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# WEATHERFORD INTERNATIONAL PLC

THIRD QUARTER 2018

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OCTOBER 29  
**2018**

# DISCLAIMER

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# FINANCIAL OVERVIEW

	3Q 2018	2Q 2018	Δ Seq.	3Q 2017	Δ Yr/Yr
Net Loss Attributable to Weatherford	(\$199)	(\$264)	25%	(\$256)	22%
Net Income Attributable to Noncontrolling Interests	\$5	\$5	-	\$5	-
<b>Net Loss</b>	<b>(\$194)</b>	<b>(\$259)</b>	<b>25%</b>	<b>(\$251)</b>	<b>23%</b>
Interest Expense, Net	\$156	\$152	(3%)	\$148	(5%)
Income Tax Provision	\$22	\$26	15%	\$25	12%
Depreciation and Amortization	\$128	\$144	11%	\$199	36%
<b>EBITDA</b>	<b>\$112</b>	<b>\$63</b>	<b>78%</b>	<b>\$121</b>	<b>(7%)</b>
<b>Other (Income) Expense Adjustments</b>					
Warrant Fair Value Adjustment	(\$11)	(\$10)	(10%)	\$7	NM
Bond Tender and Call Premium	-	-	-	-	-
Currency Devaluation Charges	\$8	\$11	27%	-	-
Other (Income) Expense, Net	\$6	\$7	14%	\$1	NM
Restructuring and Transformation Charges	\$27	\$38	29%	\$34	21%
Impairments, Asset Write-Downs and Other	\$71	\$70	(1%)	\$1	NM
<b>Adjusted EBITDA</b>	<b>\$213</b>	<b>\$179</b>	<b>19%</b>	<b>\$164</b>	<b>30%</b>

**Adjusted EBITDA improved by \$49M or 30%** on a year-over year basis on modestly lower revenue

**Adjusted EBITDA improved by \$34M or 19%** sequentially while revenue was essentially flat

# FINANCIAL OVERVIEW

BALANCE SHEET	3Q 2018	2Q 2018	Δ Seq.	3Q 2017	Δ Yr/Yr
Receivables	\$1,155	\$1,167	(1%)	\$1,236	(7%)
Days Sales Outstanding	73 days	73 days	-	77 days	(5%)
Inventory	\$1,097	\$1,143	(4%)	\$1,752	(37%)
Days Sales Of Inventory	69 days	71 days	(3%)	111 days	(38%)
Payables	\$728	\$754	(3%)	\$815	(11%)
CASH FLOW					
Operating Cash Flow	(\$32)	(\$130)	75%	(\$243)	87%
Cash Paid for Interest	(\$156)	(\$104)	(50%)	(\$183)	15%
Capital Expenditures	(\$55)	(\$48)	(15%)	(\$65)*	15%
AVERAGE RIG COUNT					
US	1,051	1,039	1%	946	11%
Canada	209	108	94%	208	-
International	1,003	968	4%	947	6%

