UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): April 26, 2018

DRIL-QUIP, INC.
(Exact name of registrant as specified in its charter)

Delaware	001-13439	74-2162088
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

6401 N. Eldridge Parkway Houston, Texas	77041
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (713) 939-7711

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On April 26, 2018, Dril-Quip, Inc. ("Dril-Quip") reported first quarter 2018 earnings. For additional information regarding Dril-Quip's first quarter 2018 earnings, please refer to Dril-Quip's press release attached to this report as Exhibit 99.1 (the "Press Release"), which Press Release is incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

On April 26, 2018, Dril-Quip posted the Q1 2018 Supplemental Earnings Information presentation (the "Presentation") to its website at www.dril-quip.com. The Presentation is attached hereto as Exhibit 99.2.

The information in the Press Release and the Presentation is being furnished, not filed, pursuant to Items 2.02 and 7.01. Accordingly, the information in the Press Release and the Presentation will not be incorporated by reference into any registration statement filed by Dril-Quip under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The exhibits listed below are being furnished pursuant to Items 2.02 and 7.01 of this Form 8-K:

Exhibit No.	Description
99.1	Press Release issued April 26, 2018.
99.2	Q1 2018 Supplemental Earnings Information Presentation.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DRIL-QUIP, INC.

By: /s/ Jeffrey J. Bird
Jeffrey J. Bird
Vice President and Chief Financial Officer

Date: April 26, 2018

Exhibit 99.1

Dril-Quip, Inc. Announces First Quarter 2018 Results

- Generated $99.2 million of revenue, a quarter-on-quarter decrease of 8% and consistent with general guidance
- Continued strong gross margin performance
- Reported a net loss of $7.4 million, or $0.20 loss per diluted share, including charges of $0.04 per share
- Adjusted loss per diluted share, excluding charges, was $0.16
- Generated net cash provided by operating activities of $11.4 million
- Grew cash on hand to $495.6 million as of March 31, 2018
- Maintained clean balance sheet with no debt as of March 31, 2018

HOUSTON—April 26, 2018 / GlobeNewswire—Dril-Quip, Inc. (NYSE: DRQ) today reported operational and financial results for the first quarter of 2018.

Blake DeBerry, Dril-Quip's President and Chief Executive Officer, commented, "In the first quarter, Dril-Quip generated positive Adjusted EBITDA of $7.8 million despite continuing headwinds in the offshore environment. This performance led to an increase in our cash position to $495.6 million as of March 31, 2018, which, coupled with our debt-free balance sheet, positions us to continue executing our long-term strategy. While we are optimistic after seeing recent signs of increased bidding activity in our end markets, we continue to believe near-term oil prices and the offshore rig environment will remain uncertain through 2018.

"During the first quarter of 2018, the Company was awarded a contract to supply top-tensioned riser (TTR) systems and related services for the development of Repsol's Ca Rong Do (CRD) Project located offshore Vietnam. Due to ongoing territorial discussions between China and Vietnam, we believe the CRD Project may experience delays or be cancelled. Given these circumstances, our expectation is that the Company's revenue will be between $90 million and $100 million per quarter throughout 2018. This quarterly outlook would support annual revenue to be between $380 million and $400 million and is consistent with our view that we are currently working through the trough while focusing on the expansion of backlog throughout 2018, assuming WTI prices remain approximately in the $60 – $70 per barrel range. The Company's backlog was $207.3 million and $266.7 million as of December 31, 2017 and March 31, 2018, respectively. Although incremental project-based bookings are expected in 2018, the Company does not anticipate these bookings to materially affect 2018 revenue. Several significant projects have reached the later stages of planning and award but finalization of financing still appears to be a hurdle.

"From an operational perspective, the Company continues to focus on cost; however, certain aspects of our cost base currently remain purposely higher in anticipation of a forthcoming recovery. We are also committed to executing our research and development initiatives. These initiatives allow us to offer an expanding portfolio of innovative products and services that have been designed and engineered to fundamentally reduce costs incurred by our customers. Finally, the Company embarked on a global Lean Initiative in the first quarter, and we are confident that these initiatives, when fully implemented, will allow the Company to realize improved product delivery, lower working capital requirements and, ultimately, expansion of margins."

In conjunction with today's release, the Company posted a new investor presentation entitled "1st Quarter 2018 Supplemental Earnings Information" to its website, www.dril-quip.com, in the Presentations section under the Investors link.

First Quarter Segment Review and Financial Discussion

Consolidated revenue was down $8.8 million quarter-on-quarter, a decrease of 8% and largely in line with Company guidance.

