



# National Energy Services Reunited Corp.

## The National Champion of MENA

June 2021



Sherif Foda  
Chairman and Chief Executive Officer

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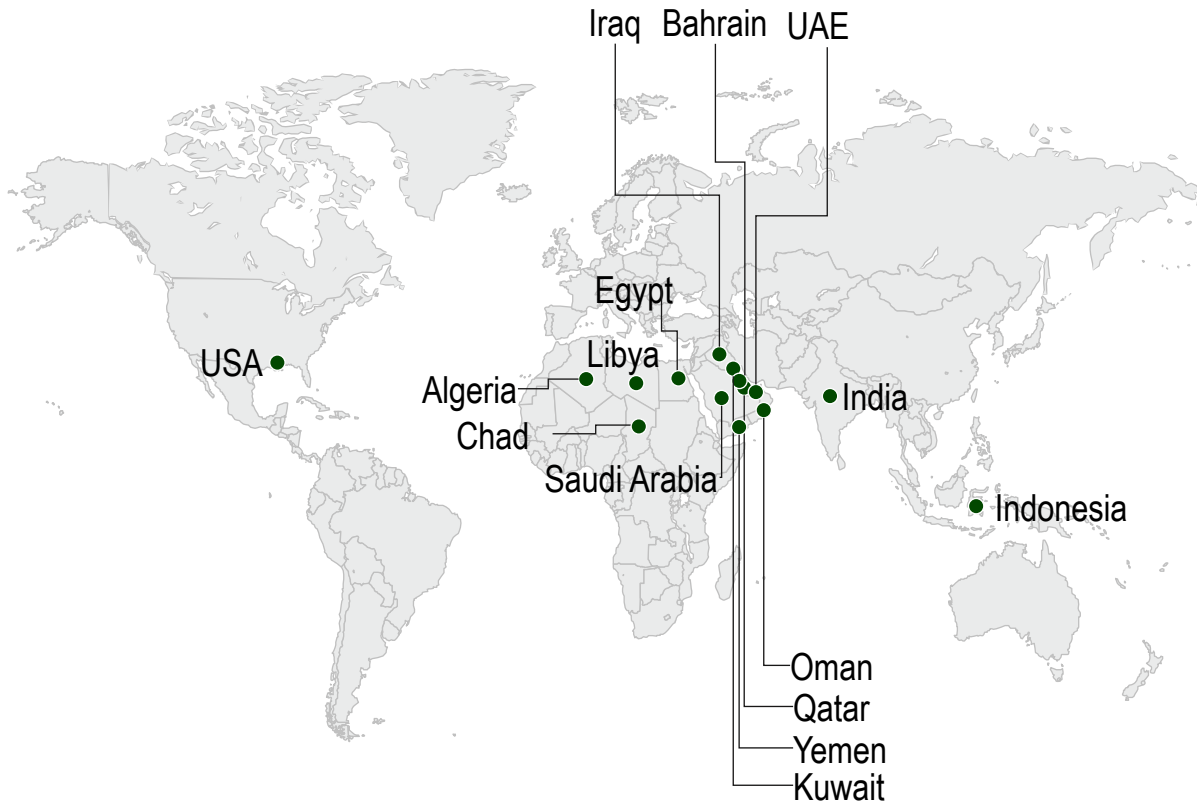
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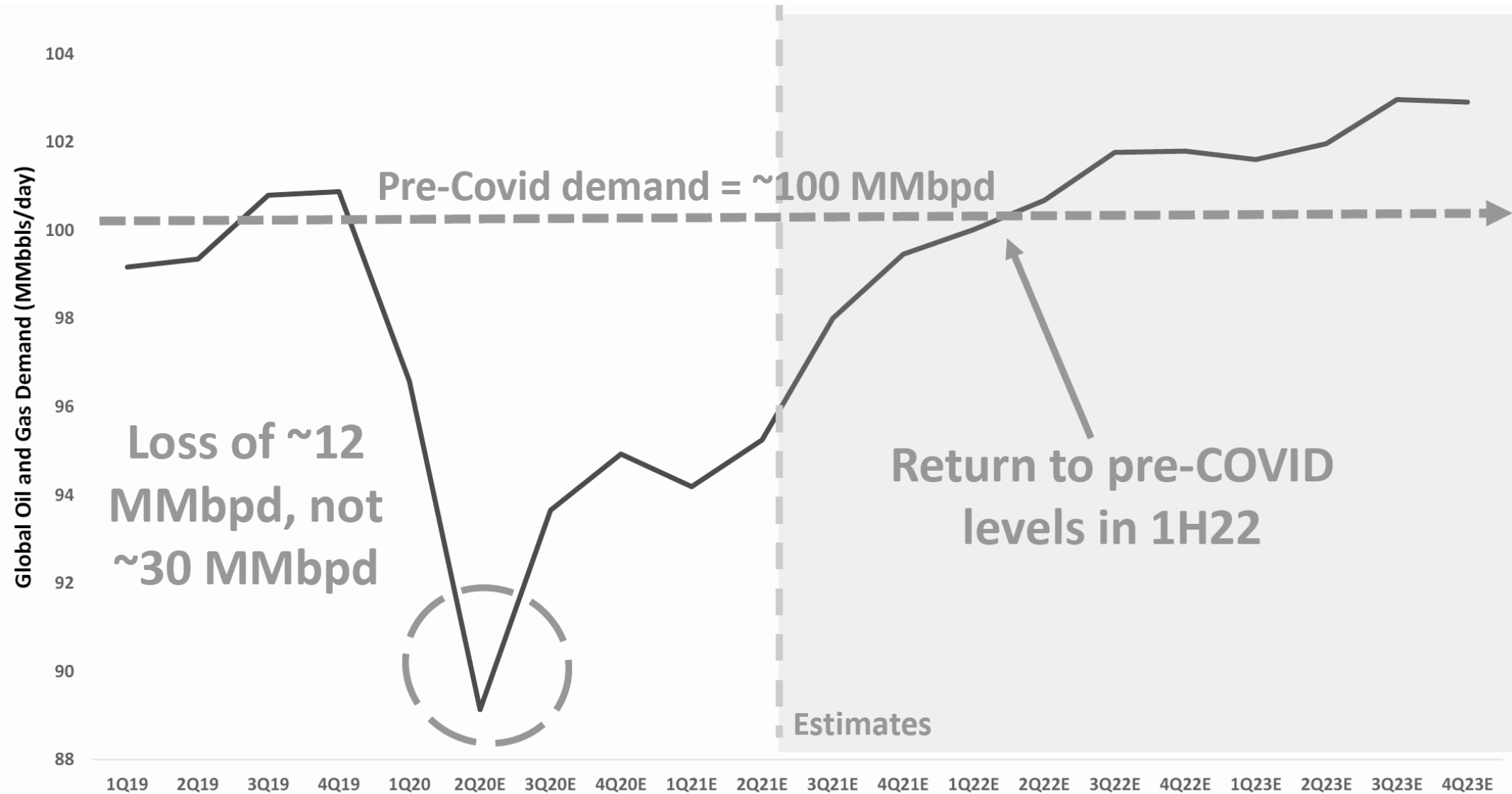
# NESR – Largest Indigenous OFS in the Region



