

## Non-GAAP Financial Measures

From time to time, management may publicly disclose certain “non-GAAP financial measures” in our earnings releases, financial presentations or earnings conference calls. These non-GAAP measures may include adjusted income/loss from continuing operations on a consolidated basis, adjusted income/loss from operations and Adjusted EBITDA on consolidated basis and by segment. The Company provides reconciliations to the nearest Generally Accepted Accounting Principles (GAAP) measure for these and other non-GAAP measures on a quarterly basis.

These non-GAAP measures are not in accordance with, or a substitute for, measures prepared in accordance with GAAP, and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company’s results of operations that would be reflected in measures determined in accordance with GAAP.

These financial measures are provided to enhance investors’ overall understanding of the Company’s current financial performance. In addition, because the Company has reported certain non-GAAP measures in the past, the Company believes the inclusion of non-GAAP measures provides consistency in the Company’s financial reporting.

The following table reconciles net income/loss from continuing operations, which is the directly comparable financial measure determined in accordance with GAAP, to loss from continuing operations (non-GAAP financial measure).

### Reconciliation of Consolidated Adjusted Net Loss (in thousands) (unaudited)

	Three months ended, March 31, 2020		Three months ended, December 31, 2019		Three months ended, March 31, 2019	
	Consolidated	Per Share	Consolidated	Per Share	Consolidated	Per Share
Reported net loss from continuing operations	\$ (32,335)	\$ (2.18)	\$ (6,162)	\$ (0.42)	\$ (32,644)	\$ (2.10)
Reduction in value of assets	16,522	1.12	-	-	-	-
Restructuring costs	6,020	0.41	2,896	0.20	-	-
Merger-related transaction costs	4,339	0.29	3,095	0.21	-	-
Income taxes	(6,236)	(0.42)	(1,390)	(0.10)	-	-
Adjusted net loss from continuing operations	<u>\$ (11,690)</u>	<u>\$ (0.78)</u>	<u>\$ (1,561)</u>	<u>\$ (0.11)</u>	<u>\$ (32,644)</u>	<u>\$ (2.10)</u>

The following table reconciles net income/loss from continuing operations by segment, which is the directly comparable financial measure determined in accordance with GAAP, to adjusted income/loss from operations and adjusted EBITDA by segment (non-GAAP financial measures).

**Reconciliation of Adjusted Income (Loss) from Operations and Adjusted EBITDA by Segment**  
(in thousands)  
(unaudited)

**Three months ended March 31, 2020**

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated
Reported net income (loss) from continuing operations	\$ 36,727	\$ (2,998)	\$ (3,897)	\$ (17,329)	\$ (44,838)	\$ (32,335)
Restructuring costs	140	1,128	557	3,784	411	6,020
Merger-related costs	-	-	-	-	4,339	4,339
Reduction in value of assets	-	-	4,096	12,426	-	16,522
Interest expense, net	-	-	-	(1,173)	26,307	25,134
Other expense	-	-	-	-	4,232	4,232
Income taxes	-	-	-	-	(10,254)	(10,254)
Adjusted income (loss) from continuing operations	<u>\$ 36,867</u>	<u>\$ (1,870)</u>	<u>\$ 756</u>	<u>\$ (2,292)</u>	<u>\$ (19,803)</u>	<u>\$ 13,658</u>
Depreciation, depletion, amortization and accretion	17,790	6,313	10,838	5,345	1,069	41,355
Adjusted EBITDA	<u>\$ 54,657</u>	<u>\$ 4,443</u>	<u>\$ 11,594</u>	<u>\$ 3,053</u>	<u>\$ (18,734)</u>	<u>\$ 55,013</u>

**Three months ended December 31, 2019**

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated
Reported net income (loss) from continuing operations	\$ 27,618	\$ 3,187	\$ (10,068)	\$ 8,612	\$ (35,511)	\$ (6,162)
Restructuring costs	13	1,076	1,304	503	-	2,896
Merger-related costs	-	-	-	-	3,095	3,095
Interest expense, net	-	-	-	(1,068)	25,106	24,038
Other expense	-	-	-	-	(1,993)	(1,993)
Income taxes	-	-	-	-	(12,333)	(12,333)
Adjusted income (loss) from continuing operations	<u>\$ 27,631</u>	<u>\$ 4,263</u>	<u>\$ (8,764)</u>	<u>\$ 8,047</u>	<u>\$ (21,636)</u>	<u>\$ 9,541</u>
Depreciation, depletion, amortization and accretion	19,315	5,760	12,052	5,467	1,147	43,741
Adjusted EBITDA	<u>\$ 46,946</u>	<u>\$ 10,023</u>	<u>\$ 3,288</u>	<u>\$ 13,514</u>	<u>\$ (20,489)</u>	<u>\$ 53,282</u>

**Three months ended March 31, 2019**

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated
Reported net income (loss) from continuing operations	\$ 21,279	\$ 1,958	\$ 1,617	\$ 102	\$ (57,600)	\$ (32,644)
Interest expense, net	-	-	-	(1,018)	26,139	25,121
Other expense	-	-	-	-	1,612	1,612
Income taxes	-	-	-	-	3,677	3,677
Adjusted income (loss) from continuing operations	<u>\$ 21,279</u>	<u>\$ 1,958</u>	<u>\$ 1,617</u>	<u>\$ (916)</u>	<u>\$ (26,172)</u>	<u>\$ (2,234)</u>
Depreciation, depletion, amortization and accretion	23,026	11,647	14,140	6,310	1,220	56,343
Adjusted EBITDA	<u>\$ 44,305</u>	<u>\$ 13,605</u>	<u>\$ 15,757</u>	<u>\$ 5,394</u>	<u>\$ (24,952)</u>	<u>\$ 54,109</u>

The following table reconciles net loss from continuing operations, which is the directly comparable financial measure determined in accordance with GAAP, to adjusted EBITDA (non-GAAP financial measure).

**Reconciliation of Adjusted EBITDA**  
(in thousands)  
(unaudited)

	Three Months Ended March 31,	
	2020	2019
Reported net loss from continuing operations	\$ (32,335)	\$ (32,644)
Reduction in value of assets	16,522	-
Restructuring and other related costs	6,020	-
Merger-related costs	4,339	-
Interest expense, net	25,134	25,121
Other expense	4,232	1,612
Income taxes	(10,254)	3,677
Depreciation, depletion, amortization and accretion	41,355	56,343
Adjusted EBITDA	<u>\$ 55,013</u>	<u>\$ 54,109</u>

The following table reconciles free cash flow (deficit) (non-GAAP financial measure) to net cash provided by operating activities, which is the directly comparable financial measure determined in accordance with GAAP.

**Reconciliation of Free Cash Flow (Deficit)**  
(in thousands)  
(unaudited)

	For the Three Months	For the Three Months
	Ended March 31, 2020	Ended March 31, 2019
Net cash provided by operating activities	\$ (32,240)	\$ 27,379
Less: capital expenditures	(18,563)	(41,160)
Free cash flow (deficit)	<u>\$ (50,803)</u>	<u>\$ (13,781)</u>