**Operating Cash Flow improved \$211M or 87% Year-over-Year**

**Operating Cash Flow improved \$98M or 75% sequentially**

# 3Q 2018 REVENUE MIX

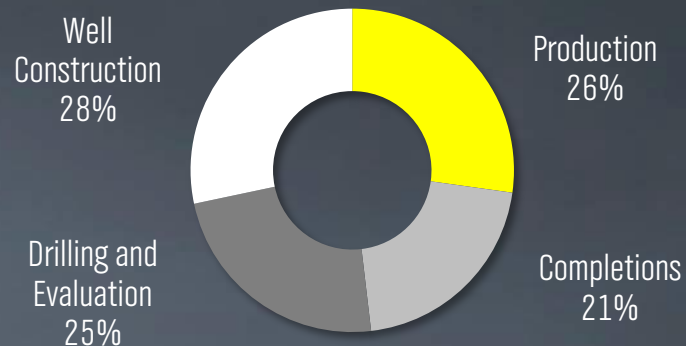
## By Geography



\$ in Millions	3Q 2018	2Q 2018	Seq Δ	3Q 2017	YoY Δ
Western Hemisphere	\$762	\$769	(1%)	\$767	(1%)
Eastern Hemisphere	\$682	\$679	-	\$693	(2%)
<b>TOTAL NET REVENUES</b>	<b>\$1,444</b>	<b>\$1,448</b>	<b>-</b>	<b>\$1,460</b>	<b>(1%)</b>
Operating Income (Loss)					
Western Hemisphere					
Operating Income (Loss)	\$78	\$50	56%	\$3	NM
Eastern Hemisphere					
Operating Income (Loss)	\$38	\$19	100%	(\$10)	NM
<b>SEGMENT OPERATING INCOME (LOSS)</b>	<b>\$116</b>	<b>\$69</b>	<b>68%</b>	<b>(\$7)</b>	<b>NM</b>

\$ in millions

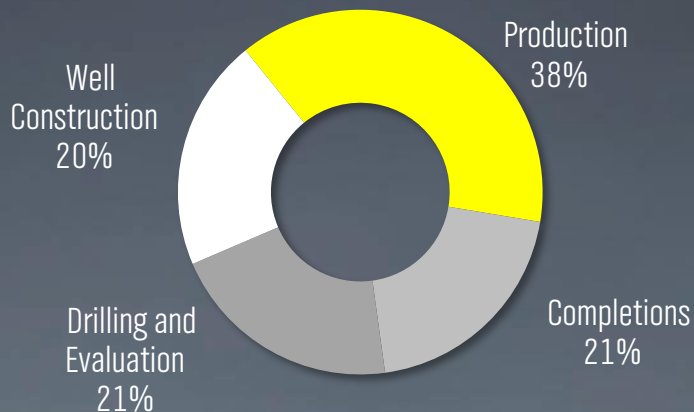
## By Global Business Unit



\$ in Millions	3Q 2018	2Q 2018	Seq Δ	3Q 2017	YoY Δ
Production	\$383	\$394	(3%)	\$381	-
Completions	\$303	\$303	-	\$320	(5%)
Drilling and Evaluation	\$357	\$341	5%	\$347	3%
Well Construction	\$401	\$410	(2%)	\$412	(3%)
<b>TOTAL PRODUCT AND SERVICE LINE REVENUES</b>	<b>\$1,444</b>	<b>\$1,448</b>	<b>-</b>	<b>\$1,460</b>	<b>(1%)</b>

# 3Q 2018 HEMISPHERE REVENUE BY BUSINESS UNIT

## Western Hemisphere



### WESTERN HEMISPHERE REVENUES

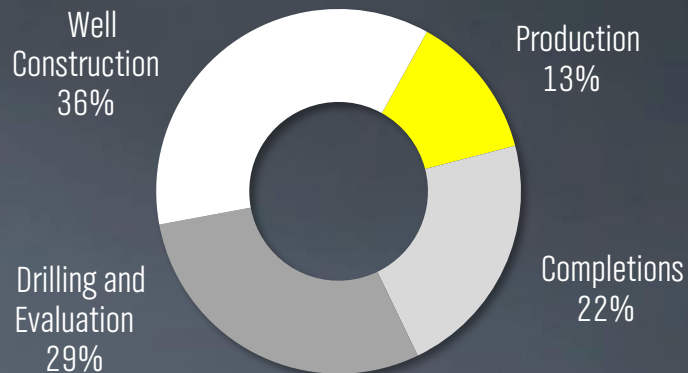
3Q 2018

Production	\$294
Completions	\$154
Drilling and Evaluation	\$158
Well Construction	\$156