- Head office in Houston and regional offices across MENA and Asia Pacific
- Operations Bases: 15 Countries
- 5,500+ Employees
- 20 Product Lines
- Clients Portfolio: 30+ Customers (Major IOCs | NOCs | Independents)
- Major Operations: KSA | Oman | Iraq | Algeria | UAE | Egypt | Kuwait | Qatar
- Top Tier service provider in the region

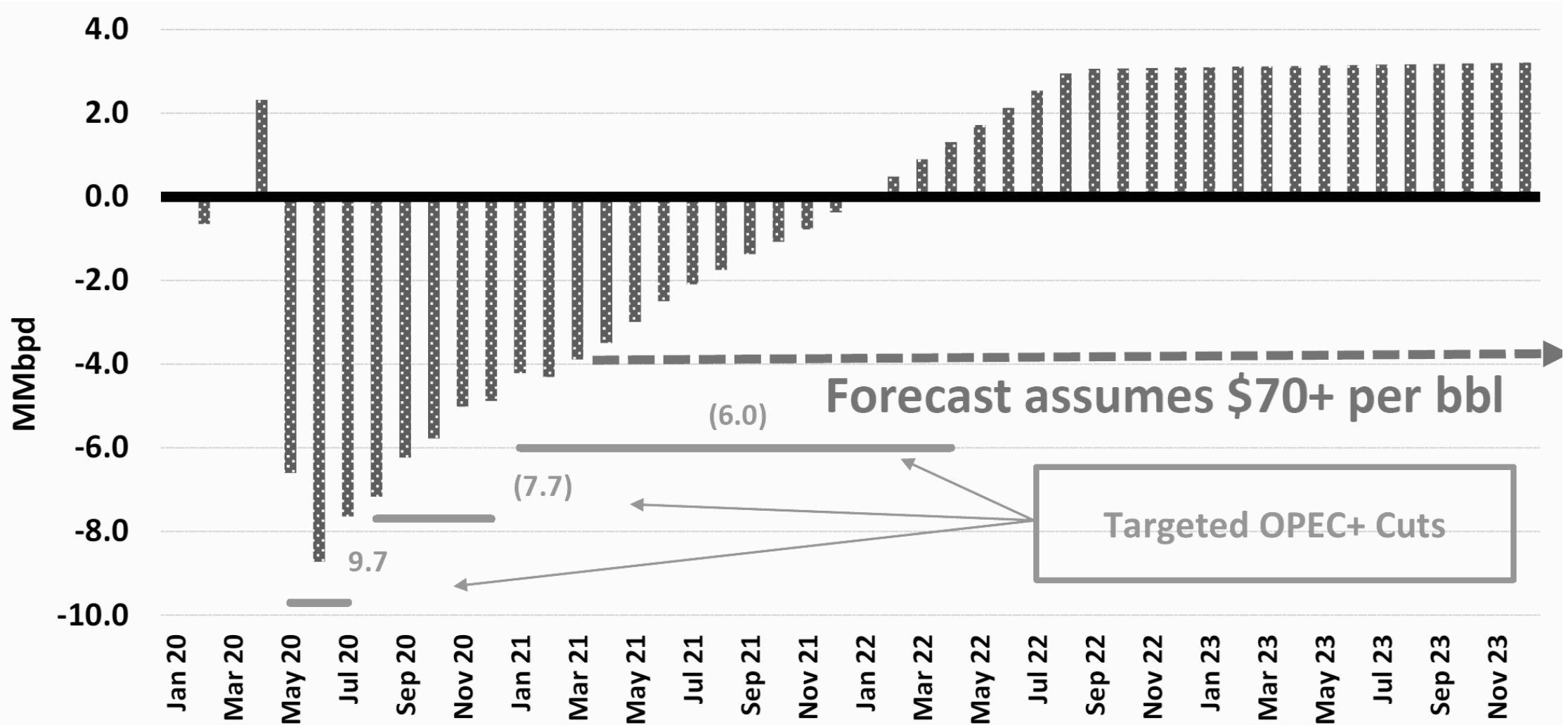


# Global Demand Expected to Rebound into 2022

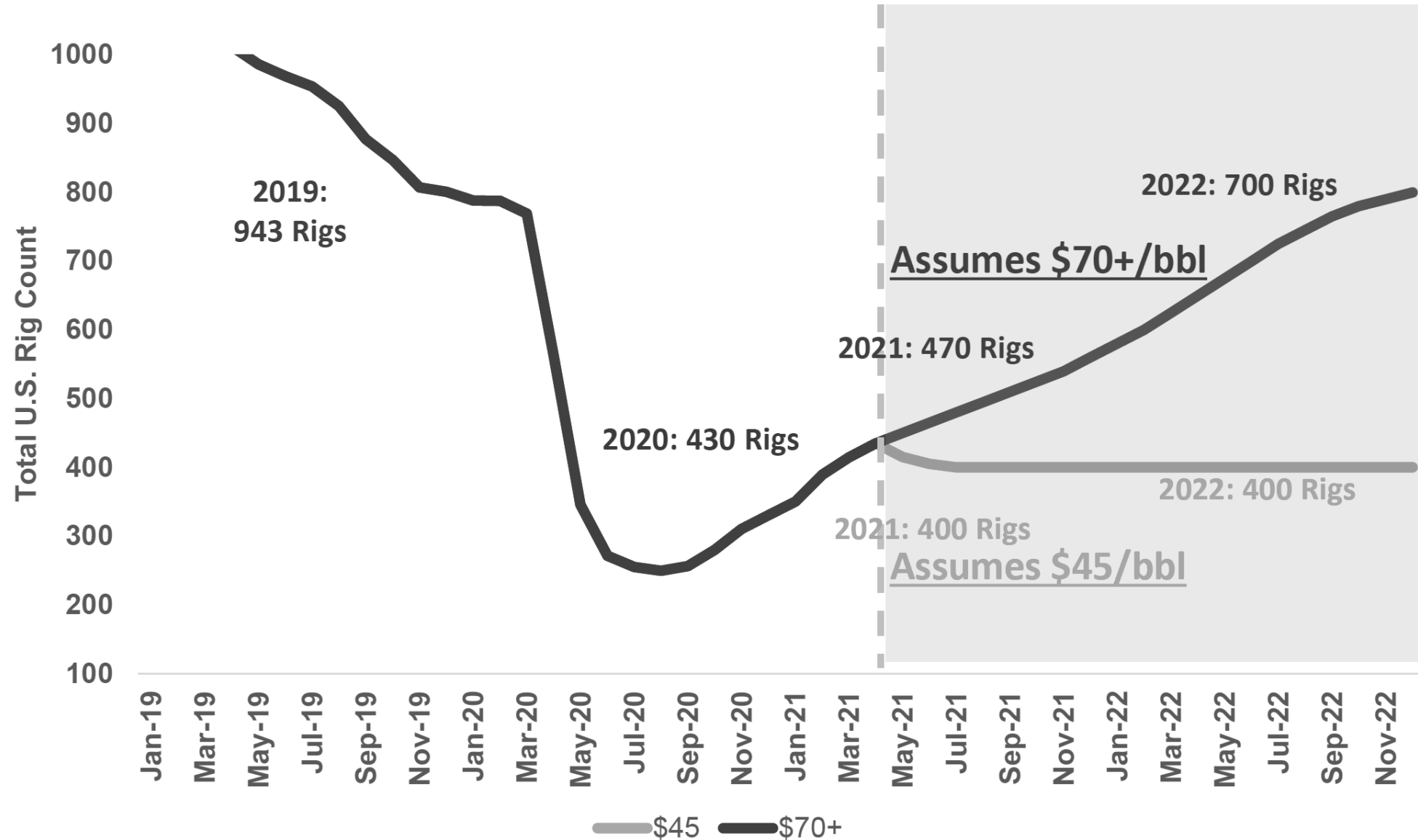




# OPEC+ Must Maximize Production by 2022



# US Activity is highly dependent on Oil Price

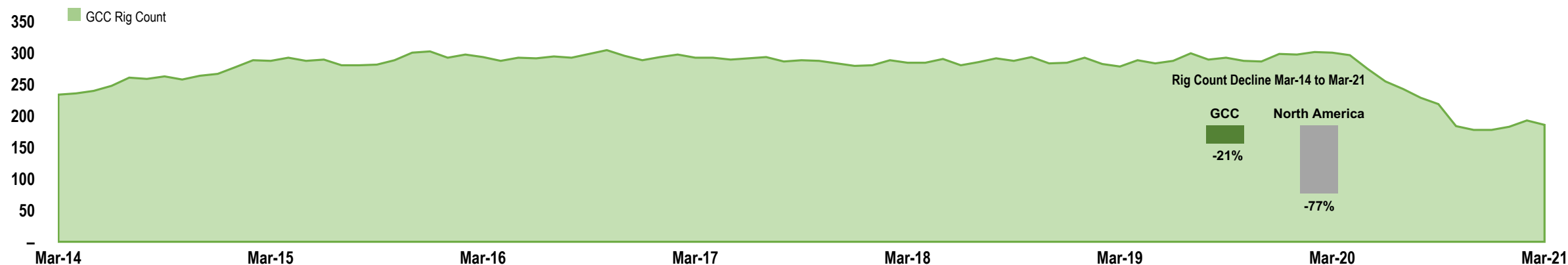


# Most Resilient, Lowest Cost Markets to Meet Increasing Demand

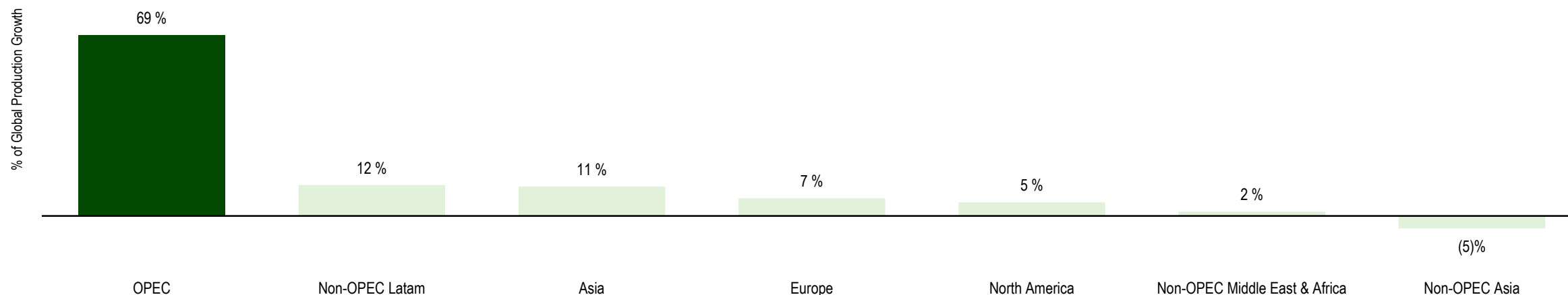


*NESR is Exclusively Focused on Mission Critical Oil and Gas Regions*

**Gulf Cooperation Council (GCC) is a More Resilient Onshore Rig Market<sup>1</sup>**



**CY2020-CY2021 Global Supply Growth Driven by OPEC<sup>2</sup>**



Source: <sup>1</sup> Baker Hughes Rig Count, <sup>2</sup> Wall Street Research

# NESR – We are unique



- Started as a SPAC in May 2017
- Agreed to merge National Petroleum Services (NPS) and Gulf Energy SAOC (GES) in November 2017
- Transaction closed June 2018
- Trades under the “NESR” ticker on NASDAQ
- The first and only NASDAQ-listed national oilfield services company focused on the MENA region
- Diverse shareholder base and board representation



## Enhanced services portfolio

	Stim	Coil	Cem	WL OH	WL CH	DM	DTR	SWT	Fluids	AL	WS
NPS											
GES											
NESR											

## Extended geographic footprint

	Saudi	Oman	UAE	Kuwait	Iraq	Egypt	Qatar	Algeria	Libya	Outside
NPS										
GES										
NESR										



# Executing on Our MENA Consolidation Thesis



## NESR Strategy

- Build the “National Champion” of MENA
- Cultivate relationships with major upstream operators across footprint
- Deliver superior service and technology
- Drive revenue and cost synergies through integrated solutions
- Disciplined acquisitions at attractive valuation

## M&A and Strategic Partnership Track Record



## 2021 Action Energy Company Acquisition

### Background

- Action Energy is one of the leading indigenous oilfield services companies in Kuwait with multiple oilfield services contracts across both drilling and production operations
