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# INVESTOR RELATIONS

## 2021

# Forward Looking Statements

The statements made during this presentation, including the answers to your questions, may include information that the Company believes to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements involve risk and uncertainties that may cause actual results or events to differ materially from those expressed or implied in such statements. Those risks include, among other things, matters that the Company has described in its earnings release and in its filings with the Securities and Exchange Commission. The Company does not undertake any ongoing obligation, other than that imposed by law, to publicly update or revise any forward-looking statements to reflect future events, information, or circumstances that arise after this presentation. In addition, this presentation contains time sensitive information that reflects management's best judgment only as of the date of this presentation.



# Investment Thesis

**Equipment manufacturing company with scalable operations and low capex requirements**

**Leading brands and differentiated products**

**Revenue leveraged to global drilling and completion activity with a stable base**

**Short-cycle products leveraged to activity recovery**



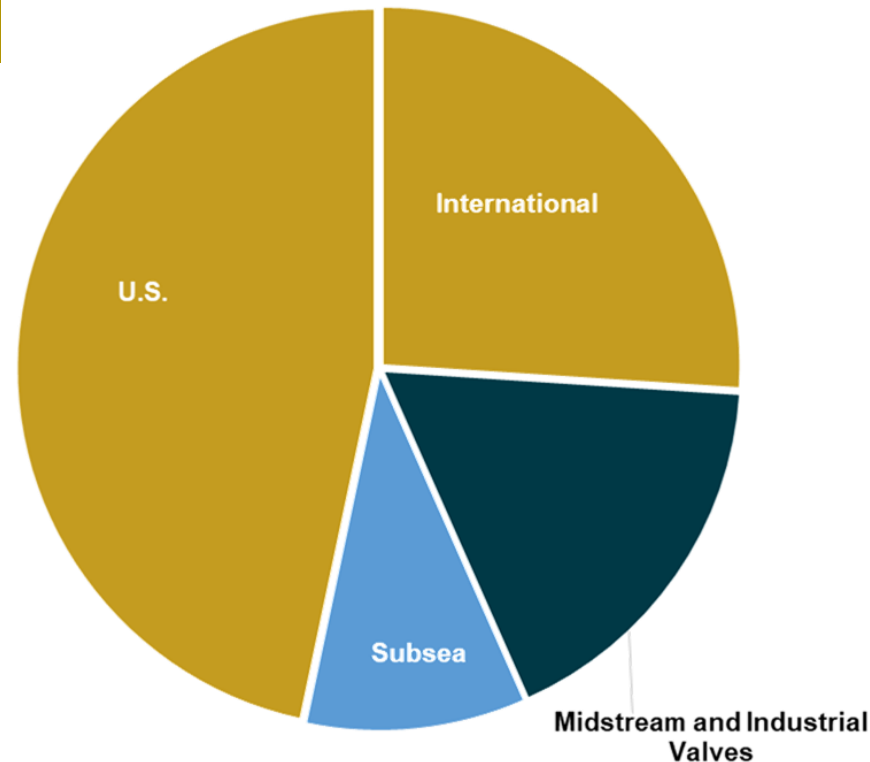
# Activity Driven Revenue

Meaningful exposure to upstream recovery... ... with substantial balance from non-upstream activity

## Drilling and Completions Activity <sup>(1)</sup>

- Predominantly short cycle, activity driven products
- Short lead time / quick revenue conversion
- Differentiated products

2020 Revenue <sup>(2)</sup>



## Midstream / Industrial Activity

- Short lead time / quick revenue conversion
- Balance of capital and maintenance spend
- Majority North American

## Subsea Activity

- 50% defense and renewable projects
- Global installed base

(1) Includes FET Drilling, Downhole, Coiled Tubing, Stimulation & Intervention, and Production Equipment product lines and a portion of valves.

(2) Revenue activity drivers estimated based on product type, geographic, and historic trending.