Western Hemisphere revenue decreased sequentially by $12.9 million, or 18%. This decrease was primarily driven by lower fabricated joint and service revenue.

Eastern Hemisphere revenue increased sequentially by $6.5 million, or 28%, as a result of higher book and ship and service activity during the quarter.

Asia-Pacific revenue declined sequentially by $2.5 million, or 17%, as planned work on the Kangean project in Indonesia and other deliveries were extended into future quarters.

Adjusted EBITDA decreased sequentially by $6.0 million, or 44%, due to the decrease in revenue and higher overall cost base that is being maintained in anticipation of increasing bidding activity later in the year. We estimate this incremental cost to be between $1 million and $2 million per quarter based on recent activity levels. This negative impact is offset, in part, by the Company's ongoing cost-saving initiatives.

Net loss was $7.4 million, resulting in a $0.20 loss per diluted share. Adjusted loss per diluted share, after excluding $0.04 per share for foreign currency and restructuring costs, was $0.16. During the quarter, the Company was unable to recognize tax benefits in certain countries where a valuation allowance has been recorded, which resulted in an $0.08 per diluted share impact to EPS. This impact was not excluded from EPS when determining adjusted loss per diluted share.

Balance Sheet

Dril-Quip's cash on hand grew to $495.6 million, which together with the new, undrawn ABL facility that the Company entered into on February 23, 2018, resulted in $559.6 million of available liquidity. This liquidity provides both financial and operational flexibility through the current downturn and allows the Company to quickly capitalize on opportunities when the market rebounds. This robust cash position allows management and the Board to continue to execute on Dril-Quip's long-term strategy of investing in research and development, pursuing strategic acquisitions, supporting the anticipated upturn and opportunistically returning cash to shareholders.

New Products

The Company continues to pass technical hurdles to meet the demanding requirements of its end markets. This includes significant progress in the technical and regulatory approval process for a number of critical new products. On April 30, 2018, the Company will be presented with the Spotlight on New Technology Award for the HFRe™ – Hands Free Marine Drilling Riser System at the 2018 Offshore Technology Conference. The HFRe™ is an automated marine riser system, designed to improve safety and reduce non-productive rig time. An additional key focus is the continued investment in research and development for subsea production system products (inclusive of high pressure, high temperature (“HPHT”)). The Company is progressing its first order for a deepwater subsea vertical monobore tree with installation planned later in 2018. Dril-Quip expects further meaningful contributions from these new products through increases to addressable market and market share leading to enhanced future revenues.

About Dril-Quip

Dril-Quip is a leading manufacturer of highly engineered drilling and production equipment for use onshore and offshore, which is particularly well suited for use in deep-water, harsh environments and severe service applications.

Forward-Looking Statements

Statements contained herein relating to future operations and financial results that are forward-looking statements, including those related to market conditions, anticipated project bookings, anticipated revenues, cost synergies, possible acquisitions, new product offerings, share repurchases and expectations regarding operating results, are based upon certain assumptions and analyses made by the management of the Company in light of its experience and perception of historical trends, current conditions, expected future developments and other factors. These statements are subject to risks beyond the Company’s control, including, but not limited to, the volatility of oil and natural gas prices and cyclicality of the oil and gas industry, project terminations, suspensions or scope adjustments to contracts, uncertainties regarding the effects of new governmental regulations, the Company’s international operations, operating risks, and other factors detailed in the Company’s public filings with the Securities and Exchange Commission. Investors are cautioned that any such statements are not guarantees of future performance and actual outcomes may vary materially from those indicated.

Non-GAAP Financial Information

Adjusted Net Income, Adjusted Diluted EPS, Free Cash Flow, and Adjusted EBITDA are non-GAAP measures.

Adjusted Net Income and Adjusted Diluted EPS are defined as net income (loss) and earnings per share, respectively, excluding the impact of foreign currency gains or losses as well as other significant non-cash items and certain charges and credits.

Free Cash Flow is defined as net cash provided by operating activities less net cash used in the purchase of property, plant and equipment.

Adjusted EBITDA is defined as net income excluding income taxes, interest income and expense, depreciation and amortization expense, non-cash gains or losses from foreign currency exchange rate changes as well as other significant non-cash items and items that can be considered non-recurring.

The Company believes that these non-GAAP measures enable it to evaluate more effectively the operations period over period and identify operating trends by removing the effect of its capital structure from its operating structure. In addition, the Company believes that these measures are a supplemental measurement tool used by analysts and investors to help evaluate overall operating performance, ability to pursue and service possible debt opportunities and make future capital expenditures. Adjusted Net Income, Adjusted EBITDA and Free Cash Flow do not represent funds available for our discretionary use and are not intended to represent or to be used as a substitute for net income and net cash provided by operating activities, as measured under U.S. generally accepted accounting principles.