- The transaction comprises oil services contracts in certain services lines worth more than \$200 million, accretive from day one.
- Transaction started operationally effective April 1, 2021

### Rationale

- Anchor Country as one of the top reserves of the world.
- Positions NESR to be top-tier provider in Kuwait, with operations across the Production and Drilling and Evaluation segments
- Presents the opportunity to enter a new service line offering across the region

# NESR is a unique OFS play



OFS...	NESR
"... is going to be affected long term changes by the energy transition"	In forecasts that predict a drastic shift away from Oil and 70% reduction in carbon emissions by 2050, the Middle East is the major oil producer with the lowest cost/bbl, in countries where NESR not only operates, but is considered "local" ✓
"...will be affected by short term demand changes post COVID"	Incremental supply for 2021 will come from OPEC+ based on IEA estimates ✓
"...in an oversupplied market"	NESR operates in a 20B\$ market, largely controlled by the "Big 3" , with a 4% market share today and enough headroom to go to 10% market share (Execution, Open Source Tech, ICV tailwinds) ✓
"...does not deliver real EPS"	NESR delivers positive EPS without any adjustments, write-offs, impairments - an exception in the Industry ✓
"...is over-levered with no FCF generation"	NESR Net Debt/EBITDA is less than 2x and decreasing, with a 10% FCF yield ✓
"...higher beta vs oil and gas landscape"	Historically true but NESR has produced consistent growth for the last 3 years and has clear path to double in size ✓
"...beholden to what happens in elections"	NESR is insulated from US elections. In either case NESR benefits (more regulated North America will lead to higher prices) ✓
"...better positioned for the upside in NAM"	NESR has been historically undervalued vs International or US Peers so if Oil price goes up and valuations improve, NESR has the same upside as any distressed US peer with minimal risk of operating activity ✓
"...behind on ESG"	NESR leads in ESG regionally. Local Govts have stated targets of >50% In-Country Value Creation and NESR is ahead of the curve. NESR is the first regional company listed on a US exchange, following a US governance model ✓

