

Frank's International N.V.
 Form 10-K
 February 29, 2016

UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549
 FORM 10-K
 (Mark One)

Annual Report Pursuant to Section 13 or 15(d) of
 the Securities Exchange Act of 1934
 For the fiscal year ended December 31, 2015

OR
 Transition Report Pursuant to Section 13 or 15(d) of
 the Securities Exchange Act of 1934
 For the transition period from _____ to _____

Commission file number: 001-36053
 Frank's International N.V.

(Exact name of registrant as specified in its charter)

The Netherlands	98-1107145
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification number)

Prins Bernhardplein 200	
1097 JB Amsterdam, The Netherlands	Not Applicable
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: +31 (0)20 693 8597

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common Stock, €0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
 Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if a smaller reporting company)

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No
As of June 30, 2015, the aggregate market value of the common stock of the registrant held by non-affiliates of the registrant was approximately \$651.2 million.

As of February 25, 2016, there were 155,332,241 shares of common stock, €0.01 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement in connection with the 2016 Annual Meeting of Stockholders, to be filed no later than 120 days after the end of the fiscal year to which this Form 10-K relates, are incorporated by reference into Part III of this Form 10-K.

FRANK'S INTERNATIONAL N.V.
 FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2015
 TABLE OF CONTENTS

	Page
PART I	
Item 1. Business	<u>4</u>
Item 1A. Risk Factors	<u>11</u>
Item 1B. Unresolved Staff Comments	<u>28</u>
Item 2. Properties	<u>28</u>
Item 3. Legal Proceedings	<u>29</u>
Item 4. Mine Safety Disclosures	<u>29</u>
PART II	
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	<u>30</u>
Item 6. Selected Financial Data	<u>32</u>
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>33</u>
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	<u>46</u>
Item 8. Financial Statements and Supplementary Data	<u>49</u>
Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	<u>86</u>
Item 9A. Controls and Procedures	<u>86</u>
Item 9B. Other Information	<u>86</u>
PART III	
Item 10. Directors, Executive Officers and Corporate Governance	<u>86</u>
Item 11. Executive Compensation	<u>86</u>
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	87
Item 13. Certain Relationships and Related Transactions, and Director Independence	87
Item 14. Principal Accounting Fees and Services	87
PART IV	
Item 15. Exhibits and Financial Statement Schedules	<u>88</u>
Signatures	<u>94</u>

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this "Form 10-K") includes certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements include those that express a belief, expectation or intention, as well as those that are not statements of historical fact. Forward-looking statements include information regarding our future plans and goals and our current expectations with respect to, among other things:

- our business strategy and prospects for growth;
- our cash flows and liquidity;
- our financial strategy, budget, projections and operating results;
- the amount, nature and timing of capital expenditures;
- the availability and terms of capital;
- competition and government regulations; and
- general economic conditions.

Our forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "potential," "plan," "goal" or other terms that convey the uncertainty of future events or outcomes, although not all forward-looking statements contain such identifying words. The forward-looking statements in this Form 10-K speak only as of the date of this report; we disclaim any obligation to update these statements unless required by law, and we caution you not to rely on them unduly. Forward-looking statements are not assurances of future performance and involve risks and uncertainties. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks, contingencies and uncertainties include, but are not limited to, the following:

- the level of activity in the oil and gas industry;
- further or sustained declines in oil and gas prices, which have dropped significantly in recent periods;
- unique risks associated with our offshore operations;
- political, economic and regulatory uncertainties in our international operations;
- our ability to develop new technologies and products;
- our ability to protect our intellectual property rights;
- our ability to employ and retain skilled and qualified workers;
- the level of competition in our industry;
- operational safety laws and regulations; and
- weather conditions and natural disasters.

These and other important factors that could affect our operating results and performance are described in (1) Part I, Item 1A "Risk Factors" and in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Form 10-K, and elsewhere within this Form 10-K, (2) our other reports and filings we make with the SEC from time to time and (3) other announcements we make from time to time. Should one or more of the risks or uncertainties described in the documents above or in this Form 10-K occur, or should underlying assumptions prove incorrect, our actual results, performance, achievements or plans could differ materially from those expressed or implied in any forward-looking statements. All such forward-looking statements in the Form 10-K are expressly qualified in their entirety by the cautionary statements in this section.

PART I

Item 1. Business

General

Frank's International N.V. ("FINV") is a Netherlands limited liability company (Naamloze Vennootschap) and includes the activities of Frank's International C.V. ("FICV") and its wholly owned subsidiaries (either individually or together, as context requires, the "Company," "we," "us" and "our"). We were established in 1938 and are an industry-leading global provider of highly engineered tubular services to the oil and gas industry. We provide our services to leading exploration and production companies in both offshore and onshore environments, with a focus on complex and technically demanding wells. We believe that we are one of the largest global providers of tubular services to the oil and gas industry.

Our Operations

Tubular services involve the handling and installation of multiple joints of pipe to establish a cased wellbore and the installation of smaller diameter pipe inside a cased wellbore to provide a conduit for produced oil and gas to reach the surface. The casing of a wellbore isolates the wellbore from the surrounding geologic formations and water table, provides well structure and pressure integrity, and allows well operators to target specific zones for production. Given the central role that our services play in the structural integrity, reliability and safety of a well, and the importance of efficient tubular services to managing the overall cost of a well, we believe that our role is vital to the overall process of producing oil and gas.

In addition to our services offerings, we design and manufacture certain products that we sell directly to external customers, including large outside diameter ("OD") pipe connectors. We also provide specialized fabrication and welding services in support of deep water projects in the U.S. Gulf of Mexico, including drilling and production risers, flowlines and pipeline end terminations, as well as long-length tubulars (up to 300 feet in length) for use as caissons or pilings. Finally, we distribute large OD pipe manufactured by third parties, and generally maintain an inventory of this pipe in order to support our pipe sales and distribution operations.

We offer our tubular services and tubular sales through our three operating segments: (1) International Services, (2) U.S. Services and (3) Tubular Sales, each of which is described in more detail in "Description of Business Segments."

The table below shows our consolidated revenue and each segment's external revenue and percentage of consolidated revenue for the periods indicated (revenue in thousands):

	Year Ended December 31,		2014		2013			
	2015		Revenue	Percent	Revenue	Percent		
International Services	\$442,107	45.4%	\$537,259	46.6	% \$475,297	44.1	%	
U.S. Services	326,437	33.5%	439,638	38.1	% 434,940	40.4	%	
Tubular Sales (1)	206,056	21.1%	175,735	15.3	% 167,485	15.5	%	
Total	\$974,600	100.0%	\$1,152,632	100.0	% \$1,077,722	100.0	%	

In June 2013, we sold a component of our Tubular Sales segment and, as a result, the operations from that (1) component have been reported as discontinued operations in the accompanying financial statements for the year ended December 31, 2013.

Our Organizational Structure

We completed our initial public offering ("IPO") on August 14, 2013. Immediately prior to the completion of our IPO, Mosing Holdings, Inc. ("MHI") contributed all of the outstanding membership interests in each of Frank's International, LLC, Frank's Casing Crew & Rental Tools, LLC and Frank's Tong Service, LLC, which constitute our U.S. operating subsidiaries, to FICV in exchange for 52,976,000 shares of our Series A preferred stock (the "Preferred Stock") and a 25.7% limited partnership interest in FICV. FICV is a partnership that was formed to act as a holding company of various U.S. and foreign operating companies engaged in our business. Excluded from the contribution were certain assets that generated a de minimis amount of revenue, including aircraft, real estate and life insurance policies, which were retained by MHI.

FINV contributed all of its international operating subsidiaries and a portion of the proceeds from the IPO to FICV. Following the completion of the IPO, FINV's sole material asset consisted of its ownership of 74.2% of the limited partnership interest and the 0.1% general partnership interest in FICV. MHI held the remaining 25.7% limited partnership interest in FICV.

MHI has the right to convert all or a portion of its Preferred Stock into shares of our common stock by delivery of an equivalent portion of its interest in FICV to us. Accordingly, the increase in our interest in FICV in connection with such conversion will decrease the noncontrolling interest in our financial statements that is attributable to MHI's interest in FICV.

Description of Business Segments

International Services

The International Services segment provides tubular services in international offshore markets and in several onshore international regions in approximately 60 countries on six continents. Our customers in these international markets are primarily large exploration and production companies, including integrated oil and gas companies and national oil and gas companies.

U. S. Services

The U.S. Services segment provides tubular services in almost all of the active onshore oil and gas drilling regions in the U.S., including the Permian Basin, Bakken Shale, Barnett Shale, Eagle Ford Shale, Haynesville Shale, Marcellus Shale and Utica Shale, as well as in the U.S. Gulf of Mexico.

Tubular Sales

The Tubular Sales segment designs, manufactures and distributes large OD pipe, connectors and casing attachments and sells large OD pipe originally manufactured by various pipe mills. We also provide specialized fabrication and welding services in support of offshore projects, including drilling and production risers, flowlines and pipeline end terminations, as well as long-length tubulars (up to 300 feet in length) for use as caissons or pilings. This segment also designs and manufactures proprietary equipment for use in our International Services and U.S. Services segments.

Financial Information About Segment and Geographic Areas

Segment financial and geographic information is provided in Part II, Item 8, Financial Statements and Supplementary Data, Note 23 of the Notes to the Consolidated Financial Statements.

Suppliers and Raw Materials

We acquire component parts, products and raw materials from suppliers, including foundries, forge shops, and original equipment manufacturers. The prices we pay for our raw materials may be affected by, among other things, energy, steel and other commodity prices, tariffs and duties on imported materials and foreign currency exchange rates. Certain of our component parts, products or specific raw materials are only available from a limited number of suppliers.

Our ability to source low cost raw materials and components, such as steel castings and forgings, is critical to our ability to manufacture our drilling products competitively and, in turn, our ability to provide onshore and offshore drilling services. In order to purchase raw materials and components in a cost effective manner we have developed a broad international sourcing capability and we maintain quality assurance and testing programs to analyze and test these raw materials and components.

Patents

We currently hold multiple U.S. and international patents and have a number of pending patent applications. Although in the aggregate our patents and licenses are important to us, we do not regard any single patent or license as critical or essential to our business as a whole.

Seasonality

A substantial portion of our business is not significantly impacted by changing seasons. We can be impacted by hurricanes, ocean currents, winter storms and other disruptions.

Customers

Our customers consist primarily of oil and gas exploration and production companies, both U.S. and international, including major and independent companies, national oil companies and, on occasion, other service companies that have contractual obligations to provide casing and handling services. Demand for our services depends primarily upon the capital spending of oil and gas companies and the level of drilling activity in the U.S. and internationally. We do not believe the loss of any of our individual customers would have a material adverse effect on our business. No single customer accounted for more than 10% of our revenue for the years ended December 31, 2015, 2014 and 2013.

Our International Services segment had no single customer that contributed more than 10% of its revenue in 2015. Our U.S. Services and Tubular Sales segments each had three customers which accounted for more than 10% of their revenue in 2015.

Competition

The markets in which we operate are competitive. We compete with a number of companies, some of which have financial and other resources greater than ours. The principal competitive factors in our markets are the quality, price and availability of products and services and a company's responsiveness to customer needs and its reputation for safety. In general, we face a larger number of smaller, more regionally-specific customers in the U.S. onshore market as compared to offshore markets, where larger competitors dominate.

We believe several factors give us a strong competitive position. In particular, we believe our products and services in each segment fulfill our customer's requirements for international capability, availability of tools, range of services provided, intellectual property, technological sophistication, rigorous quality systems and availability of equipment, along with reputation and safety record. We seek to differentiate ourselves from our competitors by providing a rapid

response to the needs of our customers, a high level of customer service and innovative product development initiatives. Although we have no single competitor across all of our product lines, we believe that Weatherford International represents our most direct competitor across our segments for providing tubular services on an aggregate, global basis.

Market Environment

As a result of the dramatic downturn in oil and natural gas prices during 2015 and continuing into 2016 to date, many of our customers have reduced their oil and natural gas drilling activities. In addition, we expect oil and gas exploration and production companies to cut capital budgets from 2015 levels globally. A further decrease in project spending from our customers is expected to translate to a similar decrease in our earnings. We believe that we have mitigated in 2015 and going-forward in 2016 will be able to mitigate some of the impact of lower revenues through both previously implemented as well as additional planned cost reductions. We expect continued weakness in the U.S. onshore business segment and lower revenues in International Services as pricing pressure and the scope of our service activity shifts. Additionally, despite the strong margins recorded in the fourth quarter of 2015, we expect the adjusted EBITDA contribution from Tubular Sales to decrease in the first quarter of 2016 as visibility on new orders and expected deliveries is significantly lower than the first quarter of 2015.

Inventories and Working Capital

An important consideration for many of our customers in selecting a vendor is timely availability of the product. Often customers will pay a premium for earlier or immediate availability because of the cost of delays in critical operations. We aim to stock certain of our consumable products in regional warehouses around the world so we can have these products available for our customers when needed. This availability is especially critical for our proprietary products, causing us to carry substantial inventories for these products. For critical capital items for which demand is expected to be strong, we often build certain items before we have a firm order. Having such goods available on short notice can be of great value to our customers.

Environmental, Occupational Health and Safety Regulation

Our operations are subject to numerous stringent and complex laws and regulations governing the emission and discharge of materials into the environment, health and safety aspects of our operations, or otherwise relating to human health and environmental protection. Failure to comply with these laws or regulations or to obtain or comply with permits may result in the assessment of administrative, civil and criminal penalties, imposition of remedial or corrective action requirements, and the imposition of orders or injunctions to prohibit or restrict certain activities or force future compliance.

Numerous governmental authorities, such as the U.S. Environmental Protection Agency (“EPA”), analogous state agencies and, in certain circumstances, citizens’ groups, have the power to enforce compliance with these laws and regulations and the permits issued under them. Certain environmental laws may impose joint and several liability, without regard to fault or the legality of the original conduct, on classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. The trend in environmental regulation has been to impose increasingly stringent restrictions and limitations on activities that may impact the environment, and thus, any changes in environmental laws and regulations or in enforcement policies that result in more stringent and costly waste handling, storage, transport, disposal, or remediation requirements could have a material adverse effect on our operations and financial position. Moreover, accidental releases or spills of regulated substances may occur in the course of our operations, and we cannot assure you that we will not incur significant costs and liabilities as a result of such releases or spills, including any third-party claims for damage to property, natural resources or persons.

The following is a summary of the more significant existing environmental, health and safety laws and regulations to which our business operations are subject and for which compliance could have a material adverse impact on our capital expenditures, results of operations or financial position.

Hazardous Substances and Waste

The Resource Conservation and Recovery Act (“RCRA”) and comparable state statutes, regulate the generation, transportation, treatment, storage, disposal and cleanup of hazardous and non-hazardous wastes. Under the auspices of the EPA, the individual states administer some or all of the provisions of RCRA, sometimes in conjunction with

their own, more stringent requirements. We are required to manage the transportation, storage and disposal of hazardous and non-hazardous wastes in compliance with RCRA.

The Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), also known as the Superfund law, imposes joint and several liability, without regard to fault or legality of conduct, on classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. These persons include the owner or operator of the site where the release occurred, and anyone who disposed or arranged for the disposal of a hazardous substance released at the site. We currently own, lease, or operate numerous properties that have been used for manufacturing and other operations for many years. We also contract with waste removal services and landfills. These properties and the substances disposed or released on them may be subject to CERCLA, RCRA and analogous state laws. Under such laws, we could be required to remove previously disposed substances and wastes, remediate contaminated property, or perform remedial operations to prevent future contamination. In addition, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances released into the environment.

Water Discharges

The Federal Water Pollution Control Act (the “Clean Water Act”) and analogous state laws impose restrictions and strict controls with respect to the discharge of pollutants, including spills and leaks of oil and other substances, into waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. A responsible party includes the owner or operator of a facility from which a discharge occurs. The Clean Water Act and analogous state laws provide for administrative, civil and criminal penalties for unauthorized discharges and, together with the Oil Pollution Act of 1990, impose rigorous requirements for spill prevention and response planning, as well as substantial potential liability for the costs of removal, remediation, and damages in connection with any unauthorized discharges. Pursuant to these laws and regulations, we may be required to obtain and maintain approvals or permits for the discharge of wastewater or storm water from our operations and may be required to develop and implement spill prevention, control and countermeasure plans, also referred to as “SPCC plans,” in connection with on-site storage of significant quantities of oil, including refined petroleum products. We maintain all required discharge permits necessary to conduct our operations, and we believe we are in substantial compliance with their terms.

Air Emissions

The federal Clean Air Act and comparable state laws regulate emissions of various air pollutants through air emissions permitting programs and the imposition of other emission control requirements. In addition, the EPA has developed, and continues to develop, stringent regulations governing emissions of toxic air pollutants at specified sources. Non-compliance with air permits or other requirements of the federal Clean Air Act and associated state laws and regulations can result in the imposition of administrative, civil and criminal penalties, as well as the issuance of orders or injunctions limiting or prohibiting non-compliant operations. Over the next several years, we may be required to incur certain capital expenditures for air pollution control equipment or other air emissions related issues. For example, in October 2015, the EPA lowered the National Ambient Air Quality Standard, or NAAQS, for ozone from 75 to 70 parts per billion. State implementation of the revised NAAQS could result in stricter air emissions permitting requirements, delay or prohibit our ability to obtain such permits, and result in increased expenditures for pollution control equipment, the costs of which could be significant. We do not believe that any of our operations are subject to the federal Clean Air Act permitting or regulatory requirements for major sources of air emissions, but some of our facilities could be subject to state “minor source” air permitting requirements and other state regulatory requirements applicable to air emissions.

