



# INVESTOR PRESENTATION

WEATHERFORD INTERNATIONAL PLC

**Q1** | **2021**



# DISCLAIMER

This presentation contains projections and forward looking statements concerning, among other things, Weatherford International plc's ("Weatherford" or the "Company") prospects for its operations and expectations regarding future financial results which are subject to certain risks, uncertainties and assumptions. These risks and uncertainties, which are more fully described in Weatherford's reports and registration statements filed with the SEC, include but are not limited to risks associated with disease outbreaks and other public health issues, including COVID-19 pandemic, and their impact on the global economy; Weatherford's preparedness for and response to the COVID-19 pandemic and the impact of logistical issues and business interruptions associated with COVID-19 pandemic on Weatherford and its customers and suppliers; the macroeconomic outlook for the oil and gas industry; commodity prices and demand for our goods and services; our ability to generate cash flow from operations to fund our business; and our ability to realize cost savings and business enhancements from our revenue and cost improvement efforts. Should one or more of these risks or uncertainties materialize, or should the assumptions prove incorrect, actual results may vary materially from those currently anticipated.

This presentation includes non-GAAP financial measures which we believe provide users of our financial information with additional meaningful comparisons between current results and results of prior periods as well as comparisons with peer companies. The non-GAAP amounts should not be considered as substitutes for operating income, provision for income taxes, net income or other data prepared and reported in accordance with GAAP, but should be viewed in addition to the Company's reported results prepared in accordance with GAAP. Please refer to the appendices included herein and our first quarter earnings release for a reconciliation of GAAP to the non-GAAP financial measures. All financial results in this presentation are unaudited.



# DELIVERING ON OUR PRIORITIES

## EXPANDING OUR MARGINS

- Q1'21 Adj. EBITDA grew 62 basis points sequentially, despite a 1% sequential reduction in Revenue
- Fifth consecutive quarter of double-digit Adj. EBITDA margins
- Year-on-year Adj. EBITDA decrementals<sup>[1]</sup> of 20%
- Continued margin progress in NAM

## SAFETY & SERVICE QUALITY

- In Q1'21, we achieved a near five-year best in NPT %, a testament to our focus on performance
- Multiple safety and service quality awards
- Continue to successfully manage operations despite COVID challenges by leveraging our digital portfolio

## ENHANCING OUR LIQUIDITY

- Q1'21 free cash flow of \$70 million improved \$93 million sequentially
- Q1'21 unlevered free cash flow of \$94 million relatively flat sequentially
- Total cash<sup>[2]</sup> of \$1.3 billion as of Mar. 31, 2021

## LEVERAGING OUR TECHNOLOGY AND PORTFOLIO

- Continued commercial traction of our key technologies
  - First use of Victus™ intelligent MPD by a particular NOC in the Middle East as part of a five-year contract
- Expansion into new markets by leveraging adjacent product lines
  - First quarter where TRS had a commercial Vero® operation in each of our geographies



Relisting on NASDAQ as  
“WFRD”

[1] Calculated as the change in adjusted EBITDA divided by the change in total revenues

[2] Includes cash and cash equivalents and restricted cash



# CUSTOMER & TECHNOLOGY HIGHLIGHTS

**Driving commercial traction of key technologies**

**Harnessing scale to grow adjacent product lines**

**Leveraging the full breadth of our portfolio to grow profitably**

## SURINAME BASIN

Won a long-term contract with a major operator to provide tubular running and intervention capabilities on two deepwater rigs.

## ROMANIA

Drilled a horizontal re-entry with double the penetration rate of a major competitor's previous record using Magnus® RSS and Centro™ software, thereby expanding the Magnus portfolio into the Continental European market.

## MIDDLE EAST

Delivered first-ever deployment of Victus™ intelligent MPD for an NOC in the Middle East as part of a recently awarded five-year contract.

Accomplished a successful trial using the industry's first fully retrievable, 15,000-psi, gas-tight bridge plug for a major operator in the Middle East.

Achieved a record drilling the longest horizontal lateral in the field using Victus intelligent MPD in conjunction with our RSS.

## NORTH SEA

Introduced the Magnus RSS in this market by drilling re-entries for a major UK operator and delivering the first three wells 33% faster than planned, which led to contracts with two additional customers.