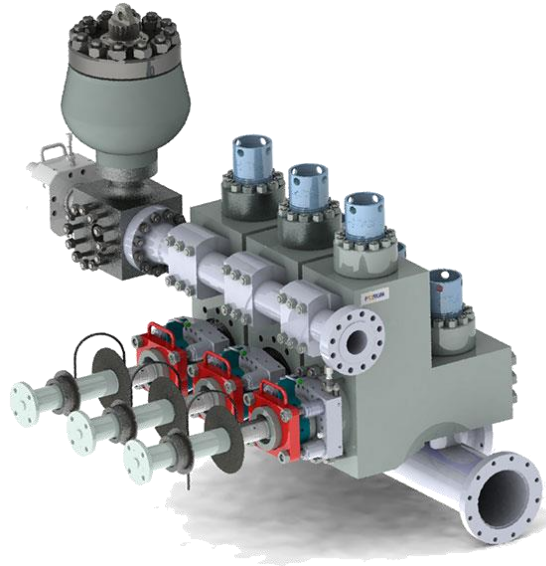
# Differentiated Products

## Artificial Lift



- SandGUARD
- GasGUARD
- ESP Cable Protectors

## Drilling & Completions



- Mud Systems
- Envirolite wireline cable
- 3300 HP pump

## Coiled Tubing

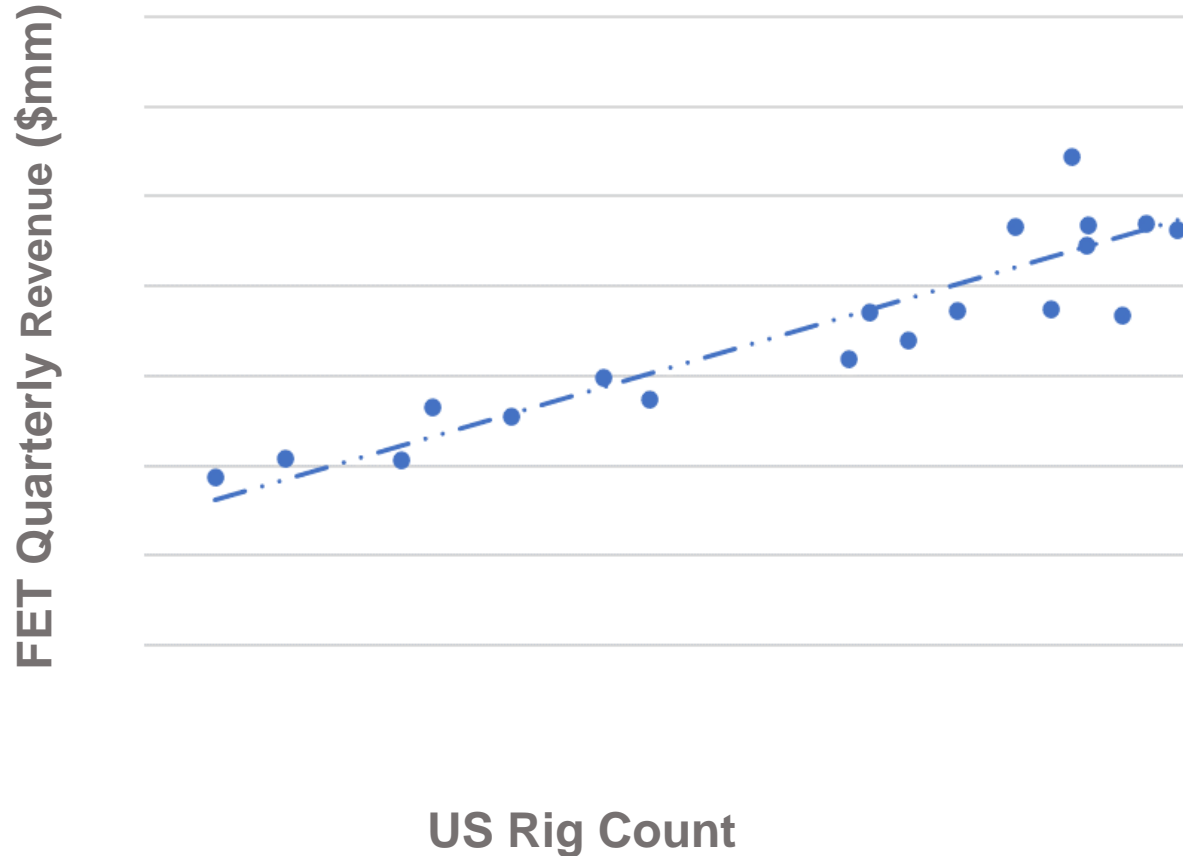


- Duracoil 130
- Coiled Line Pipe
- ARO coating

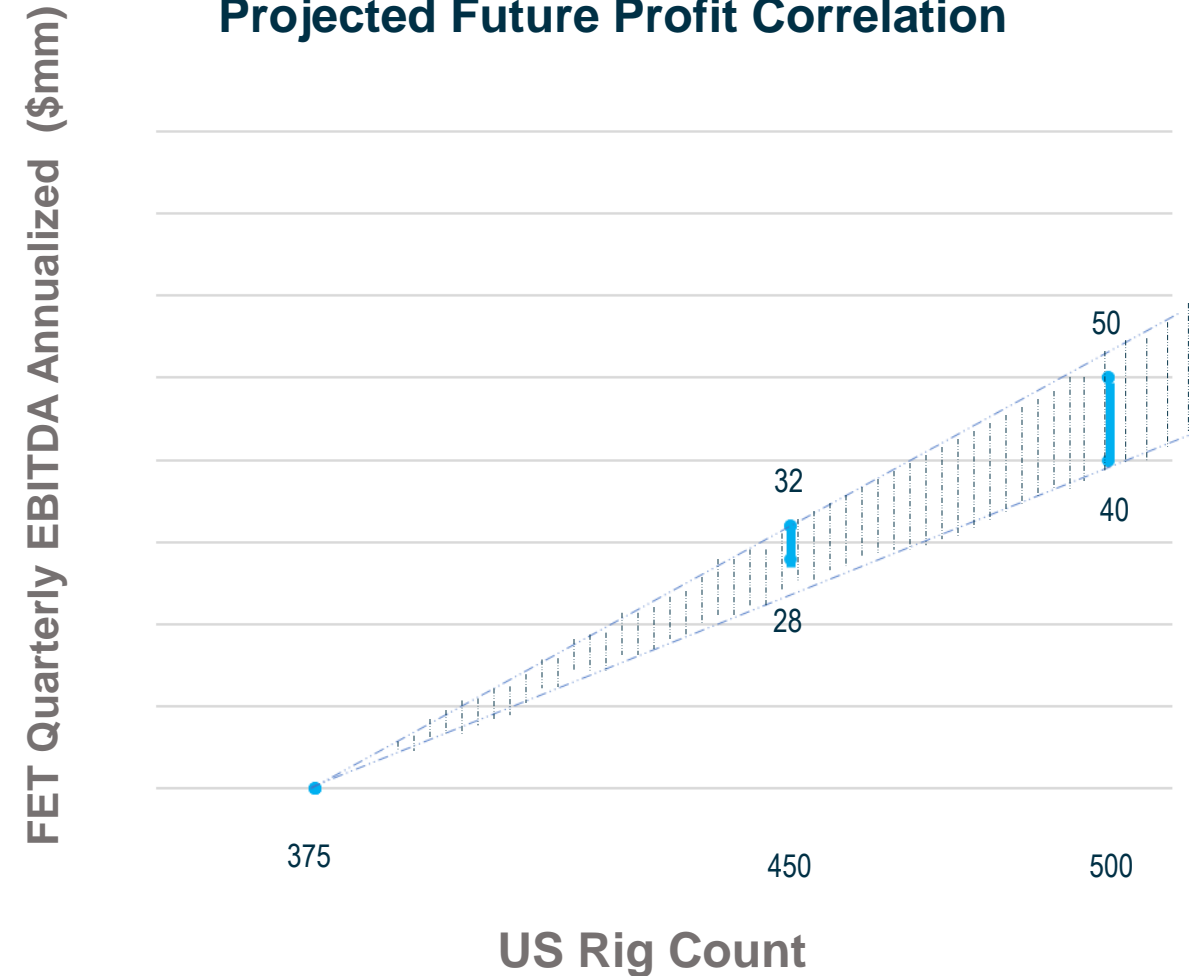


# Highly Leveraged to U.S. Activity

Strong Historical Revenue Correlation