See tables below for additional information concerning non-GAAP financial information, including a reconciliation of the non-GAAP financial information presented in this press release to the most directly comparable financial information presented in accordance with GAAP. Non-GAAP financial information supplements should be read together with, and are not an alternative or substitute for, the Company’s financial results reported in accordance with GAAP. Because non-GAAP financial information is not standardized, it may not be possible to compare these financial measures with other companies’ non-GAAP financial measures.

SOURCE: Dril-Quip, Inc.

Trevor Ashurst, Manager of Investor Relations, (713) 939-7711

Dril-Quip, Inc.
Comparative Condensed Consolidated Income Statement
(Unaudited)

	Three months ended		
	March 31, 2018	December 31, 2017	March 31, 2017
	(In thousands, except per share data)		
Revenues:			
Products	$ 71,045	$ 81,562	$ 91,592
Services	28,128	26,409	27,636
Total revenues	99,173	107,971	119,228
Costs and expenses:			
Cost of sales	67,750	72,356	82,440
Selling, general and administrative	28,253	31,102	25,808
Engineering and product development	9,447	9,623	11,850
Impairment and other charges	—	—	—
Total costs and expenses	105,450	113,081	120,098
Operating income (loss)	(6,277)	(5,110)	(870)
Interest income	1,797	600	937
Interest expense	2	28	15
Income tax provision (benefit)	2,901	66,955	(42)
Net income (loss)	$ (7,383)	$ (71,493)	$ 94
Earnings (loss) per share	$ (0.20)	$ (1.90)	$ —
Depreciation and amortization	$ 8,241	$ 8,743	$ 9,832
Capital expenditures	$ 10,571	$ 8,059	$ 4,847

Dril-Quip, Inc.
Unaudited Non-GAAP Financial Measures

Adjusted Net Income and EPS:

	Three months ended					
	March 31, 2018		December 31, 2017		March 31, 2017	
	Effect on net income (after-tax)	Impact on diluted earnings per share	Effect on net income (after-tax)	Impact on diluted earnings per share	Effect on net income (after-tax)	Impact on diluted earnings per share
	(In thousands, except per share amounts)					
Net income (loss)	$ (7,383)	$ (0.20)	$ (71,492)	$ (1.90)	$ 94	$ —
Adjustments (after tax)						
Add back: Net loss from TIW	—	—	—	—	902	0.02
Reverse effect of foreign currency	1,059	0.03	3,505	0.10	(84)	—
Add back impairment and other charges	—	—	—	—	—	—
Less one-time tax adjustments	—	—	66,622	1.77	—	—
Restructuring costs	474	0.01	1,598	0.04	—	—
Add back severance payments	—	—	—	—	1,266	0.03
Adjusted net income (loss)	$ (5,850)	$ (0.16)	$ 233	$ 0.01	$ 2,178	$ 0.05

Adjusted EBITDA:

	Three months ended		
	March 31, 2018	December 31, 2017	March 31, 2017
	(In thousands)		
Net Income (Loss)	$ (7,383)	$ (71,492)	$ 94
Add:			
Interest (income) expense	(1,795)	(572)	(922)
Income tax expense (benefit)	2,901	66,955	(42)
Depreciation and amortization expense	8,241	8,743	9,832
Impairment and other non-cash	—	—	—
Restructuring costs	600	2,130	—
Foreign currency loss (gain)	1,304	4,327	(104)
Severance costs	—	—	1,572
Stock compensation expense	3,974	3,793	3,216
Adjusted EBITDA	$ 7,842	$ 13,884	$ 13,646

Free Cash Flow:

	Three months ended		
	March 31, 2018	December 31, 2017	March 31, 2017
	(In thousands)		
Net cash provided by operating activities	$ 11,388	$ 33,258	$ 11,476
Less:			
Purchase of property, plant and equipment	(10,571)	(8,059)	(4,847)
Free Cash Flow	$ 817	$ 25,199	$ 6,629


Exhibit 99.2
1st Quarter 2018
Supplemental Earnings Information

Cautionary Statement

Forward-Looking Statements

The information furnished in this presentation contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include goals, projections, estimates, expectations, market outlook, forecasts, plans and objectives, including revenue and other projections, acquisition opportunities, forecasted backlog, forecasted demand, liquidity, cost savings, and share repurchases and are based on assumptions, estimates and risk analysis made by management of Dril-Quip in light of its experience and perception of historical trends, current conditions, expected future developments and other factors. No assurance can be given that actual future results will not differ materially from those contained in the forward-looking statements in this presentation.