## ARGENTINA

Awarded multiple three-year contracts as the primary provider of a range of services throughout the well life cycle.

## NIGERIA

Successfully introduced Vero® automated connection integrity on a remote, high-pressure gas well for an IOC, which led to expanding our work scope.

## INDONESIA

Completed a successful trial using Vero automated connection integrity for a major operator by rejecting threads at risk of future leaks to assure flawless connections.

Deployed the ForeSite® production optimization platform on a 100+ well trial delivering a 14% uplift and improved uptime in the applicable wells along with an average reduction of 40% in lost-production opportunities.

## Safety Awards

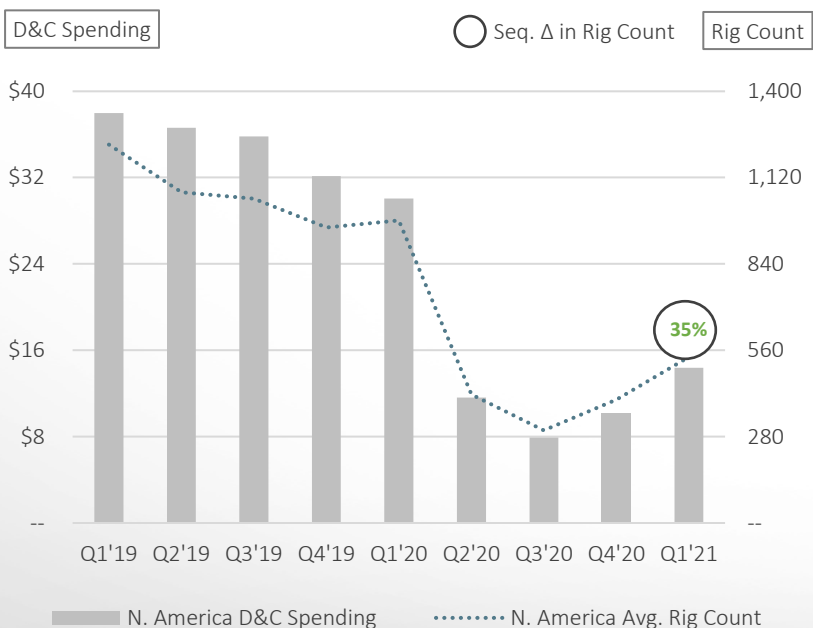
Recognized by multiple customers for outstanding HSE performance. This includes the *Outstanding Operational Excellence Award* from an IOC in Tengiz, Kazakhstan, and a recognition award from an NOC in the Middle East for delivering 20 years of LTI-free liner-hanger services.



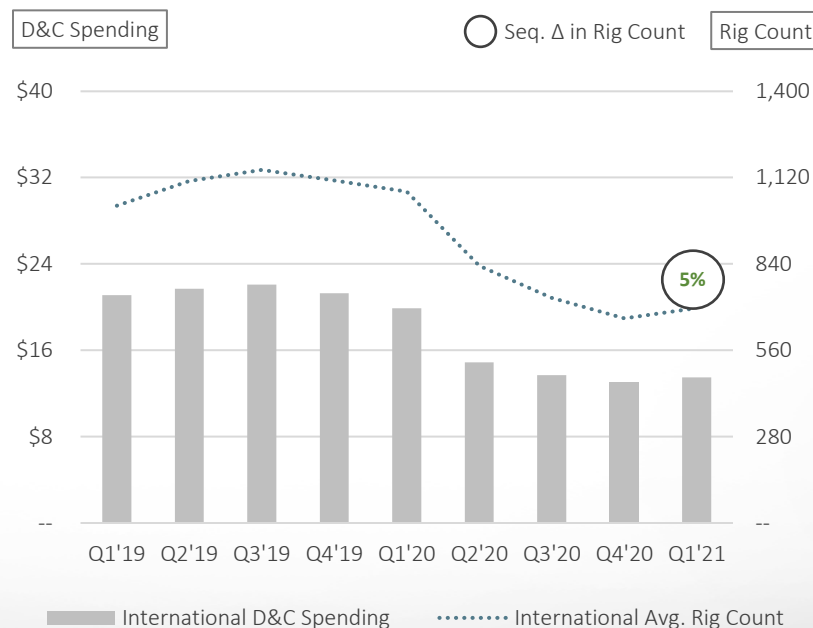
# MARKET UPDATE

(\$ in billions)

