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# WEATHERFORD INTERNATIONAL PLC

FIRST QUARTER 2018

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APRIL 24  
**2018**

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# FINANCIAL OVERVIEW

INCOME STATEMENT	1Q 2018	4Q 2017	Δ Seq.	1Q 2017	Δ Yr/Yr
Revenue	\$1,423	\$1,490	-4%	\$1,386	3%
Adj. Segment Operating Income	\$40	(\$83)	148%	(\$89)	145%
Adj. Segment Operating Income Margin	2.81%	-5.57%	838 bps	-6.42%	923 bps
Adjusted EBITDA	\$151	\$71	113%	\$86	76%
Net Loss Per Share	(\$0.19)	(\$0.33)	42%	(\$0.32)	41%
BALANCE SHEET					
Receivables	\$1,100	\$1,103	-	\$1,292	-15%
Days Sales Outstanding	67 days	68 days	- 1%	84 days	-20%
Inventory	\$1,225	\$1,234	-1%	\$1,700	-28%
Days Sales Inventory	77 days	76 days	1%	111 days	-31%
Payables	\$809	\$856	-5%	\$803	1%
CASH IN (OUT) FLOW					
Net Cash Provided By (Used In) Operating Activities	(\$185)	\$96	-293%	(\$179)	-3%
Cash Interest Payments	(\$174)	(\$104)	67%	(\$144)	21%
Capital Expenditures	(\$29)*	(\$78)	-63%	(\$40)	-28%
RIG COUNT AVERAGE					
US	967	922	5%	743	30%
Canada	269	205	31%	295	-9%
International	963	949	1%	939	3%

Year-over-Year, **EBITDA improved \$65M or 76%**. \$27M or 42% was attributable to our transformation, with the remainder attributable to the market recovery.

# 1Q 2018 REVENUE MIX

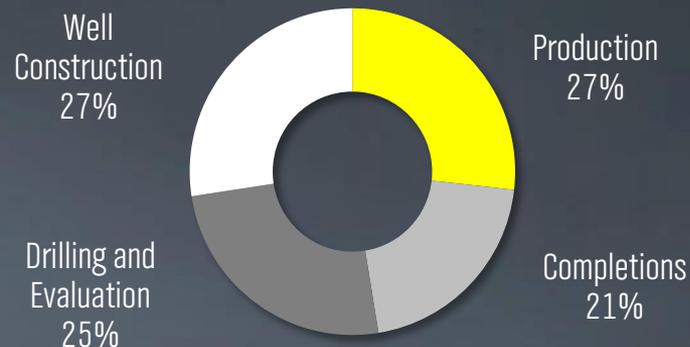
## By Geography



	1Q 2018	4Q 2017	Seq Δ	1Q 2017	YoY Δ
Western Hemisphere	\$756	\$759	-0.4%	\$733	3%
Eastern Hemisphere	\$667	\$731	-9%	\$653	2%
<b>TOTAL NET REVENUES</b>	<b>\$1,423</b>	<b>\$1,490</b>	<b>-4%</b>	<b>\$1,386</b>	<b>3%</b>
<b>Operating Income (Loss)</b>					
Western Hemisphere Operating Income (Loss)	\$24	(\$35)	169%	(\$30)	180%
Eastern Hemisphere Operating Income (Loss)	\$16	(\$48)	133%	(\$59)	127%
<b>SEGMENT OPERATING INCOME (LOSS)</b>	<b>\$40</b>	<b>(\$83)</b>	<b>148%</b>	<b>(\$89)</b>	<b>145%</b>

\$ in millions

## By Global Business Unit



	1Q 2018	4Q 2017	Seq Δ	1Q 2017	YoY Δ
Production	\$381	\$408	-7%	\$341	12%
Completions	\$294	\$339	-13%	\$304	-3%
Drilling and Evaluation	\$358	\$349	3%	\$364	-2%
Well Construction	\$390	\$394	-1%	\$377	3%
<b>TOTAL PRODUCT AND SERVICE LINE REVENUES</b>	<b>\$1,423</b>	<b>\$1,490</b>	<b>-4%</b>	<b>\$1,386</b>	<b>3%</b>

# 1Q 2018 HEMISPHERE REVENUE BY BUSINESS UNIT

## Western Hemisphere



### WESTERN HEMISPHERE REVENUES

1Q 2018

Production	\$286
Completions	\$157
Drilling and Evaluation	\$163
Well Construction	\$150