### TOTAL WESTERN HEMISPHERE REVENUES

\$762

## Eastern Hemisphere



### EASTERN HEMISPHERE REVENUES

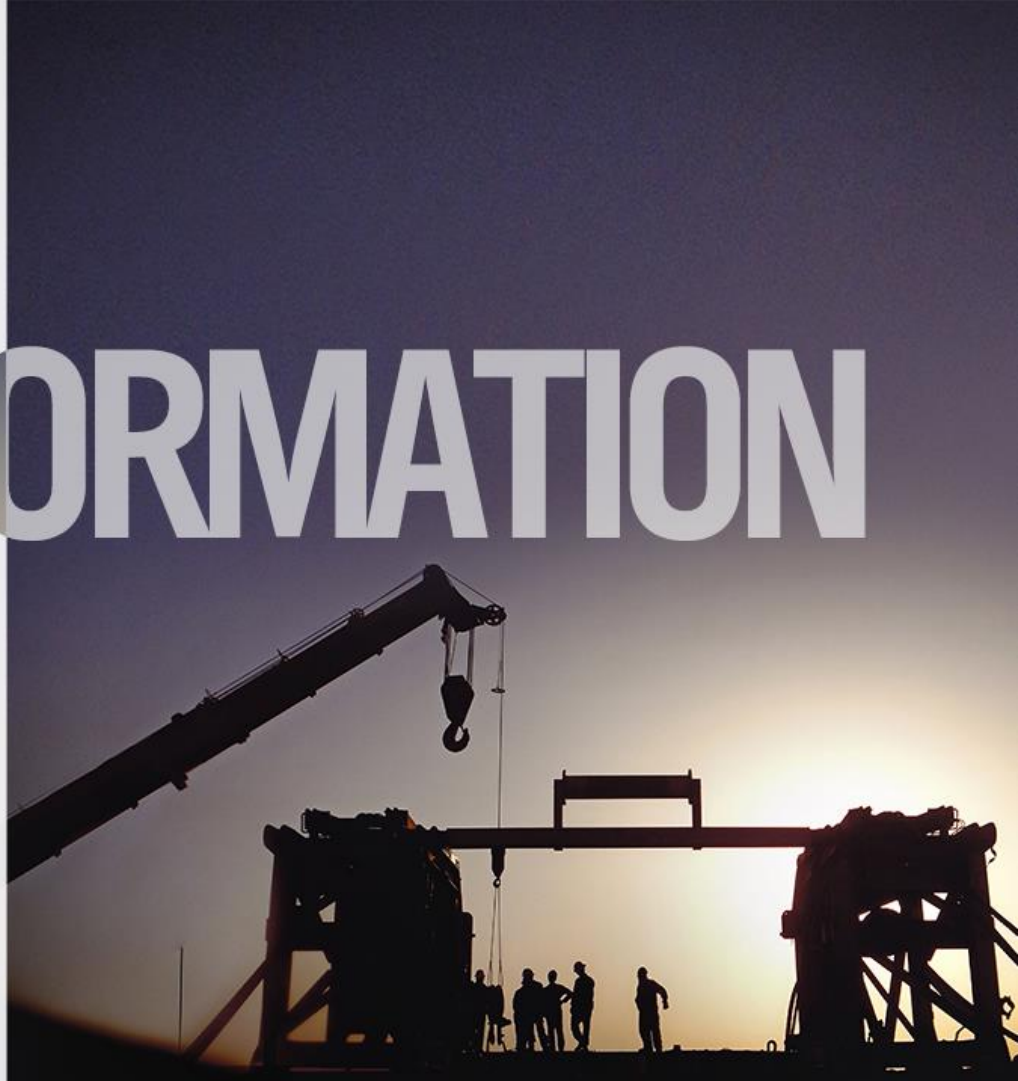
3Q 2018

Production	\$89
Completions	\$149
Drilling and Evaluation	\$199
Well Construction	\$245