Climate Change

The EPA has determined that emissions of carbon dioxide, methane and other “greenhouse gases” present an endangerment to public health and the environment because emissions of such gases are contributing to warming of the Earth’s atmosphere and other climatic changes. Based on these findings, the EPA has begun adopting and implementing regulations to restrict emissions of greenhouse gases under existing provisions of the federal Clean Air

Act. The EPA has proposed various measures regulating the emission of greenhouse gases, including proposed performance standards for new and existing power plants, and pre-construction and operating permit requirements for certain large stationary sources already subject to the Clean Air Act. The EPA has also adopted rules requiring the reporting of greenhouse gas emissions from specified large greenhouse gas emission sources in the United States, as well as onshore oil and gas production facilities, on an annual basis.

In addition, the United States Congress has from time to time considered adopting legislation to reduce emissions of greenhouse gases and many of the states have already taken legal measures to reduce emissions of greenhouse gases. For example, the state of California has adopted a "cap and trade program" that requires major sources of greenhouse gas emissions to acquire and surrender emission allowances. The number of allowances available for purchase is reduced each year in an effort to achieve the overall greenhouse gas emission reduction goal.

The adoption of legislation or regulatory programs in the U.S. or abroad designed to reduce emissions of greenhouse gases could require us to incur increased operating costs, such as costs to purchase and operate emissions control systems, to acquire emissions allowances or comply with new regulatory or reporting requirements. For example, in August 2015, the EPA announced proposed rules that would establish new air emission controls for methane emissions for certain new, modified or reconstructed equipment and processes in the oil and natural gas source category, including production, processing, transmission and storage activities, as part of the overall effort to reduce methane emissions by up to 45 percent in 2025. These rules have the potential to impose significant costs on our customers. Also, new legislation or regulatory programs related to the control of greenhouse gas emissions could increase the cost of consuming, and thereby reduce demand for, the oil and gas produced by our customers. Consequently, legislation and regulatory programs to reduce emissions of greenhouse gases could have an adverse effect on our business, financial condition and results of operations. Finally, it should be noted that some scientists have concluded that increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other climatic events. If any such effects were to occur, they could have an adverse effect on our business, financial condition and results of operations.

Hydraulic Fracturing

Hydraulic fracturing is an important and common practice in the oil and gas industry. The process involves the injection of water, sand and chemicals under pressure into a formation to fracture the surrounding rock and stimulate production of hydrocarbons. We do not perform hydraulic fracturing, but many of our customers utilize this technique. Certain environmental advocacy groups and regulatory agencies have suggested that additional federal, state and local laws and regulations may be needed to more closely regulate the hydraulic fracturing process, and have made claims that hydraulic fracturing techniques are harmful to surface water and drinking water resources and may cause earthquakes. Various governmental entities (within and outside the United States) are in the process of studying, restricting, regulating or preparing to regulate hydraulic fracturing, directly or indirectly. For example, the EPA has already begun to regulate certain hydraulic fracturing operations involving diesel under the Underground Injection Control program of the federal Safe Drinking Water Act, and is conducting a study to determine if additional regulation of hydraulic fracturing is warranted. In June 2015, the EPA released its draft report on the potential impacts of hydraulic fracturing on drinking water resources, which concluded that hydraulic fracturing activities have not led to widespread, systemic impacts on drinking water resources in the United States, although there are above and below ground mechanisms by which hydraulic fracturing activities have the potential to impact drinking water resources. The draft report is expected to be finalized after a public comment period and a formal review by the EPA's Science Advisory Board. The adoption of legislation or regulatory programs that restrict hydraulic fracturing could adversely affect, reduce or delay well drilling and completion activities, increase the cost of drilling and production, and thereby reduce demand for our services.

Employee Health and Safety

We are subject to a number of federal and state laws and regulations, including the Occupational Safety and Health Act ("OSHA") and comparable state statutes, establishing requirements to protect the health and safety of workers. In addition, the OSHA hazard communication standard, the EPA community right-to-know regulations under Title III of the federal Superfund Amendment and Reauthorization Act and comparable state statutes require that information be

maintained concerning hazardous materials used or produced in our operations and that this information be provided to employees, state and local government authorities and the public. Substantial fines and penalties can be imposed and orders or injunctions limiting or prohibiting certain operations may be issued in connection with any failure to comply with laws and regulations relating to worker health and safety.

We also operate in non-U.S. jurisdictions, which may impose similar liabilities against us. We do not believe that compliance with existing environmental laws and regulations will have a material adverse impact on us. However, we also believe that it is reasonably likely that the trend in environmental legislation and regulation will continue toward stricter standards and, thus, we cannot give any assurance that we will not be adversely affected in the future.

Operating Risk and Insurance

We maintain insurance coverage of types and amounts that we believe to be customary and reasonable for companies of our size and with similar operations. In accordance with industry practice, however, we do not maintain insurance coverage against all of the operating risks to which our business is exposed. Therefore, there is a risk our insurance program may not be sufficient to cover any particular loss or all losses.

Currently, our insurance program includes, among other things, general liability, umbrella liability, sudden and accidental pollution, personal property, vehicle, workers' compensation, and employer's liability coverage. Our insurance includes various limits and deductibles or retentions, which must be met prior to or in conjunction with recovery.

Employees

At December 31, 2015, we had approximately 3,900 employees worldwide. We are a party to collective bargaining agreements or other similar arrangements in certain international areas in which we operate, such as Brazil, Asia Pacific, Africa and Europe. We consider our relations with our employees to be satisfactory.

Available Information

Our principal executive offices are located at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands, and our telephone number at that address is +31 (0)20 693 8597. Our primary U.S. offices are located at 10260 Westheimer Rd., Houston, Texas 77042, and our telephone number at that address is (281) 966-7300. Our website address is www.franksinternational.com, and we make available free of charge through our website our Annual Reports on Form 10-K, Proxy Statements, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports, as soon as reasonably practicable after such materials are electronically filed with or furnished to the SEC. Our website also includes general information about us, including our Corporate Governance Guidelines and charter for the Audit Committee and Compensation Committee of our Supervisory Board of Directors. We may from time to time provide important disclosures to investors by posting them in the investor relations section of our website, as allowed by SEC rules. Information on our website or any other website is not incorporated by reference herein and does not constitute a part of this report.

Our common stock is traded on the New York Stock Exchange ("NYSE") under the symbol ("FI").

Materials we file with the SEC may be inspected without charge and copied, upon payment of a duplicating fee, at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet website at www.sec.gov that contains reports, proxy and information statements, and other information regarding our company that we file electronically with the SEC.

Item 1A. Risk Factors

Risks Related to Our Business

You should carefully consider the risks described below together with the other information contained in this Form 10-K. Realization of any of the following risks could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our business depends on the level of activity in the oil and gas industry, which is significantly affected by oil and gas prices and other factors.

Our business depends on the level of activity in oil and gas exploration, development and production in market sectors worldwide. Oil and gas prices and market expectations of potential changes in these prices significantly affect this level of activity. However, higher commodity prices do not necessarily translate into increased drilling activity, since customers' expectations of future commodity prices typically drive demand for our services. The availability of quality drilling prospects, exploration success, relative production costs, the stage of reservoir development and political and regulatory environments also affect the demand for our services. Worldwide military, political and economic events have in the past contributed to oil and gas price volatility and are likely to do so in the future. The demand for our services may be affected by numerous factors, including:

- the level of worldwide oil and gas exploration and production;
- the cost of exploring for, producing and delivering oil and gas;
- demand for energy, which is affected by worldwide economic activity and population growth;
- the level of excess production capacity;
- the discovery rate of new oil and gas reserves;
- the ability of OPEC to set and maintain production levels for oil;
- the level of production by non-OPEC countries;
 - U.S. and global political and economic uncertainty, socio-political unrest and instability or hostilities;
- demand for, availability of and technological viability of, alternative sources of energy; and
- technological advances affecting energy exploration, production, transportation and consumption.

Demand for our offshore services substantially depends on the level of activity in offshore oil and gas exploration, development and production. The level of offshore activity is historically cyclical and characterized by large fluctuations in response to relatively minor changes in a variety of factors, including oil and gas prices, which have had a material adverse effect on our business, financial condition and results of operations.

A significant amount of our U.S. onshore business is focused on unconventional shale resource plays. The demand for those services is substantially affected by oil and gas prices and market expectations of potential changes in these prices. Commodity prices have gone below a certain threshold for an extended period of time and demand for our services in the U.S. onshore market have been greatly reduced, having a material adverse effect on our business, financial condition and results of operations.

Oil and gas prices are extremely volatile and have decreased substantially during the year ended December 31, 2015. For example, during the year ended December 31, 2015, the average daily prices for New York Mercantile Exchange West Texas Intermediate ranged from a high of approximately \$60/Bbl in June 2015 to a low of approximately \$37/Bbl in December 2015 and have declined even further through 2016 to date. Any additional actual or anticipated reduction in oil or gas prices may reduce the level of exploration, drilling and production activities. The current price environment has already resulted in some capital budget reductions by our customers compared to prior years. Prolonged lower oil prices have resulted in softer demand for our services. Further, we have reduced pricing in some

of our customer contracts in light of the volatility of the oil and gas market.

Furthermore, the oil and gas industry has historically experienced periodic downturns, which have been characterized by reduced demand for oilfield services and downward pressure on the prices we charge. A significant downturn in the oil and gas industry has adversely affected the demand for oilfield services and our business, financial condition and results of operations.

The downturn in the oil and gas industry has negatively affected and will likely continue to affect our ability to accurately predict customer demand, causing us to potentially hold excess or obsolete inventory and experience a reduction in gross margins and financial results.

We cannot accurately predict what or how many products our customers will need in the future. Orders are placed with our suppliers based on forecasts of customer demand and, in some instances, we may establish buffer inventories to accommodate anticipated demand. Our forecasts of customer demand are based on multiple assumptions, each of which may introduce errors into the estimates. In addition, many of our suppliers, such as those for certain of our standardized valves, require a longer lead time to provide products than our customers demand for delivery of our finished products. If we overestimate customer demand, we may allocate resources to the purchase of material or manufactured products that we may not be able to sell when we expect to, if at all. As a result, we would hold excess or obsolete inventory, which would reduce gross margin and adversely affect financial results. Conversely, if we underestimate customer demand or if insufficient manufacturing capacity is available, we would miss revenue opportunities and potentially lose market share and damage our customer relationships. In addition, any future significant cancellations or deferrals of product orders or the return of previously sold products could materially and adversely affect profit margins, increase product obsolescence and restrict our ability to fund our operations.

Physical dangers are inherent in our operations and may expose us to significant potential losses. Personnel and property may be harmed during the process of drilling for oil and gas.

Drilling for and producing oil and gas, and the associated services that we provide, include inherent dangers that may lead to property damage, personal injury, death or the discharge of hazardous materials into the environment. Many of these events are outside our control. Typically, we provide services at a well site where our personnel and equipment are located together with personnel and equipment of our customers and third parties, such as other service providers. At many sites, we depend on other companies and personnel to conduct drilling operations in accordance with applicable environmental laws and regulations and appropriate safety standards. From time to time, personnel are injured or equipment or property is damaged or destroyed as a result of accidents, failed equipment, faulty products or services, failure of safety measures, uncontained formation pressures, or other dangers inherent in drilling for oil and gas. With increasing frequency, our services are deployed on more challenging prospects, particularly deep water offshore drilling sites, where the occurrence of the types of events mentioned above can have an even more catastrophic impact on people, equipment and the environment. Such events may expose us to significant potential losses, which could adversely affect our business, financial condition and results of operations.

We are vulnerable to risks associated with our offshore operations that could negatively impact our business, financial condition and results of operations.

We conduct offshore operations in the U.S. Gulf of Mexico and almost every significant international offshore market, including Africa, Middle East, Latin America, Europe, the Asia Pacific region and several other producing regions. Our operations and financial results could be significantly impacted by conditions in some of these areas because we are vulnerable to certain unique risks associated with operating offshore, including those relating to:

- hurricanes, ocean currents and other adverse weather conditions;
- terrorist attacks, such as piracy;
- failure of offshore equipment and facilities;
- local and international political and economic conditions and policies and regulations related to offshore drilling;

- unavailability of offshore drilling rigs in the markets that we operate;
- the cost of offshore exploration for, and production and transportation of, oil and gas;

- successful exploration for, and production and transportation of, oil and gas from onshore sources;
- the availability and rate of discovery of new oil and gas reserves in offshore areas; and
- the ability of oil and gas companies to generate or otherwise obtain funds for exploration and production.

While the impact of these factors is difficult to predict, any one or more of these factors could adversely affect our business, financial condition and results of operations.

Our international operations and revenue expose us to political, economic and other uncertainties inherent to international business.

We have substantial international operations, and we intend to grow those operations further. For the years ended December 31, 2015, 2014 and 2013, international operations accounted for approximately 45%, 47% and 44%, respectively, of our revenue. Our international operations are subject to a number of risks inherent in any business operating in foreign countries, including, but not limited to, the following:

- political, social and economic instability;
- potential expropriation, seizure or nationalization of assets;
- deprivation of contract rights;
- increased operating costs;
- inability to collect revenues due to shortages of convertible currency;
- unwillingness of foreign governments to make new onshore and offshore areas available for drilling;
- civil unrest and protests, strikes, acts of terrorism, war or other armed conflict;
- import/export quotas;
- confiscatory taxation or other adverse tax policies;
- continued application of foreign tax treaties;
- currency exchange controls;
- currency exchange rate fluctuations and devaluations;
- restrictions on the repatriation of funds; and
- other forms of government regulation which are beyond our control.

Instability and disruptions in the political, regulatory, economic and social conditions of the foreign countries in which we conduct business, including economically and politically volatile areas such as Africa, the Middle East, Latin America and the Asia Pacific region, could cause or contribute to factors that could have an adverse effect on the demand for the products and services we provide. Worldwide political, economic, and military events have contributed to oil and gas price volatility and are likely to continue to do so in the future. Depending on the market prices of oil and gas, oil and gas exploration and development companies may cancel or curtail their drilling programs, thereby reducing demand for our services.

While the impact of these factors is difficult to predict, any one or more of these factors could adversely affect our business, financial condition and results of operations.

To compete in our industry, we must continue to develop new technologies and products to support our tubular services, secure and maintain patents related to our current and new technologies and products and protect and enforce our intellectual property rights.

The markets for our tubular services are characterized by continual technological developments. While we believe that the proprietary products we have developed provide us with technological advances in providing services to our customers, substantial improvements in the scope and quality of the products in the market we operate may occur over a short period of time. If we are not able to develop commercially competitive products in a timely manner in response, our ability to service our customers' demands may be adversely affected. Our future ability to develop new

products

13

in order to support our services depends on our ability to design and produce products that allow us to meet the needs of our customers and obtain and maintain patent protection.

We may encounter resource constraints, technical barriers, or other difficulties that would delay introduction of new services and related products in the future. Our competitors may introduce new products or obtain patents before we do and achieve a competitive advantage. Additionally, the time and expense invested in product development may not result in commercial applications.

We currently hold multiple U.S. and international patents and have multiple pending patent applications for products and processes. Patent rights give the owner of a patent the right to exclude third parties from making, using, selling, and offering for sale the inventions claimed in the patents in the applicable country. Patent rights do not necessarily grant the owner of a patent the right to practice the invention claimed in a patent, but merely the right to exclude others from practicing the invention claimed in the patent. It may also be possible for a third party to design around our patents. Furthermore, patent rights have strict territorial limits. Some of our work will be conducted in international waters and would, therefore, not fall within the scope of any country's patent jurisdiction. We may not be able to enforce our patents against infringement occurring in international waters and other "non-covered" territories. Also, we do not have patents in every jurisdiction in which we conduct business and our patent portfolio will not protect all aspects of our business and may relate to obsolete or unusual methods, which would not prevent third parties from entering the same market.

We attempt to limit access to and distribution of our technology and trade secrets by customarily entering into confidentiality agreements with our employees, customers and potential customers and suppliers. However, our rights in our confidential information, trade secrets, and confidential know-how will not prevent third parties from independently developing similar information. Publicly available information (for example, information in expired issued patents, published patent applications, and scientific literature) can also be used by third parties to independently develop technology. We cannot provide assurance that this independently developed technology will not be equivalent or superior to our proprietary technology.