### TOTAL WESTERN HEMISPHERE REVENUES

\$756

## Eastern Hemisphere



### EASTERN HEMISPHERE REVENUES

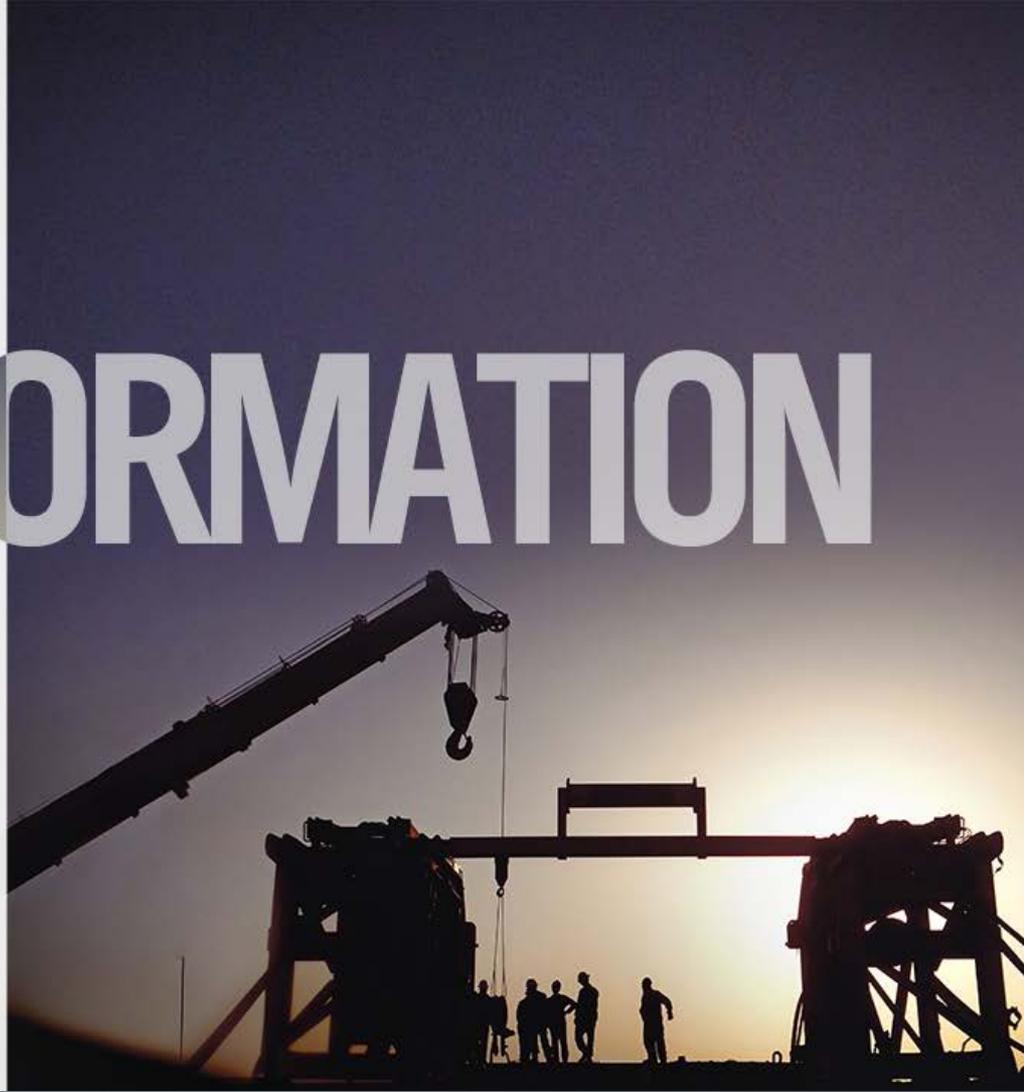
1Q 2018\*

Production	\$95
Completions	\$137
Drilling and Evaluation	\$195
Well Construction	\$240

