

We report our financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, Weatherford's management believes that certain non-GAAP financial measures and ratios (as defined under the SEC's Regulation G and Item 10(e) of Regulation S-K) may provide users of this financial information additional meaningful comparisons between current results and results of prior periods and comparisons with peer companies. The non-GAAP amounts shown in the following tables 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.

Weatherford International plc
Reconciliation of GAAP to Non-GAAP Financial Measures

(Unaudited)

(In Millions, Except Per Share Amounts)

	Three Months Ended			Year Ended	
	12/31/2018	9/30/2018	12/31/2017	12/31/2018	12/31/2017
Operating Income (Loss):					
GAAP Operating Loss	\$ (1,959)	\$ (13)	\$ (1,741)	\$ (2,084)	\$ (2,170)
Goodwill Impairment ^(a)	1,917	—	—	1,917	—
Restructuring and Transformation Charges ^(b)	36	27	43	126	183
Impairments, Asset Write-Downs and Other ^{(c)(d)}	79	71	1,675	238	1,701
Gain from Disposition of U.S. Pressure Pumping and Pump-Down Perforating Assets	—	—	(96)	—	(96)
Operating Non-GAAP Adjustments	2,032	98	1,622	2,281	1,788
Non-GAAP Adjusted Operating Income (Loss)	<u>\$ 73</u>	<u>\$ 85</u>	<u>\$ (119)</u>	<u>\$ 197</u>	<u>\$ (382)</u>
Loss Before Income Taxes:					
GAAP Loss Before Income Taxes	\$ (2,142)	\$ (172)	\$ (1,872)	\$ (2,757)	\$ (2,656)
Operating Non-GAAP Adjustments	2,032	98	1,622	2,281	1,788
Bond Tender and Call Premium ^(e)	—	—	—	34	—
Warrant Fair Value Adjustment	(3)	(11)	(28)	(70)	(86)
Defined Benefit Pension Plan Gains ^(f)	—	—	—	—	(47)
Currency Devaluation Charges ^(g)	4	8	—	49	—
Non-GAAP Adjustments Before Taxes	<u>\$ 2,033</u>	<u>\$ 95</u>	<u>\$ 1,594</u>	<u>\$ 2,294</u>	<u>\$ 1,655</u>
Non-GAAP Loss Before Income Taxes	<u>\$ (109)</u>	<u>\$ (77)</u>	<u>\$ (278)</u>	<u>\$ (463)</u>	<u>\$ (1,001)</u>
Benefit (Provision) for Income Taxes:					
GAAP Benefit (Provision) for Income Taxes	\$ 46	\$ (22)	\$ (62)	\$ (34)	\$ (137)
Tax Effect on Non-GAAP Adjustments	(70)	1	15	(70)	8
Non-GAAP Provision for Income Taxes	<u>\$ (24)</u>	<u>\$ (21)</u>	<u>\$ (47)</u>	<u>\$ (104)</u>	<u>\$ (129)</u>
Net Loss Attributable to Weatherford:					
GAAP Net Loss	\$ (2,103)	\$ (199)	\$ (1,938)	\$ (2,811)	\$ (2,813)
Non-GAAP Adjustments, net of tax	1,963	96	1,609	2,224	1,663
Non-GAAP Net Loss	<u>\$ (140)</u>	<u>\$ (103)</u>	<u>\$ (329)</u>	<u>\$ (587)</u>	<u>\$ (1,150)</u>
Diluted Loss Per Share Attributable to Weatherford:					
GAAP Diluted Loss per Share	\$ (2.10)	\$ (0.20)	\$ (1.95)	\$ (2.82)	\$ (2.84)
Non-GAAP Adjustments, net of tax	1.96	0.10	1.62	2.23	1.68
Non-GAAP Diluted Loss per Share	<u>\$ (0.14)</u>	<u>\$ (0.10)</u>	<u>\$ (0.33)</u>	<u>\$ (0.59)</u>	<u>\$ (1.16)</u>
GAAP Effective Tax Rate ^(h)	2 %	(12)%	(3)%	(1)%	(5)%
Non-GAAP Effective Tax Rate ⁽ⁱ⁾	(23)%	(26)%	(16)%	(23)%	(13)%

(a) Represents goodwill impairment of \$1.9 billion based upon our annual fair value assessment of our business and assets.

(b) Represents severance, transformation and facility exit costs in 2018 and 2017.

(c) The fourth quarter of 2018 and year ended December 31, 2018, primarily included long-lived asset impairments, other asset write-downs and inventory charges primarily relate to land drilling rigs, partially offset by gains on purchase of the remaining interest in a joint venture, property sales and a reduction of a contingency reserve on a legacy contract.

(d) The fourth quarter of 2017 and year ended December 31, 2017, primarily included impairments, asset write-downs and other of \$934 million in long-lived asset impairments (of which \$740 million relates to Land Drilling Rigs assets reclassified to held for sale), \$434 million in inventory write-downs and \$230 million in the write-down of Venezuelan receivables.

(e) Represents a bond tender and call premium on the tender offer redemption of our 9.625% senior notes.

(f) Represents the supplemental executive retirement plan gain that was reclassified from Operating Non-GAAP Adjustments to non-operating Other Income (Expense), Net upon retrospective adoption of the new pension accounting standards in the first quarter of 2018.

(g) Represents currency devaluations of the Angolan kwanza and Venezuelan bolivar.

(h) GAAP Effective Tax Rate is the GAAP provision for income taxes divided by GAAP income before income taxes and calculated in thousands.

(i) Non-GAAP Effective Tax Rate is the Non-GAAP provision for income taxes divided by Non-GAAP income before income taxes and calculated in thousands.

Weatherford International plc
Reconciliation of GAAP to Non-GAAP Financial Measures - EBITDA
(Unaudited)
(In Millions)

	Three Months Ended			Year Ended	
	12/31/2018	9/30/2018	12/31/2017	12/31/2018	12/31/2017
Net Loss Attributable to Weatherford	\$ (2,103)	\$ (199)	\$ (1,938)	\$ (2,811)	\$ (2,813)
Net Income Attributable to Noncontrolling Interests	7	5	4	20	20
Net Loss	(2,096)	(194)	(1,934)	(2,791)	(2,793)
Interest Expense, Net	157	156	152	614	579
Income Tax (Benefit) Provision	(46)	22	62	34	137
Depreciation and Amortization	137	128	190	556	801
EBITDA	(1,848)	112	(1,530)	(1,587)	(1,276)
Other (Income) Expense Adjustments:					
Goodwill Impairment	1,917	—	—	1,917	—
Impairments, Asset Write-Downs and Other	79	71	1,675	238	1,701
Restructuring and Transformation Charges	36	27	43	126	183
Gain from Disposition of U.S. Pressure Pumping and Pump-Down Perforating Assets	—	—	(96)	—	(96)
Warrant Fair Value Adjustment	(3)	(11)	(28)	(70)	(86)
Bond Tender and Call Premium	—	—	—	34	—
Currency Devaluation Charges	4	8	—	49	—
Other (Income) Expense, Net	25	6	7	46	(7)
Adjusted EBITDA	\$ 210	\$ 213	\$ 71	\$ 753	\$ 419