In addition, we may become involved in legal proceedings from time to time to protect and enforce our intellectual property rights. Third parties from time to time may initiate litigation against us by asserting that the conduct of our business infringes, misappropriates or otherwise violates intellectual property rights. We may not prevail in any such legal proceedings related to such claims, and our products and services may be found to infringe, impair, misappropriate, dilute or otherwise violate the intellectual property rights of others. Any legal proceeding concerning intellectual property could be protracted and costly and is inherently unpredictable and could have a material adverse effect on our business, regardless of its outcome. Further, our intellectual property rights may not have the value that management believes them to have and such value may change over time as we and others develop new product designs and improvements.

Our tubular services may be adversely affected by various laws and regulations in countries in which we operate relating to the equipment and operation of drilling units, oil and gas exploration and development, as well as import and export activities.

Governments in some foreign countries have been increasingly active in regulating and controlling the ownership of concessions and companies holding concessions, the exploration for oil and gas and other aspects of the oil and gas industries in their countries, including local content requirements for participating in tenders for certain tubular services. We operate in several of these countries, including Angola, Nigeria, Indonesia, Malaysia, Brazil and Canada. Many governments favor or effectively require that contracts be awarded to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These practices may result in inefficiencies or put us at a disadvantage when we bid for contracts against local competitors.

In addition, the shipment of goods, services and technology across international borders subjects us to extensive trade laws and regulations. Our import and export activities are governed by unique customs laws and regulations in each of the countries where we operate. Moreover, many countries control the import and export of certain goods, services and technology and impose related import and export recordkeeping and reporting obligations. Governments also may impose economic sanctions against certain countries, persons and other entities that may restrict or prohibit

transactions involving such countries, persons and entities, and we are also subject to the U.S. anti-boycott law. In addition, certain anti-dumping regulations in the foreign countries in which we operate may prohibit us from purchasing pipe from certain suppliers.

The laws and regulations concerning import and export activity, recordkeeping and reporting, import and export control and economic sanctions are complex and constantly changing. These laws and regulations may be enacted, amended, enforced or interpreted in a manner materially impacting our operations. A global economic downturn may increase some foreign governments' efforts to enact, enforce, amend or interpret laws and regulations as a method to increase revenue. Materials that we import can be delayed and denied for varying reasons, some of which are outside our control and some of which may result from failure to comply with existing legal and regulatory regimes. Shipping delays or denials could cause unscheduled operational downtime. Any failure to comply with these applicable legal and regulatory obligations also could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from government contracts, seizure of shipments and loss of import and export privileges.

We may be exposed to unforeseen risks in our services and product manufacturing, which could adversely affect our results of operations.

We operate a number of manufacturing facilities to support our tubular services. In addition, we also manufacture certain products, including large OD pipe connectors that we sell directly to external customers. The equipment and management systems necessary for such operations may break down, perform poorly or fail, resulting in fluctuations in manufacturing efficiencies. Additionally, some of our U.S. onshore business may be conducted under fixed price or "turnkey" contracts. Under fixed price contracts, we agree to perform a defined scope of work for a fixed price. Prices for these contracts are based largely upon estimates and assumptions relating to project scope and specifications, personnel and material needs.

Fluctuations in our manufacturing process and inaccurate estimates and assumptions used in our projects may occur due to factors out of our control, resulting in cost overruns, which we may be required to absorb and could have a material adverse effect on our business, financial condition and results of operations. Such fluctuations or incorrect estimates may affect our ability to deliver services and products to our customers on a timely basis and we may suffer financial penalties and a diminution of our commercial reputation and future product orders, which could adversely affect our business, financial condition and results of operations.

We may be unable to employ a sufficient number of skilled and qualified workers to sustain or expand our current operations.

The delivery of our tubular services requires personnel with specialized skills and experience. Our ability to be productive and profitable will depend upon our ability to employ and retain skilled workers. In addition, our ability to expand our operations depends in part on our ability to increase the size of our skilled labor force. The demand for skilled workers is high, the supply can be limited in certain jurisdictions, and the cost to attract and retain qualified personnel has increased over the past few years. In addition, we are currently a party to collective bargaining or similar agreements in certain international areas in which we operate, which could result in increases in the wage rates that we must pay to retain our employees. Furthermore, a significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay, or both. If any of these events were to occur, our capacity could be diminished, our ability to respond quickly to customer demands or strong market conditions may be inhibited and our growth potential could be impaired, any of which could have a material adverse effect on our business, financial condition and results of operations.

We operate in an intensively competitive industry, and if we fail to compete effectively, our business will suffer.

Our competitors may attempt to increase their market share by reducing prices, or our customers may adopt competing technologies. The drilling industry is driven primarily by cost minimization, and our strategy is aimed at reducing drilling costs through the application of new technologies. Our competitors, many of whom have a more diverse product line and access to greater amounts of capital than we do, have the ability to compete against the cost savings generated by our technology by reducing prices and by introducing competing technologies. Our competitors

may also have the ability to offer bundles of products and services to customers that we do not offer. We have limited resources to sustain prolonged price competition and maintain the level of investment required to continue the commercialization and development of our new technologies. Any failure to continue to do so could adversely affect our business, financial condition or results of operations.

Our business depends upon our ability to source low cost raw materials and components, such as steel castings and forgings. Increased costs of raw materials and other components may result in increased operating expenses.

Our ability to source low cost raw materials and components, such as steel castings and forgings, is critical to our ability to manufacture our drilling products competitively and, in turn, our ability to provide onshore and offshore drilling services. Should our current suppliers be unable to provide the necessary raw materials or components or otherwise fail to deliver such materials and components timely and in the quantities required, resulting delays in the provision of products or services to customers could have a material adverse effect on our business.

In particular, we have experienced increased costs in recent years due to rising steel prices. There is also strong demand within the industry for forgings, castings and outsourced coating services necessary for us to make our products. We cannot assure that we will be able to continue to purchase these raw materials on a timely basis or at historical prices. Our results of operations may be adversely affected by our inability to manage the rising costs and availability of raw materials and components used in our products.

We are subject to the risk of supplier concentration.

Certain of our product lines depend on a limited number of third party suppliers and vendors. As a result of this concentration in some of our supply chains, our business and operations could be negatively affected if our key suppliers were to experience significant disruptions affecting the price, quality, availability or timely delivery of their products. For example, we have a limited number of vendors for our bearings product lines. The partial or complete loss of any one of our key suppliers, or a significant adverse change in the relationship with any of these suppliers, through consolidation or otherwise, would limit our ability to manufacture or sell certain of our products.

Our tubular services are provided in connection with operations that are subject to potential hazards inherent in the oil and gas industry, and, as a result, we are exposed to potential liabilities that may affect our financial condition and reputation.

Our tubular services are provided in connection with potentially hazardous drilling, completion and production applications in the oil and gas industry where an accident can potentially have catastrophic consequences. This is particularly true in deep water operations, where we are increasingly providing more tubular services. Risks inherent to these applications, such as equipment malfunctions and failures, equipment misuse and defects, explosions, blowouts and uncontrollable flows of oil, gas or well fluids and natural disasters, on land or in deep water or shallow water environments, can cause personal injury, loss of life, suspension of operations, damage to formations, damage to facilities, business interruption and damage to or destruction of property, surface water and drinking water resources, equipment and the environment. If our services fail to meet specifications or are involved in accidents or failures, we could face warranty, contract, fines or other litigation claims, which could expose us to substantial liability for personal injury, wrongful death, property damage, loss of oil and gas production, pollution and other environmental damages. Our insurance policies may not be adequate to cover all liabilities. Further, insurance may not be generally available in the future or, if available, insurance premiums may make such insurance commercially unjustifiable. Moreover, even if we are successful in defending a claim, it could be time-consuming and costly to defend.

In addition, the frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators. In particular, our customers may elect not to purchase our services if they view our safety record as unacceptable, which could cause us to lose customers and substantial revenues. In addition, these

risks may be greater for us because we may acquire companies that have not allocated significant resources and management focus to safety and have a poor safety record requiring rehabilitative efforts during the integration process and we may incur liabilities for losses before such rehabilitation occurs.

The imposition of stringent restrictions or prohibitions on offshore drilling by any governing body may have a material adverse effect on our business.

Events in recent years have heightened environmental and regulatory concerns about the oil and gas industry. From time to time, governing bodies have enacted and may propose legislation or regulations that would materially limit or prohibit offshore drilling in certain areas. If laws are enacted or other governmental action is taken that restrict or prohibit offshore drilling in our expected areas of operation, our expected future growth in offshore services could be reduced and our business could be materially adversely affected.

For example, in April 2015 the Bureau of Safety and Environmental Enforcements published a proposed rule containing more stringent standards relating to well control equipment used in connection with offshore well drilling operations. The proposed standards focus on blowout preventers, along with well design, well control, casing, cementing, real-time well monitoring, and subsea containment requirements. If the new regulations, operating procedures and possibility of increased legal liability are viewed by our current or future customers as a significant increased financial burden on drilling projects in the U.S. Gulf of Mexico for other potentially more profitable regions, drillships and other floating rigs could depart the U.S. Gulf of Mexico, which would likely affect the supply and demand for our equipment and services. In addition, government agencies could issue new safety and environmental guidelines or regulations for drilling in the U.S. Gulf of Mexico that could disrupt or delay drilling operations, increase the cost of drilling operations or reduce the area of operations for drilling. All of these uncertainties could result in a reduced demand for our equipment and services, which could have an adverse effect on our business.

We may not be fully indemnified against financial losses in all circumstances where damage to or loss of property, personal injury, death or environmental harm occur.

As is customary in our industry, our contracts typically provide that our customers indemnify us for claims arising from the injury or death of their employees, the loss or damage of their equipment, damage to the reservoir and pollution emanating from the customer's equipment or from the reservoir (including uncontained oil flow from a reservoir). Conversely, we typically indemnify our customers for claims arising from the injury or death of our employees, the loss or damage of our equipment, or pollution emanating from our equipment. Our contracts typically provide that our customer will indemnify us for claims arising from catastrophic events, such as a well blowout, fire or explosion.

Our indemnification arrangements may not protect us in every case. For example, from time to time (i) we may enter into contracts with less favorable indemnities or perform work without a contract that protects us, (ii) our indemnity arrangements may be held unenforceable in some courts and jurisdictions or (iii) we may be subject to other claims brought by third parties or government agencies. Furthermore, the parties from which we seek indemnity may not be solvent, may become bankrupt, may lack resources or insurance to honor their indemnities, or may not otherwise be able to satisfy their indemnity obligations to us. The lack of enforceable indemnification could expose us to significant potential losses.

Further, our assets generally are not insured against loss from political violence such as war, terrorism or civil unrest. If any of our assets are damaged or destroyed as a result of an uninsured cause, we could recognize a loss of those assets.

We may incur liabilities, fines, penalties or additional costs, or we may be unable to provide services to certain customers, if we do not maintain safe operations.

If we fail to comply with safety regulations or maintain an acceptable level of safety in connection with our tubular services, we may incur fines, penalties or other liabilities or may be held criminally liable. We expect to incur

additional costs over time to upgrade equipment or conduct additional training or otherwise incur costs in connection with compliance with safety regulations. Failure to maintain safe operations or achieve certain safety performance metrics could disqualify us from doing business with certain customers, particularly major oil companies. Because we provide tubular services to a large number of major oil companies, any such failure could adversely affect our business, financial condition and results of operations.

The industry in which we operate is undergoing continuing consolidation that may impact results of operations.

Some of our largest customers have consolidated and are using their size and purchasing power to achieve economies of scale and pricing concessions. This consolidation may result in reduced capital spending by such customers or the acquisition of one or more of our other primary customers, which may lead to decreased demand for our products and services. If we cannot maintain sales levels for customers that have consolidated or replace such revenues with increased business activities from other customers, this consolidation activity could have a significant negative impact on our business, financial condition and results of operations. We are unable to predict what effect consolidations in our industry may have on prices, capital spending by customers, selling strategies, competitive position, ability to retain customers or ability to negotiate favorable agreements with customers.

Our operations and our customers' operations are subject to a variety of governmental laws and regulations that may increase our costs, limit the demand for our services and products or restrict our operations.

Our business and our customers' businesses may be significantly affected by:

- federal, state and local and non-U.S. laws and other regulations relating to oilfield operations, worker safety and protection of the environment;
- changes in these laws and regulations; and
- the level of enforcement of these laws and regulations.

In addition, we depend on the demand for our tubular services from the oil and gas industry. This demand is affected by changing taxes, price controls and other laws and regulations relating to the oil and gas industry in general. For example, the adoption of laws and regulations curtailing exploration and development drilling for oil and gas for economic or other policy reasons could adversely affect our operations by limiting demand for our products. In addition, some non-U.S. countries may adopt regulations or practices that give advantage to indigenous oil companies in bidding for oil leases, or require indigenous companies to perform oilfield services currently supplied by international service companies. To the extent that such companies are not our customers, or we are unable to develop relationships with them, our business may suffer. We cannot determine the extent to which our future operations and earnings may be affected by new legislation, new regulations or changes in existing regulations.

Because of our non-U.S. operations and sales, we are also subject to changes in non-U.S. laws and regulations that may encourage or require hiring of local contractors or require non-U.S. contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. If we fail to comply with any applicable law or regulation, our business, financial condition and results of operations may be adversely affected.

An inability to obtain visas and work permits for our employees on a timely basis could negatively affect our operations and have an adverse effect on our business.

Our ability to provide services worldwide depends on our ability to obtain the necessary visas and work permits for our personnel to travel in and out of, and to work in, the jurisdictions in which we operate. Governmental actions in some of the jurisdictions in which we operate may make it difficult for us to move our personnel in and out of these jurisdictions by delaying or withholding the approval of these permits. If we are not able to obtain visas and work permits for the employees we need for conducting our tubular services on a timely basis, we might not be able to perform our obligations under our contracts, which could allow our customers to cancel the contracts. If our customers cancel some of our contracts, and we are unable to secure new contracts on a timely basis and on substantially similar terms, our business, financial condition and results of operations could be materially adversely affected.

Our operations are subject to environmental and operational safety laws and regulations that may expose us to significant costs and liabilities.

Our operations are subject to numerous stringent and complex laws and regulations governing the discharge of materials into the environment, health and safety aspects of our operations, or otherwise relating to occupational health

18

and safety and environmental protection. These laws and regulations may, among other things, regulate the management and disposal of hazardous and non-hazardous wastes; require acquisition of environmental permits related to our operations; restrict the types, quantities, and concentrations of various materials that can be released into the environment; limit or prohibit operational activities in certain ecologically sensitive and other protected areas; regulate specific health and safety criteria addressing worker protection; require compliance with operational and equipment standards; impose testing, reporting and record-keeping requirements; and require remedial measures to mitigate pollution from former and ongoing operations. Failure to comply with these laws and regulations or to obtain or comply with permits may result in the assessment of administrative, civil and criminal penalties, imposition of remedial or corrective action requirements and the imposition of injunctions to prohibit certain activities or force future compliance. Certain environmental laws may impose joint and several liability, without regard to fault or legality of conduct, on classes of persons who are considered to be responsible for the release of a hazardous substance into the environment.

The trend in environmental regulation has been to impose increasingly stringent restrictions and limitations on activities that may impact the environment. The implementation of new laws and regulations could result in materially increased costs, stricter standards and enforcement, larger fines and liability and increased capital expenditures and operating costs, particularly for our customers.

Our operations in countries outside of the United States are subject to a number of U.S. federal laws and regulations, including restrictions imposed by the Foreign Corrupt Practices Act, as well as trade sanctions administered by the Office of Foreign Assets Control and the Commerce Department.

We operate internationally and in some countries with high levels of perceived corruption commonly gauged according to the Transparency International Corruption Perceptions Index. We must comply with complex foreign and U.S. laws including the United States Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act 2010 and the United Nations Convention Against Corruption, which prohibit engaging in certain activities to obtain or retain business or to influence a person working in an official capacity. We do business and may in the future do additional business in countries and regions in which we may face, directly or indirectly, corrupt demands by officials, tribal or insurgent organizations, or by private entities in which corrupt offers are expected. Furthermore, many of our operations require us to use third parties to conduct business or to interact with people who are deemed to be governmental officials under the FCPA. Thus, we face the risk of unauthorized payments or offers of payments or other things of value by our employees, contractors or agents. It is our policy to implement compliance procedures to prohibit these practices. However, despite those safeguards and any future improvements to them, our employees, contractors, and agents may engage in conduct for which we might be held responsible, regardless of whether such conduct occurs within or outside the United States. We may also be held responsible for any violations by an acquired company that occur prior to an acquisition, or subsequent to the acquisition but before we are able to institute our compliance procedures. In addition, our non-U.S. competitors that are not subject to the FCPA or similar laws may be able to secure business or other preferential treatment in such countries by means that such laws prohibit with respect to us. A violation of any of these laws, even if prohibited by our policies, may result in severe criminal and/or civil sanctions and other penalties, and could have a material adverse effect on our business. Actual or alleged violations could damage our reputation, be expensive to defend, and impair our ability to do business.

Compliance with U.S. regulations on trade sanctions and embargoes administered by the United States Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) also poses a risk to us. We cannot provide products or services to certain countries subject to U.S. trade sanctions. Furthermore, the laws and regulations concerning import activity, export recordkeeping and reporting, export control and economic sanctions are complex and constantly changing. Any failure to comply with applicable legal and regulatory trading obligations could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from governmental contracts, seizure of shipments and loss of import and export privileges.