## NORTH AMERICA RIG COUNT VS. D&C SPENDING



## INTERNATIONAL RIG COUNT VS. D&C SPENDING





# CONSOLIDATED FINANCIAL SUMMARY

(\$ in millions, except per share data)

INCOME STATEMENT	Q1'21	Δ Seq.	Δ YoY
Revenues	\$832	(1%)	(32%)
Adjusted EBITDA	\$102	4%	(43%)
% Margin	12%	62 bps	(239 bps)
Non-GAAP Diluted Loss per Share	(\$1.66)	(2%)	4%
NET WORKING CAPITAL <sup>[1]</sup>			
Total Net Working Capital	\$1,139		
Days of Revenue	123 days	(7 days)	0 days
Accounts Receivable, Net	\$793		
Days of Revenue	86 days	(3 days)	(3 days)
Inventories, Net	\$676		
Days of Revenue	73 days	(4 days)	(1 days)
Accounts Payable	\$330		
Days of Revenue	36 days	(1 days)	5 days
TOTAL CASH & CASH FLOW			
Total Cash <sup>[2]</sup>	\$1,343	\$58	\$579
Unlevered Free Cash Flow	\$94	(\$1)	\$94
Free Cash Flow	\$70	\$93	\$72
Capital Expenditures	\$15	(72%)	(61%)
% of Revenue	2%	(461 bps)	(132 bps)

[1] Days of revenue metrics use a 360 day convention and are calculated by dividing the applicable field by revenue and multiplying by 90 days

[2] Includes cash and cash equivalents and restricted cash



# SEGMENT RESULTS: WESTERN HEMISPHERE

(\$ in millions)

## FINANCIAL RESULTS

	Q1'21	Δ Seq.	Δ YoY
<b>Revenues:</b>			
North America	\$214	6%	(37%)
Latin America	\$176	3%	(29%)
<b>Total Revenues</b>	<b>\$390</b>	<b>5%</b>	<b>(34%)</b>
<b>Adj. Segment EBITDA</b>			
	\$52	27%	(32%)
<i>% Margin</i>	13%	230 bps	40 bps

## Q1'21 COMMENTS

- North America revenue growth driven by increased Drilling, Evaluation, and Intervention sales in the United States and Canada, as well as seasonal activity increases in Canada partially offset by lower Completion and Production activity.
- Latin America growth driven by increased activity across all product lines.
- Adjusted Segment EBITDA grew 27% sequentially, driven by increased activity and operating efficiency in North America.
  - Adj. EBITDA margins increased 230 bps sequentially and 40 bps over prior year.
  - Favorable Adj. Segment EBITDA decrements of 12% YoY.

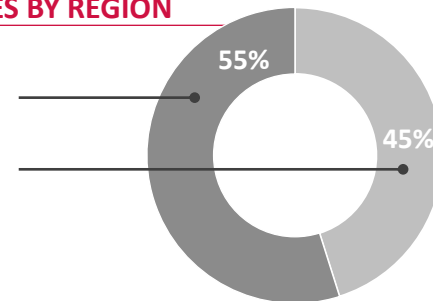
## Q1'21 REVENUES BY REGION

North America

**\$214**

Latin America

**\$176**



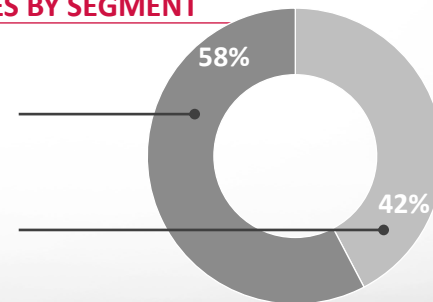
## Q1'21 REVENUES BY SEGMENT

Completion and Production

**\$225**

Drilling, Evaluation, and Intervention

**\$165**





# SEGMENT RESULTS: EASTERN HEMISPHERE

(\$ in millions)

## FINANCIAL RESULTS

	Q1'21	Δ Seq.	Δ YoY
<b>Revenues:</b>			
Middle East, N. Africa, Asia	\$267	(8%)	(34%)
Europe, SSA, Russia	\$175	(3%)	(22%)
<b>Total Revenues</b>	<b>\$442</b>	<b>(6%)</b>	<b>(30%)</b>
<b>Adj. Segment EBITDA</b>			
	\$66	(24%)	(48%)
<b>% Margin</b>	15%	(360 bps)	(540 bps)