Although Dril-Quip believes that all such statements contained in this presentation are based on reasonable assumptions, there are numerous variables of an unpredictable nature or outside of Dril-Quip's control that could affect Dril-Quip's future results and the value of its shares. Each investor must assess and bear the risk of uncertainty inherent in the forward-looking statements contained in this presentation.

Please refer to Dril-Quip's filings with the SEC for additional discussion of risks and uncertainties that may affect Dril-Quip's actual future results. Dril-Quip undertakes no obligation to update the forward-looking statements contained herein.

Use of Non-GAAP Financial Measures

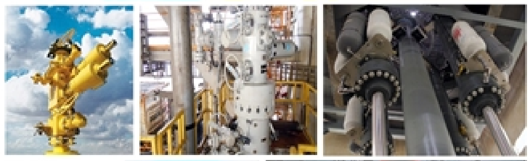
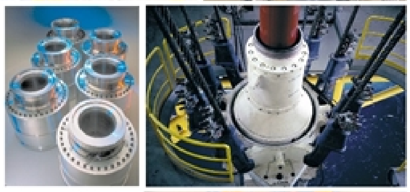
We calculate Adjusted net income, Adjusted diluted EPS, and Adjusted EBITDA to evaluate and compare the results of our operations from period to period by removing the effect of our capital structure from our operating structure. We calculate Free Cash Flow as net cash provided by operating activities less net cash used in the purchase of property, plant, and equipment. These measurements are used in concert with net income and cash flows from operations, respectively, which measure actual cash generated in the period. We believe that these non-GAAP measures are supplemental measurement tools used by analysts and investors to help evaluate overall operating performance, ability to pursue and service possible debt opportunities and make future capital expenditures. These metrics do not represent funds available for our discretionary use and are not intended to represent or to be used as a substitute for net income or cash flows from operations, as measured under U.S. generally accepted accounting principles. The items excluded from Adjusted net income, Adjusted EBITDA and Free Cash Flow, but included in the calculation of reported net income and net cash provided by operating activities, as applicable, are significant components of the consolidated statements of income and must be considered in performing a comprehensive assessment of overall financial performance. Our calculation of Adjusted EBITDA, Adjusted Net Income, Adjusted Diluted EPS and Free Cash Flow may not be consistent with calculations used by other companies. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measure can be found on slides 15-16.

Dril-Quip Overview

- Leading manufacturer of highly engineered drilling & production equipment
- Technically differentiated products & first-class service
- Strong financial position
- Historically superior margins to peers
- Experienced management team

Products & Services

- Subsea Equipment
- Subsea Systems Solutions
- Specialty Casing Connectors
- Control Systems
- Downhole Tools
- Capital Drilling Equipment
- Mudline Suspension Equipment
- Surface Equipment
- Dry Tree Systems
- Services - Technical Advisory, Rental Tools, and Reconditioning


Dril-Quip Snapshot

MARKET INFORMATION

Ticker	DRQ
Share Price (4/26/18)	$44.30
52-Week Range	$35.85 - $56.55
YTD Return	-7.1%
Shares Outstanding (mm)	38.1
Market Cap ($mm)	$1,690
Enterprise Value ($mm)	$1,194

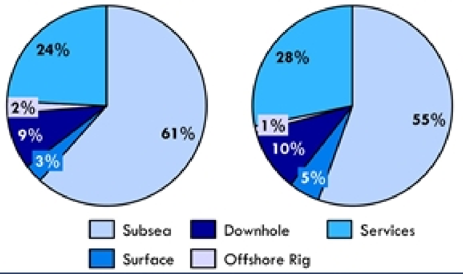
BALANCE SHEET ($MM)

	3/31/2018
Cash & Cash Equivalents	$496
PP&E (net)	288
Goodwill	48
Total Assets	**$1,398**
ST Debt	-
LT Debt	-
Total Liabilities	**$93**
Total Equity	**$1,305**
Non-cash Working Capital	$419
Book Value / Share	$34.22
Cash / Share	$12.99
Non-cash WC / Share	$10.99
Total Debt / Capitalization	0%

Note: Please refer to the appendix for definitions of metrics used above.