Compliance with and changes in laws could be costly and could affect operating results.

We have operations in the U.S. and in approximately 60 countries that can be impacted by expected and unexpected changes in the legal and business environments in which we operate. Political instability and regional issues in many of the areas in which we operate may contribute to such changes with greater significance or frequency. Our ability to

manage our compliance costs and compliance programs will impact our business, financial condition and results of operations. Compliance-related issues could also limit our ability to do business in certain countries. Changes that could impact the legal environment include new legislation, new regulations, new policies, investigations and legal proceedings and new interpretations of existing legal rules and regulations, in particular, changes in export control laws or exchange control laws, additional restrictions on doing business in countries subject to sanctions and changes in laws in countries where we operate or intend to operate.

Restrictions on emissions of greenhouse gases could increase our operating costs or reduce demand for our products.

Environmental advocacy groups and regulatory agencies in the United States and other countries have focused considerable attention on emissions of carbon dioxide, methane and other "greenhouse gases" and their potential role in climate change. The EPA has already begun to regulate greenhouse gas emissions under existing provisions of the federal Clean Air Act, and the state of California has established a "cap-and-trade" program requiring state-wide annual reductions in emission of greenhouse gases. For example, in August 2015, the EPA announced proposed rules that would establish new air emission controls for methane emissions from certain new, modified, or reconstructed equipment and processes in the oil and natural gas source category, including production, processing, transmission and storage activities, as part of an overall effort to reduce methane emissions by up to 45 percent in 2025. These rules have the potential to impose significant costs on our customers. The adoption of additional legislation or regulatory programs to reduce emissions of greenhouse gases could require us to incur increased operating costs to comply with new emissions-reduction or reporting requirements. Also any legislation or regulatory programs related to the control of greenhouse gas emissions could increase the cost of consuming, and thereby reduce demand for, hydrocarbons that our customers produce, which could impact demand for our services. Consequently, legislation and regulatory programs to reduce emissions of greenhouse gases could have an adverse effect on our business, financial condition and results of operations. Finally, some scientists have concluded that increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other climatic events.

We face risks related to natural disasters and pandemic diseases, which could result in severe property damage or materially and adversely disrupt our operations and affect travel required for our worldwide operations.

Some of our operations involve risks of, among other things, property damage, which could curtail our operations. For example, disruptions in operations or damage to a manufacturing plant could reduce our ability to produce products and satisfy customer demand. In particular, we have offices and manufacturing facilities in Houston, Texas and Lafayette, Louisiana and in various places throughout the Gulf Coast region of the United States. These offices and facilities are particularly susceptible to severe tropical storms and hurricanes, which may disrupt our operations. If one or more manufacturing facilities we own are damaged by severe weather or any other disaster, accident, catastrophe or event, our operations could be significantly interrupted. Similar interruptions could result from damage to production or other facilities that provide supplies or other raw materials to our plants or other stoppages arising from factors beyond our control. These interruptions might involve significant damage to, among other things, property, and repairs might take from a week or less for a minor incident to many months or more for a major interruption.

In addition, a portion of our business involves the movement of people and certain parts and supplies to or from foreign locations. Any restrictions on travel or shipments to and from foreign locations, due to the occurrence of natural disasters such as earthquakes, floods or hurricanes, or an epidemic or outbreak of diseases, including the H1N1 virus and the avian flu, in these locations, could significantly disrupt our operations and decrease our ability to provide services to our customers. In addition, our local workforce could be affected by such an occurrence or outbreak which could also significantly disrupt our operations and decrease our ability to provide services to our customers.

Our exposure to currency exchange rate fluctuations may result in fluctuations in our cash flows and could have an adverse effect on our financial condition and results of operations.

From time to time, fluctuations in currency exchange rates could be material to us depending upon, among other things, the principal regions in which we provide tubular services. For the year ended December 31, 2015, on a U.S.

dollar-equivalent basis, approximately 20% of our revenue was represented by currencies other than the U.S. dollar. In particular, we are sensitive to fluctuations in currency exchange rates between the U.S. dollar and each of the Euro, Norwegian Krone, British Pound, Canadian Dollar, Venezuelan Bolivar and Brazilian Real. There may be instances in which costs and revenue will not be matched with respect to currency denomination. As a result, to the extent that we continue our expansion on a global basis, as expected, we expect that increasing portions of revenue, costs, assets and liabilities will be subject to fluctuations in foreign currency valuations. We may experience economic loss and a negative impact on earnings or net assets solely as a result of foreign currency exchange rate fluctuations. Further, the markets in which we operate could restrict the removal or conversion of the local or foreign currency, resulting in our inability to hedge against these risks.

Seasonal and weather conditions could adversely affect demand for our services and operations.

Weather can have a significant impact on demand as consumption of energy is seasonal, and any variation from normal weather patterns, such as cooler or warmer summers and winters, can have a significant impact on demand. Adverse weather conditions, such as hurricanes and ocean currents in the U.S. Gulf of Mexico or typhoons in the Asia Pacific region, may interrupt or curtail our operations, or our customers' operations, cause supply disruptions and result in a loss of revenue and damage to our equipment and facilities, which may or may not be insured. Extreme winter conditions in Canada, Russia or the North Sea may interrupt or curtail our operations, or our customers' operations, in those areas and result in a loss of revenue.

Legislation or regulations restricting the use of hydraulic fracturing could reduce demand for our services.

Hydraulic fracturing is an important and common practice in the oil and gas industry. The process involves the injection of water, sand and chemicals under pressure into a formation to fracture the surrounding rock and stimulate production of hydrocarbons. We do not perform hydraulic fracturing, but many of our customers utilize this technique. Certain environmental advocacy groups and regulatory agencies have suggested that additional federal, state and local laws and regulations may be needed to more closely regulate the hydraulic fracturing process, and have made claims that hydraulic fracturing techniques are harmful to surface water and drinking water resources and may cause earthquakes. Various governmental entities (within and outside the United States) are in the process of studying, restricting, regulating or preparing to regulate hydraulic fracturing, directly or indirectly. For example, in June 2015, the EPA released its draft report on the potential impacts of hydraulic fracturing on drinking water resources, which concluded that hydraulic fracturing activities have not led to widespread, systemic impacts on drinking water resources in the United States, although there are above and below ground mechanisms by which hydraulic fracturing activities have the potential to impact drinking water resources. The draft report is expected to be finalized after a public comment period and a formal review by the EPA's Science Advisory Board. The EPA has also taken steps to regulate certain aspects of hydraulic fracturing. The adoption of legislation or regulatory programs that restrict hydraulic fracturing could adversely affect, reduce or delay well drilling and completion activities, increase the cost of drilling and production, and thereby reduce demand for our services.

Customer credit risks could result in losses.

The concentration of our customers in the energy industry may impact our overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic and industry conditions. Those countries that rely heavily upon income from hydrocarbon exports would be hit particularly hard by a drop in oil prices. Further, laws in some jurisdictions in which we operate could make collection difficult or time consuming. We perform ongoing credit evaluations of our customers and do not generally require collateral in support of our trade receivables. While we maintain reserves for potential credit losses, we cannot assure such reserves will be sufficient to meet write-offs of uncollectible receivables or that our losses from such receivables will be consistent with our expectations.

Furthermore, some of our customers may be highly leveraged and subject to their own operating and regulatory risks, which increases the risk that they may default on their obligations to us. To the extent one or more of our key customers is in financial distress or commences bankruptcy proceedings, contracts with these customers may be subject to renegotiation or rejection under applicable provisions of the United States Bankruptcy Code. Any material

nonpayment or nonperformance by our key customers could adversely affect our business, financial condition and results of operations.

We may be unable to identify or complete acquisitions.

We expect that acquisitions will be an important element of our business strategy going forward. We can give no assurance that we will be able to identify and acquire additional businesses in the future on terms favorable to us or that we will be able to integrate successfully the assets and operations of acquired businesses with our own business. Any inability on our part to integrate and manage the growth of acquired businesses may have a material adverse effect on our business, financial condition and results of operations.

Our executive officers and certain key personnel are critical to our business, and these officers and key personnel may not remain with us in the future.

Our future success depends in substantial part on our ability to hire and retain our executive officers and other key personnel. In particular, we are highly dependent on our executive officers, including Gary Luquette, our President and Chief Executive Officer, Jeff Bird, our Executive Vice President and Chief Financial Officer and John Walker, our Executive Vice President, Operations. These and other senior executives possess extensive expertise, talent and leadership, and they are critical to our success. The diminution or loss of the services of these individuals, or other integral key personnel affiliated with entities that we acquire in the future, could have a material adverse effect on our business. Furthermore, we may not be able to enforce all of the provisions in any agreement we have entered into with certain of our executive officers, and such agreements may not otherwise be effective in retaining such individuals. In addition, we may not be able to retain key employees of entities that we acquire in the future. This may impact our ability to successfully integrate or operate the assets we acquire.

Control of oil and gas reserves by state-owned oil companies may impact the demand for our services and create additional risks in our operations.

Much of the world's oil and gas reserves are controlled by state-owned oil companies, and we provide tubular services for a number of those companies. State-owned oil companies may require their contractors to meet local content requirements or other local standards, such as joint ventures, that could be difficult or undesirable for us to meet. The failure to meet the local content requirements and other local standards may adversely impact our operations in those countries. In addition, our ability to work with state-owned oil companies is subject to our ability to negotiate and agree upon acceptable contract terms.

Risks Related to Our Organizational Structure

We are a holding company and our sole material asset is our indirect equity interest in FICV, and we are accordingly dependent upon distributions from FICV to pay taxes, make payments under the tax receivable agreement, and pay dividends.

We are a holding company and have no material assets other than our indirect equity interest in FICV. We have no independent means of generating revenue. We intend to cause FICV to make distributions to us and MHI in an amount sufficient to cover (i) all applicable taxes at assumed tax rates, (ii) payments under the tax receivable agreement we entered into with MHI in connection with the IPO and (iii) dividends, if any, declared by us. To the extent that we need funds and FICV or its subsidiaries is restricted from making such distributions under applicable law or regulation or under the terms of their financing or other contractual arrangements, or is otherwise unable to provide such funds, it could materially adversely affect our liquidity and financial condition.

The Mosing family holds a majority of the combined voting power of the Company's common stock and Series A preferred stock (the "FINV Stock") and, accordingly, has substantial control over our management and affairs.

The Mosing family holds approximately 83% of the combined voting power of the FINV Stock through MHI and, until recently, through FWW B.V. ("FWW"), a wholly owned subsidiary of Ginsoma Family C.V. ("Ginsoma"). On

October 30, 2015, Ginsoma was liquidated and terminated and the shares of the Company's common stock held by FWW and other receivables of FWW were pro rata distributed to all former Ginsoma partners. The Mosing family members have entered into a voting agreement with respect to the shares they own. Accordingly, the Mosing family has the ability to elect all of the members of our supervisory board, and thereby control our management and affairs. Moreover, pursuant to our amended and restated articles of association, our board of directors will consist of no more than nine individuals. The Mosing family has the right to recommend one director for nomination to the supervisory board for each 10% of the outstanding FINV Stock they collectively beneficially own, up to a maximum of five directors. The remaining directors are nominated by our supervisory board. Our supervisory board consists of seven members, three of whom are members of the Mosing family. As a result, members of the Mosing family have meaningful influence over us and potential conflicts may arise. In addition, the Mosing family will be able to determine the outcome of all matters requiring shareholder approval, including mergers, amendments of our articles of association and other material transactions, and will be able to cause or prevent a change in the composition of our supervisory board or a change in control of our company that could deprive our shareholders of an opportunity to receive a premium for their common stock as part of a sale of our company. The existence of significant shareholders may also have the effect of deterring hostile takeovers, delaying or preventing changes in control or changes in management, or limiting the ability of our other shareholders to approve transactions that they may deem to be in the best interests of our company. So long as the Mosing family continues to own a significant amount of the FINV Stock, even if such amount represents less than 50% of the aggregate voting power, it will continue to be able to strongly influence all matters requiring shareholder approval, regardless of whether or not other shareholders believe that the transaction is in their own best interests.

The Mosing family may have interests that conflict with holders of shares of our common stock.

In addition to their ownership interests in us, the Mosing family indirectly owns 25.4% of the limited partnership interests in FICV. Because they hold a portion of their ownership interest in our business through FICV, rather than through FINV, the Mosing family may have conflicting interests with holders of shares of our common stock. For example, the Mosing family may have different tax positions from us or other holders of shares of our common stock which could influence their decisions regarding whether and when to cause us to dispose of assets, whether and when to cause us to incur new or refinance existing indebtedness, especially in light of the existence of the tax receivable agreement that we entered into in connection with the IPO. In addition, the structuring of future transactions may take into consideration the Mosing family's tax or other considerations even where no similar benefit would accrue to us.

We are required under the tax receivable agreement to pay MHI or its permitted transferees for certain tax benefits we may claim, and the amounts we may pay could be significant.

We entered into the tax receivable agreement with FICV and MHI in connection with the IPO. This agreement generally provides for the payment by us of 85% of actual reductions, if any, in payments of U.S. federal, state and local income tax or franchise tax (which reductions we refer to as "cash savings") in periods after the IPO as a result of (i) the tax basis increases resulting from the transfer of FICV interests to us in connection with the conversion of shares of Preferred Stock into shares of our common stock and (ii) imputed interest deemed to be paid by us as a result of, and additional tax basis arising from, payments under the tax receivable agreement. In addition, the tax receivable agreement provides for interest earned from the due date (without extensions) of the corresponding tax return to the date of payment specified by the tax receivable agreement.

The payment obligations under the tax receivable agreement are our obligations and are not obligations of FICV. The term of the tax receivable agreement continues until all such tax benefits have been utilized or expired, unless we exercise our right to terminate the tax receivable agreement.

Estimating the amount of payments that may be made under the tax receivable agreement is by its nature imprecise, insofar as the calculation of amounts payable depends on a variety of factors. The actual increase in tax basis, as well

as the amount and timing of any payments under the tax receivable agreement, will vary depending upon a number of factors, including the timing of exchanges, the relative value of our U.S. and international assets at the time of the exchange, the price of shares of our common stock at the time of the exchange, the extent to which such exchanges are taxable, the amount and timing of the taxable income we realize in the future and the tax rate then applicable, our use of loss carryovers and the portion of our payments under the tax receivable agreement constituting imputed interest or

depreciable or amortizable basis. We expect that the payments that we will be required to make under the tax receivable agreement will be substantial. There may be a substantial negative impact on our liquidity if, as a result of timing discrepancies or otherwise, (i) the payments under the tax receivable agreement exceed the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreement or (ii) distributions to us by FICV are not sufficient to permit us to make payments under the tax receivable agreement subsequent to the payment of our taxes and other obligations. The payments under the tax receivable agreement are not conditioned upon a holder of rights under a tax receivable agreement having a continued ownership interest in either FICV or us. While we may defer payments under the tax receivable agreement to the extent we do not have sufficient cash to make such payments, except in the case of an acceleration of payments thereunder occurring in connection with an early termination of the tax receivable agreement or certain mergers or changes of control, any such unpaid obligation will accrue interest. Additionally, during any such deferral period, we are prohibited from paying dividends on our common stock.

In certain cases, payments under the tax receivable agreement to MHI or its permitted transferees may be accelerated or significantly exceed the actual benefits, if any, we realize in respect of the tax attributes subject to the tax receivable agreement.

The tax receivable agreement provides that we may terminate it early. If we elect to terminate the tax receivable agreement early, we are required to make an immediate payment equal to the present value of the anticipated future tax benefits subject to the tax receivable agreement (based upon certain assumptions and deemed events set forth in the tax receivable agreement, including the assumption that we have sufficient taxable income to fully utilize such benefits and that any interests in FICV that MHI or its transferees own on the termination date are deemed to be exchanged on the termination date). Any early termination payment may be made significantly in advance of the actual realization, if any, of such future benefits. In addition, payments due under the tax receivable agreement are similarly accelerated following certain mergers or other changes of control. In these situations, our obligations under the tax receivable agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. For example, if the tax receivable agreement were terminated on December 31, 2015, the estimated termination payment would be approximately \$45.5 million (calculated using a discount rate of 5.67%). The foregoing number is merely an estimate and the actual payment could differ materially. There can be no assurance that we will be able to finance our obligations under the tax receivable agreement. If we were unable to finance our obligations due under the tax receivable agreement, we would be in breach of the agreement. Any such breach could adversely affect our business, financial condition or results of operations.

Payments under the tax receivable agreement will be based on the tax reporting positions that we will determine. Although we are not aware of any issue that would cause the Internal Revenue Service (the "IRS") to challenge a tax basis increase or other benefits arising under the tax receivable agreement, the holders of rights under the tax receivable agreement will not reimburse us for any payments previously made under the tax receivable agreement if such basis increases or other benefits are subsequently disallowed, except that excess payments made to any such holder will be netted against payments otherwise to be made, if any, to such holder after our determination of such excess. As a result, in such circumstances, we could make payments that are greater than our actual cash tax savings, if any, and may not be able to recoup those payments, which could adversely affect our liquidity.

