



# INVESTOR PRESENTATION

WEATHERFORD INTERNATIONAL PLC

**Q4** | **2021**



# DISCLAIMER

This presentation contains projections and forward-looking statements concerning, among other things, Weatherford International plc's ("Weatherford" or the "Company") quarterly and full-year revenues, operating income and losses, segment adjusted EBITDA, adjusted EBIDTA, unlevered free cash flow, free cash flow, forecasts or expectations regarding business outlook, prospects for its operations and expectations regarding future financial results. These forward-looking statements are only predictions based upon the current beliefs of Weatherford's management and are subject to significant risks, assumptions, and uncertainties, including, but not limited to, the price and price volatility of oil and natural gas; the extent or duration of business interruptions, demand for oil and gas and fluctuations in commodity prices associated with COVID-19 pandemic; general global economic repercussions including inflationary pressures related to COVID-19 pandemic; the macroeconomic outlook for the oil and gas industry; and operational challenges relating to the COVID-19 pandemic and efforts to mitigate the spread of the COVID-19 virus and COVID-19 variants, including logistical challenges, protecting the health and well-being of our employees, remote work arrangements, performance of contracts and supply chain disruptions; our ability to generate cash flow from operations to fund our operations; and the realization of additional cost savings and operational efficiencies. These risks and uncertainties are more fully described in Weatherford's reports and registration statements filed with the SEC. Any forward-looking statements speaks only as of the date on which such statement is made, and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law, and we caution you not to rely on them unduly.

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 fourth quarter and full year earnings release for a reconciliation of GAAP to the non-GAAP financial measures.



# Q4 2021 RESULTS SUMMARY

## EXPANDING OUR MARGINS

- Adjusted EBITDA of **\$154 million** or **16%**
- Adj. EBITDA margins expanded **> 400 basis points** Y-o-Y
  - Margin expansion across all three segments, led by Drilling & Evaluation segment where segment margins expanded **>800 basis points** Y-o-Y
- Continued operating improvements in NAM as margins expanded **~ 500 basis points** Y-o-Y

## SAFETY & SERVICE QUALITY

- **20% reduction** in nonproductive time rate Y-o-Y
- **46% reduction** in lost time days Y-o-Y
- **47% reduction** in Preventable Vehicle Incident Rate Y-o-Y
- 12-year LTI free in Azerbaijan
- Met 2021 Total Recordable Incident rate target

## ENHANCING OUR LIQUIDITY

- **Upgraded** by S&P to “B-” in Dec’21
- Q4’21 free cash flow of **\$49 million**
- Refinancing transactions deliver annualized interest savings of **~\$71 million**
- FY’21 free cash flow of **\$278 million, increased by over 250% vs. FY’20**
- Total cash<sup>[1]</sup> of **\$1.1 billion** as of Dec. 31, 2021

## WINNING IN THE MARKETPLACE

- **Well Construction & Completions**
  - \$1B ADNOC tender win
  - 5-year TRS award for Saudi Aramco
- **Drilling & Evaluation**
  - 2-year MPD award for Shell
- **Production & Intervention**
  - 3-year Digital award for Kuwait Oil Company (KOC)
  - 5-year fiber optics and intelligent screen award for European super major

**Re-segmentation of Reporting Structure**

[1] Includes cash and cash equivalents and restricted cash



Listing on NASDAQ



Credit Rating

- S&P upgrade
- B2/B- Moody's/S&P



>\$4B in commercial wins



Leverage improvement

- \$200M Debt Repayment
- 0.6x improvement in Net Debt/EBITDA

## 2021 SIGNIFICANT MILESTONES



Refinancing Transactions

- ~\$71M annual reduction in interest expense
- \$500M secured refinance
- \$1.6B unsecured refinance



Reporting Re-Segmentation

- DRE
- WCC
- PRI



Margin Expansion

- >300bps of Adj. EBITDA margin expansion YoY
- FY Adj. EBITDA margin of 16%, achieving target threshold



Free Cash Flow Generation

- 2<sup>nd</sup> consecutive year of positive free cash flow
- Delivered \$278M of free cash flow in 2021