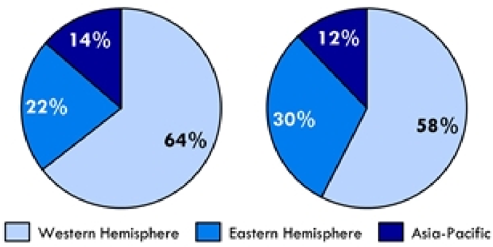
PRODUCTS AND SERVICE REVENUE BREAKDOWN

4Q 2017 Total Revenue: $108 million | **1Q 2018** Total Revenue: $99 million



SEGMENT REVENUE BREAKDOWN

4Q 2017 Total Revenue: $108 million | **1Q 2018** Total Revenue: $99 million



PRODUCTS AND SERVICES

Subsea Equipment	Downhole Tools	Offshore Rig Equipment
Subsea Wellheads	Liner Hangers	Wellhead Connectors
Mudline Suspension Systems	Specialty DH Tools	Diverters
Specialty Connectors	Production Packers	Drilling Risers
Subsea Production Trees	Saftey Valves	
Subsea Manifolds		**Services**
Subsea Control Systems	**Surface Equipment**	Reconditioning
Production Risers	Platform Wellheads	Rental Tools
Production Riser Tensioners	Platform Prod. Trees	Technical Advisory

ENDING BACKLOG

Q1 2018 Highlights

- Generated $99.2 million of revenue, down 8% sequentially
- Continued strong gross margin performance
- Reported a net loss of $7.4 million, or $0.20 loss per diluted share, including charges of $0.04 per share
- Adjusted loss per diluted share, excluding charges, was $0.16
- Generated net cash provided by operating activities of $11.4 million
- Grew cash on hand to $495.6 million as of Mar. 31, 2018
- Maintained clean balance sheet with no debt as of Mar. 31, 2018

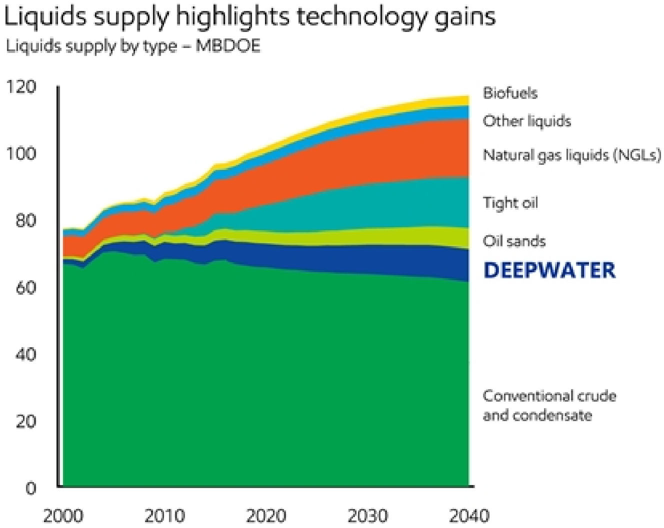
Executing Our Strategy While Maintaining Financial Discipline

Market Update

- Signs of increased bidding activity; oil price & rig environments uncertain
- Several projects nearing final investment decision; dependent on financing
- Repsol's Ca Rong Do Project may experience delays or be cancelled due to ongoing territorial discussions between Vietnam and China
- Currently operating in the trough though expecting expansion of backlog throughout 2018 assuming current oil price environment

Focused Efforts to Build New Product Backlog

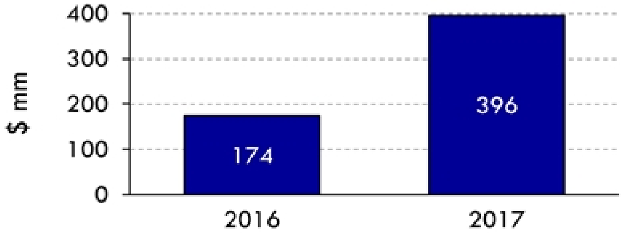
Deepwater Outlook



Value in Deepwater

- "Deepwater is an important growth priority as we reshape Shell into a world-class investment case" - Royal Dutch Shell Jan 31, 2018
- "The Gulf of Mexico deepwater is an integral part of our company's long-term strategy" – Chevron Jan 30, 2018
- "I think we'll continue to have greenfield developments in the GOM for awhile yet" – BP Feb 14, 2018