Projected Future Profit Correlation

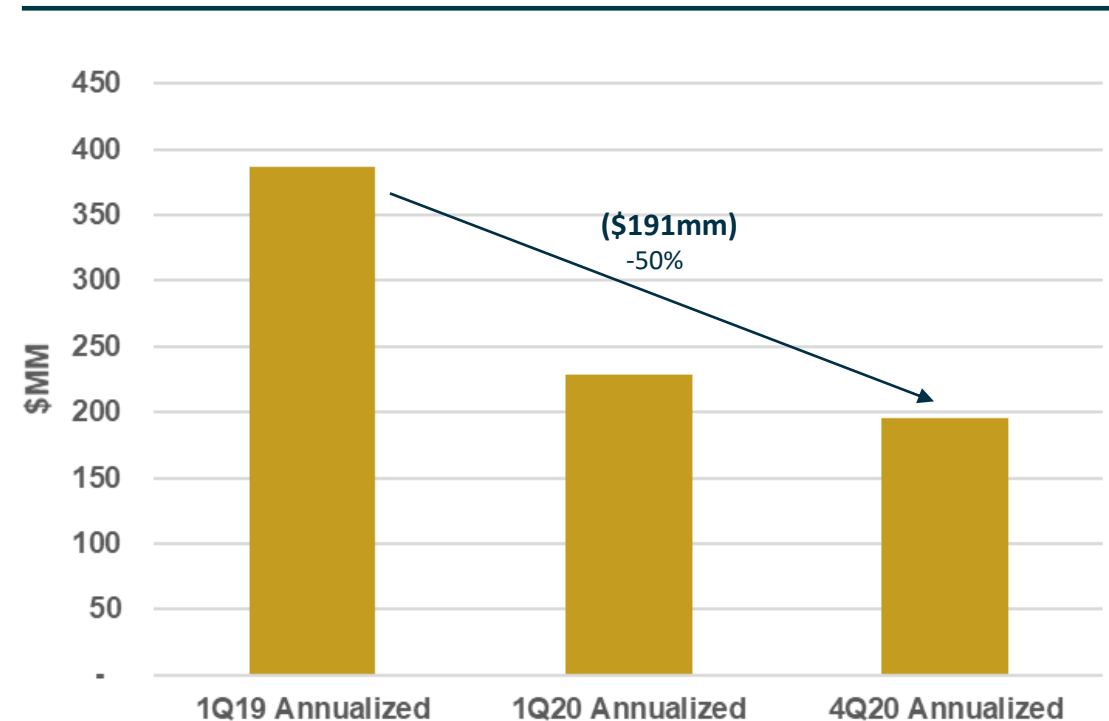


# Variable Cost Structure

- Combined corporate and operations facilities
- Discontinued matrix organization
  - Executive leadership & corporate restructuring
- Simplified manufacturing & distribution network
  - 29 facilities closed

## FET Cash Cost\* Trend

[Excluding Material Costs]



Over one-third of the cash cost reduction is for fixed costs