# Our Investment in New ESG IMPACT Initiative



*Our target return for investments in these initiatives will be substantially similar to those in the existing business segments*

## The Need



### Largest Byproduct

*Produced water is the largest volume byproduct of the oil and gas sector*



### 200 Billion bbls

*200 billion bbls generated by oil and gas industry*



### Recycle / Re-Use

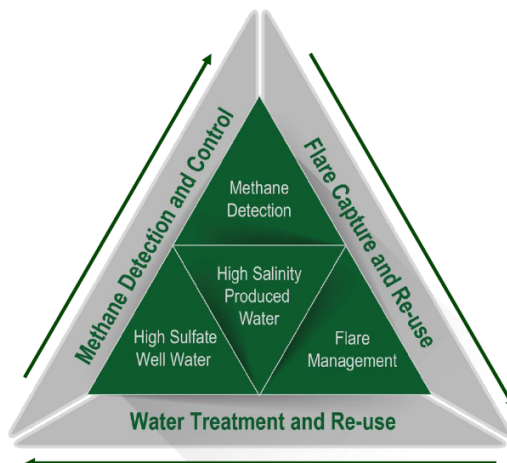
*Only 50% of produced water is currently recycled or re-used*

## Our Strong Commitment and Objectives

- Drive increased conversion of produced water to **fresh water**
- Become a force for **positive impact on the environment**
- **Enhance the life of communities** around us

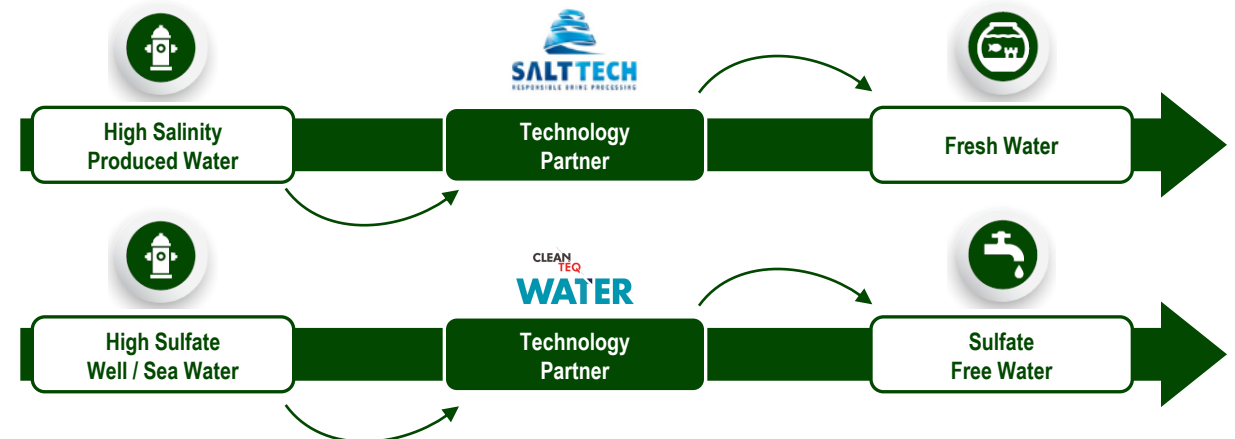
*From powering the planet to delivering water, NESR is committed at all levels*

## ESG IMPACT Triangle



*Through the new initiative, we expect to introduce and develop a portfolio of product lines and services to mitigate climate change, enhance water management and conservation, minimize environmental waste in the industry, and introduce innovative energy solutions*

## Our Partnerships



# Open Platform approach on Technology



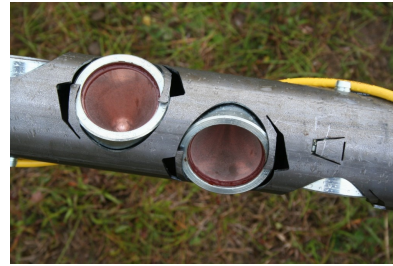
## Strategic partnerships for R&D and portfolio expansion



Rotary Steerable System  
(RSS)



Multiphase Flow Meter  
(MPFM)



Perforation Systems  
(PERF)



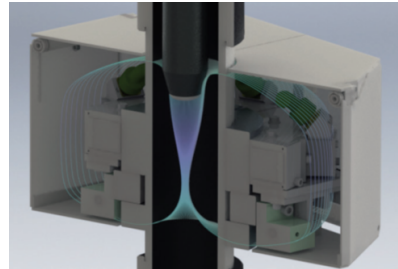
Wireless Tools for  
Slickline



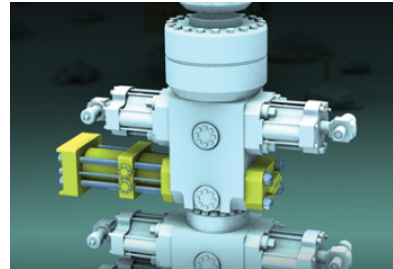
Production Chemicals  
(CHEM)



Advanced Production  
Logging



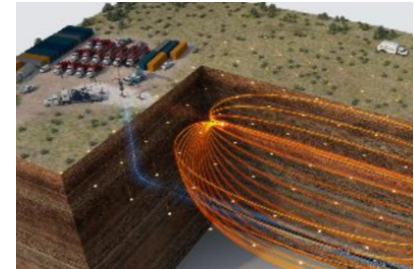
Well Head System for  
Coil, WL and SL



Next Gen Well Head  
System



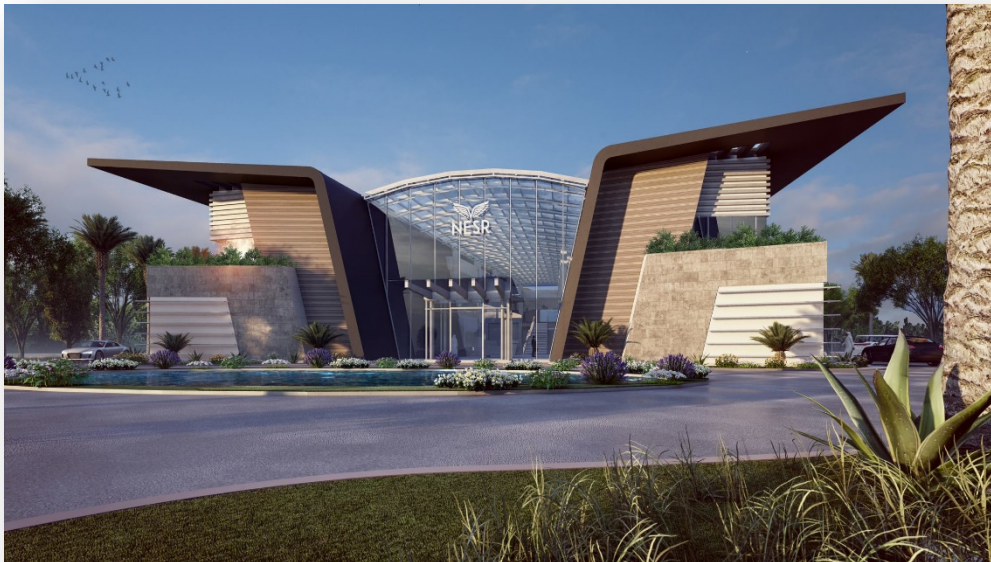
Downhole Coil Tools  
And Intelligent Coil



