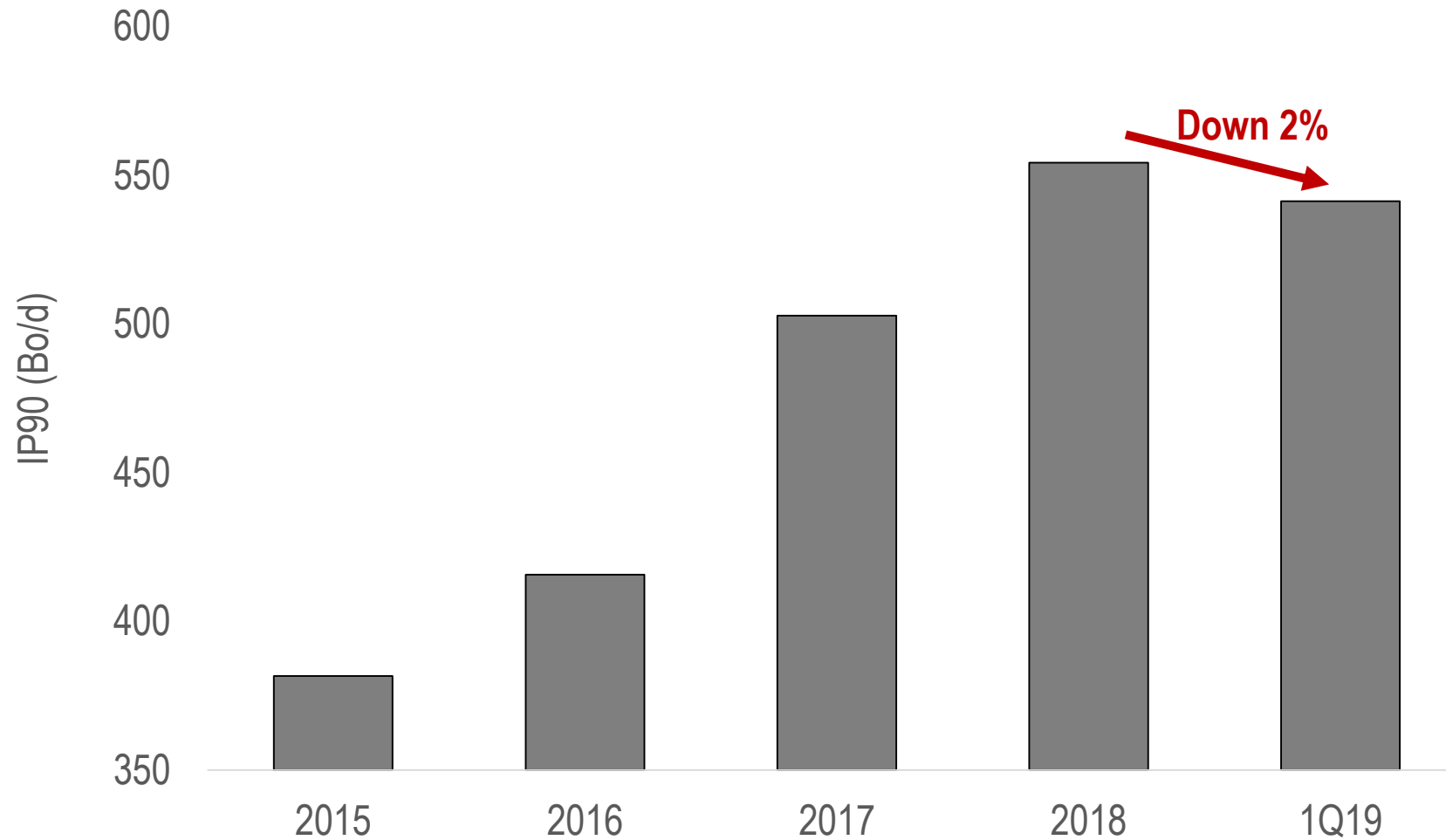
Growing demand for liquid fuels in emerging economies met largely by OPEC and US supplies