Note: "Cash Costs" include all COGS and SG&A excluding depreciation, amortization, stock-based compensation, materials, and freight.

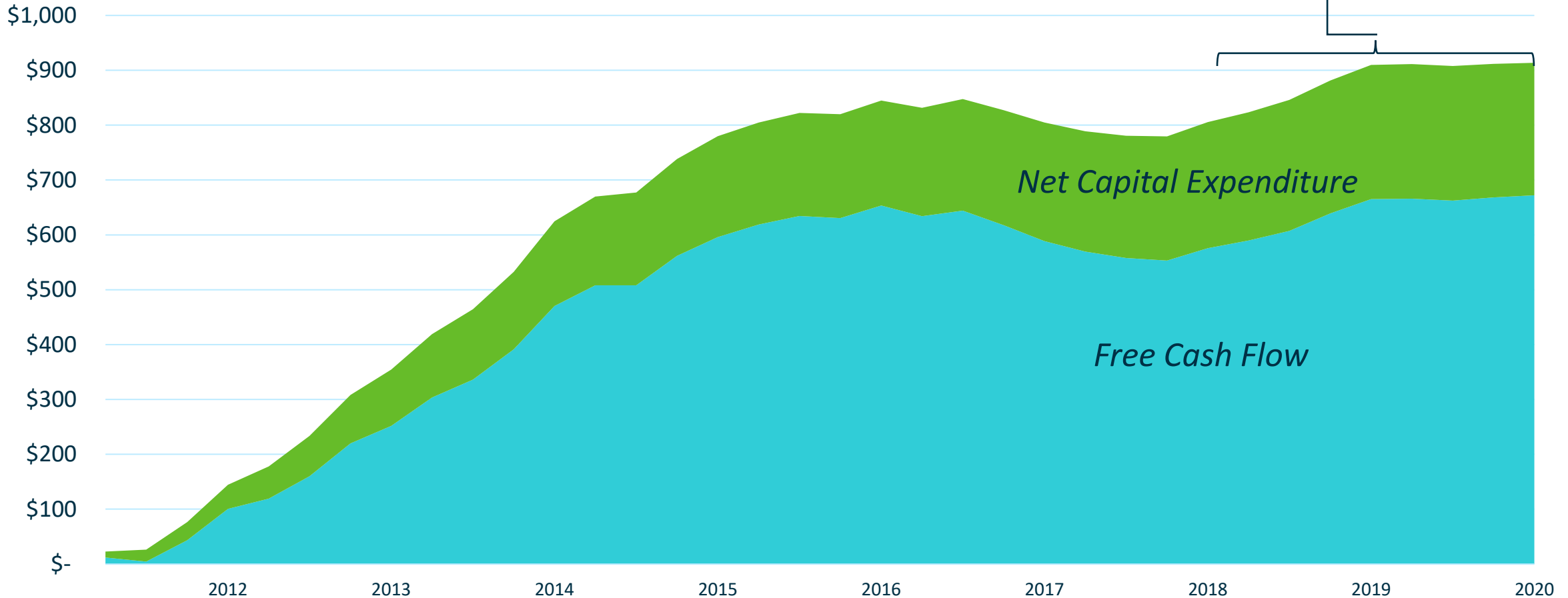
# Free Cash Flow / Capital Light

History of generating strong FCF

**> \$100MM / year avg. FCF 2012 to 2017**

**~ \$119MM 4Q18 to 4Q20**

(Cumulative, \$mm)



Note: Free cash flow is a non-GAAP measures. See reconciliation of cash flow from operations to free cash flow at the end of this presentation.