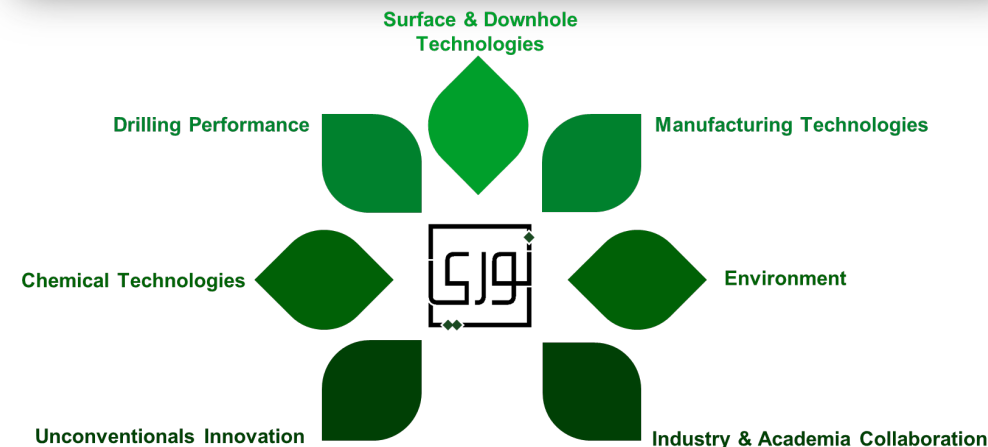
Fracturing and  
Stimulation Monitoring



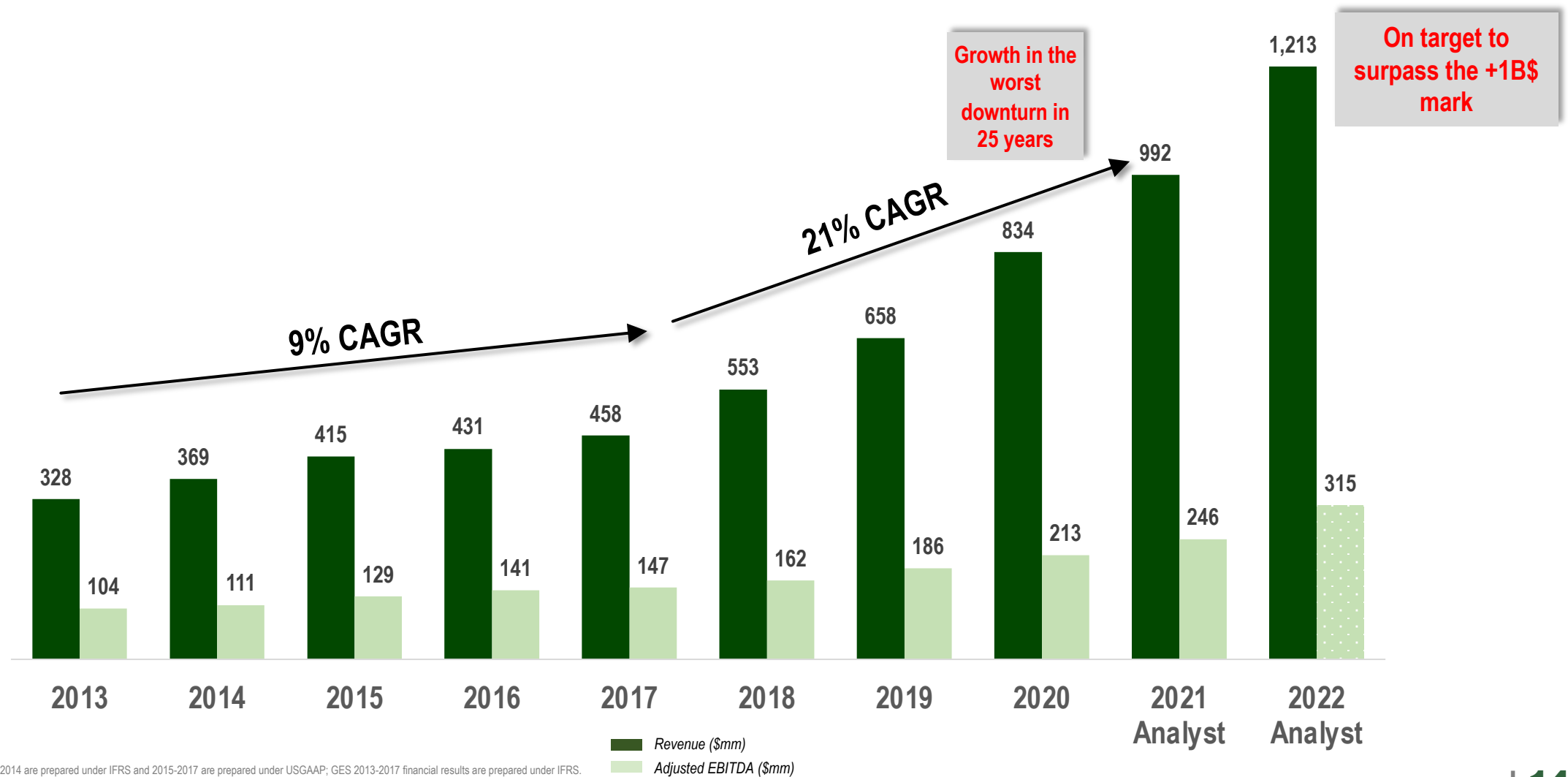
# NESR Oilfield Research and Innovation (NORI)



*NORI's model, akin to the larger technological changes we are seeing globally, will create an open platform for innovative technology companies in the upstream space to come to the Kingdom and will benefit the Saudi oil and gas industry - Dr. Mohammed Y. Al-Qahtani, Saudi Aramco's Senior Vice President for Upstream*