Source: 2018 BP Energy Outlook



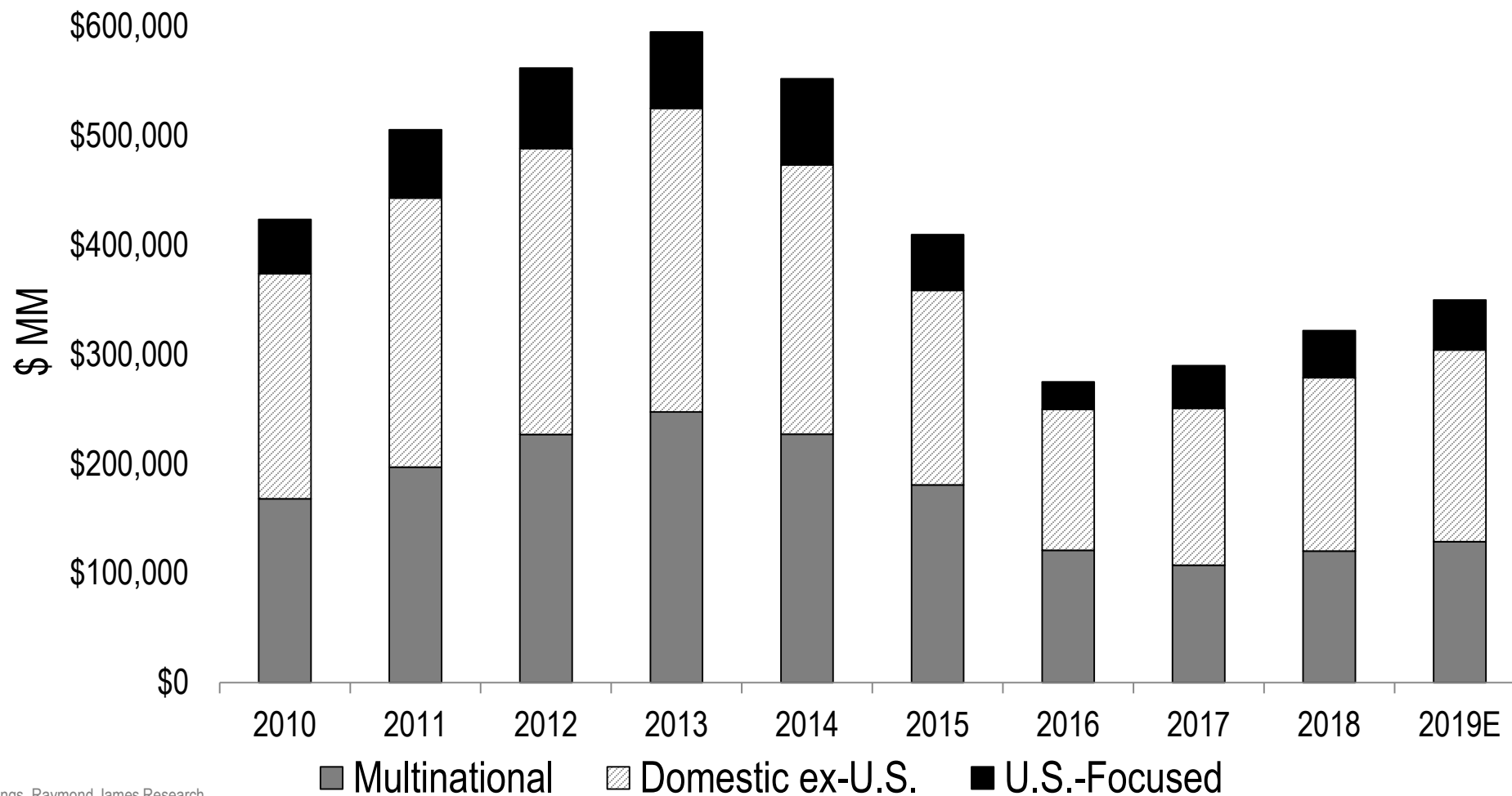
# US Well Productivity (Major Oil Basins only)