# Capitalization and Liquidity

(\$ in millions)	3Q20	4Q20
Cash & Cash Equivalents	\$20	\$129
9.00% Convertible Notes Due August 2025	315	317
6.25% Unsecured Notes Due October 2021	13	-
Senior Secured ABL Facility	-	13
Total Debt	328	330
Less: Cash & Cash Equivalents	20	129
Total Net Debt	308	201
Total Equity	427	406
Total Capitalization	735	607
<b>Liquidity:</b>		
Cash	\$20	\$129
Availability <sup>(1)</sup>	109	111
Total Liquidity	\$129	\$240

- Extended maturity of our debt by 4 years to 2025
- Strong liquidity
- ~48% of LT debt converts when share price reaches \$30
- \$271 million net debt reduction since year end 2018

(1) Availability for 3Q20 is borrowing base limit of \$140 million less \$31 million letters of credit. Availability for 4Q20 is borrowing base limit of \$139 million less \$15 million letters of credit and \$13 million of borrowings outstanding.

# Summary



- **FET significantly levered to global upstream activity inflection**
- **Streamlined cost structure and differentiated products provide earnings upside**
- **Excellent exposure to oil recovery through short cycle, activity based products**
- **Convertible debt provides deleveraging at attractive equity value**

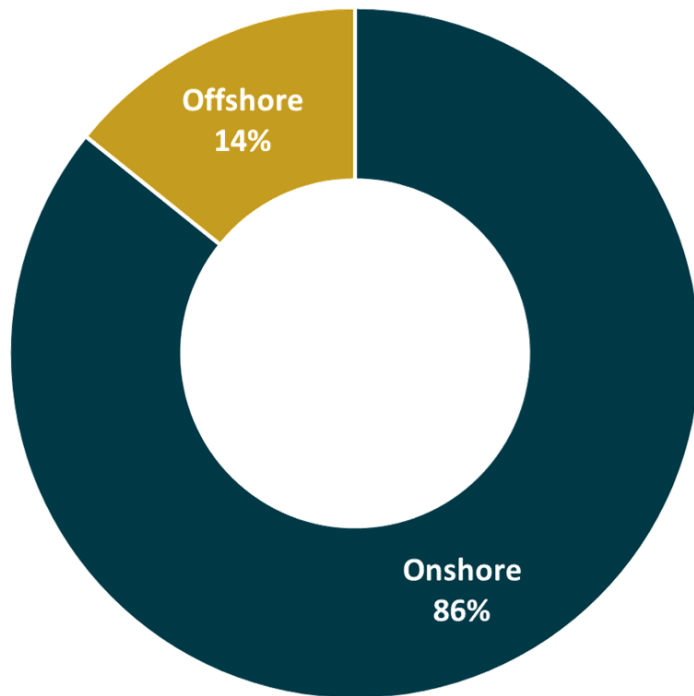


Questions?