### TOTAL EASTERN HEMISPHERE REVENUES

\$682

# OUR TRANSFORMATION



# SETTING CLEAR TARGETS

## MILESTONES ON OUR PATH TO PROFITABILITY



**MARGINS & EBITDA** — \$1B by YE2019 in Business Enhancements (Run Rate) and Profit Improvements

**FREE CASH FLOW** — Positive in 4Q 2018 and in 2019

**NET DEBT RATIO** — Net Debt-to-EBITDA Ratio Cut Nearly in Half by YE2018 and by One-Third at YE2019



# ACHIEVING SUSTAINABLE SAVINGS

EXPECTED EBITDA IMPACT OF \$1B BY YE2019

## PROCUREMENT (28%)

- Improve sourcing
- Reduce number of suppliers

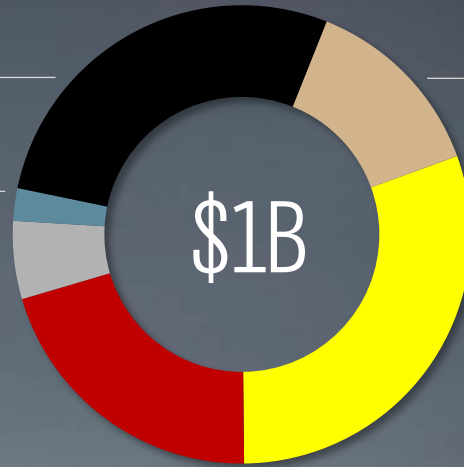
## LOGISTICS AND DISTRIBUTION (2%)

- Crossdock and consolidate shipments

## MANUFACTURING (6%)

- Consolidate facilities
- Increase demand planning discipline

RECURRING IMPACT



## G&A (13%)

- Offshore back-office functions
- Enhance global asset optimization

## SALES/COMMERCIAL (30%)

- Align sales coverage to high-opportunity areas
- Prioritize account management

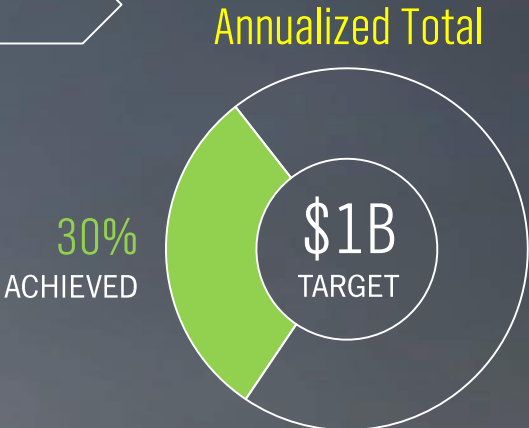
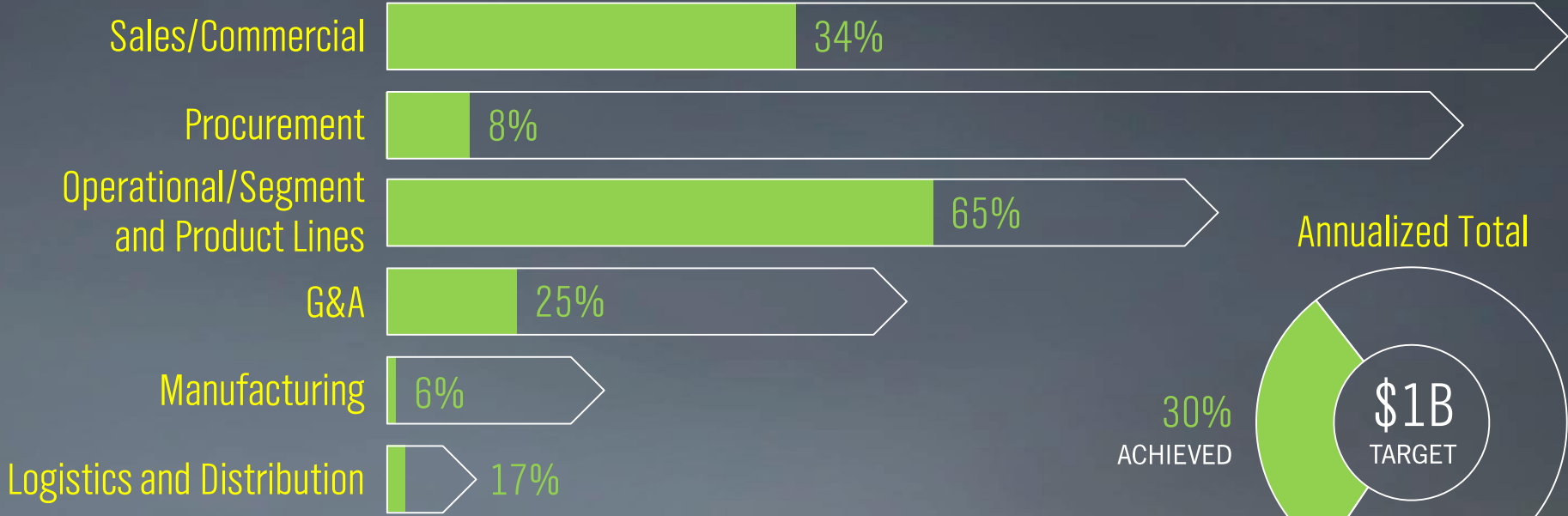
## OPERATIONAL/SEGMENT AND PRODUCT LINES (21%)