Risks Related to Our Common Stock

Future sales of our common stock in the public market could lower our stock price, and any additional capital raised by us through the sale of equity may dilute your ownership in us.

We may sell additional shares of common stock in subsequent public offerings. As of February 25, 2016, we had 155,332,241 outstanding shares of our common stock and 52,976,000 outstanding shares of Preferred Stock that are

convertible into an equivalent number of shares of common stock. Members of the Mosing family own, both directly and indirectly (through MHI), 119,024,000 shares of common stock and all of our shares of Preferred Stock. Together, these shares represent approximately 83% of our total outstanding FINV Stock. All of these shares may be sold into the market in the future.

We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our common stock.

Our declaration of dividends is within the discretion of our management board, with the approval of our supervisory board, and subject to certain limitations under Dutch law, and there can be no assurance that we will pay dividends.

Our dividend policy is within the discretion of our management board, with the approval of our supervisory board, and the amount of future dividends, if any, will depend upon various factors, including our results of operations, financial condition, capital requirements and investment opportunities. We can provide no assurance that we will pay dividends on our common stock. No dividends on our common stock will accrue in arrears. In addition, Dutch law contains certain restrictions on a company's ability to pay cash dividends, and we can provide no assurance that those restrictions will not prevent us from paying a dividend in future periods.

As a Dutch public company with limited liability, the rights of our shareholders may be different from the rights of shareholders in companies governed by the laws of U.S. jurisdictions.

We are a Dutch public company with limited liability (Naamloze Vennootschap). Our corporate affairs are governed by our articles of association and by the laws governing companies incorporated in The Netherlands. The rights of shareholders and the responsibilities of members of our management board and supervisory board may be different from those in companies governed by the laws of U.S. jurisdictions.

For example, resolutions of the general meeting of shareholders may be taken with majorities different from the majorities required for adoption of equivalent resolutions in, for example, Delaware corporations. Although shareholders will have the right to approve legal mergers or demergers, Dutch law does not grant appraisal rights to a company's shareholders who wish to challenge the consideration to be paid upon a legal merger or demerger of a company.

In addition, if a third party is liable to a Dutch company, under Dutch law shareholders generally do not have the right to bring an action on behalf of the company or to bring an action on their own behalf to recover damages sustained as a result of a decrease in value, or loss of an increase in value, of their ordinary shares. Only in the event that the cause of liability of such third party to the company also constitutes a tortious act directly against such shareholder and the damages sustained are permanent, may that shareholder have an individual right of action against such third party on its own behalf to recover damages. The Dutch Civil Code provides for the possibility to initiate such actions collectively. A foundation or an association whose objective, as stated in its articles of association, is to protect the rights of persons having similar interests may institute a collective action. The collective action cannot result in an order for payment of monetary damages but may result in a declaratory judgment (verklaring voor recht), for example declaring that a party has acted wrongfully or has breached a fiduciary duty. The foundation or association and the defendant are permitted to reach (often on the basis of such declaratory judgment) a settlement which provides for monetary compensation for damages. A designated Dutch court may declare the settlement agreement binding upon all the injured parties, whereby an individual injured party will have the choice to opt-out within the term set by the court (at least three months). Such individual injured party, may also individually institute a civil claim for damages within the before mentioned term.

Furthermore, certain provisions of Dutch corporate law have the effect of concentrating control over certain corporate decisions and transactions in the hands of our management board and supervisory board. As a result, holders of our shares may have more difficulty in protecting their interests in the face of actions by members of our management board and supervisory board than if we were incorporated in the United States.

In the performance of its duties, our management board and supervisory board will be required by Dutch law to act in the interest of the company and its affiliated business, and to consider the interests of our company, our shareholders, our employees and other stakeholders in all cases with reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, interests of our shareholders.

Our articles of association and Dutch corporate law contain provisions that may discourage a takeover attempt.

Provisions contained in our amended and restated articles of association and the laws of The Netherlands could make it more difficult for a third party to acquire us, even if doing so might be beneficial to our shareholders. Provisions of our articles of association impose various procedural and other requirements, which could make it more difficult for shareholders to effect certain corporate actions. Among other things, these provisions:

- authorize our management board, with the approval of our supervisory board, for a period of five years from the date of the offering to issue preferred stock, including for defensive purposes, and shares of common stock, in each case without shareholder approval; and
- do not provide for shareholder action by written consent, thereby requiring all shareholder actions to be taken at a general meeting of shareholders.

These provisions, alone or together, could delay hostile takeovers and changes in control of our company or changes in our management.

It may be difficult for you to obtain or enforce judgments against us or some of our executive officers and directors in the United States or The Netherlands.

We were formed under the laws of The Netherlands and, as such, the rights of holders of our ordinary shares and the civil liability of our directors will be governed by the laws of The Netherlands and our amended and restated articles of association.

In the absence of an applicable convention between the United States and The Netherlands providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards and divorce decrees) in civil and commercial matters, a judgment rendered by a court in the United States will not automatically be recognized by the courts of The Netherlands. In principle, the courts of The Netherlands will be free to decide, at their own discretion, if and to what extent a judgment rendered by a court in the United States should be recognized in The Netherlands. In general terms, Dutch courts tend to grant the same judgment without re-litigating on the merits if the following three cumulative minimum conditions are met:

- the judgment was rendered by the foreign court that was (based on internationally accepted grounds) competent to take cognizance of the matter;
- the judgment is the outcome of a proper judicial procedure (behoorlijke rechtspleging); and
- the judgment is not manifestly incompatible with the public policy (openbare orde) of The Netherlands.

Without prejudice to the above, in order to obtain enforcement of a judgment rendered by a United States court in The Netherlands, a claim against the relevant party on the basis of such judgment should be brought before the competent court of The Netherlands. During the proceedings such court will assess, when requested, whether a foreign judgment meets the above conditions. In the affirmative, the court may order that substantive examination of the matter shall be dispensed with. In such case, the court will confine itself to an order reiterating the foreign judgment against the party against whom it had been obtained.

Otherwise, a new substantive examination will take place in the framework of the proceedings. In all of the above situations, when applying the law of any jurisdiction (including The Netherlands), Dutch courts may give effect to the mandatory rules of the laws of another country with which the situation has a close connection, if and insofar as, under the law of the latter country, those rules must be applied regardless of the law applicable to the contract or legal relationship. In considering whether to give effect to these mandatory rules of such third country, regard shall be given to the nature, purpose and the consequences of their application or non-application. Moreover, a Dutch court may give

effect to the rules of the laws of The Netherlands in a situation where they are mandatory irrespective of the law otherwise applicable to the documents or legal relationship in question. The application of a rule of the law of any country that

otherwise would govern an obligation may be refused by the courts of The Netherlands if such application is manifestly incompatible with the public policy (openbare orde) of The Netherlands.

Under our amended and restated articles of association, we will indemnify and hold our officers and directors harmless against all claims and suits brought against them, subject to limited exceptions. Under our amended and restated articles of association, to the extent allowed by law, the rights and obligations among or between us, any of our current or former directors, officers and employees and any current or former shareholder will be governed exclusively by the laws of The Netherlands and subject to the jurisdiction of Dutch courts, unless those rights or obligations do not relate to or arise out of their capacities listed above. Although there is doubt as to whether U.S. courts would enforce such provision in an action brought in the United States under U.S. securities laws, this provision could make judgments obtained outside of The Netherlands more difficult to have recognized and enforced against our assets in The Netherlands or jurisdictions that would apply Dutch law. Insofar as a release is deemed to represent a condition, stipulation or provision binding any person acquiring our ordinary shares to waive compliance with any provision of the Securities Act or of the rules and regulations of the SEC, such release will be void.

We are a “controlled company” within the meaning of the NYSE rules and qualify for and have the ability to rely on exemptions from certain NYSE corporate governance requirements.

Because the Mosing family beneficially owns a majority of our outstanding common stock, we are a “controlled company” as that term is set forth in Section 303A of the NYSE Listed Company Manual. Under the NYSE rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a “controlled company” and may elect not to comply with certain NYSE corporate governance requirements, including:

- the requirement that a majority of its supervisory board consist of independent directors;
- the requirement that its nominating and governance committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- the requirement that its compensation committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities.

These requirements will not apply to us as long as we remain a “controlled company.” So long as members of the Mosing family control the outstanding common stock and Preferred Stock representing at least a majority of the outstanding voting power in FINV, we expect to utilize these exemptions. Accordingly, you may not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of the NYSE. The significant ownership interest held by the Mosing family could adversely affect investors’ perceptions of our corporate governance.

Tax Risks

Changes in tax laws, treaties or regulations or adverse outcomes resulting from examination of our tax returns could adversely affect our financial results.

Our future effective tax rates could be adversely affected by changes in tax laws, treaties and regulations, both in the United States and internationally. Tax laws, treaties and regulations are highly complex and subject to interpretation. Consequently, we are subject to changing tax laws, treaties and regulations in and between countries in which we operate or are resident. Our income tax expense is based upon the interpretation of the tax laws in effect in various countries at the time that the expense was incurred. A change in these tax laws, treaties or regulations, or in the interpretation thereof, could result in a materially higher tax expense or a higher effective tax rate on our worldwide earnings. If any country successfully challenges our income tax filings based on our structure, or if we otherwise lose a material tax dispute, our effective tax rate on worldwide earnings could increase substantially and our financial results could be materially adversely affected.

U.S. tax authorities could treat us as a “passive foreign investment company,” which could have adverse U.S. federal income tax consequences to U.S. holders.

A foreign corporation will be treated as a “passive foreign investment company,” or PFIC, for U.S. federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of “passive income” or (2) at least 50% of the average value of the corporation’s assets for any taxable year produce or are held for the production of those types of “passive income.” For purposes of these tests, “passive income” includes dividends, interest and gains from the sale or exchange of investment property and rents and royalties other than certain rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, but does not include income derived from the performance of services. U.S. shareholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their interests in the PFIC.

We believe that we will not be a PFIC for the current taxable year or for any future taxable year. However, this involves a facts and circumstances analysis and it is possible that the IRS would not agree with our conclusion, or the U.S. tax laws could change significantly.

U.S. “anti-inversion” tax laws could negatively affect our results and could result in a reduced amount of foreign tax credit for U.S. holders.

Under rules contained in U.S. tax law, we would be subject to tax as a U.S. corporation in the event that we acquire substantially all of the assets of a U.S. corporation and the equity owners of that U.S. corporation own at least 80% (calculated without regard for any stock issued in a public offering) of our stock by reason of holding stock in the U.S. corporation. For purposes of applying these rules, the rights associated with the Preferred Stock and the interests in FICV would likely result in the holders thereof being deemed to own our common stock under the “stock equivalent” portion of the rules.

We acquired the assets of MHI (a U.S. corporation); however, the ownership of MHI in our stock, taking into account common stock that MHI is deemed to own under the “stock equivalent” rules, is below the 80% standard for the application of the rules. Accordingly, we do not believe these rules should apply.

There can be no assurance that the IRS will not challenge our determination that these rules are inapplicable. In the event that these rules were applicable, we would be subject to U.S. federal income tax on our worldwide income, which would negatively impact our cash available for distribution and the value of our common stock. Application of the rules could also adversely affect the ability of a U.S. holder to obtain a U.S. tax credit with respect to any Dutch withholding tax imposed on a distribution.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

In order to design, manufacture and service the proprietary products that support our tubular services business, as well as those that we offer for sale directly to external customers, we maintain several manufacturing and service facilities around the world. Though our manufacturing and service capabilities are primarily concentrated in the U.S., we currently provide our services in approximately 60 countries.

The following table details our material facilities by segment, owned or leased by us as of December 31, 2015.

Location	Leased or Owned	Principal/Most Significant Use
All Segments		
Houston, Texas	Leased	Corporate office
Den Helder, The Netherlands	Owned	Regional operations and administration
U.S. Services and Tubular Sales Segments		
Lafayette, Louisiana	Leased	Regional operations, manufacturing, engineering and administration
International Services Segment		
Aberdeen, Scotland	Owned	Regional operations, engineering and administration
Dubai	Owned	Regional operations and administration
Singapore	Owned	Regional operations and administration
India	Owned	Administration

Our largest manufacturing facility is located in Lafayette, Louisiana, where we manufacture a substantial portion of our pipe handling tools. The facility serves our U.S. Services segment in the U.S. Gulf of Mexico and our Tubular Sales segment. The Lafayette facility is our global headquarters for the design and manufacture of our equipment and is situated on a total of 187 acres. The main facility occupies 155 acres and consists of manufacturing, operations, pipe storage, training and administration. The remaining 32 acres located off of the main campus consists of manufacturing, warehousing and administration. There are a total of 15 buildings onsite and 13 buildings offsite. Our manufacturing operations occupy 7 of the 28 buildings, with the remaining buildings dedicated to administration, training and other operational tasks. The main administrative building within the facility is approximately 40,000 square feet. The facility is owned by MHI and leased to us through 2018.

Item 3. Legal Proceedings

We are the subject of lawsuits and claims arising in the ordinary course of business from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. We had no material accruals for loss contingencies, individually or in the aggregate, as of December 31, 2015. We believe the probability is remote that the ultimate outcome of these matters would have a material adverse effect on our financial position, results of operations or cash flows. See Note 21 in the Notes to Consolidated Financial Statements, which are incorporated herein by reference to Part II, Item 8 “Financial Statements and Supplementary Data” of this Form 10-K.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is traded on the NYSE under the symbol "FI". The following table sets forth, for the periods indicated, the high and low sale prices and the dividend payments for our common stock.

	High	Low	Dividends Per Share
Year Ended December 31, 2015			
First Quarter	\$18.95	\$14.53	\$0.150
Second Quarter	21.50	18.25	0.150
Third Quarter	18.90	13.66	0.150
Fourth Quarter	18.14	14.80	0.150
Year Ended December 31, 2014			
First Quarter	\$26.99	\$20.76	\$0.075
Second Quarter	27.60	22.64	0.075
Third Quarter	24.81	18.41	0.150
Fourth Quarter	21.00	14.87	0.150

On February 25, 2016, we had 155,332,241 shares of common stock outstanding. The common shares outstanding at February 25, 2016 were held by approximately 15 record holders. The actual number of shareholders is greater than the number of holders of record.

See Part III, Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" for discussion of equity compensation plans.

Dividend Policy

Our current policy is to pay quarterly cash dividends on our common stock of \$0.15 per share. The declaration and payment of future dividends will be at the discretion of the Supervisory Board of Directors and will depend upon, among other things, future earnings, general financial condition, liquidity, capital requirements and general business conditions. Accordingly, there can be no assurance that we will continue to pay dividends at that level or at all.

Each share of Preferred Stock has a liquidation preference equal to its par value of €0.01 per share and is entitled to an annual dividend equal to 0.25% of its par value.

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

None.

Performance Graph

The following performance graph compares the performance of our common stock to the PHLX Oil Service Sector Index, the Russell 1000 Index and to a peer group established by management. The peer group consists of the following companies: Baker Hughes Inc., Cameron International Corporation, Core Laboratories N.V., Diamond Offshore Drilling, Inc., Dril-Quip, Inc., Enesco plc, FMC Technologies, Inc., Forum Energy Technologies, Inc., Halliburton Company, Helmerich & Payne, Inc., Hornbeck Offshore Services, Inc., Nabors Industries Ltd., National Oilwell Varco, Inc., Oceaneering International, Inc., Patterson-UTI Energy, Inc., Rowan Companies plc, Schlumberger N.V., Tesco Corporation, Transocean Ltd. and Weatherford International Ltd. The graph below compares the cumulative total return to holders of our common stock with the cumulative total returns of the PHLX Oil Service Sector Index, the Russell 1000 Index and our peer group for the period from August 9, 2013, using the closing price for the first day of trading immediately following the effectiveness of our IPO through December 31, 2015. The graph assumes that the value of the investment in our common stock was \$100 at August 9, 2013 or July 31, 2013 for each index (including reinvestment of dividends) and tracks the return on the investment through December 31, 2015. The shareholder return set forth herein is not necessarily indicative of future performance.

*\$100 invested on 8/9/13 in stock of 7/31/13 in index, including reinvestment of dividends.

Fiscal year ending December 31.

The performance graph above and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate by reference.