# Sources of Revenue

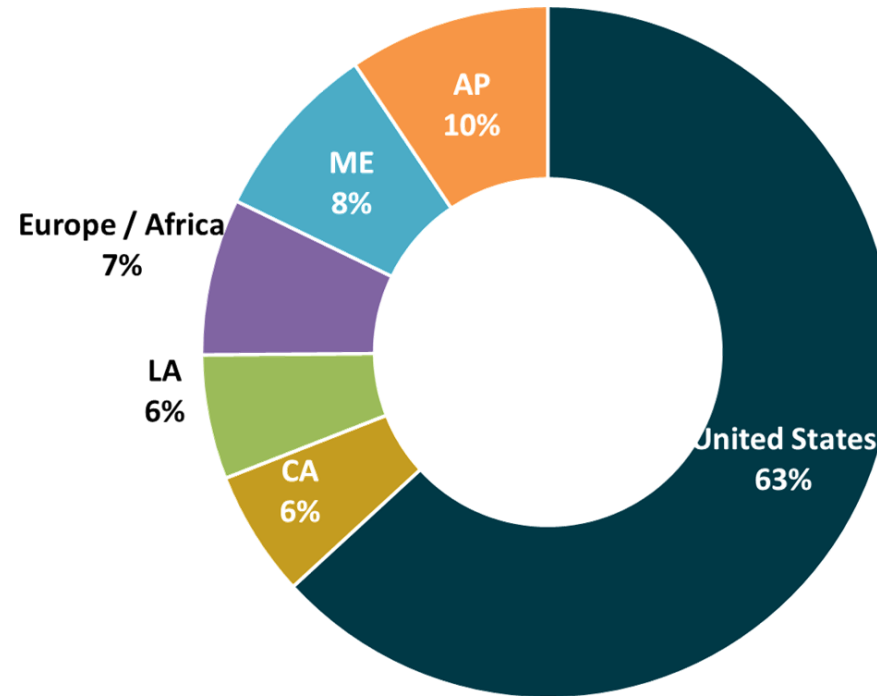
As a % of 2020 Revenue

## Onshore / Offshore

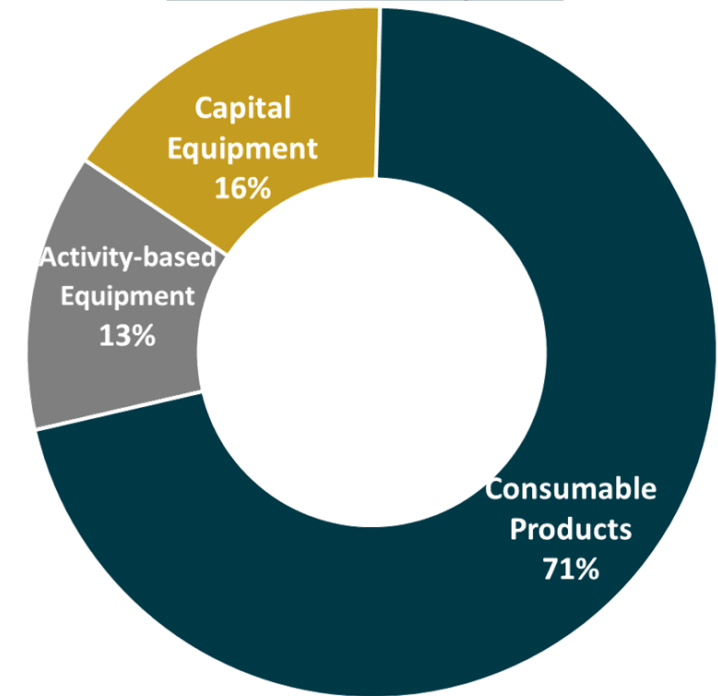


- Strong position in NAM onshore
- Well positioned for upstream recovery

## Geography



## Purchase Cycle



- Heavily weighted toward activity-based and consumables



# Balanced Portfolio

Full well cycle exposure

## Drilling & Downhole

(46% of 2020 Revenue)

Rig count & well complexity

Artificial lift spend

Int'l & offshore recovery

## Completions

(25% of 2020 Revenue)

Well count

Completions intensity

Completions efficiency

## Production

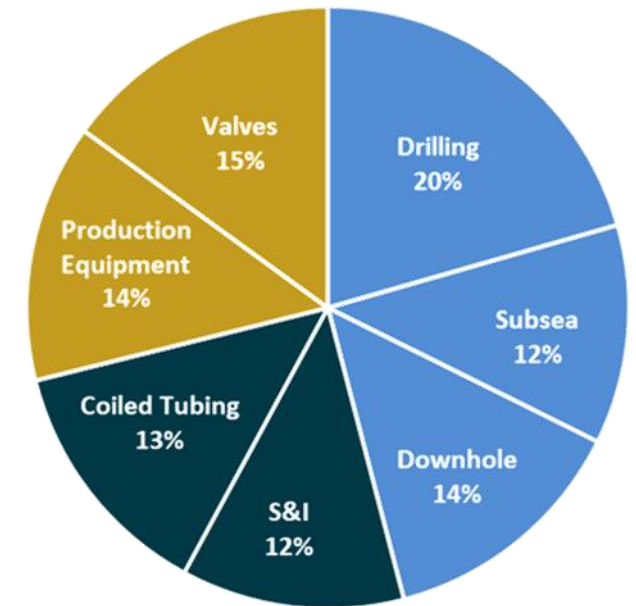
(29% of 2020 Revenue)

Midstream maintenance

Downstream and utility buildout

Well count

## 2020 Revenue - ~\$470 Million



Note: 2020 revenue numbers are proforma for ABZ / QVA divestiture

# Drilling and Downhole

## PRODUCT LINES

Drilling

Downhole

Subsea

### Key Drivers

- Rig count & well complexity
- Artificial lift spend
- Int’l & offshore recovery
- Offshore renewable & defense spend

### Geography

- ~65/35 onshore/offshore
- ~45/55 NAM & int’l

### Customers

- Drilling & subsea contractors
- OFS companies
- E&P operators

### Key Products

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Catwalks &amp; Iron Roughnecks</li> <li>• Mud pumps</li> <li>• Tubular handling tools</li> <li>• Drilling consumables</li> </ul> | <ul style="list-style-type: none"> <li>• Artificial lift solutions</li> <li>• Casing and cementing tools</li> </ul> | <ul style="list-style-type: none"> <li>• Observation and workclass ROVs</li> <li>• Trenchers and submarines</li> <li>• Launch and recovery systems</li> <li>• ROV tooling</li> </ul> |
|---|---|--|