## Q1'21 COMMENTS

- Sequential decline in the Middle East, North Africa, and Asia revenue due to seasonally lower product sales in Completion and Production, slightly offset by higher Drilling activity in Saudi Arabia.
- Europe, Sub Saharan Africa, and Russia revenue decline driven by seasonally lower product sales in Eastern Hemisphere, partially offset by an increase in Drilling, Evaluation, and Intervention sales in Europe and the Middle East.
- Adjusted Segment EBITDA margin of 15%, declined 24% mainly due to lower activity in the Middle East, Asia, and Russia regions.
  - Adj. Segment EBITDA decrements of 33% YoY.

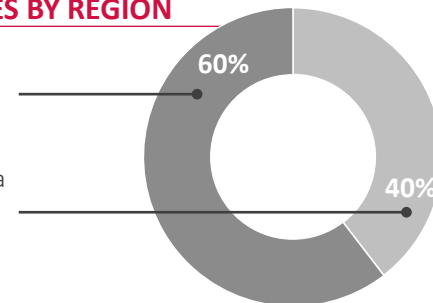
## Q1'21 REVENUES BY REGION

Middle East, North Africa, Asia

**\$267**

Europe, SSA, Russia

**\$175**



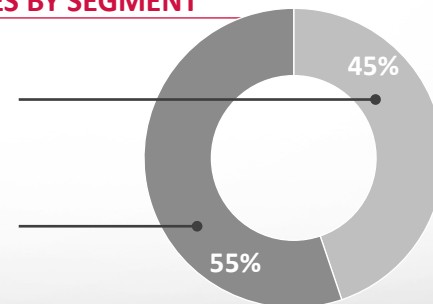
## Q1'21 REVENUES BY SEGMENT

Completion and Production

**\$198**

Drilling, Evaluation, and Intervention

**\$244**



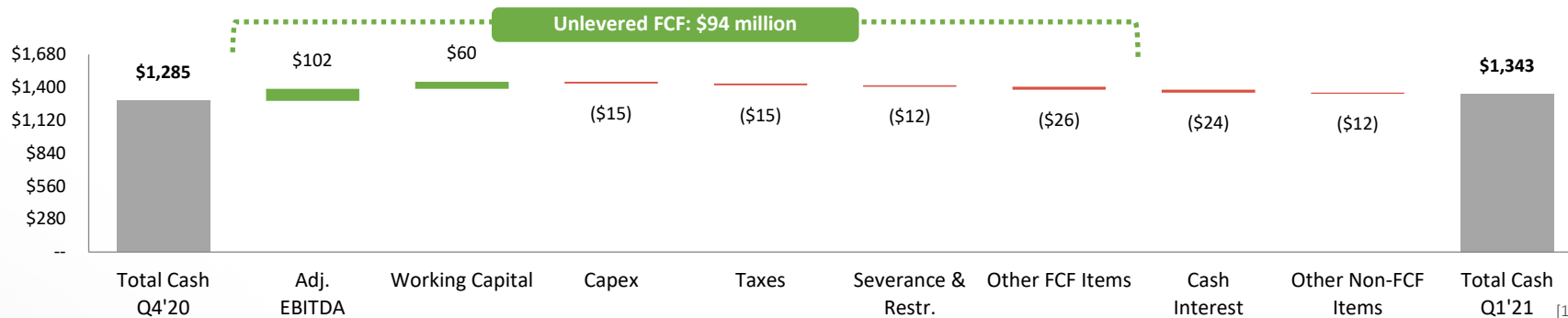




# LIQUIDITY

(\$ in millions)

## Q1'21 CASH FLOW BRIDGE



## Q1'21 Results

- Unlevered FCF consistent sequentially on lower revenues.
- Working capital initiatives continue to be a positive source of cash.
- Lower Capex run rate due to Q4'20 acceleration of growth investments.
- Net Debt to Adj. EBITDA at  $\sim 3.3x^{[2]}$ .
- Cash balance well above covenant requirements.