## 2021 FOCUS AREAS



North America  
Performance



Variable Cost  
Management



Organization  
Simplification



Inventory  
Rationalization

## 2021 RESULTS



Doubled Margins in NAM from  
FY'20 to FY'21

166 bps increase in gross margins  
from FY'20 to FY'21 despite inflation  
headwinds

247 bps reduction in overhead costs  
as a % of revenue from FY'20 to  
FY'21

14 days improvement in DSI YoY

## STRATEGIC VECTORS



Our Product and Service  
Portfolio

+

Digital  
Transformation

+

ESG & Energy Transition

## GOAL



**Sustainable  
Profitability**

**Positive  
Free Cash Flow**



# CONSOLIDATED FINANCIAL SUMMARY

(\$ in millions, except per share data)

INCOME STATEMENT				FY'21	
	Q4'21	Δ Seq.	Δ YoY		Δ YoY
Services Revenue	\$619	(1%)	27%	\$2,353	5%
Products Revenue	\$346	7%	(2)%	\$1,292	(10)%
<b>Total Revenues</b>	<b>\$965</b>	<b>2%</b>	<b>15%</b>	<b>\$3,645</b>	<b>(1)%</b>
Adjusted EBITDA	\$154	(14%)	57%	\$571	24%
% Margin	16%	(290 bps)	440 bps	16%	321 bps
Non-GAAP Diluted Loss per Share	(\$0.63)	0%	61%		
NET WORKING CAPITAL <sup>[1]</sup>					
Total Net Working Capital	\$1,115				
Days of Revenue	104 days	(5 days)	(26 days)		
Accounts Receivable, Net	\$825				
Days of Revenue	77 days	(1 days)	(11 days)		
Inventories, Net	\$670				
Days of Revenue	62 days	(2 days)	(14 days)		
Accounts Payable	\$380				
Days of Revenue	35 days	2 days	1 days		
TOTAL CASH & CASH FLOW					
Total Cash <sup>[2]</sup>	\$1,113	(\$333)	(\$172)	\$1,113	(\$172)
Unlevered Free Cash Flow	\$147	\$6	\$52	\$547	\$237
Free Cash Flow	\$49	(\$62)	\$72	\$278	\$200
Capital Expenditures	\$41	105%	(24%)	\$85	(45%)
% of Revenue	4%	213 bps	(216 bps)	2%	(185 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: Q4 2021

(\$ in millions)

## FINANCIAL RESULTS

	Q4'21	Δ Seq.	Δ YoY	FY'21	Δ YoY
<b>Revenues:</b>					
Drilling and Evaluation	\$287	3%	34%	\$1,066	2%
Well Construction and Completions	\$348	1%	3%	\$1,353	(4%)
Production and Intervention	\$298	2%	10%	\$1,127	2%
Other	\$32	7%	60%	\$99	(18%)
<b>Total Revenues</b>	<b>\$965</b>	<b>2%</b>	<b>15%</b>	<b>\$3,645</b>	<b>(1%)</b>
<b>Adj. EBITDA</b>					
	\$154	(14%)	57%	\$571	24%
<b>% Margin</b>	16%	(290 bps)	440 bps	16%	321 bps

## Q4'21 REVENUES BY PRODUCT LINE

DRILLING AND EVALUATION

**\$287**

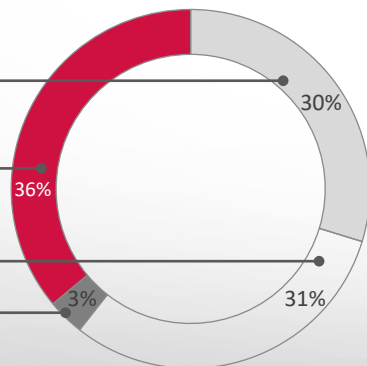
WELL CONSTRUCTION AND COMPLETIONS

**\$348**

PRODUCTION AND INTERVENTION

**\$298**

OTHER

**\$32**

## Q4'21 COMMENTS

- DRE revenue increased 3% sequentially primarily driven by increased activity in NAM offset by a slight decline in MENA
- WCC revenue increased by 1% sequentially driven by increased activity in NAM, LAM and slightly offset by decline in Europe, SSA, Russia
- PRI revenue increased by 2% sequentially primarily driven by increased activity in MENA, offset by declines in LAM and Europe, SSA, Russia
- Adjusted EBITDA margin of 16%
  - Adj. EBITDA margins decreased 290 bps sequentially and increased 440 bps over prior year