# Drilling



Wrangler 4500-10 Catwalk



Iron Roughneck

# Downhole

## Artificial Lift Equipment

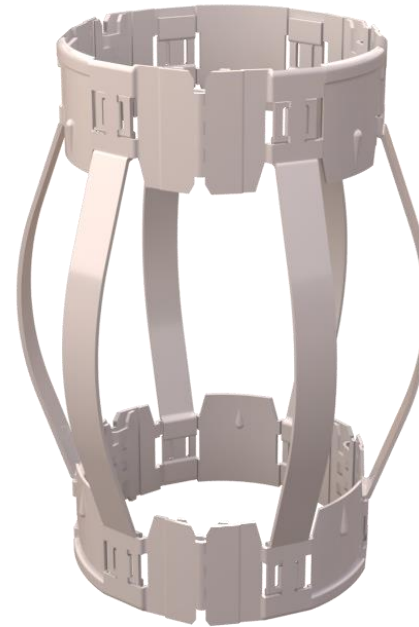


MLE Protectors



ESP Sand Protector

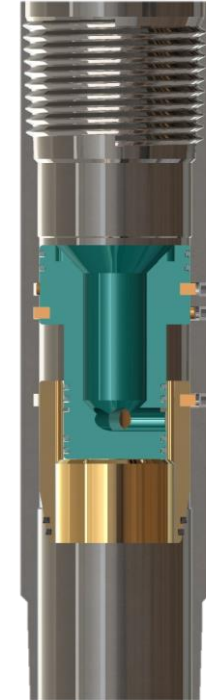
## Davis-Lynch Casing and Cementing Equipment