GOM High Bids Submitted



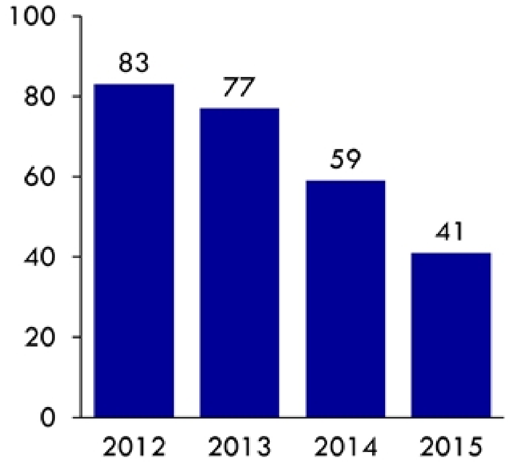
Investment Returning to Deepwater

Chart Sources: 2018 ExxonMobil *The Outlook for Energy: A View to 2040*; Bureau of Ocean Energy Management
Quote Sources: Shell 31 Jan 2018 Press Release; Chevron 30 Jan 2018 Press Release; *Upstream Magazine* Feb. 2018

Increasing Offshore Efficiencies

- Significant drilling improvements leading to:
  - More wells being drilled per rig per year
  - Fewer rigs needed to drill same inventory
  - Drilling cost reductions improving economics

Chevron days per well in GOM

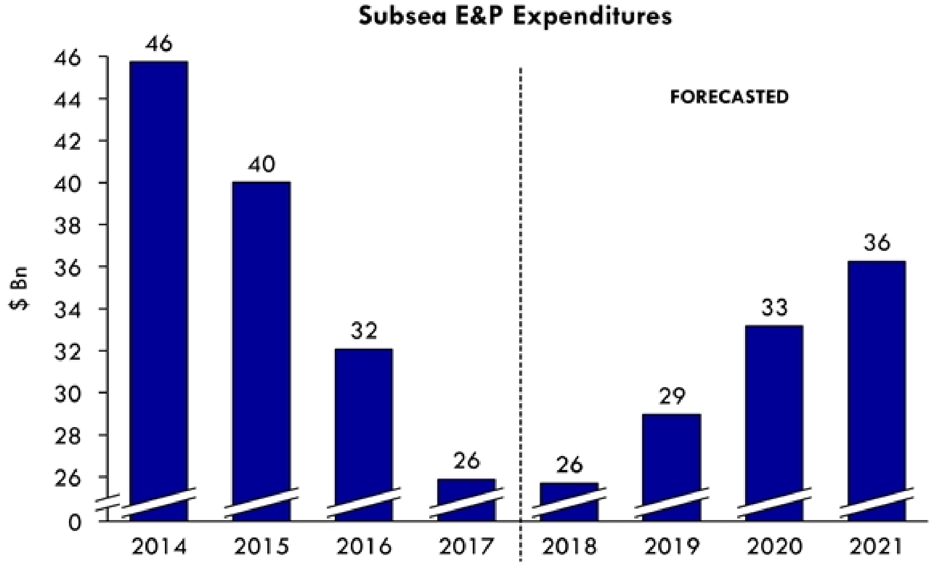


Well Count Becoming Proxy for Dril-Quip Demand

Source: Chevron

Subsea E&P Spending Trough in 2018

- Subsea E&P spending expected to remain muted this year
- Signs of increased bidding activity to prompt increased offshore spending in 2019 and beyond



Subsea Outlook Expected to Improve After Four Years of Decline

Source: Rystad Energy

Liquidity Allocation Strategy

SOURCES	
Internal Cash	$496M
ABL Credit Facility	$64M
Available Liquidity	**$560M**

Notes

- Balances as of March 31, 2018
- ABL put in place on February 23, 2018
- Shelf registration statement filed on February 27, 2018 for general planning purposes

POTENTIAL USES

- Fund R&D
- Pursue Strategic Acquisitions
- Support Upturn
- Return Cash to Shareholders

Liquidity in Place in Preparation for Upturn

Operating Plan in Current Environment

- Full-year revenue expected to be between $380 - $400 million
- Quarterly revenue expected to be between $90 - $100 million in 2018
- Generate positive quarterly Adjusted EBITDA in trough
- Maintain operations in anticipation of recovery
- Operating margins expected to be pressured in short-term
- Mitigation of margin pressure
  - TIW integration
  - Sales capture transformation
  - Lean implementation

Leveraging Strong Balance Sheet to Prepare for Recovery


DRIL-QUIP
Appendix

Income Statement

	Three months ended		
	March 31, 2018	December 31, 2017	March 31, 2017
	(In thousands, except per share data)		
Revenues:			
Products	$ 71,045	81,562	91,592
Services	28,128	26,409	27,636
Total revenues	99,173	107,971	119,228
Costs and expenses:			
Cost of sales	67,750	72,356	82,440
Selling, general and administrative	28,253	31,102	25,808
Engineering and product development	9,447	9,623	11,850
Impairment and other charges	-	-	-
Total costs and expenses	105,450	113,081	120,098
Operating income (loss)	(6,277)	(5,110)	(870)
Interest income	1,797	600	937
Interest expense	2	28	15
Income tax provision (benefit)	2,901	66,955	(42)
Net income (loss)	$ (7,383)	$ (71,493)	$ 94
Earnings (loss) per share	$ (0.20)	$ (1.90)	$ -
Depreciation and amortization	$ 8,241	$ 8,743	$ 9,832
Capital expenditures	$ 10,571	$ 8,059	$ 4,847