## Q4'21 REVENUES BY AREA

NORTH AMERICA

**\$238** / +6% sqtly

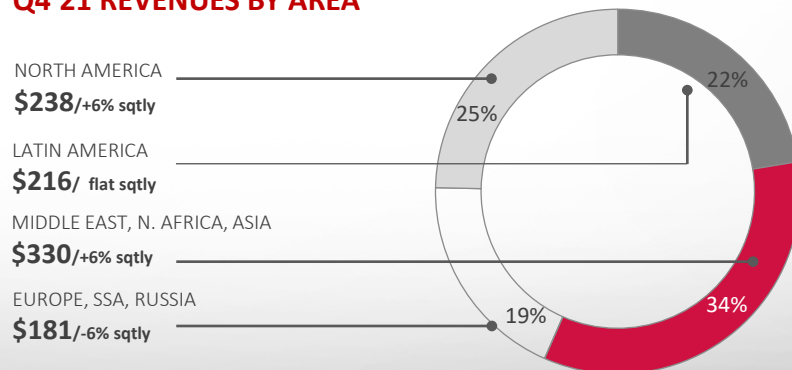
LATIN AMERICA

**\$216** / flat sqtly

MIDDLE EAST, N. AFRICA, ASIA

**\$330** / +6% sqtly

EUROPE, SSA, RUSSIA

**\$181** / -6% sqtly



# SEGMENT RESULTS: FULL YEAR 2021

(\$ in millions)

## FINANCIAL RESULTS

	Q4'21	Δ Seq.	Δ YoY	FY'21	Δ YoY
<b>Revenues:</b>					
Drilling and Evaluation	\$287	3%	34%	\$1,066	2%
Well Construction and Completions	\$348	1%	3%	\$1,353	(4%)
Production and Intervention	\$298	2%	10%	\$1,127	2%
Other	\$32	7%	60%	\$99	(18%)
<b>Total Revenues</b>	<b>\$965</b>	<b>2%</b>	<b>15%</b>	<b>\$3,645</b>	<b>(1%)</b>
<b>Adj. EBITDA</b>					
	<b>\$154</b>	<b>(14%)</b>	<b>57%</b>	<b>\$571</b>	<b>24%</b>
<b>% Margin</b>	<b>16%</b>	<b>(290 bps)</b>	<b>440 bps</b>	<b>16%</b>	<b>321 bps</b>

## 2021 COMMENTS

- DRE revenue increased 2% year-over-year primarily driven by increased activity in LAM primarily offset by a decline in NAM
- WCC revenue decreased by 4% year-over-year driven by declines in MENA and Europe, SSA, Russia partially offset by increased activity in NAM and LAM
- PRI revenue increased by 2% year-over-year primarily driven by increased activity in LAM and Europe, SSA, Russia partially offset by declines in MENA
- Adjusted EBITDA margin of 16%
  - Adj. EBITDA margins increased 321 bps year-over-year driven by improvements across all segments and geographies