Non-Weld  
Bow-Spring  
Centralizer



Eccentric-Nose  
Float Shoe



Selective  
Flotation Collar



# Subsea



# Completions

## Key Drivers

- Well count
- Completions intensity
- Completions efficiency

## Geography

- Strong NAM position
- Upside from int'l recovery
- ~80/20 NAM & int'l

## Customers

- OFS Companies

## PRODUCT LINES

### Key Products

#### Stimulation & Intervention

- Hydraulic fracturing pumps

- CT & WL BOPs
- Hydraulic latch assembly

- Coiled tubing
- Coiled line pipe

#### Coiled Tubing

- ICBM manifold trailer
- Jumbotron radiator

- Cased hole wireline



# Stimulation & Intervention



ICBM Manifold Trailer, Jumbotron Radiator, Power End

# Coiled Tubing



Coiled Tubing



Coiled Line Pipe



# Production

## PRODUCT LINES

### Key Drivers

- Midstream maintenance
- Downstream and utility buildout
- Well count growth

### Geography

- Primarily onshore NAM
- Valves and processing equipment int'l expansion

### Customers

- E&P operators
- Midstream operators
- Downstream operators

### Key Products

#### Valves

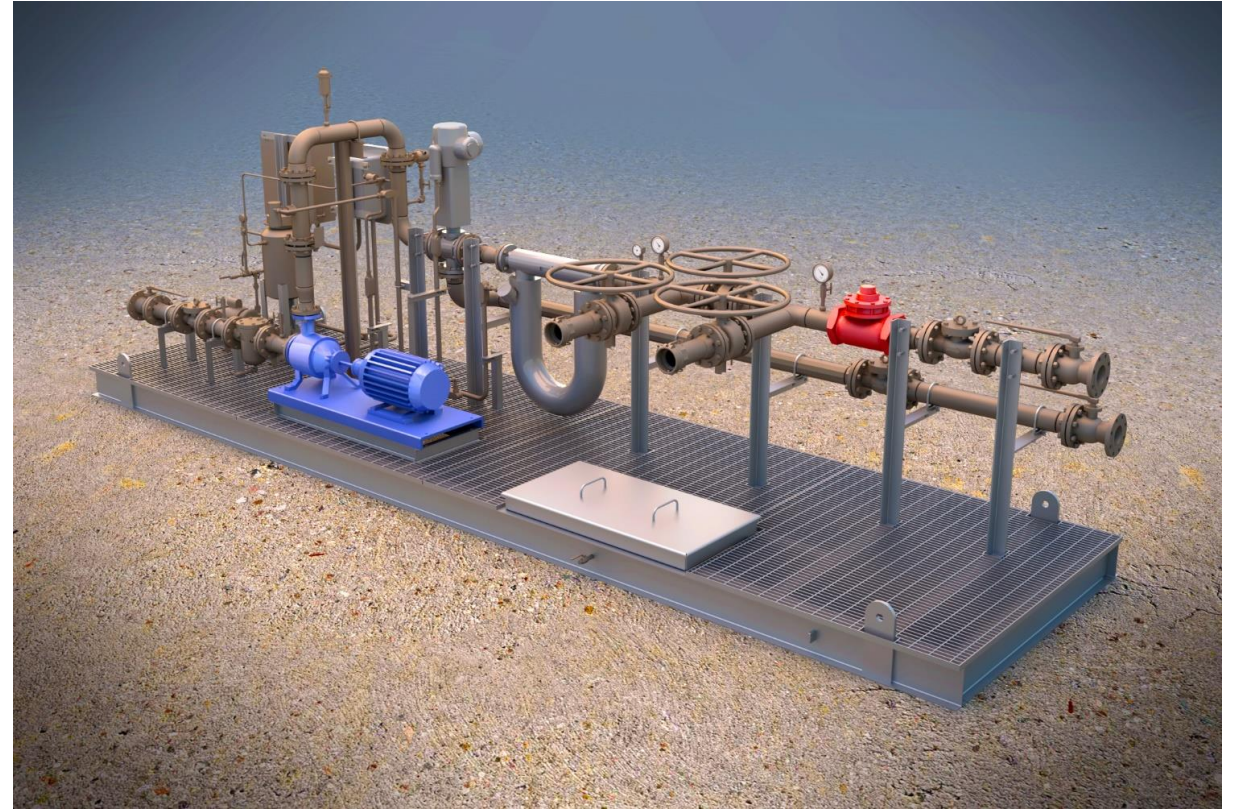
#### Production Equipment

- Gate, globe & check
- Ball valves
- Specialty pipeline equipment
- Edge desalting equipment
- Surface production equipment
  - Separators
  - Pressure vessels
  - Skidded process units
- Downstream processing
  - Oil treatment

# Production Equipment



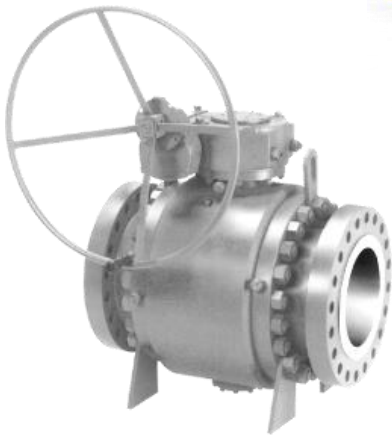
GPU – Gas Production Unit



LACT – Lease Automated Custody Transfer

# Valve Solutions

**Ball Valves**



**Accuseal  
(Downstream)**



**PBV  
(Upstream & Midstream)**

**Gate, Globe and Check Valves**



**DSI  
(Downstream)**



# Reconciliation of Adjusted EBITDA

(\$ millions)	2017	2018	2019	2020
<b>EBITDA Reconciliation</b>				
Net Income attributable to common stockholders	\$ (59)	\$ (374)	\$ (567)	\$ (97)
Interest expense	27	32	32	30
Depreciation and amortization	65	75	63	51
Income tax expense (benefit)	4	(16)	(2)	(13)
Transaction and restructuring expenses & other	16	23	12	39
Gain on disposition of ABZ & QVA	-	-	-	(88)
Gain on extinguishment of debt	-	-	-	(73)
Inventory and other working capital reserve	13	32	5	94
Goodwill and intangible asset impairment	69	364	532	20
Deferred loan costs written off	-	-	-	2
Gain realized on previously held equity investment	(120)	(34)	(2)	-
Loss / (gain) on FX, net	8	(6)	5	6
Acquisition related equity based compensation recorded by equity investment	6	-	-	-
Contingent consideration benefit	-	-	(5)	-
Stock-based compensation expense	(20)	20	16	10
<b>Adj. EBITDA</b>	<b>\$ 9</b>	<b>\$ 116</b>	<b>\$ 89</b>	<b>\$ (19)</b>

Note: 2020 Adj. EBITDA proforma for ABZ / QVA divestiture is (\$31) million

**Note:** The Company believes EBITDA is useful to investors because it is an appropriate measure of evaluating operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities, and making strategic acquisitions. In addition, EBITDA is a widely used benchmark in the investment community.



# Reconciliation of Free Cash Flow

(\$ millions)	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Free cash flow, before acquisitions</b>									
Net cash provided by operations	145	211	270	155	65	(40)	2	105	4
Capital expenditures, net	(44)	(59)	(51)	(30)	(7)	(25)	(14)	(15)	3
<b>Free cash flow, before acquisitions</b>	<b>\$ 101</b>	<b>\$ 152</b>	<b>\$ 219</b>	<b>\$ 125</b>	<b>\$ 58</b>	<b>\$ (65)</b>	<b>\$ (12)</b>	<b>90</b>	<b>\$ 7</b>

Note: 2020 Free cash flow proforma for ABZ / QVA divestiture is (\$5) million

**Note:** The Company believes free cash flow, before acquisitions is an important measure because it encompasses both profitability and capital management in evaluating results.