Balance Sheet

	As of	
	March 31, 2018	December 31, 2017
	(In thousands)	
Assets:		
Cash and cash equivalents	495,591	493,180
Other current assets	506,540	515,369
PP&E,net	288,466	284,247
Other assets	107,265	107,009
Total assets	1,397,862	1,399,805
Liabilities and Stockholders' Equity:		
Current liabilities	87,238	99,911
Long-term liabilities	2,001	2,001
Deferred taxes	3,514	3,432
Total liabilities	$ 92,753	$ 105,344
Stockholders' equity	1,305,109	1,294,461
Total liabilities and stockholders' equity	1,397,862	1,399,805

Non-GAAP Financial Measures

Adjusted Net Income and EPS:	Three months ended					
	March 31, 2018		December 31, 2017		March 31, 2017	
	Effect on net income (after-tax)	Impact on diluted earnings per share	Effect on net income (after-tax)	Impact on diluted earnings per share	Effect on net income (after-tax)	Impact on diluted earnings per share
	(In thousands, except per share amounts)					
Net income (loss)	$ (7,383)	$ (0.20)	$ (71,492)	$ (1.90)	$ 94	$ -
Adjustments (after tax)						
Add back: Net loss from TIW	-	-	-	-	902	0.02
Reverse effect of foreign currency	1,059	0.03	3,505	0.10	(84)	-
Add back impairment and other charges	-	-	-	-	-	-
Less one-time tax adjustments	-	-	66,622	1.77	-	-
Restructuring costs	474	0.01	1,598	0.04	-	-
Add back severance payments	-	-	-	-	1,266	0.03
Adjusted net income (loss)	$ (5,850)	$ (0.16)	$ 233	$ 0.01	$ 2,178	$ 0.05

Non-GAAP Financial Measures

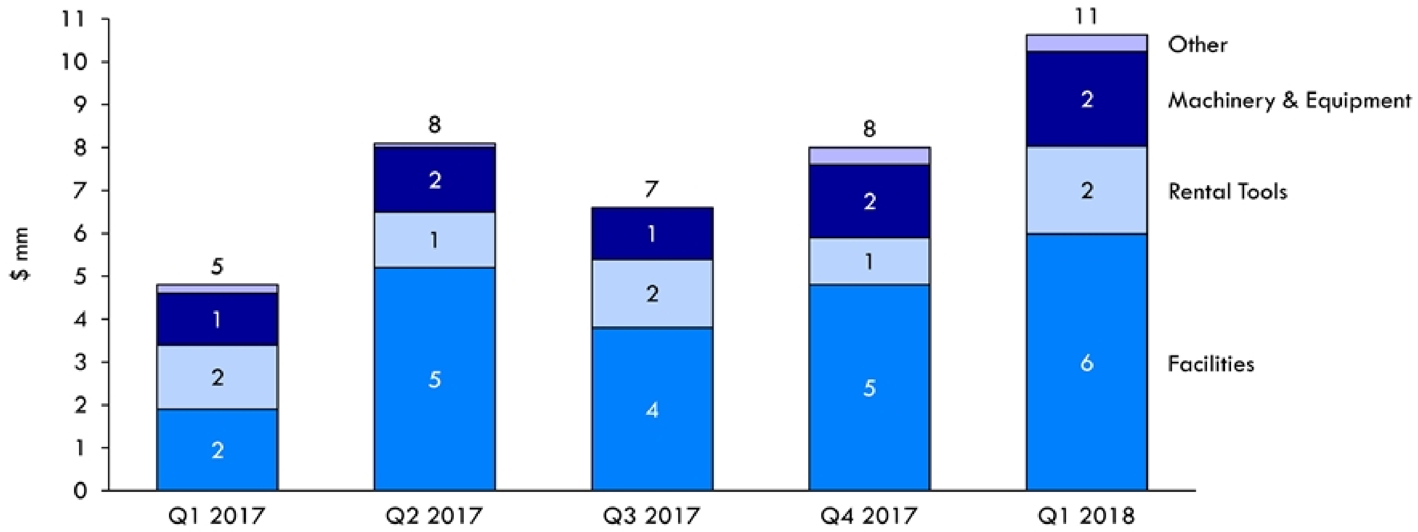
Adjusted EBITDA:	Three months ended		
	March 31, 2018	December 31, 2017	March 31, 2017
		(In thousands)	
Net Income (Loss)	$ (7,383)	$ (71,492)	$ 94
Add:			
Interest (income) expense	(1,795)	(572)	(922)
Income tax expense (benefit)	2,901	66,955	(42)
Depreciation and amortization expense	8,241	8,743	9,832
Impairment and other non-cash	-	-	-
Restructuring costs	600	2,130	-
Foreign currency loss (gain)	1,304	4,327	(104)
Severance costs	-	-	1,572
Stock compensation expense	3,974	3,793	3,216
Adjusted EBITDA	$ 7,842	$ 13,884	$ 13,646