## 2021 REVENUES BY PRODUCT LINE

DRILLING AND EVALUATION

**\$1,066**

WELL CONSTRUCTION AND COMPLETIONS

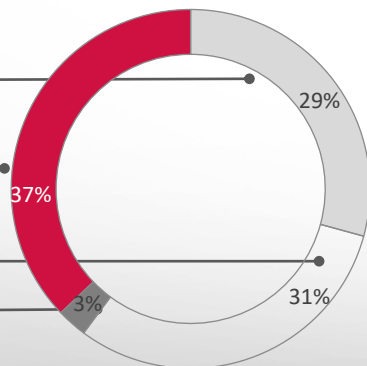
**\$1,353**

PRODUCTION AND INTERVENTION

**\$1,127**

OTHER

**\$99**



## 2021 REVENUES BY AREA

NORTH AMERICA

**\$896** / +1% yoy

LATIN AMERICA

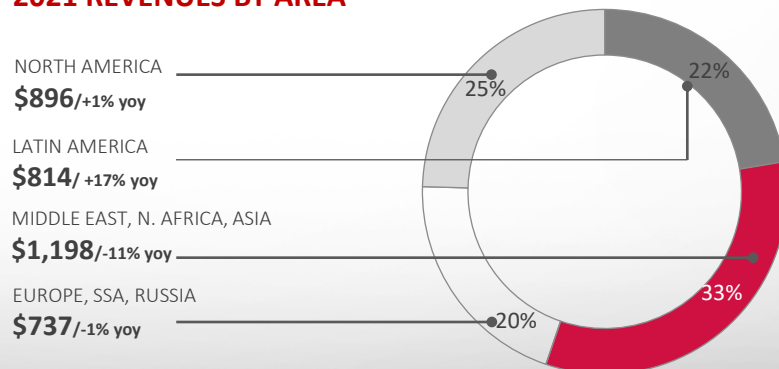
**\$814** / +17% yoy

MIDDLE EAST, N. AFRICA, ASIA

**\$1,198** / -11% yoy

EUROPE, SSA, RUSSIA

**\$737** / -1% yoy



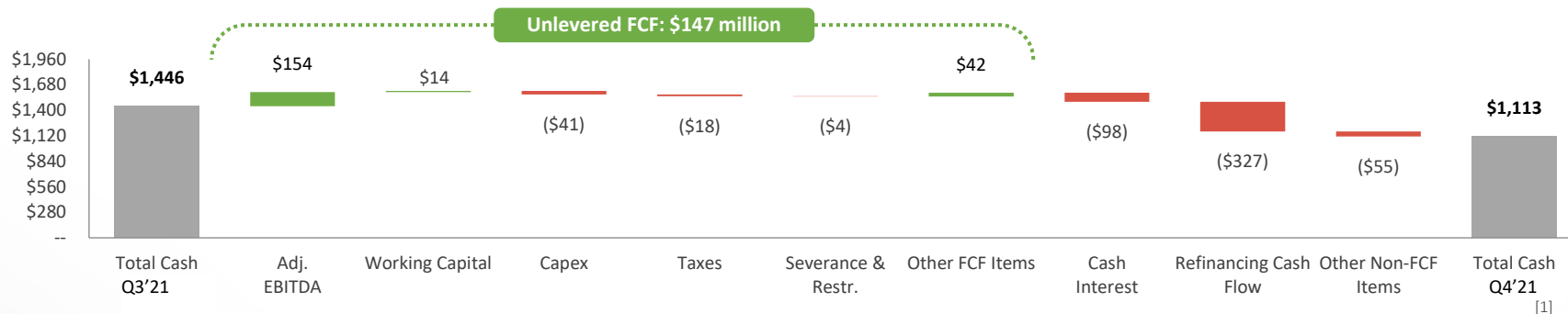




# LIQUIDITY: Q4 2021 BRIDGE

(\$ in millions)

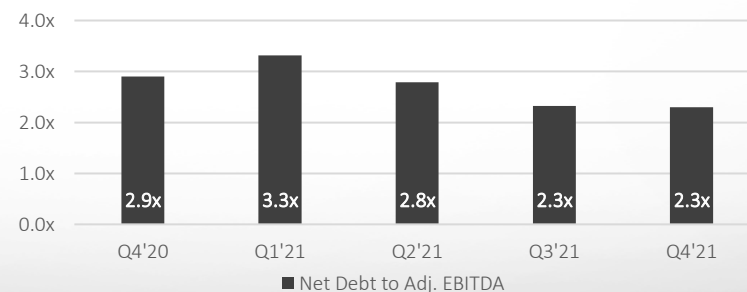
## Q4'21 CASH FLOW BRIDGE



## ENHANCING LIQUIDITY

- S&P upgraded corporate credit rating to “B-” in December 2021
- Net Working capital outperformance during the quarter
- Q4'21 free cash flow of \$49 million
- \$200 million debt repayment
- Refinancing transactions reduced interest expense by ~\$71 million annually and improved maturity profile
- Net debt to adj. EBITDA improved across 2021 by 0.6x [2]