## LONG TERM DEBT MATURITIES

NO MATURITIES UNTIL 2024



[1] Includes cash and cash equivalents and restricted cash

[2] Computed based on Net Debt (Total debt less cash and cash equivalents) divided by LTM Adj. EBITDA



# QUALITATIVE OUTLOOK

**FY'21****Q2'21****REVENUES**

- W. Hemisphere revenues expected to grow by low- to mid-single digits from annualized 2H'20 results
  - E. Hemisphere revenues expected to decline by low – to-mid-single digits from annualized 2H'20 results
  - Consolidated revenues expected to be in line with annualized 2H'20 results
- Consolidated revenues expected to be in line with Q1'21

**ADJUSTED EBITDA**

- Continued focus on improving cost structure and driving efficiencies
  - Adjusted EBITDA margin expected to expand by 100 bps to 200 bps from H2'20 levels (excluding benefit from operational asset sale <sup>[1]</sup>)
- Adjusted EBITDA margins expected to be in line with Q1'21 levels

**CASH FLOW**

- Unwinding of net working capital not expected to repeat in FY'21.
  - Excluding net working capital, unlevered free cash flow expected to improve year-on-year.
  - Capital expenditures expected in the range of \$100-130 million.
- Unlevered free cash flow expected to decline sequentially largely due to the non-repeat of net working capital unwind in Q1'21 and returning to CAPEX run rate.

[1] Excluding the impact of the \$12 million operational asset sale in Q3'20, 2H'20 adj. EBITDA margin was 11.5%.

## 2021 FOCUS AREAS



North America  
Performance



Variable Cost  
Management



Organization  
Simplification



Inventory  
Rationalization

## CURRENT MOMENTUM



200+ bps sequential margin  
expansion in Western  
Hemisphere driven by NAM

100 bps decline in gross  
margin on a 32% drop in YoY  
revenue

YoY overhead costs as a % of  
revenue unchanged, as we  
continue to realize the  
benefits from rationalizing  
management levels

4 days improvement in DSI  
sequentially

## STRATEGIC VECTORS



Our Product and  
Service Portfolio

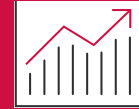
+

Digital  
Transformation

+

ESG & Energy  
Transition

## GOAL



**Sustainable  
Profitability**

**Positive  
Free Cash Flow**



# APPENDIX



# APPENDIX A

*(\$ in millions)*

## Selected Statements of Operations (Unaudited)

	Quarter Ended		Quarter Ended
	3/31/2021	12/31/2020	3/31/2020
<b>Revenues</b>			
Western Hemisphere	\$ 390	\$ 372	\$ 588
Eastern Hemisphere	442	470	627
Total Revenues	\$ 832	\$ 842	\$ 1,215
<b>Adjusted EBITDA<sup>[1]</sup></b>			
Western Hemisphere	\$ 52	\$ 41	\$ 76
Eastern Hemisphere	66	87	127
Adjusted Segment EBITDA	118	128	203
Corporate	(16)	(30)	(25)
Total Adjusted EBITDA	\$ 102	\$ 98	\$ 178
<b>Depreciation and Amortization</b>			
Western Hemisphere	\$ 27	27	\$ 47
Eastern Hemisphere	84	88	109
Corporate	—	1	1
Total Depreciation and Amortization	\$ 111	116	\$ 157

Please see the corresponding earnings release available on Weatherford's website for additional information and additional GAAP to Non-GAAP reconciliation tables

[1] Adjusted EBITDA excludes share-based compensation of \$4 million in the first quarter of 2021, with \$1 million in the Western Hemisphere, \$1 million in the Eastern Hemisphere and \$2 million in Corporate. We had an immaterial amount of share-based compensation during 2020.



# APPENDIX B

*(\$ in millions)*

## Reconciliation of GAAP to Non-GAAP Net Loss and Diluted Net Loss Per Share (Unaudited)

	Quarter Ended		Quarter Ended
	3/31/2021	12/31/2020	3/31/2020
<b>Net Income (Loss) Attributable to Weatherford:</b>			
GAAP Net Income (Loss)	\$ (116)	\$ (200)	\$ (966)
Non-GAAP Adjustments, net of tax	—	86	845
Non-GAAP Net Loss	\$ (116)	\$ (114)	\$ (121)
<b>Diluted Loss Per Share Attributable to Weatherford:</b>			
GAAP Diluted Loss per Share	\$ (1.66)	\$ (2.87)	\$ (13.80)
Non-GAAP Adjustments, net of tax	—	1.24	12.07
Non-GAAP Diluted Loss per Share	\$ (1.66)	\$ (1.63)	\$ (1.73)