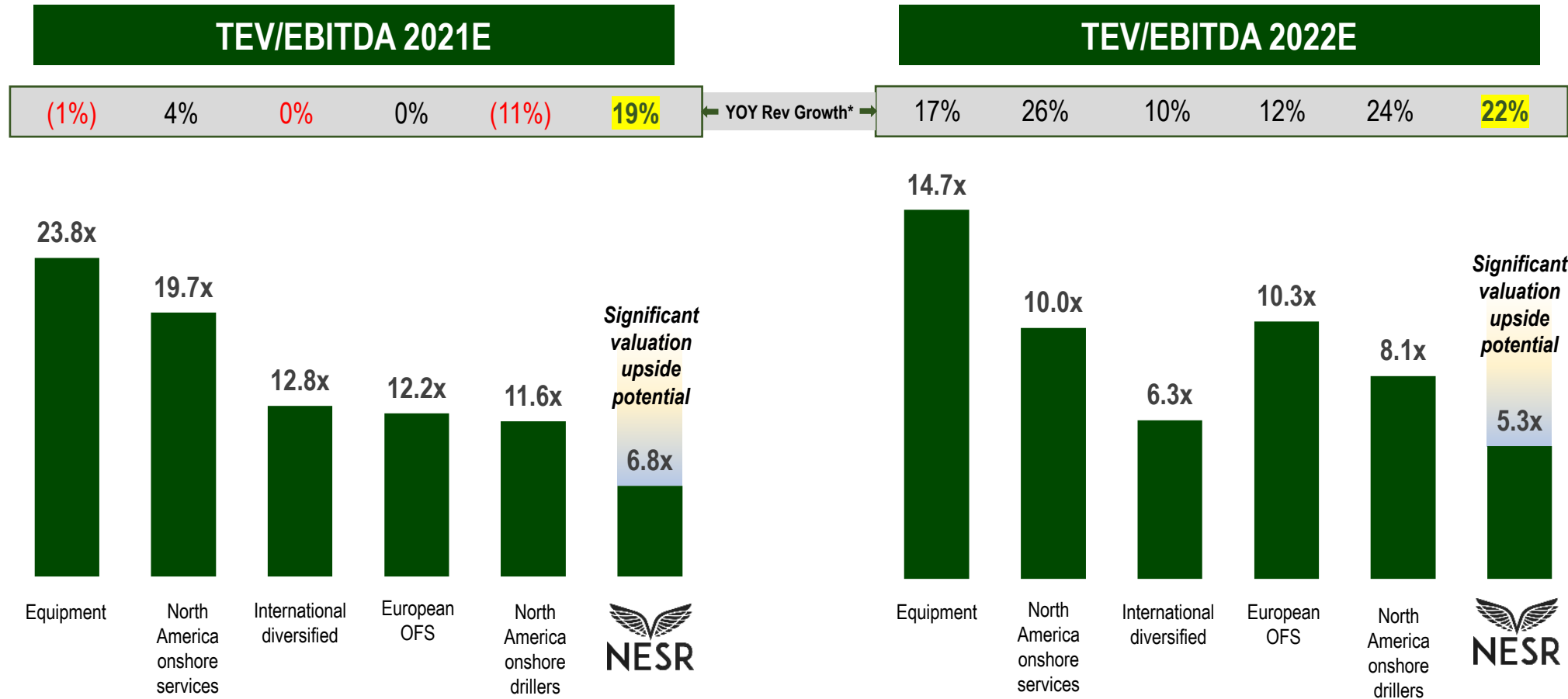


# Exceptional and Unmatched Growth to continue



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. 2019 and 2020 from Company financial information as published in fourth quarter earnings releases. 2021E and 2022E from Bloomberg as June 8, 2021. Adjusted EBITDA is not recognized as part of EBITDA under US GAAP.

# and Significant Upside Potential



Source: Bloomberg Estimates as of June 8, 2021 including NESR estimates of 2021 and 2022 EBITDA

Note: North America onshore services includes NexTier Oilfield Solutions, ProPetro Holding Corp., Liberty Oilfield Services, and Superior Energy Services; North America onshore drillers includes Patterson, Helmerich & Payne, and Nabors Industries; Equipment includes Cactus, Drill-Quip, TechnipFMC, National Oilwell Varco, and Oil States International; International diversified includes Schlumberger, Halliburton, and Baker Hughes; European OFS includes Schoeller-Bleckmann Oilfield Equipment, Hunting plc and Fugro.

\*2020 Actual Revenue, and Projected 2021 and 2021 Revenue – Bloomberg Estimates as of June 8, 2021