Source: Drilling Info, Raymond James

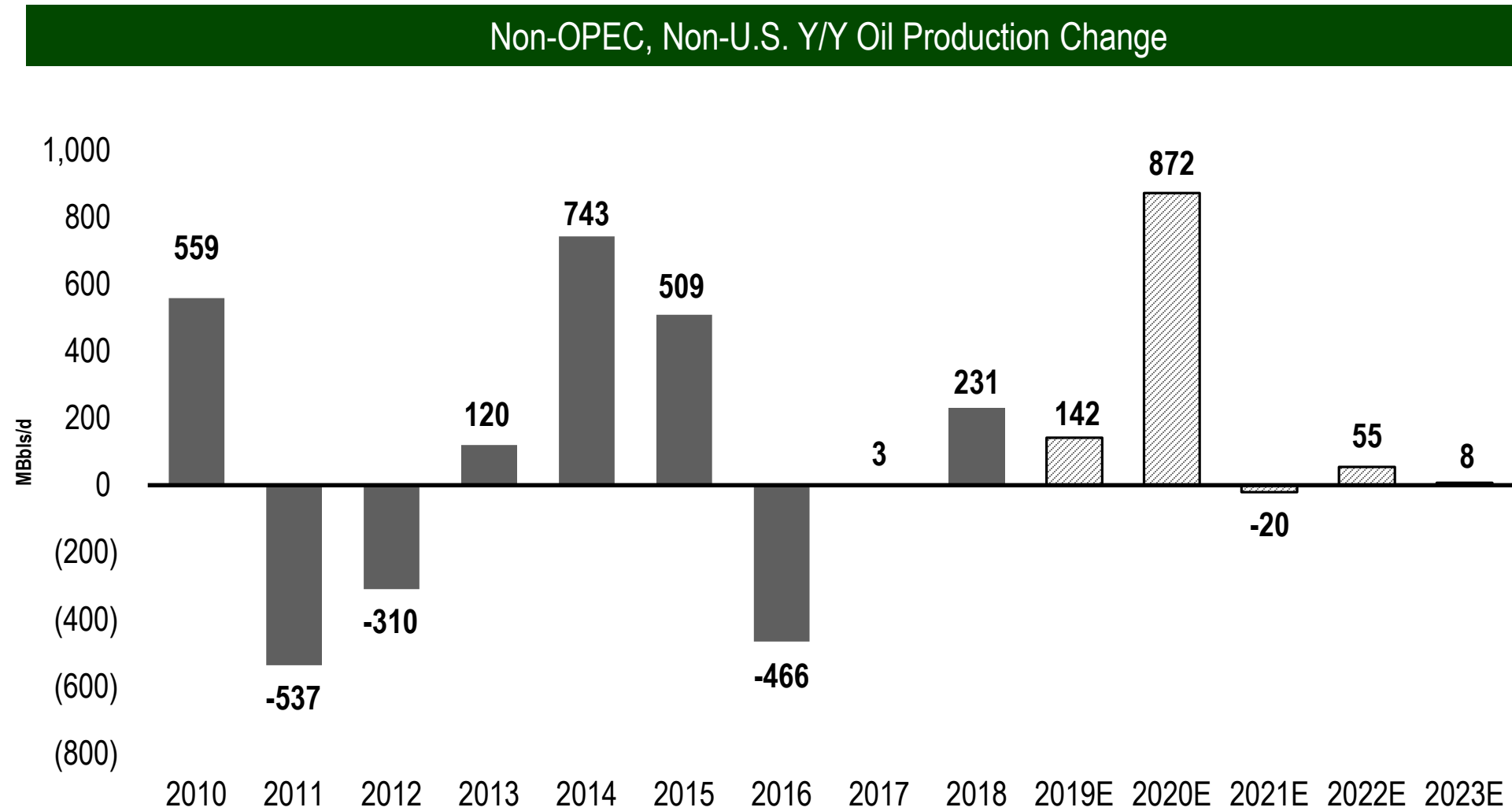
# Global Capex is nearly half its peak

Capital Spending of Mid/Large-Cap Oil and Gas Companies