Item 6. Selected Financial Data

The selected consolidated financial information contained below is derived from our Consolidated Financial Statements and should be read in conjunction with Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited Consolidated Financial Statements that are included in this Form 10-K. Our historical results are not necessarily indicative of our results to be expected in any future period.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
	(in thousands, except per share amounts)				
Financial Statement Data:					
Revenue	\$974,600	\$1,152,632	\$1,077,722	\$1,039,054	\$719,412
Income from continuing operations	106,110	229,312	308,195	344,250	162,798
Total assets	1,726,838	1,758,681	1,561,195	1,107,961	847,500
Debt and capital lease obligations - excluding affiliates	7,321	304	376	7,368	9,204
Long-term debt - affiliates	—	—	—	468,563	2,913
Total equity	1,451,426	1,472,536	1,333,327	446,988	667,128
Earnings Per Share Information:					
Basic earnings per common share:					
Continuing operations	\$0.51	\$1.03	\$1.69	\$2.15	\$1.02
Discontinued operations	—	—	0.24	0.04	0.05
Total	\$0.51	\$1.03	\$1.93	\$2.19	\$1.07
Diluted earnings per common share:					
Continuing operations	\$0.50	\$1.03	\$1.62	\$2.00	\$0.95
Discontinued operations	—	—	0.23	0.04	0.04
Total	\$0.50	\$1.03	\$1.85	\$2.04	\$0.99
Weighted average common shares outstanding:					
Basic	154,662	153,814	132,257	119,024	119,024
Diluted	209,152	207,828	185,506	172,000	172,000
Cash dividends per common share	\$0.60	\$0.45	\$0.075	\$—	\$—
Other Data:					
Adjusted EBITDA (1)	\$317,441	\$450,376	\$438,739	\$439,524	\$241,124

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. For a definition and a reconciliation of Adjusted EBITDA to our income from continuing operations, its most directly comparable financial measure presented in accordance with GAAP, see Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - How We Evaluate Our Operations - Adjusted EBITDA and Adjusted EBITDA Margin."

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and the related notes thereto included in Part II, Item 8, "Financial Statements and Supplementary Data" included in this Form 10-K.

This section contains forward-looking statements that are based on management's current expectations, estimates and projections about our business and operations, and involve risks and uncertainties. Our actual results may differ materially from those currently anticipated and expressed in such forward-looking statements because of various factors, including those described in the sections titled "Cautionary Note Regarding Forward-Looking Statements," "Risk Factors" and elsewhere in this Form 10-K.

Overview of Business

We are a global provider of highly engineered tubular services to the oil and gas industry and have been in business for over 75 years. We provide our services to leading exploration and production companies in both offshore and onshore environments, with a focus on complex and technically demanding wells.

We conduct our business through three operating segments:

International Services. We currently provide our services in approximately 60 countries on six continents. Our customers in these international markets are primarily large exploration and production companies, including integrated oil and gas companies and national oil and gas companies.

U.S. Services. We service customers in the offshore areas of the U.S. Gulf of Mexico. In addition, we have a significant presence in almost all of the active onshore oil and gas drilling regions in the U.S., including the Permian Basin, Bakken Shale, Barnett Shale, Eagle Ford Shale, Haynesville Shale, Marcellus Shale and Utica Shale.

Tubular Sales. We design, manufacture and distribute large OD pipe, connectors and casing attachments and sell large OD pipe originally manufactured by various pipe mills. We also provide specialized fabrication and welding services in support of offshore projects, including drilling and production risers, flowlines and pipeline end terminations, as well as long-length tubulars (up to 300 feet in length) for use as caissons or pilings. This segment also designs and manufactures proprietary equipment for use in our International and U.S. Services segments.

How We Generate Our Revenue

The majority of our services revenues are derived primarily from personnel rates for our specially trained employees who perform tubular services for our customers; and rental rates for the suite of products and equipment that our employees use to perform tubular services.

In addition, our customers typically reimburse us for transportation costs that we incur in connection with transporting our products and equipment from our staging areas to the customers' job sites.

In contrast, our Tubular Sales revenues are derived from sales of certain products, including large OD pipe connectors and large OD pipe manufactured by third parties, directly to external customers.

Outlook

We see the oilfield services industry, including tubular running services, remaining under pressure until a meaningful recovery in commodity prices occurs. The current low commodity price environment has led to decreased capital

spending from our customers and thus lower demand for our services globally. We expect this trend to continue until oil and gas prices increase meaningfully above current levels; causing our customers to increase their capital investment

in new exploration and production projects. Our cost reduction initiatives have helped to mitigate the impact of lower revenues on our operating earnings, but we expect our revenues and operating earnings to materially decrease in 2016.

Our offshore businesses, both in the U.S. and internationally, are experiencing activity declines and a full year of realized lower prices due to fewer financial resources allocated to oil and gas exploration and development projects by our customers, particularly in the deep and ultra-deep water markets where our services are most profitable. To the extent we decide to preserve or grow market share in our operating areas, further price reductions for our services may be required.

Our onshore operations are expected to be similarly impacted by decreased drilling activity and aggressive pricing competition, particularly in the U.S. onshore business. While our strong financial position and reduced cost structure will allow us to continue to service our clients, we do not expect a material increase in pricing or activity in the near term.

The Tubular Sales business is driven by specialized needs of our customers and the timing of projects, specifically in the Gulf of Mexico. Revenues in the segment will likely be lower than our revenue in 2015 due to fewer projects proceeding on schedule and lower visibility on forthcoming orders in the current commodity price environment.

Overall, we are in a very strong financial position with a significant cash balance relative to our debt. We are focused on controlling costs and improving capital efficiency. We anticipate that our cash flows from operations will be sufficient to fund our capital expenditures and dividends for the foreseeable future. We believe our financial position gives the company flexibility to adapt to a challenging market and we believe we are well-positioned to take advantage of opportunities to grow market share or make strategic acquisitions.

How We Evaluate Our Operations

We use a number of financial and operational measures to routinely analyze and evaluate the performance of our business, including revenue, Adjusted EBITDA, Adjusted EBITDA margin and safety performance.

Revenue

We analyze our revenue growth by comparing actual monthly revenue to our internal projections for each month to assess our performance. We also assess incremental changes in our monthly revenue across our operating segments to identify potential areas for improvement.

Adjusted EBITDA and Adjusted EBITDA Margin

We define Adjusted EBITDA as income from continuing operations before net interest income or expense, depreciation and amortization, income tax benefit or expense, asset impairments, gain or loss on sale of assets, foreign currency gain or loss, stock-based compensation, other non-cash adjustments and unusual charges or credits. Adjusted EBITDA margin reflects our Adjusted EBITDA as a percentage of our revenues. We review Adjusted EBITDA and Adjusted EBITDA margin on both a consolidated basis and on a segment basis. We use Adjusted EBITDA and Adjusted EBITDA margin to assess our financial performance because it allows us to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization) and items outside the control of our management team (such as income tax rates). Adjusted EBITDA and Adjusted EBITDA margin have limitations as analytical tools and should not be considered as an alternative to net income, operating income, cash flow from operating activities or any other measure of financial performance or liquidity presented in accordance with generally accepted accounting principles in the U.S. ("GAAP").

The following table presents a reconciliation of income from continuing operations to Adjusted EBITDA, our most directly comparable GAAP performance measure, as well as adjusted EBITDA margin for each of the periods presented (in thousands):

	Year Ended December 31,			
	2015	2014	2013	
Income from continuing operations	\$106,110	\$229,312	\$308,195	
Interest (income) expense, net	(341	) (87	) 653	
Depreciation and amortization	108,962	90,041	78,082	
Income tax expense	37,319	75,412	38,727	
(Gain) loss on sale of assets	(1,038	) 289	(122)
Foreign currency loss	6,358	17,041	2,556	
Stock-based compensation expense	26,119	38,368	7,220	
Severance and other costs	35,484	—	—	
Change in value of contingent consideration	(1,532) —	—	
IPO transaction-related costs (1)	—	—	3,428	
Adjusted EBITDA	\$317,441	\$450,376	\$438,739	
Adjusted EBITDA margin	32.6	% 39.1	% 40.7	%

(1) Represents charges incurred in connection with our IPO, primarily those amounts attributable to the restructuring in advance of the IPO.

For a reconciliation of our Adjusted EBITDA on a segment basis to the most comparable measure calculated in accordance with GAAP, see “—Operating Segment Results.”

Safety Performance

Maintaining a strong safety record is a critical component of our operational success. Many of our larger customers have safety standards we must satisfy before we can perform services for them. We continually monitor our safety culture through the use of employee safety surveys and trend analysis, and we modify existing programs or develop new programs according to the data obtained. One way to measure safety is by tracking the total recordable incident rate (“TRIR”) and the lost time incident rate (“LTIR”), which are reviewed on both a monthly and rolling twelve-month basis.

TRIR is a measure of the rate of recordable workplace injuries, normalized and stated on the basis of 100 workers for an annual period. The factor is derived by multiplying the number of recordable injuries in a calendar year by 200,000 and dividing this value by the total man-hours actually worked in the year.

LTIR measures the rate of lost time recordable workplace injuries. The factor is derived by multiplying the number of lost time recordable injuries in a calendar year by 200,000 and dividing this value by the total man-hours actually worked in the year. A lost time recordable injury is a work related injury that renders an employee unable to work in any capacity beyond the date of injury.

A recordable injury includes occupational death, nonfatal occupational illness, and other occupational injuries that involve loss of consciousness, restriction of work or motion, transfer to another job, or medical treatment other than first aid.

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The table below presents our worldwide TRIR and LTIR for the years ended December 31, 2015, 2014 and 2013:

	Year Ended December 31,		
	2015	2014	2013
TRIR	0.76	1.27	1.13
LTIR	0.21	0.36	0.33

Results of Operations

The following table presents our consolidated results for the periods presented (in thousands):

	Year Ended December 31,		
	2015	2014	2013
Revenues:			
Equipment rentals and services	\$766,252	\$969,703	\$902,960
Products (1)	208,348	182,929	174,762
Total revenue	974,600	1,152,632	1,077,722
Operating expenses:			
Cost of revenues, exclusive of depreciation and amortization			
Equipment rentals and services	304,473	369,855	310,244
Products	113,918	110,126	124,092
General and administrative expenses	270,678	267,378	224,755
Depreciation and amortization	108,962	90,041	78,082
Severance and other charges	35,484	—	—
Change in value of contingent consideration	(1,532)) —	—
Gain (loss) on sale of assets	(1,038)	) 289	(122)
Operating income	143,655	314,943	340,671
Other income (expense):			
Other income	5,791	6,735	9,460
Interest income (expense), net	341	87	(653)
Foreign currency loss	(6,358)	) (17,041)	) (2,556)
Total other income (expense)	(226)	) (10,219)	) 6,251
Income from continuing operations before income tax expense	143,429	304,724	346,922
Income tax expense	37,319	75,412	38,727
Income from continuing operations	106,110	229,312	308,195
Income from discontinued operations, net of tax	—	—	42,635
Net income	106,110	229,312	350,830
Less: Net income attributable to noncontrolling interest	27,000	70,275	95,368
Net income attributable to Frank's International N.V.	\$79,110	\$159,037	\$255,462

(1) Consolidated products revenue includes a small amount of revenues attributable to the U.S. Services and International Services segments.

Consolidated Results of Operations

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Revenues. Revenues from external customers, excluding intersegment sales, for the year ended December 31, 2015 decreased by \$178.0 million, or 15.4%, to \$974.6 million from \$1,152.6 million for the year ended December 31, 2014.

The decrease was primarily attributable to lower revenues in our U.S. Services and International segments with revenues decreasing \$113.2 million and \$95.1 million, respectively, primarily as a result of declining rig count as well as downward pricing pressures, which were driven by depressed oil and gas prices. Additionally, there were some weather related delays in the Gulf of Mexico. The decreased revenues were partially offset by increased revenues in our Tubular Sales segment of \$30.3 million as a result of project related orders and being able to meet urgent unscheduled customer requests for products. Revenue for our segments are discussed separately below under the heading "Operating Segment Results."

Cost of revenues, exclusive of depreciation and amortization. Cost of revenues for the year ended December 31, 2015 decreased by \$61.6 million, or 12.8%, to \$418.4 million from \$480.0 million for the year ended December 31, 2014. The decrease was primarily attributable to lower activity and cost reduction efforts taken throughout the year, which caused a decrease in compensation-related costs of \$34.8 million, product costs of \$17.4 million and field supplies of \$7.5 million.

General and administrative expenses. General and administrative ("G&A") expenses for the year ended December 31, 2015 increased by \$3.3 million, or 1.2%, to \$270.7 million from \$267.4 million for the year ended December 31, 2014 primarily as a result of higher compensation-related costs of \$11.5 million as a result of continuing to build and optimize the human resource infrastructure to support a public company and professional fees of \$9.6 million due to acquisition costs and strategic initiatives to optimize and further develop various corporate functions. The increases were partially offset by decreased stock-based compensation expense of \$12.2 million as the six months ended June 30, 2014 included an out-of-period adjustment of \$7.5 million, which corrected the amortization of expense related to retirement-eligible employees (see Note 1 in the Notes to Consolidated Financial Statements for additional detail) in addition to lower other taxes of \$4.0 million.

Depreciation and amortization. Depreciation and amortization for the year ended December 31, 2015 increased by \$18.9 million, or 21.0%, to \$109.0 million from \$90.0 million for the year ended December 31, 2014. The increase was primarily attributable to our Timco acquisition of \$8.3 million as well as a higher depreciable base resulting from property and equipment additions.

Severance and other charges. Severance and other charges for the year ended December 31, 2015 were \$35.5 million as a result of the transition of a key executive to a non-executive member of the Supervisory Board, workforce reductions, base rationalization and lease termination fees as discussed in Note 20 in the Notes to Consolidated Financial Statements, which affected the following segments: International Services (\$1.5 million), U.S. Services (\$32.8 million) and Tubular Sales (\$1.2 million).

Foreign currency loss. Foreign currency loss for the year ended December 31, 2015 decreased by \$10.7 million to \$6.4 million from \$17.0 million for the year ended December 31, 2014. The decrease was primarily due to foreign currency losses in Venezuela of \$13.0 million in 2014 and other changes caused by non-local currency working capital specifically in Norway, Brazil, the United Kingdom and the Eurozone.

Income tax expense. Income tax expense for the year ended December 31, 2015 decreased by \$38.1 million, or 50.5%, to \$37.3 million from \$75.4 million for the year ended December 31, 2014 as a result of a decrease in taxable income. We are subject to many U.S. and foreign tax jurisdictions and many tax agreements and treaties among the various taxing authorities. Our operations in these jurisdictions are taxed on various bases such as income before taxes, deemed profits (which is generally determined using a percentage of revenues rather than profits), and withholding taxes based on revenues; consequently, the relationship between our pre-tax income from operations and our income tax provision varies from period to period.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Revenues. Revenues from external customers, excluding intersegment sales, for the year ended December 31, 2014 increased by \$74.9 million, or 7.0%, to \$1,152.6 million from \$1,077.7 million for the year ended December 31, 2013. The increase was primarily attributable to higher revenues in all of our segments, most notably in our International and Tubular segments, with revenues increasing \$62.0 million and \$8.2 million, respectively, due to an increase in demand

and expansion in new and existing locations. Revenue for our segments are discussed separately below under the heading "Operating Segment Results."

Cost of revenues, exclusive of depreciation and amortization. Cost of revenues for the year ended December 31, 2014 increased by \$45.6 million, or 10.5%, to \$480.0 million from \$434.3 million for the year ended December 31, 2013. The increase was primarily attributable to compensation related costs of \$23.6 million, repairs and maintenance of \$6.9 million, freight expense of \$6.5 million, custom duty charges of \$3.3 million, business and travel expenses of \$2.8 million, tool inspections of \$2.0 million and rent expense of \$1.3 million, partially offset by smaller decreases in several other costs of \$0.8 million.

General and administrative expenses. G&A expenses for the year ended December 31, 2014 increased by \$42.6 million, or 19.0%, to \$267.4 million from \$224.8 million for the year ended December 31, 2013 primarily due to an increase in stock compensation costs of \$31.2 million. Included in this amount is an out-of-period adjustment of \$4.7 million related to 2013, which corrected the amortization of expense related to retirement-eligible employees (for additional detail, see Note 1 in the Notes to Consolidated Financial Statements). Compensation related costs of \$14.1 million, medical claims of \$3.5 million, professional fees of \$3.5 million, rent and utilities expense of \$3.2 million and insurance costs of \$1.9 million also contributed to the increase as well as smaller decreases in several other costs of \$0.8 million. The increase in all other costs is primarily attributable to incurring public company costs for a full year in 2014 compared to only four months in 2013. These increases were partially offset by a decrease in bad debt expense of \$15.6 million.

Depreciation and amortization. Depreciation and amortization for the year ended December 31, 2014 increased by \$12.0 million, or 15.3%, to \$90.0 million from \$78.1 million for the year ended December 31, 2013. The increase was primarily attributable to a higher depreciable base resulting from property and equipment additions.

Other income. Other income for the year ended December 31, 2014 decreased by \$2.7 million, or 28.8%, to \$6.7 million from \$9.5 million for the year ended December 31, 2013. The decrease was primarily attributable to lower royalties received in 2014.

Foreign currency loss. Foreign currency loss for the year ended December 31, 2014 increased by \$14.5 million to \$17.0 million from \$2.6 million for the year ended December 31, 2013. The increase in foreign currency loss was primarily due foreign currency losses in Venezuela of \$13.0 million in addition to unfavorable fluctuations of \$1.5 million in other foreign currency exchange rates.

Income tax expense. Income tax expense for the year ended December 31, 2014 increased by \$36.7 million, or 94.7%, to \$75.4 million from \$38.7 million for the year ended December 31, 2013 primarily due to our U.S. operations becoming taxable as a result of our restructuring concurrent with the IPO for a full year in 2014 compared to four months in 2013. We are subject to many U.S. and foreign tax jurisdictions and many tax agreements and treaties among the various taxing authorities. Our operations in these jurisdictions are taxed on various bases such as income before taxes, deemed profits (which is generally determined using a percentage of revenues rather than profits), and withholding taxes based on revenues; consequently, the relationship between our pre-tax income from operations and our income tax provision varies from period to period.