- Reduce product line complexity
- Organizational restructure

# TRANSFORMATION SCORECARD – \$1B Target by YE 2019

## ANNUALIZED RESULTS

WORKSTREAM ANNUALIZED PERCENTAGE ACHIEVED THROUGH 3Q 2018



# STRATEGIC DIVESTITURES OF ~\$1B SINCE YEAR-END 2017

## U.S. Pressure Pumping and Pump-Down Perforation Assets



COMPLETED

- Transaction completed December 2017
- Proceeds of \$430M
- Retained high-margin North America Completions business

## International Land Drilling Rigs



TRANSACTION ANNOUNCED

- Includes 31 rigs concentrated in MENA
- Proceeds of \$287.5M
- Series of closings, to be substantially completed in 2H 2018
- Remaining rigs expected to be sold over the coming quarters

## Laboratory Services



TRANSACTION ANNOUNCED

- Proceeds of \$205M
- Transaction expected to close before year-end

# 3Q 2018 SCORECARD

-  **REVENUE** MID-SINGLE DIGIT GROWTH, SLIGHTLY HIGHER IN WESTERN HEMISPHERE
-  **EBITDA** MID-TEENS SEQUENTIAL GROWTH RATE
-  **3Q TRANSFORMATION** CUMULATIVE RECURRING IMPACT APPROACHING 30% OF TARGET
-  **FREE CASH FLOW** POSITIVE FOR THE QUARTER
-  REACH AGREEMENT ON AT LEAST ONE **PLANNED DIVESTITURE**
-  FINALIZE EXTENSION OF **REVOLVING CREDIT FACILITY**

# 4Q 2018 OUTLOOK



**REVENUE** FLAT SEQUENTIALLY, PRODUCT SALES OFFSET BY SEASONALITY

**EBITDA** DOWN MID-SINGLE DIGITS, SEQUENTIALLY

**4Q TRANSFORMATION** CUMULATIVE RECURRING IMPACT APPROACHING 40% OF TARGET

**FREE CASH FLOW** POSITIVE FOR THE QUARTER

**PROCEEDS REALIZED** FROM ANNOUNCED DIVESTITURES

# | APPENDIX

# ADJUSTED SEGMENT OPERATING INCOME (LOSS) RECONCILIATION

	3Q 2018	2Q 2018	3Q 2017
<b>OPERATING INCOME (LOSS):</b>			
Western Hemisphere	\$78	\$50	\$3
Eastern Hemisphere	38	19	(10)
<b>SEGMENT OPERATING INCOME (LOSS)</b>	<b>\$116</b>	<b>\$69</b>	<b>\$(7)</b>
Corporate Expenses	(31)	(34)	(28)
Restructuring and Transformation Charges	(27)	(38)	(34)
Other Charges, Net	(71)	(70)	(1)
<b>TOTAL OPERATING LOSS</b>	<b>\$(13)</b>	<b>\$(73)</b>	<b>\$(70)</b>

FOR FURTHER COMPANY INFORMATION  
WE INVITE YOU TO VISIT



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