Source: Company Filings, Raymond James Research

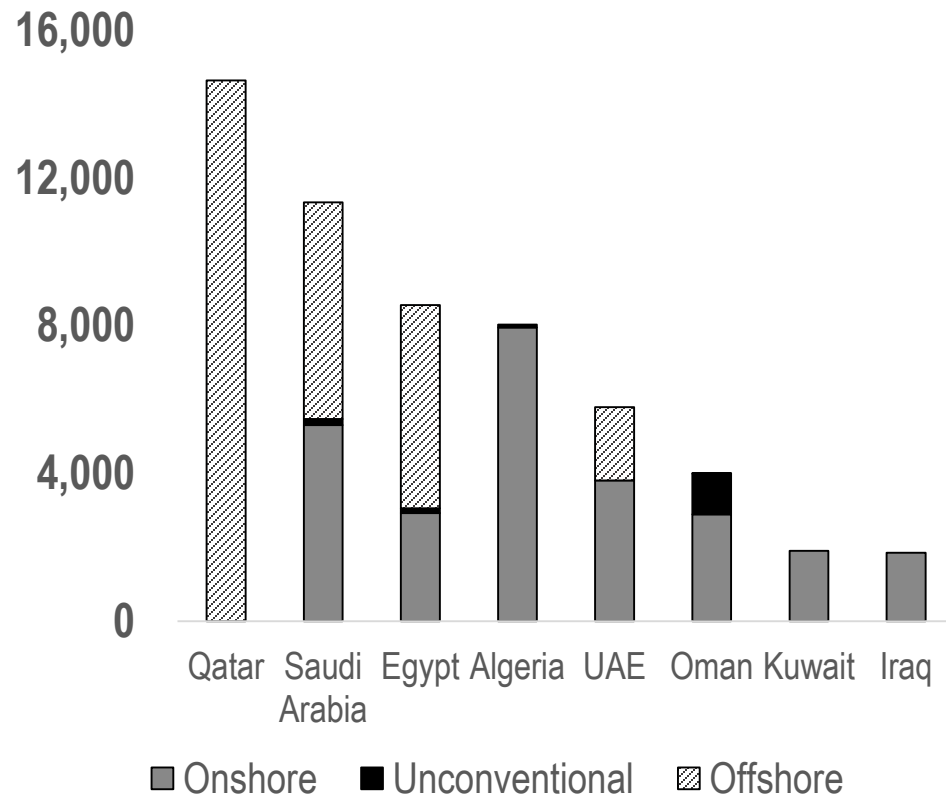
# 2020 Last big non-US growth year



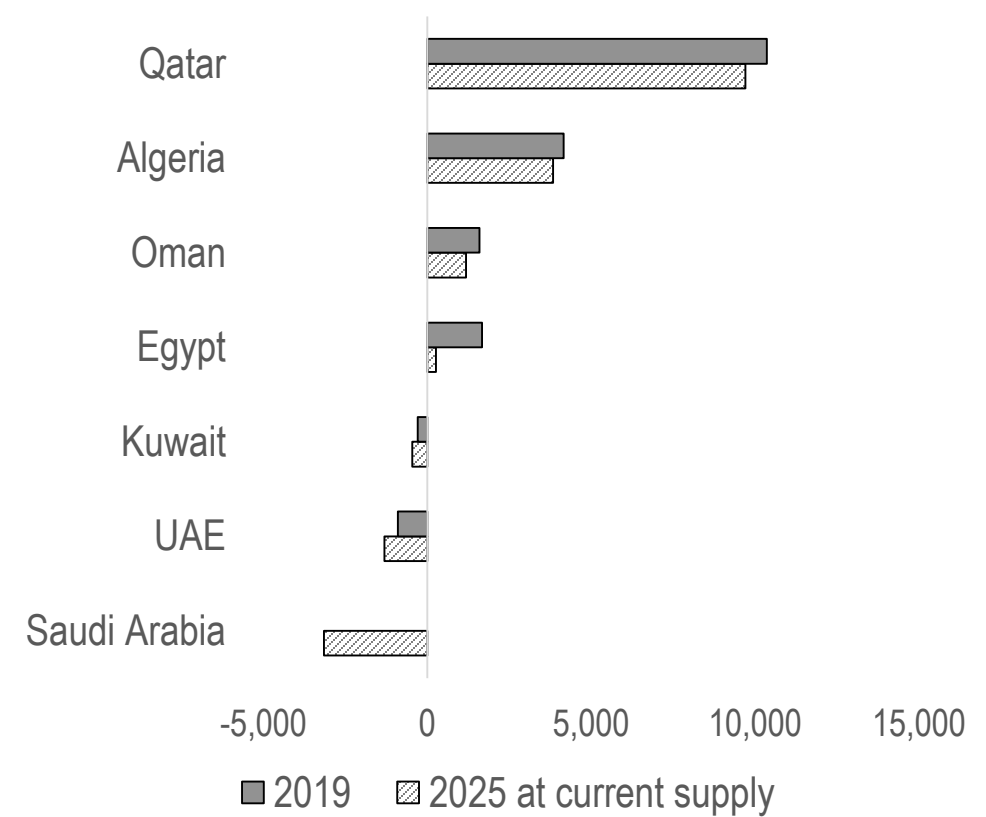