## NET DEBT TO ADJ. EBITDA



[1] Includes cash and cash equivalents and restricted cash

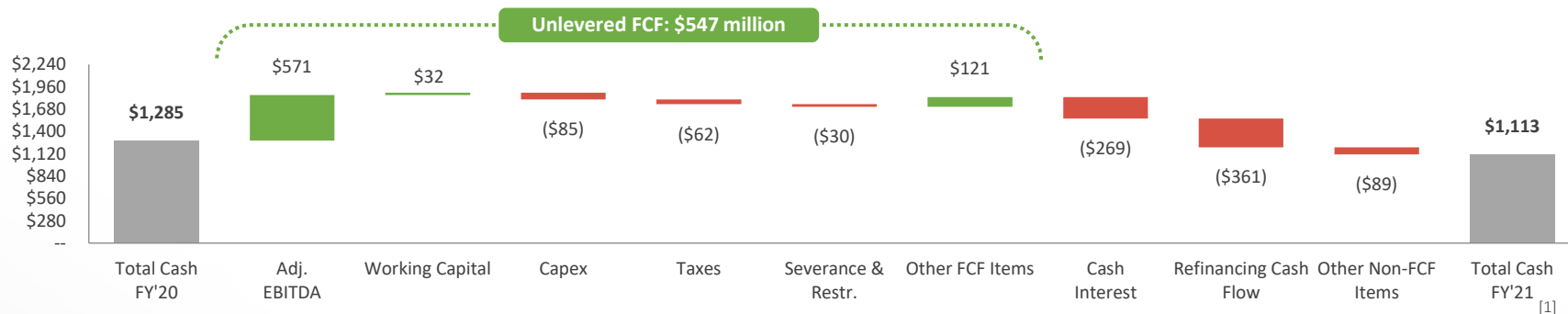
[2] Computed based on net debt (short-term borrowings and current portion of long-term debt and long-term debt less cash and cash equivalents and restricted cash) divided by LTM adjusted EBITDA



# LIQUIDITY: FULL YEAR BRIDGE

(\$ in millions)

## 2021 CASH FLOW BRIDGE



## ENHANCING LIQUIDITY

- FY'21 unlevered FCF of \$547 an increase of 76% vs. FY'20
- FCF for FY'21 of \$278 million or 7.6% yield
- Refinancing transactions;
  - Reduced annual interest expense by ~\$71 million
  - Extended debt maturities
- FY Capex of \$85 million or 2.3% of revenue due to improved asset and inventory optimization

## LONG-TERM DEBT MATURITIES

### EXTENDING MATURITIES UNTIL 2030



[1] Includes cash and cash equivalents and restricted cash



# QUALITATIVE OUTLOOK:

Q1'22 vs Q4'21

FY'22 vs FY'21



## REVENUES

- Consolidated revenues expected to decline by low single digits driven by lower contract consumption, FX and supply chain challenges
  - DRE: - flat to low single digits
  - WCC: - flat to low single digits
  - PRI: - high single digits
- Consolidated revenues expected to grow high single to low double digits
  - DRE: + low double digits
  - WCC: + high single digits
  - PRI: + mid to high double digits



## ADJUSTED EBITDA

- Adjusted EBITDA margins expected to be 15-16%
- Trough quarter driven by lower contract consumption, FX and supply chain challenges, but still over 15%
- FY Adjusted EBITDA margins expected to be 16-17%
- At least 50 bps of margin expansion for FY'22



## CASH FLOW

- Unlevered free cash flow expected to decline
- CAPEX expected to be ~\$20 to \$30 million
- Increases in Net Working Capital, Cash Taxes and Capex partially offset by lower Cash Interest driving unlevered free cash flow decline
- CAPEX expected to be ~\$175 to \$225 million
- 3<sup>rd</sup> consecutive year of positive free cash flow