Income from discontinued operations. We did not recognize any income from discontinued operations for the year ended December 31, 2014. During the year ended December 31, 2013, we recognized a gain of \$39.6 million upon the sale of a component of our Tubular Sales segment. See Note 3 in the Notes to Consolidated Financial Statements.

Operating Segment Results

The following table presents revenues and Adjusted EBITDA by segment, and a reconciliation of Adjusted EBITDA to net income from continuing operations, which is the most comparable GAAP financial measure (in thousands):

	Year Ended December 31,		
	2015	2014	2013
Revenue:			
International Services	\$442,861	\$538,730	\$478,572
U.S. Services	352,281	463,372	455,492
Tubular Sales	241,983	240,277	238,756
Intersegment sales	(62,525)	) (89,747	) (95,098
Total	\$974,600	\$1,152,632	\$1,077,722
Segment Adjusted EBITDA:			
International Services	\$182,475	\$231,469	\$199,620
U.S. Services	93,871	180,575	198,442
Tubular Sales	40,999	38,366	40,624
Total	317,345	450,410	438,686
Corporate and other (1)	96	(34	) 53
Adjusted EBITDA Total (2)	317,441	450,376	438,739
Interest income (expense), net	341	87	(653
Income tax expense	(37,319	) (75,412	) (38,727
Depreciation and amortization	(108,962	) (90,041	) (78,082
Gain (loss) on sale of assets	1,038	(289	) 122
Foreign currency loss	(6,358	) (17,041	) (2,556
Stock-based compensation expense	(26,119	) (38,368	) (7,220
Severance and other costs	(35,484) —	—
Change in value of contingent consideration	1,532	—	—
IPO transaction-related costs	—	—	(3,428
Income from continuing operations	\$106,110	\$229,312	\$308,195

(1) Corporate and other represents amounts not directly associated with an operating segment.

(2) Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

International Services

Revenue for the International Services segment decreased by \$95.9 million, or 17.8%, compared to 2014, primarily due to depressed oil and gas prices, which challenged the economics of current development projects in our Africa and Asia Pacific areas, and caused the termination of ongoing drilling campaigns and the delay in the commencement of new projects, as well as cancellations or deferred work scopes. The Africa region was also affected by poor results of pre-salt exploratory wells. The decrease was partially offset by an increase in Latin America revenues due to higher activity that started in the middle of 2014 and continued through the first half of 2015 in addition to an increase in contract work among various customers.

Adjusted EBITDA for the International Services segment decreased by \$49.0 million, or 21.2%, compared to 2014, primarily due to the \$95.9 million decrease in revenue, which was partially offset by lower expenses due to reduced activity and cost-cutting measures.

U.S. Services

Revenue for the U.S. Services segment decreased by \$111.1 million, or 24.0%, compared to 2014 primarily due to depressed oil and gas prices. Onshore services revenue decreased by \$71.5 million as a result of lower activity from declining rig counts and pricing discounts. The offshore business saw a smaller decrease in revenue of \$39.6 million as a result of operational rig delays due to operational and down-hole issues, weather related delays caused by unusually strong ocean loop currents in the Gulf of Mexico and some rig cancellations in the latter half of the year coupled with downward pricing pressure.

Adjusted EBITDA for the U.S. Services segment decreased by \$86.7 million, or 48.0%, compared to 2014 as a result of lower revenues from activity and pricing concessions in the onshore and offshore business of \$73.1 million as well as higher corporate and other costs of \$13.3 million primarily due to increased professional fees for acquisition costs. This was partially offset by declining cost of revenues and operating expenses, as the U.S. Services' operational footprint was reduced due to decreased activity, in addition to savings from the effect of cost rationalization actions taken throughout the year.

Tubular Sales

Revenue for the Tubular Sales segment increased by \$1.7 million, or 0.7%, compared to 2014, primarily from contracted orders in addition to being able to meet urgent unscheduled customer requests for products.

Adjusted EBITDA for the Tubular Sales segment increased by \$2.6 million, or 6.9%, compared to 2014, primarily due to higher Tubular sales and improved productivity of \$8.0 million. This was partially offset by lower volumes in manufacturing operations of \$5.4 million.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

International Services

Revenue for the International Services segment increased by \$60.2 million, or 12.6%, compared to 2013, primarily as a result of extended and renewed contracts in West Africa, expansion of our product placement in Europe and increasing our market share in Asia Pacific and Middle East, partially offset by a decrease in Latin America due to the termination of certain contracts in late 2013.

Adjusted EBITDA for the International Services segment increased \$31.8 million, or 16.0%, compared to 2013, primarily due to the revenue increase of \$60.2 million and a \$16.4 million decrease in bad debt expense, partially offset by increases in compensation related costs of \$17.9 million, freight and transportation costs of \$5.0 million, product costs of \$4.6 million, equipment rentals of \$3.5 million, custom duty charges of \$3.4 million, business and travel expenses of \$3.1 million, rent and warehouse expense of \$2.5 million, crew expenses of \$1.8 million, employee benefits and insurance of \$0.9 million as well as smaller increases in various other costs of \$2.1 million.

U.S. Services

Revenue for the U.S. Services segment increased \$7.9 million, or 1.7%, compared to 2013. Our offshore revenue increased \$9.9 million as a result of increased activity from our customers but was partially offset by drilling delays, rig-related issues and ocean currents lasting longer than previous years. Onshore revenue decreased \$2.0 million due

to delays in the renewal of contracts in the first half of 2014 and the exit of customers who switched their concentration to other regions in the U.S.

Adjusted EBITDA for the U.S. Services segment decreased by \$17.9 million, or 9.0%, compared to 2013 as a result of higher compensation related costs of \$14.7 million, repairs and maintenance of \$5.3 million, medical claims

of \$4.2 million, rent expense of \$0.9 million and smaller increases in several other costs of \$0.7 million. These increases were partially offset by the \$7.9 million increase in revenue.

Tubular Sales

Revenue for the Tubular Sales segment increased by \$1.5 million, or 0.6%, compared to 2013, primarily due to an increase in customer external pipe sales of \$8.2 million offset by a decrease in manufactured equipment sales to the International Services and U.S. Services segments of \$6.7 million.

Adjusted EBITDA for the Tubular Sales segment decreased by \$2.3 million, or 5.6%, compared to 2013, primarily as a result of higher tool inspection costs of \$1.3 million, rent expense of \$1.2 million and repairs and maintenance of \$0.9 million, as well as various other costs of \$0.4 million, partially offset by the revenue increase of \$1.5 million.

Liquidity and Capital Resources

Liquidity

At December 31, 2015, we had cash and cash equivalents of \$602.4 million and debt of \$7.3 million. Our primary sources of liquidity to date have been cash flows from operations. Our primary uses of capital have been for organic growth capital expenditures and acquisitions. We continually monitor potential capital sources, including equity and debt financing, in order to meet our investment and target liquidity requirements.

Our total capital expenditures are estimated at \$75.0 million for 2016. We expect approximately \$25.0 million for the purchase and manufacture of equipment and \$50.0 million for other property, plant and equipment, inclusive of the purchase or construction of facilities. The actual amount of capital expenditures for the manufacture of equipment may fluctuate based on market conditions. During the years ended December 31, 2015, 2014 and 2013, capital expenditures were \$99.7 million, \$173.0 million and \$184.5 million, respectively, all of which were funded from internally generated sources. We believe our cash on hand, cash flows from operations and potential borrowings under our Credit Facility (as defined below), will be sufficient to fund our capital expenditure and liquidity requirements for 2016.

We paid dividends on our common stock of \$92.8 million, or an aggregate of \$0.60 per common share, in addition to \$43.5 million in distributions to our noncontrolling interests during the year ended December 31, 2015. The timing, declaration, amount of, and payment of any dividends is within the discretion of our board of managing directors subject to the approval of our board of supervisory directors and will depend upon many factors, including our financial condition, earnings, capital requirements, covenants associated with certain of our debt service obligations, legal requirements, regulatory constraints, industry practice, ability to access capital markets, and other factors deemed relevant by our board of managing directors and our board of supervisory directors. We do not have a legal obligation to pay any dividend and there can be no assurance that we will be able to do so. The timing of distributions to our noncontrolling interests is pursuant to the Limited Partnership Agreement of Frank's International C.V. for the tax arising from their membership interests in FICV.

Credit Facility

We have a \$100.0 million revolving credit facility with certain financial institutions, including up to \$20.0 million for letters of credit and up to \$10.0 million in swingline loans, which matures in August 2018 (the "Credit Facility"). Subject to the terms of our credit agreement, we have the ability to increase the commitments under the Credit Facility by \$150.0 million. As of December 31, 2015 and 2014, we did not have any outstanding indebtedness under the Credit Facility. We had \$4.7 million in letters of credit outstanding as of December 31, 2015.

Borrowings under the Credit Facility bear interest, at our option, at either a base rate or an adjusted Eurodollar rate. Base rate loans under the Credit Facility bear interest at a rate equal to the higher of (a) the prime rate as published in the Wall Street Journal, (b) the Federal Funds Effective Rate plus 0.50% or (c) the adjusted Eurodollar rate plus 1.00%, plus an applicable margin ranging from 0.50% to 1.50%, subject to adjustment based on the leverage ratio. Interest is in each case payable quarterly for base-rate loans. Eurodollar loans under the Credit Facility bear interest at

an adjusted Eurodollar rate equal to the Eurodollar rate for such interest period multiplied by the statutory reserves, plus an applicable margin ranging from 1.50% to 2.50%. Interest is payable at the end of applicable interest periods for Eurodollar loans, except that if the interest period for a Eurodollar loan is longer than three months, interest is paid at the end of each three-month period. The unused portion of the Credit Facility is subject to a commitment fee ranging from 0.250% to 0.375% based on certain leverage ratios.

The Credit Facility contains various covenants that, among other things, limit our ability to grant certain liens, make certain loans and investments, enter into mergers or acquisitions, enter into hedging transactions, change our lines of business, prepay certain indebtedness, enter into certain affiliate transactions, incur additional indebtedness or engage in certain asset dispositions.

The Credit Facility also contains financial covenants, which, among other things, require us, on a consolidated basis, to maintain (i) a ratio of total consolidated funded debt to adjusted EBITDA (as defined in the credit agreement) of not more than 2.50 to 1.0; and (ii) a ratio of EBITDA to interest expense of not less than 3.0 to 1.0. At December 31, 2015, we were in compliance with all financial covenants under the Credit Facility.

In addition, the Credit Facility contains customary events of default, including, among others, the failure to make required payments, failure to comply with certain covenants or other agreements, breach of the representations and covenants contained in the agreements, default of certain other indebtedness, certain events of bankruptcy or insolvency and the occurrence of a change in control (as defined in our credit agreement).

Cash Flows from Operating, Investing and Financing Activities

Cash flows provided by (used in) our operations, investing and financing activities are summarized below (in thousands):

	Year Ended December 31,		
	2015	2014	2013
Operating activities	\$427,758	\$368,860	\$277,431
Investing activities	(174,689)	(173,643)	(137,500)
Financing activities	(141,209)	(115,750)	110,234
	111,860	79,467	250,165
Effect of exchange rate changes on cash activities	1,145	4,940	1,837
Increase in cash and cash equivalents	\$113,005	\$84,407	\$252,002

Statements of cash flows for entities with international operations that use the local currency as the functional currency exclude the effects of the changes in foreign currency exchange rates that occur during any given year, as these are noncash changes. As a result, changes reflected in certain accounts on the consolidated statements of cash flows may not reflect the changes in corresponding accounts on the consolidated balance sheets.

Operating Activities

Cash flow from operating activities was \$427.8 million for the year ended December 31, 2015 as compared to \$368.9 million in 2014 and \$277.4 million in 2013. The increase in 2015 was due primarily to working capital changes, primarily in accounts receivable and inventory. The overall increase was partially offset by a decrease in net income. The changes were primarily a result of lower activity due to depressed oil and gas prices. The increase in 2014 was due primarily to changes in inventory, accounts receivable and accrued expenses, partially offset by an increase in tax expense resulting from our U.S. operations becoming taxable subsequent to our IPO as well as lower deferred revenue.

Investing Activities

Cash flow used in investing activities was \$174.7 million for the year ended December 31, 2015 as compared to \$173.6 million in 2014 and \$137.5 million in 2013. Our investing activities in 2015 were primarily related to the Timco acquisition, which was partially offset by lower capital expenditures for property, plant and equipment in comparison to 2014 as a result of a reduction in the need for additional equipment and machinery to service our customers due to declining rig activity caused by lower oil prices. Our investing activities in 2014 were primarily related to capital expenditures for property, plant and equipment and reflected lower proceeds from the sale of assets and equipment than in 2013.

Financing Activities

Cash flow used in financing activities was \$141.2 million for the year ended December 31, 2015 as compared to \$115.8 million and cash provided by financing activities of \$110.2 million for the years ended December 31, 2014 and 2013, respectively. The increase in 2015 was primarily due to higher dividend payments of \$23.5 million. The decrease in 2014 was primarily due to activities in 2013, which included net proceeds of \$711.5 million from our IPO partially offset by \$464.0 million of note repayments to FWW B.V. and distributions to stockholders of \$105.4 million that did not reoccur in 2014. In 2014, we made dividend payments of \$69.3 million and distributions to the noncontrolling interests of \$41.6 million.

Contractual Obligations

We are a party to various contractual obligations. A portion of these obligations are reflected in our financial statements, such as long-term debt, while other obligations, such as operating leases and purchase obligations, are not reflected on our balance sheet. The following is a summary of our contractual obligations as of December 31, 2015 (in thousands):

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt	\$7,321	\$7,321	\$—	\$—	\$—
Noncancellable operating leases	52,878	11,575	16,993	7,637	16,673
Purchase obligations (1)	11,864	11,864	—	—	—
Total	\$72,063	\$30,760	\$16,993	\$7,637	\$16,673

(1) Includes purchase commitments for connectors and pipe for existing orders from our customers. We enter into purchase commitments as needed.

Not included in the table above are uncertain tax positions of \$0.1 million that we have accrued as of December 31, 2015, as the amounts and timing of payment, if any, are uncertain. See Note 19 in the Notes to Consolidated Financial Statements.

Tax Receivable Agreement

We entered into a tax receivable agreement (the "TRA") with FICV and MHI in connection with the IPO. The TRA generally provides for the payment by us to MHI of 85% of the amount of the actual reductions, if any, in payments of U.S. federal, state and local income tax or franchise tax in periods after the IPO (which reductions we refer to as "cash savings") as a result of (i) the tax basis increases resulting from the transfer of FICV interests to us in connection with a conversion of shares of Preferred Stock into shares of our common stock and (ii) imputed interest deemed to be paid by us as a result of, and additional tax basis arising from, payments under the TRA. In addition, the TRA provides for interest earned from the due date (without extensions) of the corresponding tax return to the date of payment specified

by the TRA. We will retain the remaining 15% of cash savings, if any. The payment obligations under the TRA are our

43

obligations and not obligations of FICV. The term of the TRA continues until all such tax benefits have been utilized or expired, unless we exercise our right to terminate the TRA.

If we elect to terminate the TRA early, we would be required to make an immediate payment equal to the present value of the anticipated future tax benefits subject to the TRA (based upon certain assumptions and deemed events set forth in the TRA, including the assumption that it has sufficient taxable income to fully utilize such benefits and that any FICV interests that MHI or its transferees own on the termination date are deemed to be exchanged on the termination date). In addition, payments due under the TRA will be similarly accelerated following certain mergers or other changes of control.

In certain circumstances, we may be required to make payments under the TRA that we have entered into with MHI. In most circumstances, these payments will be associated with the actual cash savings that we recognize in connection with a conversion of Preferred Stock, which would reduce the actual tax benefit to us. If we were to choose to terminate the TRA early or enter into certain change of control transactions, we may incur payment obligations prior to the time we actually incur any tax benefit. In those circumstances, we would need to pay the amounts out of cash on hand, finance the payments or refrain from triggering the obligation. Though we do not have any present intention of triggering an advance payment under the TRA, based on our current liquidity and our expected ability to access debt and equity financing, we believe we would be able to make such a payment if necessary. Any such payment could reduce our cash on hand and our borrowing availability, however, which would also reduce the amount of cash available to operate our business, to fund capital expenditures and to be paid as dividends to our stockholders, among other things. Please see Note 15 in the Notes to the Consolidated Financial Statements.

Off-Balance Sheet Arrangements

At December 31, 2015, we had no off-balance sheet arrangements.

Critical Accounting Policies

The preparation of consolidated financial statements in conformity with GAAP requires management to select appropriate accounting principles from those available, to apply those principles consistently and to make reasonable estimates and assumptions that affect revenues and associated costs as well as reported amounts of assets and liabilities, and related disclosure of contingent assets and liabilities. Certain accounting policies involve judgments and uncertainties. We evaluate estimates and assumptions on a regular basis. We base our respective estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates and assumptions used in preparation of our consolidated financial statements. We consider the following policies to be the most critical to understanding the judgments that are involved and the uncertainties that could impact our results of operations, financial condition and cash flows.