### TOTAL EASTERN HEMISPHERE REVENUES

\$667

# 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** – Breakeven in 2018 and Positive in 2019

**NET DEBT RATIO** – Net Debt-to-EBITDA Ratio Cut in Half by YE2019

# ACHIEVING SUSTAINABLE SAVINGS

EXPECTED EBITDA IMPACT OF \$1B BY YE2019

## PROCUREMENT (28%)

- Improve sourcing
- Reduce number of suppliers

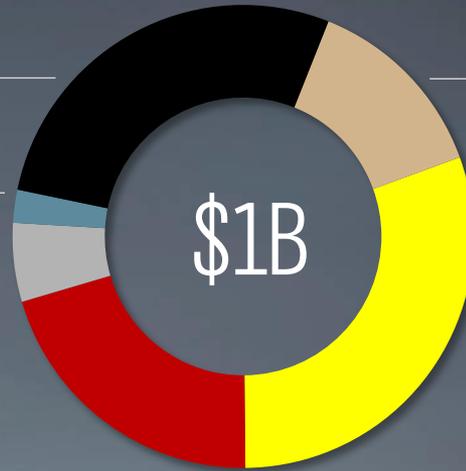
## LOGISTICS AND DISTRIBUTION (2%)

- 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%)

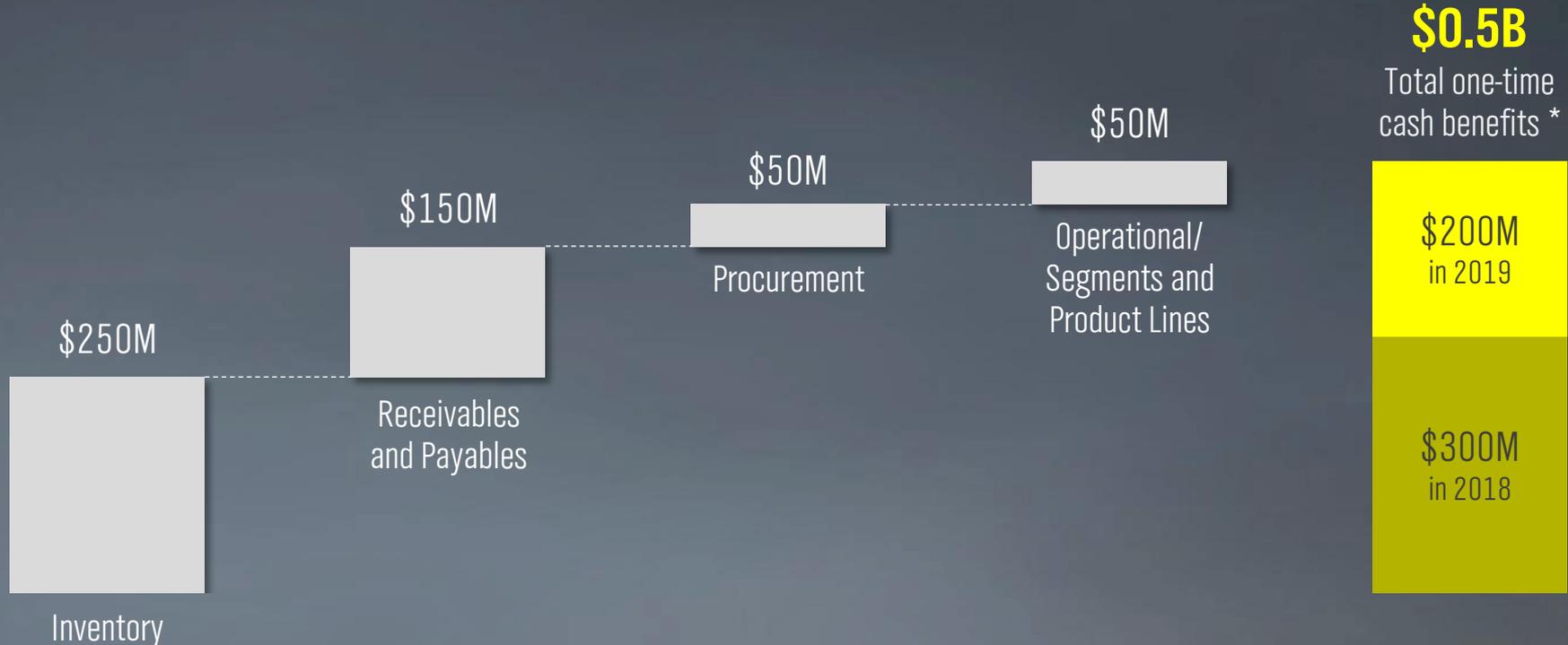
- Align sales coverage to high-opportunity areas
- Prioritize account management