# APPENDIX C

*(\$ in millions)*

## Reconciliation of GAAP to Non-GAAP EBITDA (Unaudited)

	Quarter Ended		Quarter Ended
	3/31/2021	12/31/2020	3/31/2020
<b>Net Income (Loss) Attributable to Weatherford</b>	\$ (116)	\$ (200)	\$ (966)
Net Income Attributable to Noncontrolling Interests	6	5	8
<b>Net Income (Loss)</b>	<b>(110)</b>	<b>(195)</b>	<b>(958)</b>
Interest Expense, Net	70	70	58
Income Tax Provision	23	21	44
Depreciation and Amortization	111	116	157
<b>EBITDA</b>	<b>94</b>	<b>12</b>	<b>(699)</b>
<b>Other (Income) Expense Adjustments:</b>			
Reorganization Items	—	—	9
Impairments and Other Charges	—	(3)	817
Restructuring Charges	—	92	26
Share-Based Compensation	4	—	—
Other Expense, Net	4	(3)	25
<b>Adjusted EBITDA<sup>[1]</sup></b>	<b>\$ 102</b>	<b>\$ 98</b>	<b>\$ 178</b>

Please see the corresponding earnings release available on Weatherford's website for additional information and additional GAAP to Non-GAAP reconciliation tables

[1] In the first quarter of 2020 the Company reported adjusted EBITDA excluding stock-based compensation.



# APPENDIX D

*(\$ in millions)*

## Reconciliation of Cash Flows from Operating Activities to Free Cash Flow (Unaudited)

	Quarter Ended		Quarter Ended
	3/31/2021	12/31/2020	3/31/2020
<b>Free Cash Flow <sup>[1]</sup>:</b>			
Cash Flows Provided by (Used in) Operating Activities	\$ 74	\$ 22	\$ 30
Capital Expenditures for Property, Plant and Equipment	(15)	(54)	(38)
Proceeds from Disposition of Assets	11	9	6
Free Cash Flow <sup>[1]</sup>	\$ 70	\$ (23)	\$ (2)

Please see the corresponding earnings release available on Weatherford's website for additional information and additional GAAP to Non-GAAP reconciliation tables

[1] Free cash flow is a non-GAAP measure calculated as cash flows provided by (used in) operating activities, less capital expenditures for property, plant and equipment plus proceeds from the disposition of assets. Management believes free cash flow is useful to understand liquidity and should be considered in addition to but not substitute cash flows provided by (used in) operating activities.





# APPENDIX E

*(\$ in millions)*

## Adjusted EBITDA to Unlevered Free Cash Flow and Free Cash Flow (Unaudited)

	Quarter Ended		Quarter Ended
	3/31/2021	12/31/2020	3/31/2020
<b>Adjusted EBITDA</b>	\$ 102	\$ 98	\$ 178
Cash From (Used) for Working Capital	60	86	(83)
Capital Expenditures for Property, Plant and Equipment	(15)	(54)	(38)
Cash Paid for Taxes	(15)	(19)	(21)
Cash Paid for Severance and Restructuring	(12)	(28)	(17)
Other <sup>[1]</sup>	(26)	12	(19)
<b>Unlevered Free Cash Flow</b>	\$ 94	\$ 95	\$ —
Cash Paid for Interest	(24)	(118)	(2)
<b>Free Cash Flow <sup>[2]</sup></b>	\$ 70	\$ (23)	\$ (2)

Please see the corresponding earnings release available on Weatherford's website for additional information and additional GAAP to Non-GAAP reconciliation tables

[1] Other primarily includes accruals net of payments for certain operational expenses, employee costs (excluding restructuring) and leases, inventory charges, bad debt expense, proceeds from disposition of assets and foreign currency exchange impact.

[2] Free cash flow is a non-GAAP measure calculated as cash flows provided by (used in) operating activities, less capital expenditures for property, plant and equipment plus proceeds from the disposition of assets. Management believes free cash flow is useful to understand liquidity and should be considered in addition to but not substitute cash flows provided by (used in) operating activities.



**THANK  
YOU**

FOR FURTHER  
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WE INVITE YOU TO VISIT



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