# Outperforming the Big 3 in Critical Markets

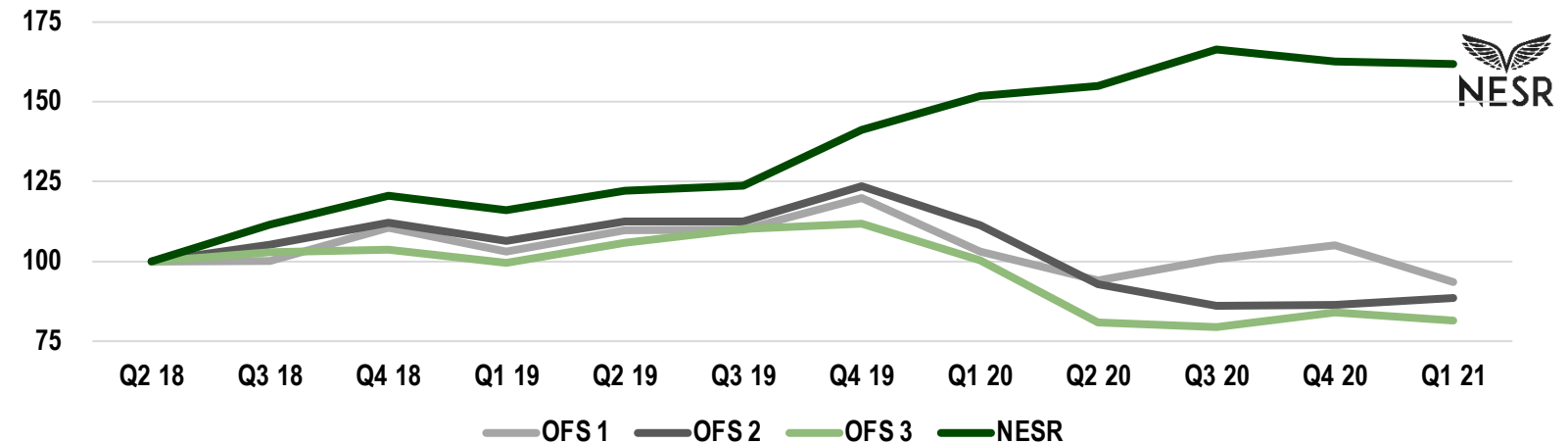


## Why NESR?

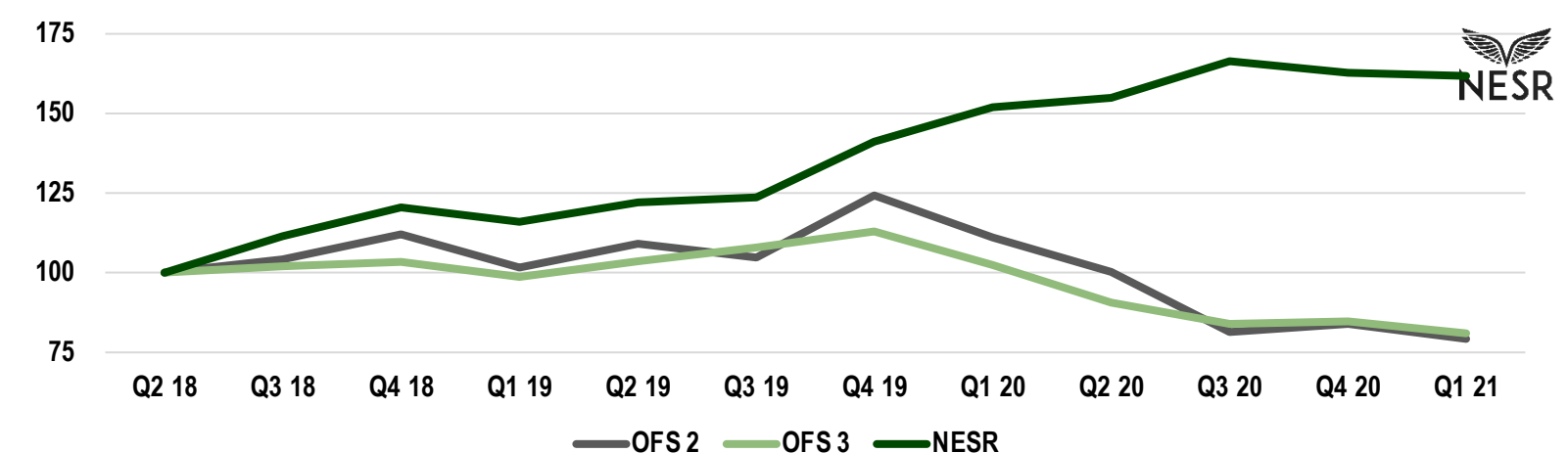
- ✓ Superior execution and efficiency
- ✓ Leading edge products and techniques
- ✓ Local content in workforce
- ✓ NESR culture
- ✓ Proactive Covid-19 response
- ✓ On-the-ground customer relationships
- ✓ At-site knowledge of customer needs

## NESR Outperforms the Big 3<sup>1</sup> in International Revenue Growth

Indexed to International Revenue



Indexed to Middle East / Asia Revenue



Source: Company filings

Note: Charts are indexed to a starting point in Q2 2018 and each subsequent quarter reflects the percentage increase or decrease compared to Q2 2018.

<sup>1</sup> The Big 3 are defined as Schlumberger, Baker Hughes and Halliburton.