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

- Reduce product line complexity
- Organizational restructure

# 2018-2019 ONE-TIME CASH BENEFITS

TRANSFORMATION CASH BENEFITS EMBEDDED IN FREE CASH FLOW GUIDANCE



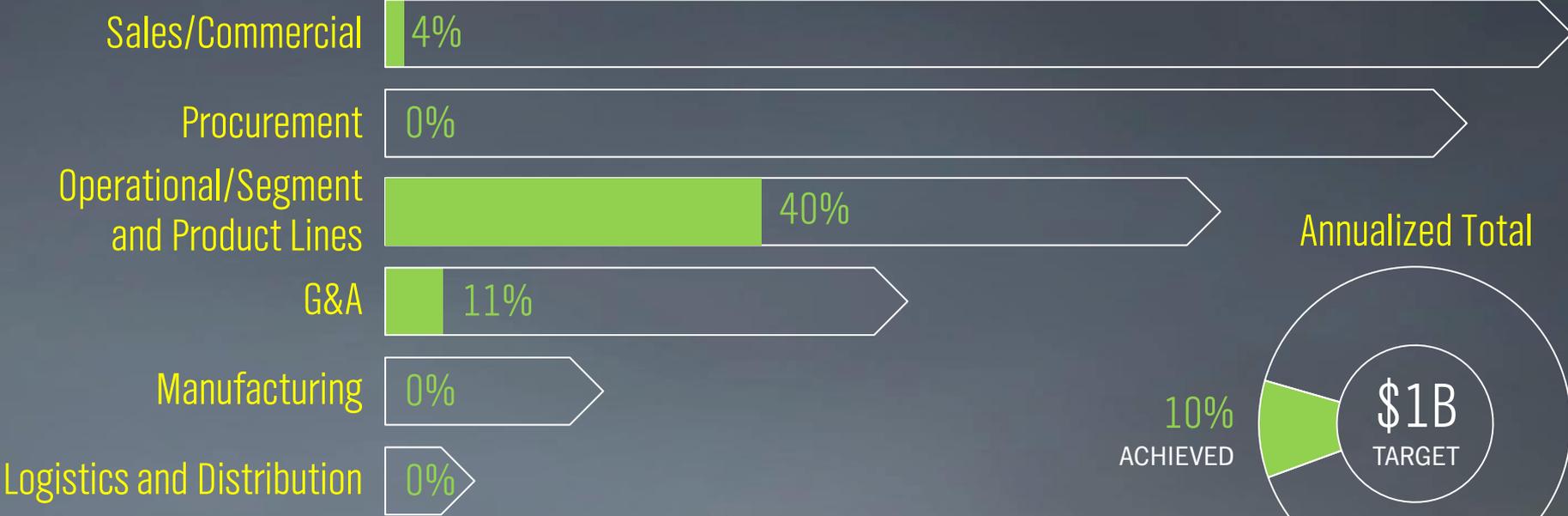
\* Transformation cash cost ~\$250-\$300M; 65% of cost will impact 2019

# TRANSFORMATION SCORECARD – OUR STARTING POINT

## ANNUALIZED RESULTS

WORKSTREAM

ANNUALIZED PERCENTAGE ACHIEVED THROUGH 1Q 2018



Annualized Total



# OUR DIVESTITURES – STRATEGIC TRANSACTIONS

## 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



IN PROGRESS

- 110 Rigs: Concentration in MENA region
- Multiple interested parties
- Advanced stages of negotiations and due diligence

## Other Planned Divestitures



2 TRANSACTIONS IN PROGRESS

- Sales process underway on two divestitures
- Estimated proceeds of \$500M in 2018 for all other planned divestitures

# 1Q 2018 MARKET HIGHLIGHTS

● Market Activity Increasing

## UNITED STATES

- Innovative LWD solution enables optimized completion
- MPD technology saves operator \$1M
- New TRS system saves operator 1 day of offshore-rig time

## LATIN AMERICA

- Innovative pressure pumping technique increases production expectations by 250%
- MPD technology reduces risk and cost of offshore projects
- Replaced incumbent as exclusive lift provider for major customer

## RUSSIA

- AccuView<sup>®</sup> software enables single-trip casing exit in Sakhalin
- Directional drilling successes continue

## ASIA

- HeatWave Extreme<sup>SM</sup> creates opportunity for cross- and up-selling
- Plug and abandonment technologies continue to be a differentiator

## MIDDLE EAST AND NORTH AFRICA

- Wireline contract win strengthens our position in Algeria
- AcidSure<sup>®</sup> system increases production by 600%
- Service quality record yields major Well Construction contract wins