Source: IEA, Raymond James

# MENA - Significant investments to meet demand

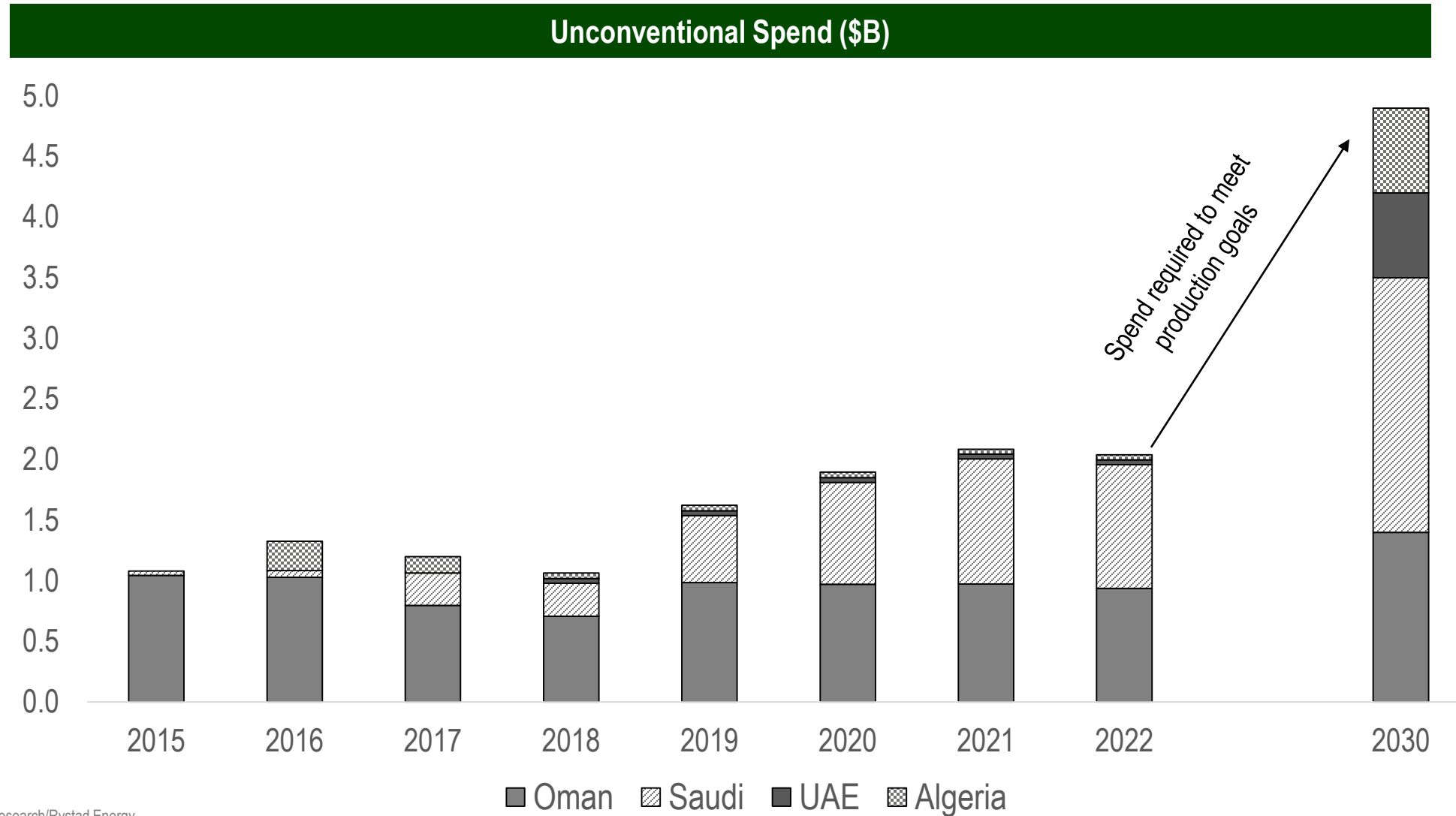
Natural Gas Surplus/Deficit (MMcf/d)