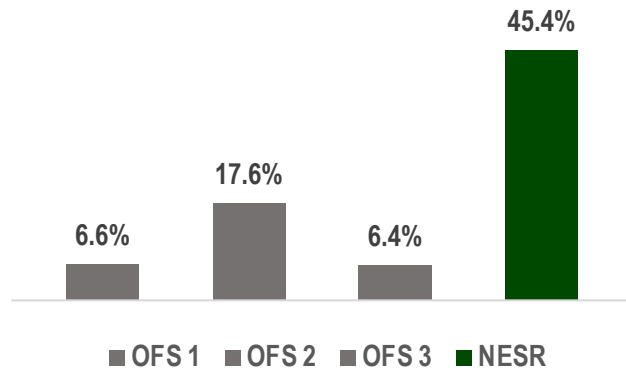


# NESR beats the Big 3 in every metric...

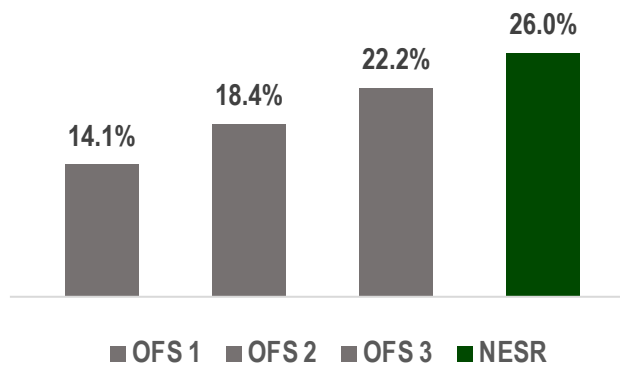


## ➤ Superior projected financial performance

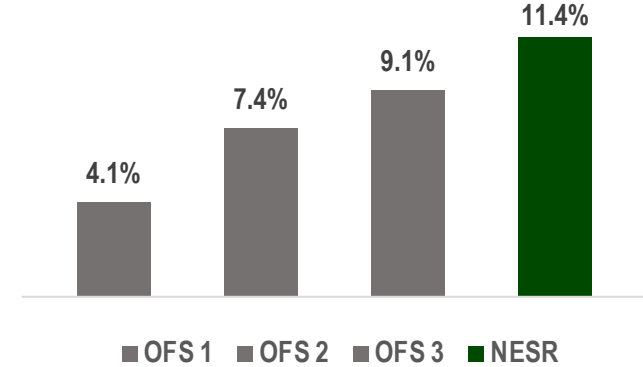
2020 – 2022 Revenue Change %



2022 EBITDA %

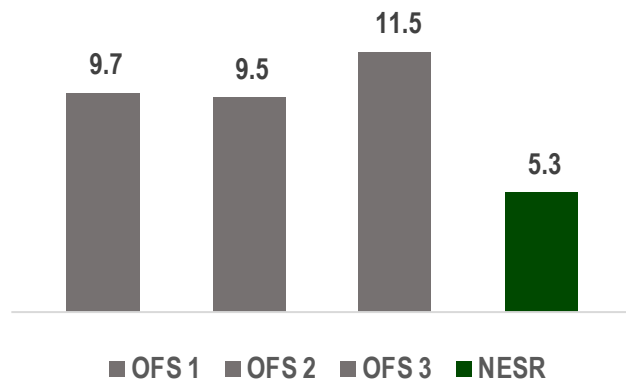


2022 Net Margin %

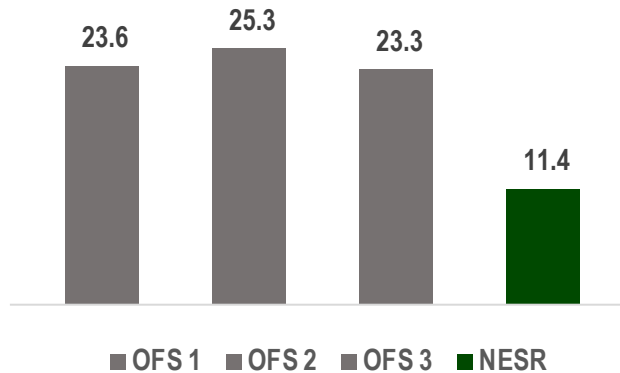


## ➤ Significant upside valuation potential

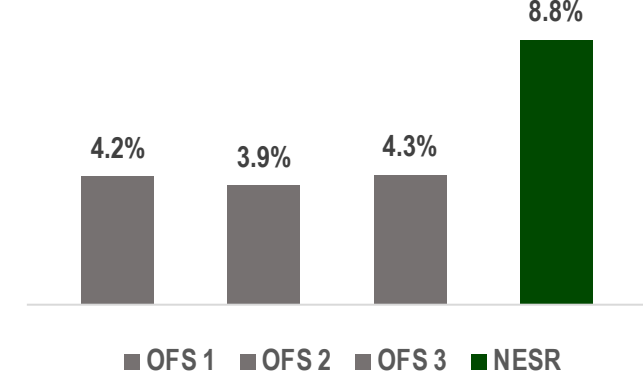
2022 EV / EBITDA



2022 EV / FCF



2022 FCF Yield (FCF/EV)

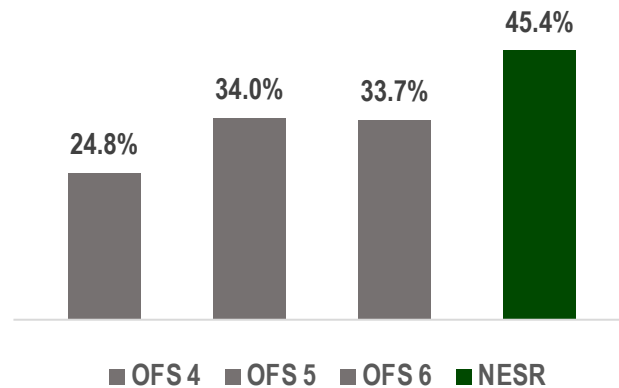


# And beats the US Top Tier Independent Frac

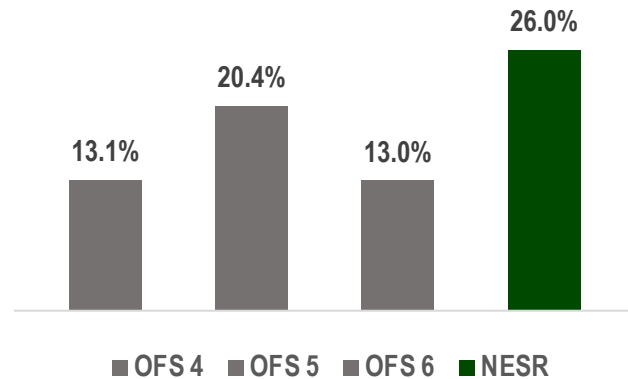


## ➤ Also exceeding in projected financial performance

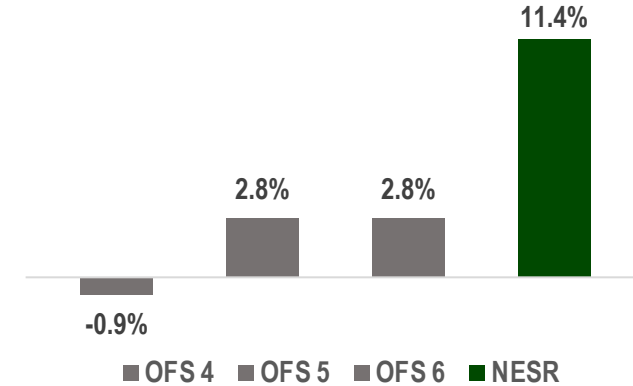
2020 – 2022 Revenue Change %



2022 EBITDA %

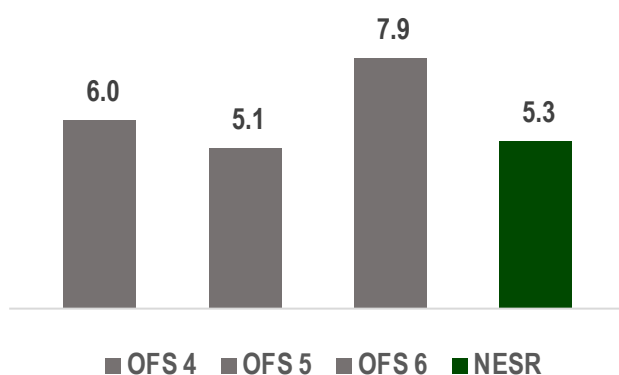


2022 Net Margin %

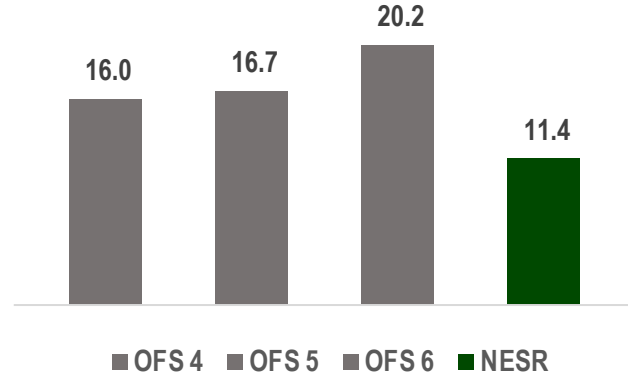


## ➤ Also showing significant upside valuation potential

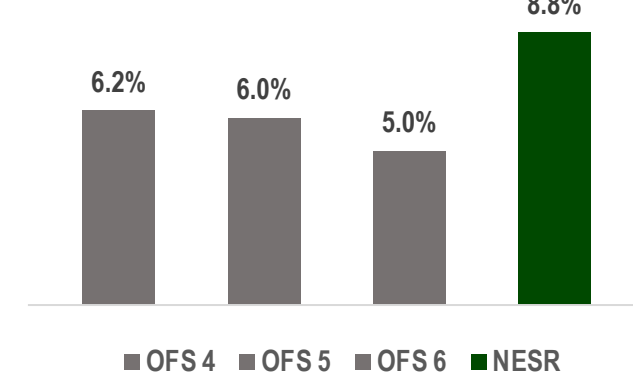
2022 EV / EBITDA



2022 EV / FCF



2022 FCF Yield (FCF/EV)





**NESR is the First and Only  
NASDAQ listed MENA Energy Company**



# Adjusted EBITDA by Quarter

(Non-GAAP reconciliation)



NESR (\$million)	Q1 2021
Revenue	212.4
Operating Income	15.7
Depreciation and amortization	31.8
Other income/expense, net	0.7
Transaction, Integration and Start-Up Costs	2.0
Adjusted EBTIDA	50.2

Source: Company financial information as published in 2021 first quarter earnings releases.



# 2019/2020 Adjusted EBITDA

(Non-GAAP reconciliation)



NESR (\$million)	2020	2019
Revenue	834.1	658.4
Net income (loss)	50.1	39.4
Depreciation and amortization	128.6	93.8
Finance cost	15.9	19.0
Tax	10.7	13.1
Charges & credits	7.9	20.7
Adjusted EBTIDA	213.2	186.0

<sup>(1)</sup> As reported in quarterly earnings press 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
Adjusted EBITDA	59	67	64	72	78

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
Adjusted EBITDA	45	44	65	69	69

NPS financial results for 2013, 2014 are prepared under IFRS, and 2015-2017 are prepared under US GAAP; 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.