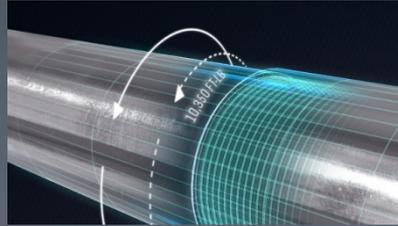
# 2018 TECHNOLOGY PREVIEW

## DRILLING OPTIMIZATION



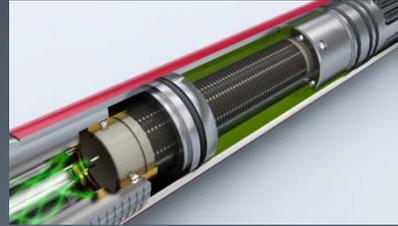
- New push-the-bit rotary-steerable system
  - Launching April 2018
- Rig integration for managed pressure drilling systems
- Advanced downhole deployment valves
- High-resolution ultrasonic imagers

## AUTOMATED TUBULAR RUNNING



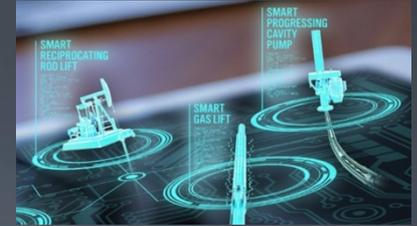
- Mechanized AutoTong<sup>®</sup> systems
- Trackless tong-positioning devices

## ADVANCED COMPLETIONS



- RFID systems for single-trip completions
- Premium small composite plugs
- High-reliability, small optical gauges

## SMART LIFT



- New ForeSite<sup>™</sup> production optimization software release
- New Rotaflex<sup>™</sup> long-stroke pumping unit model
- Coated COROD<sup>®</sup> continuous rod

# 2Q 2018 OUTLOOK



**REVENUE** PROJECTED TO MODESTLY INCREASE VS. Q1 LEVELS

**EBITDA** EXPECTED TO BE GREATER THAN 1Q

**2Q TRANSFORMATION IMPACT** 50% - 75% ABOVE 1Q REALIZED CONTRIBUTION

**OPERATIONAL CASH FLOW** APPROACHING BREAKEVEN

CONTINUED PROGRESS ON **PLANNED DIVESTITURES**

# | APPENDIX

# ADJUSTED EBITDA RECONCILIATION

	1Q 2018	4Q 2017	1Q 2017
<b>NET LOSS ATTRIBUTABLE TO WEATHERFORD</b>	<b>\$(245)</b>	<b>\$(1,938)</b>	<b>\$(448)</b>
Net Income Attributable to Noncontrolling Interests	3	4	5
<b>NET LOSS</b>	<b>(242)</b>	<b>(1,934)</b>	<b>(443)</b>
Interest Expense, Net	149	152	141
Income Tax Provision	32	62	33
Depreciation and Amortization	147	190	208
<b>EBITDA</b>	<b>86</b>	<b>(1,530)</b>	<b>(61)</b>
<b>OTHER (INCOME) EXPENSE ADJUSTMENTS</b>			
Warrant Fair Value Adjustment	(46)	(28)	62
Bond Tender Call Premium	34	–	–
Currency Devaluation Charges	26	–	–
Other (Income) Expense, Net	8	7	(7)
Restructuring and Transformation Charges	25	43	75
Impairments, Asset Write-Downs and Other	18	1,681	17
Litigation Charges, Net	-	(6)	-
Gain from Disposition	-	(96)	-
<b>Adjusted EBITDA</b>	<b>\$151</b>	<b>\$71</b>	<b>\$86</b>

\* In the first quarter of 2018, we adopted pension accounting standards on a retrospective basis reclassifying the presentation of non-service cost components of net periodic pension and postretirement cost from our operating income to non-operating other (income) expense. All prior periods have been restated to conform to the current presentation

# ADJUSTED SEGMENT OPERATING INCOME RECONCILIATION

	1Q 2018	4Q 2017	1Q 2017
<b>OPERATING INCOME (LOSS):</b>			
Western Hemisphere	\$24	\$(35)	\$(30)
Eastern Hemisphere	16	(48)	(59)
<b>SEGMENT OPERATING INCOME (LOSS)</b>	<b>\$40</b>	<b>\$(83)</b>	<b>\$(89)</b>
Corporate Expenses	(36)	(36)	(33)
Restructuring and Transformation Charges	(25)	(43)	(75)
Other Charges, Net	(18)	(1,579)	(17)
<b>TOTAL OPERATING LOSS *</b>	<b>\$(39)</b>	<b>\$(1,741)</b>	<b>\$(214)</b>

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