# STRATEGIC VECTORS

# 2022 FOCUS AREAS

# GOAL



+



+



Fulfillment

—



Directed Growth

—

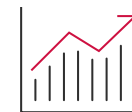


Excellence in  
Execution

—



Simplification



**Sustainable  
Profitability**

—

**Positive  
Free Cash Flow**



# APPENDIX



# APPENDIX A

*(\$ in millions)*

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

	Quarters Ended		
	12/31/21	9/30/21	12/31/20
<b>Net Income (Loss) Attributable to Weatherford:</b>			
GAAP Net Income (Loss)	\$ (161)	\$ (95)	\$ (200)
Non-GAAP Adjustments, net of tax	117	51	86
Non-GAAP Net Loss	\$ (44)	\$ (44)	\$ (114)
<b>Diluted Loss Per Share Attributable to Weatherford:</b>			
GAAP Diluted Loss per Share	\$ (2.30)	\$ (1.36)	\$ (2.87)
Non-GAAP Adjustments, net of tax	1.67	0.73	1.24
Non-GAAP Diluted Loss per Share	\$ (0.63)	\$ (0.63)	\$ (1.63)

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



# APPENDIX B

*(\$ in millions)*

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

	Quarters Ended		
	12/31/21	9/30/21	12/31/20
<b>Net Income (Loss) Attributable to Weatherford</b>	\$ (161)	\$ (95)	\$ (200)
Net Income Attributable to Noncontrolling Interests	4	6	5
Net Income (Loss)	(157)	(89)	(195)
Interest Expense, Net	49	69	70
Loss on Extinguishment of Debt and Bond Redemption Premium	111	59	-
Income Tax Provision	20	28	21
Depreciation and Amortization	103	112	116
<b>EBITDA</b>	126	179	12
<b>Other (Income) Expense Adjustments:</b>			
Impairments and Other Charges <sup>[1]</sup>	6	(8)	(3)
Restructuring Charges	-	-	92
Share-Based Compensation	12	4	-
Other Expense, Net	10	4	(3)
<b>Adjusted EBITDA</b>	\$ 154	\$ 179	\$ 98

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

[1] Impairments and Other (Charges) Credits primarily represent charges on long-lived assets, goodwill, certain inventory charges and other (charges) credits like certain gains on asset sales.



# APPENDIX C

*(\$ in millions)*

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

	Quarters Ended		
	12/31/21	9/30/21	12/31/20
<b>Free Cash Flow<sup>[1]</sup>:</b>			
Cash Flows Provided by Operating Activities	\$ 88	\$ 114	\$ 22
Capital Expenditures for Property, Plant and Equipment	(41)	(20)	(54)
Proceeds from Disposition of Assets	2	17	9
Free Cash Flow <sup>[1]</sup>	\$ 49	\$ 111	\$ (23)

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 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 operating activities.





# APPENDIX D

*(\$ in millions)*

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

	Quarters Ended		
	12/31/21	9/30/21	12/31/20
<b>Adjusted EBITDA</b>	\$ 154	\$ 179	\$ 98
Cash From (Used) for Working Capital	14	(54)	86
Capital Expenditures for Property, Plant and Equipment	(41)	(20)	(54)
Cash Paid for Taxes	(18)	(12)	(19)
Cash Paid for Severance and Restructuring	(4)	(5)	(28)
Proceeds from Disposition of Assets	2	17	9
E&O Inventory Charges	12	11	29
Increase (Decrease) in Accruals, Net <sup>[1]</sup>	28	25	(26)
<b>Unlevered Free Cash Flow</b>	\$ 147	\$ 141	\$ 95
Cash Paid for Interest	(98)	(30)	(118)
<b>Free Cash Flow <sup>[2]</sup></b>	\$ 49	\$ 111	\$ (23)

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

[1] Increase (Decrease) in Accruals, Net primarily includes accruals for net employee benefits, net payments for leases, change in our allowance for credit losses and foreign currency exchange impact.

[2] Free cash flow is a non-GAAP measure calculated as cash flows provided by 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 operating activities.



**THANK  
YOU**

FOR FURTHER  
COMPANY INFORMATION  
WE INVITE YOU TO VISIT



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