Free Cash Flow:	Three months ended		
	March 31, 2018	December 31, 2017	March 31, 2017
		(In thousands)	
Net cash provided by operating activities	$ 11,388	$ 33,258	$ 11,476
Less:			
Purchase of property, plant and equipment	(10,571)	(8,059)	(4,847)
Free Cash Flow	$ 817	$ 25,199	$ 6,629

Financial Metric Definitions

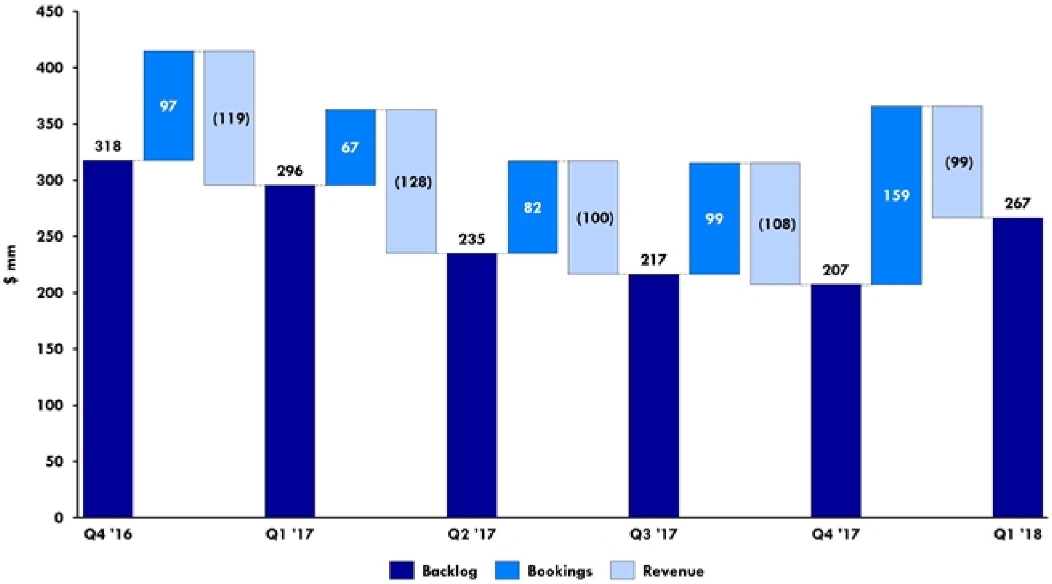
- **Market Capitalization** = Share Price x Total Shares Outstanding
- **Enterprise Value** = Market Capitalization + Debt – Cash and Cash Equivalents
- **Non-cash Working Capital** = (Current Assets – Cash) – Current Liabilities
- **Book Value / Share** = Total Shareholders' Equity / Total Shares Outstanding
- **Cash / Share** = Cash & Cash Equivalents / Total Shares Outstanding
- **Non-cash Working Capital (WC) / Share** = Noncash Working Capital / Total Shares Outstanding
- **Total Debt / Capitalization** = Total Debt (Short-term + Long-term) / (Total Debt + Total Shareholders' Equity)

Capital Expenditures



Annual Maintenance Capex ~$15 - $20 Million

Backlog



- 70% – 80% of year-end 2017 backlog expected to convert to revenue in twelve months or less
- Bookings require shorter lead times due to available capacity and inventory on hand
- Uncertainty of oil prices placing downward pressure on bookings

The backlog data shown above includes all bookings as of March 31, 2018, including contract awards and signed purchase orders for which the contracts would not be considered enforceable under ASC 606. Bookings include revisions/(cancellations) of $(3.5) mm for Q1 2017, $(2.8) mm for Q2 2017, $0.1 million for Q3 2017, $(1.3) mm for Q4 2017, and $(2.5) mm for Q1 2018.