Natural Gas Production (2019 E) MMcf/d



# 3x Unconventionals spent in next 10 years



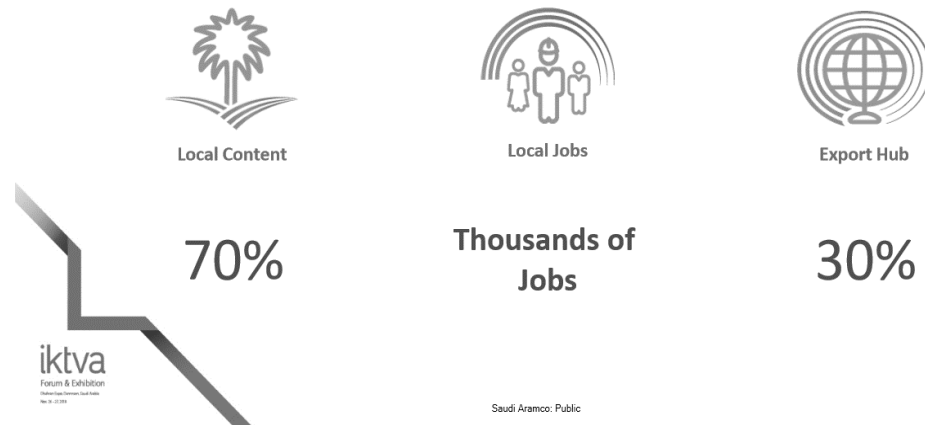
Source: BTIG Research/Rystad Energy



# ESG & Local Content @ NESR



## Strategic in Nature



- All countries in the region are adopting “Local content requirements” – ICV in Oman, IKTVA in Saudi, ICV in UAE, Tawteen in Qatar...
- Extremely aggressive goals and non - negotiable targets
- Will be critical to be from the region and for the region
- Small - to medium - sized enterprises (SMEs) will be at the heart of this expansion





## 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



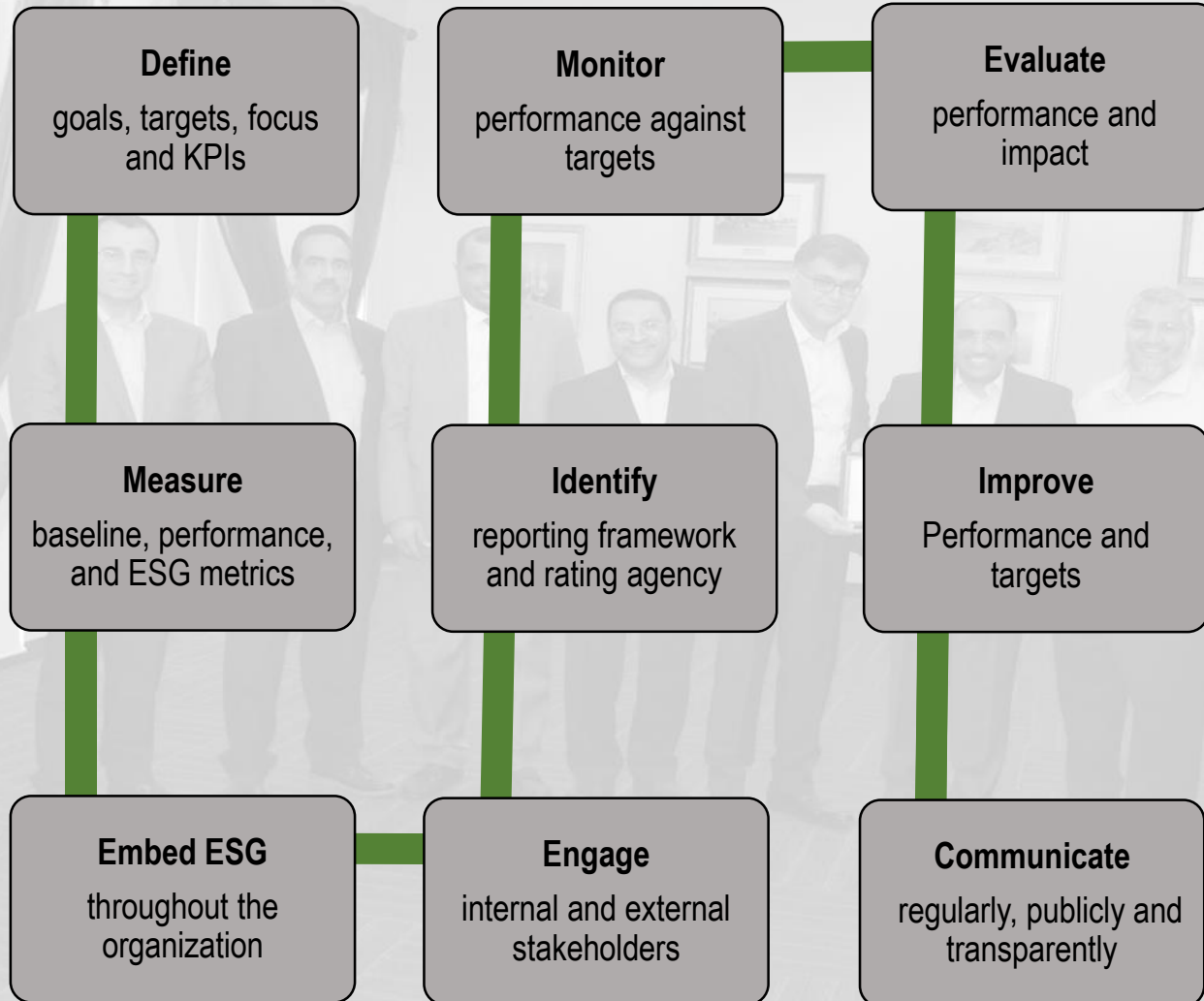
## Governance

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

# Our Approach



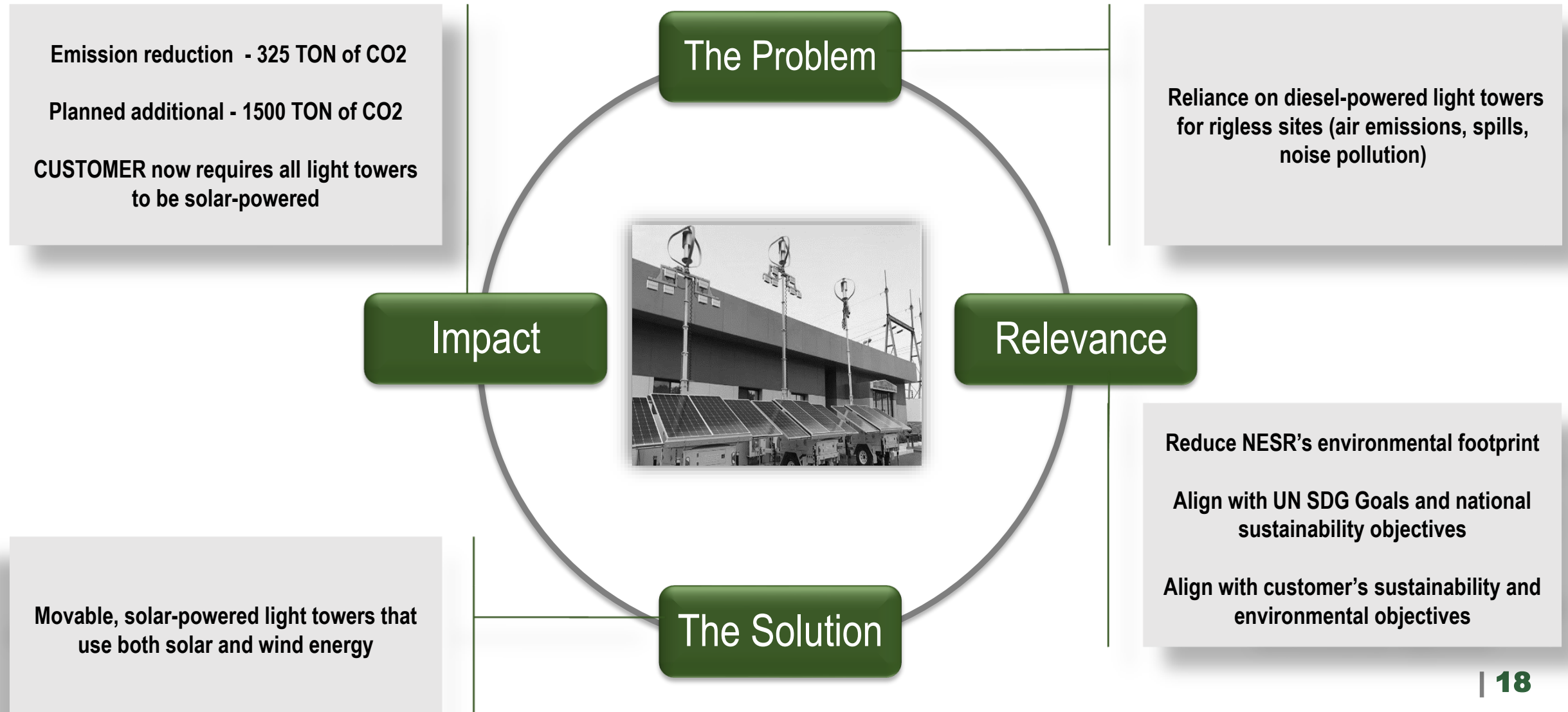
**Sustainable  
Impact**

**Measurable  
Outcomes**



**Scalable Projects**

# Towards Cleaner Energy – Solar-Powered Light Towers





# ESG vs Local Content

The objectives of local content programs are aligned with NESR's values and local strategies. As The Local Champion, NESR is creating synergies between local content programs and community socio-economic development initiatives in different countries.





# Aligning ESG and Local Content





**First & Only NASDAQ Listed MENA Company**





# Appendix



# 2018 Adjusted EBITDA

(Non-GAAP Reconciliation)



NESR (\$ Million)	2018
<b>Revenue</b>	<b>552.5</b>
<b>Net income (loss)</b>	<b>39.5</b>
Depreciation and amortization	69.5
Finance Cost	19.5
Goodwill Impairment	-
Impairment	-
Tax	13.1
Transaction & Integration Costs	26.2
Earn-out Adjustment	(6.1)
<b>Adjusted EBITDA</b>	<b>161.7</b>

Source: Company financial information as published in Q1 2019 release



# 2019 Adjusted EBITDA

(Non-GAAP Reconciliation)



NESR (\$ Million)	Q1 2019	Q2 2019
<b>Revenue</b>	<b>151.7</b>	<b>159.9</b>
<b>Net income (loss)</b>	<b>13.2</b>	<b>11.4</b>
Depreciation and amortization	19.3	21.3
Finance Cost	3.9	5.8
Tax	2.9	4.4
Transaction, Integration & Start-Up Costs	1.3	2.4
Other Provisions	-	0.4
<b>Adjusted EBITDA</b>	<b>40.7</b>	<b>45.7</b>

Source: Company financial information as published in 2019 quarterly earnings releases.

# 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
<b>Adjusted EBITDA</b>	<b>59</b>	<b>67</b>	<b>64</b>	<b>72</b>	<b>78</b>

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
<b>Adjusted EBITDA</b>	<b>45</b>	<b>44</b>	<b>65</b>	<b>69</b>	<b>69</b>

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  
EBITDA is adjusted for impairment which is not recognized as part of EBITDA under US GAAP