Revenue Recognition

All revenue is recognized when all of the following criteria have been met: (1) evidence of an arrangement exists; (2) delivery to and acceptance by the customer has occurred; (3) the price to the customer is fixed or determinable; and (4) collectability is reasonably assured, as follows:

Services Revenue. We provide tubular services to clients in the oil and gas industry. We perform services either under direct service purchase orders or master service agreements. Service revenue is recognized when services have been performed or rendered.

Rental Revenue. We design and manufacture a suite of highly technical equipment and products that we rent to our customers in connection with providing our services, including high-end, proprietary tubular handling equipment. We rent our products either under direct rental agreements or with customers with rental agreements in place. Revenue from rental agreements is recognized as earned over the rental period.

For customers contracted under direct service purchase orders and direct rental agreements, an accrual is recorded in unbilled accounts receivable for revenue earned but not yet invoiced.

Tubular Sales Revenue. Revenue on tubular sales is recognized when the product has shipped and significant risks of ownership have passed to the customer. The sales arrangements typically do not include right of return or other similar provisions or other post-delivery obligations. In some regions, customers have a right of return due to purchasing of excess products and deliverability limitations of products in remote locations. When the likelihood of a return exists on a sale, a determination of this portion of revenue is reclassified to unearned revenue until such time as the product is returned or the return period has expired.

Income Taxes

The liability method is used for determining our income tax provisions, under which current and deferred tax liabilities and assets are recorded in accordance with enacted tax laws and rates. Under this method, the amounts of deferred tax liabilities and assets at the end of each period are determined using the tax rate expected to be in effect when taxes are actually paid or recovered. Valuation allowances are established to reduce deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In determining the need for valuation allowances, we have considered and made judgments and estimates regarding estimated future taxable income and ongoing prudent and feasible tax planning strategies. These estimates and judgments include some degree of uncertainty, and changes in these estimates and assumptions could require us to adjust the valuation allowances for our deferred tax assets. Historically, changes to valuation allowances have been caused by major changes in the business cycle in certain countries and changes in local country law. The ultimate realization of the deferred tax assets depends on the generation of sufficient taxable income in the applicable taxing jurisdictions.

Through FICV, we operate in approximately 60 countries under many legal forms. As a result, we are subject to the jurisdiction of numerous U.S. and foreign tax authorities, as well as to tax agreements and treaties among these governments. Our operations in these different jurisdictions are taxed on various bases: actual income before taxes, deemed profits (which are generally determined using a percentage of revenue rather than profits) and withholding taxes based on revenue. Determination of taxable income in any jurisdiction requires the interpretation of the related tax laws and regulations and the use of estimates and assumptions regarding significant future events such as the amount, timing and character of deductions, permissible revenue recognition methods under the tax law and the sources and character of income and tax credits. Changes in tax laws, regulations, agreements and treaties, foreign currency exchange restrictions or our level of operations or profitability in each taxing jurisdiction could have an impact on the amount of income taxes that we provide during any given year.

Our tax filings for various periods are subject to audit by the tax authorities in most jurisdictions where we conduct business. These audits may result in assessments of additional taxes that are resolved with the authorities or through the courts. We believe these assessments may occasionally be based on erroneous and even arbitrary interpretations of local tax law. Resolution of these situations inevitably includes some degree of uncertainty; accordingly, we provide taxes only for the amounts we believe will ultimately result from these proceedings. The resulting change to our tax liability, if any, is dependent on numerous factors including, among others, the amount and nature of additional taxes potentially asserted by local tax authorities; the willingness of local tax authorities to negotiate a fair settlement through an administrative process; the impartiality of the local courts; the number of countries in which we do business; and the potential for changes in the tax paid to one country to either produce, or fail to produce, an offsetting tax change in other countries. Our experience has been that the estimates and assumptions we have used to provide for future tax assessments have proven to be appropriate. However, past experience is only a guide, and the potential exists that the tax resulting from the resolution of current and potential future tax controversies may differ materially from the amount accrued.

In addition to the aforementioned assessments that have been received from various tax authorities, we also provide for taxes for uncertain tax positions where formal assessments have not been received. The determination of these liabilities requires the use of estimates and assumptions regarding future events. Once established, we adjust these amounts only when more information is available or when a future event occurs necessitating a change to the reserves such as changes in the facts or law, judicial decisions regarding the application of existing law or a favorable audit

outcome. We believe that the resolution of tax matters will not have a material effect on our consolidated financial condition, although a resolution could have a material impact on our consolidated statements of income for a particular period and on our effective tax rate for any period in which such resolution occurs.

Allowance for Doubtful Accounts

We evaluate whether client receivables are collectible. We perform ongoing credit evaluations of our clients and monitor collections and payments in order to maintain a provision for estimated uncollectible accounts based on our historical collection experience and our current aging of client receivables outstanding in addition to clients' representations and our understanding of the economic environment in which our clients operate. Based on our review, we establish or adjust allowances for specific clients and the accounts receivable as a whole. Our allowance for doubtful accounts at December 31, 2015 and 2014 was \$2.5 million for each year, respectively.

Recent Accounting Pronouncements

See Note 1 in the Notes to Consolidated Financial Statements set forth in Part II, Item 8, "Financial Statements and Supplementary Data," under the heading "Recent Accounting Pronouncements" included in this Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks that are inherent in our financial instruments and arise from changes in foreign currency exchange rates and interest rates. A discussion of our market risk exposure in financial instruments is presented below.

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risks. The disclosures are not meant to be precise indicators of expected future losses or gains, but rather indicators of reasonably possible losses or gains. This forward-looking information provides indicators of how we view and manage our ongoing market risk exposures.

Foreign Currency Exchange Rates

We operate in virtually every oil and natural gas exploration and production region in the world. In some parts of the world, the currency of our primary economic environment is the U.S. dollar, and we use the U.S. dollar as our functional currency. In other parts of the world, such as Europe, Norway, Canada, Venezuela and Brazil, we conduct our business in currencies other than the U.S. dollar, and the functional currency is the applicable local currency. Assets and liabilities of entities for which the functional currency is the local currency are translated into U.S. dollars using the exchange rates in effect at the balance sheet date, resulting in translation adjustments that are reflected in accumulated other comprehensive income (loss) in the shareholders' equity section on our consolidated balance sheets. A portion of our net assets are impacted by changes in foreign currencies in relation to the U.S. dollar.

For the year ended December 31, 2015, on a U.S. dollar-equivalent basis, approximately 20% of our revenue was represented by currencies other than the U.S. dollar. However, no single foreign currency poses a primary risk to us. A hypothetical 10% decrease in the exchange rates for each of the foreign currencies in which a portion of our revenues is denominated would result in a 1.9% decrease in our overall revenues for the year ended December 31, 2015.

In December 2015, we began entering into short-duration foreign currency forward contracts. We use these instruments to mitigate our exposure to non-local currency operating working capital. We are also exposed to market risk on our forward contracts related to potential non-performance by our counterparty. It is our policy to enter into derivative contracts with counterparties that are creditworthy institutions.

We account for our derivative activities under the accounting guidance for derivatives and hedging. Derivatives are recognized on the consolidated balance sheet at fair value. Although the derivative contracts will serve as an economic hedge of the cash flow of our currency exchange risk exposure, they are not formally designated as hedge contracts

for hedge accounting treatment. Accordingly, any changes in the fair value of the derivative instruments during a period will be included in our consolidated statements of income.

As of December 31, 2015, we had the following foreign currency derivative contracts outstanding:

Forward Contracts to Purchase or Sell Foreign Currencies in U.S. Dollars (in thousands)

Foreign Currency	Notional Amount	Contractual Exchange Rate	Fair Value at December 31, 2015
Canadian dollar	\$5,091	1.3751	\$48
Euro	19,706	1.0948	(106)
Norwegian kroner	11,498	8.6973	162
Pound sterling	7,516	1.5031	106
			\$210

Based on the derivative contracts that were in place as of December 31, 2015, a simultaneous 5% devaluation of the Canadian dollar, Euro, Norwegian kroner, and Pound sterling compared to the U.S. dollar would result in a \$0.2 million increase in the market value of our forward contracts.

During 2014, Venezuela enacted certain changes to its foreign exchange system such that, in addition to the official rate of 6.3 Venezuelan Bolivar Fuertes ("Bolivars") per U.S. Dollar, there were two other legal exchange rates that may be obtained via different exchange rate mechanisms. These changes included the expansion of what is known as the SICAD I auction rate and the introduction of the SICAD II auction process. On February 10, 2015, the Venezuelan government announced that the transactions for the sale or purchase of foreign currency under the SICAD II exchange system would no longer be available and created a new open market foreign exchange system ("SIMADI").

During 2015, we concluded that it was appropriate to apply the SIMADI exchange rate as we believed that this rate best represented the economics of our business activity in Venezuela. At December 31, 2015, we had approximately \$0.2 million in net monetary assets denominated in Bolivars using the SIMADI rate, which was approximately 198.7 Bolivars to the U.S. dollar. In the event of a devaluation of the current exchange mechanism in Venezuela or any other new exchange mechanism that might emerge for financial reporting purposes, it would result in our recording an additional devaluation charge in our consolidated statements of income.

Interest Rate Risk

As of December 31, 2015, we did not have an outstanding funded debt balance under the Credit Facility. If we borrow under the Credit Facility in the future, we will be exposed to changes in interest rates on our floating rate borrowings under the Credit Facility. Although we do not currently utilize interest rate derivative instruments to reduce interest rate exposure, we may do so in the future.

Customer Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk are trade receivables. We extend credit to customers and other parties in the normal course of business. We have established various procedures to manage our credit exposure, including credit evaluations and maintaining an allowance for doubtful accounts.

We are also exposed to credit risk because our customers are concentrated in the oil and natural gas industry. This concentration of customers may impact overall exposure to credit risk, either positively or negatively, because our

customers may be similarly affected by changes in economic and industry conditions, including sensitivity to commodity prices. While current energy prices are important contributors to positive cash flow for our customers, expectations

about future prices and price volatility are generally more important for determining future spending levels. However, any prolonged increase or decrease in oil and natural gas prices affects the levels of exploration, development and production activity, as well as the entire health of the oil and natural gas industry, and can therefore negatively impact spending by our customers.

Item 8. Financial Statements and Supplementary Data

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Management's Report on Internal Control Over Financial Reporting	<u>50</u>
<u>Report of Independent Registered Public Accounting Firm</u>	<u>51</u>
<u>Consolidated Balance Sheets as of December 31, 2015 and 2014</u>	<u>52</u>
<u>Consolidated Statements of Income for the Years Ended</u> <u>December 31, 2015, 2014 and 2013</u>	<u>53</u>
<u>Consolidated Statements of Comprehensive Income for the Years Ended</u> <u>December 31, 2015, 2014 and 2013</u>	<u>54</u>
<u>Consolidated Statements of Stockholders' Equity for the Years Ended</u> <u>December 31, 2015, 2014 and 2013</u>	<u>55</u>
<u>Consolidated Statements of Cash Flows for the Years Ended</u> <u>December 31, 2015, 2014 and 2013</u>	<u>56</u>
<u>Notes to the Consolidated Financial Statements</u>	<u>57</u>

Management's Report on Internal Control
Over Financial Reporting

Management of the Company, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended. Internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

We conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2015 based on the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on our evaluation, management has concluded that our internal control over financial reporting was effective as of December 31, 2015.

The effectiveness of our internal control over financial reporting as of December 31, 2015 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Report of Independent Registered Public Accounting Firm

To the Board of Supervisory Directors and Stockholders of Frank's International N.V.

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Frank's International N.V. and its subsidiaries at December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15 (a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our audits which were integrated audits in 2015 and 2014. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Houston, Texas

February 29, 2016

FRANK'S INTERNATIONAL N.V.
CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	December 31,	
	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	\$602,359	\$489,354
Accounts receivables, net	246,191	390,977
Inventories	161,263	204,008
Other current assets	13,923	23,080
Total current assets	1,023,736	1,107,419
Property, plant and equipment, net	624,959	580,142
Goodwill and intangible assets, net	25,210	14,163
Other assets	52,933	56,957
Total assets	\$1,726,838	\$1,758,681
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt	\$7,321	\$304
Accounts payable	12,784	16,496
Deferred revenue	57,637	76,112
Accrued and other current liabilities	111,884	114,227
Total current liabilities	189,626	207,139
Deferred tax liabilities	40,257	35,321
Other non-current liabilities	44,824	42,980
Total liabilities	274,707	285,440
Commitments and contingencies (Note 21)		
Series A preferred stock, €0.01 par value, 52,976,000 shares authorized, issued and outstanding	705	705
Stockholders' equity		
Common stock, €0.01 par value, 745,120,000 shares authorized; 155,661,150 shares issued and 155,146,338 shares outstanding at December 31, 2015 and 154,571,229 shares issued and 154,327,383 shares outstanding at December 31, 2014	2,045	2,033
Additional paid-in capital	712,486	683,611
Retained earnings	531,621	545,357
Accumulated other comprehensive income (loss)	(25,555)	(14,210)
Treasury shares (at cost), 514,812 and 243,846 at December 31, 2015 and 2014 respectively	(9,298)	(4,801)
Total stockholders' equity	1,211,299	1,211,990
Noncontrolling interest	240,127	260,546
Total equity	1,451,426	1,472,536
Total liabilities and equity	\$1,726,838	\$1,758,681

The accompanying notes are an integral part of these consolidated financial statements.

52

FRANK'S INTERNATIONAL N.V.
CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

	Year Ended December 31,		
	2015	2014	2013
Revenues:			
Equipment rentals and services	\$766,252	\$969,703	\$902,960
Products	208,348	182,929	174,762
Total revenue	974,600	1,152,632	1,077,722
Operating expenses:			
Cost of revenues, exclusive of depreciation and amortization			
Equipment rentals and services	304,473	369,855	310,244
Products	113,918	110,126	124,092
General and administrative expenses	270,678	267,378	224,755
Depreciation and amortization	108,962	90,041	78,082
Severance and other charges	35,484	—	—
Change in value of contingent consideration	(1,532) —	—
(Gain) loss on sale of assets	(1,038	) 289	(122
Operating income	143,655	314,943	340,671
Other income (expense):			
Other income	5,791	6,735	9,460
Interest income (expense), net	341	87	(653
Foreign currency loss	(6,358	) (17,041	) (2,556
Total other income (expense)	(226	) (10,219	) 6,251
Income from continuing operations before income tax expense	143,429	304,724	346,922
Income tax expense	37,319	75,412	38,727
Income from continuing operations	106,110	229,312	308,195
Income from discontinued operations, net of tax	—	—	42,635
Net income	106,110	229,312	350,830
Net income attributable to noncontrolling interest	27,000	70,275	95,368
Net income attributable to Frank's International N.V.	\$79,110	\$159,037	\$255,462
Preferred stock dividends	(2	) (1) —
Net income attributable to Frank's International N.V. common shareholders	\$79,108	\$159,036	\$255,462
Basic earnings per common share:			
Continuing operations	\$0.51	\$1.03	\$1.69
Discontinued operations	—	—	0.24
Total	\$0.51	\$1.03	\$1.93
Diluted earnings per common share:			
Continuing operations	\$0.50	\$1.03	\$1.62
Discontinued operations	—	—	0.23
Total	\$0.50	\$1.03	\$1.85

Weighted average common shares outstanding:

Basic	154,662	153,814	132,257
Diluted	209,152	207,828	185,506

The accompanying notes are an integral part of these consolidated financial statements.

53

FRANK'S INTERNATIONAL N.V.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Year Ended December 31,		
	2015	2014	2013
Net income	\$ 106,110	\$ 229,312	\$ 350,830
Other comprehensive income (loss):			
Foreign currency translation adjustments, net of tax	(14,039	) (11,104	) (11,240
Unrealized gain (loss) on marketable securities, net of tax	(1,186	) (4,782	) 3,658
Total other comprehensive income (loss)	(15,225	) (15,886	) (7,582
Comprehensive income	90,885	213,426	343,248
Less: Comprehensive income attributable to noncontrolling interest	23,120	66,216	93,423
Comprehensive income attributable to Frank's International N.V.	\$67,765	\$ 147,210	\$ 249,825

The accompanying notes are an integral part of these consolidated financial statements.

54

FRANK'S INTERNATIONAL N.V.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)

	Common Stock		Additional	Retained	Accumulated	Treasury	Non-	Total
	Shares	Value	Paid-In	Earnings	Other	Stock	controlling	Stockholders'
			Capital		Comprehensiv		Interest	Equity
					Income			
					(Loss)			
Balance at December 31, 2012	119,024	\$1,561	\$651	\$327,436	\$ 3,254	\$—	\$ 114,086	\$ 446,988
Net income	—	—	—	255,462	—	—	95,368	350,830
Distribution of net assets to Mosing Holdings	—	—	—	(37,412)	—	—	(12,907)	(50,319)
Capital contribution by equity holders to subsidiary	—	—	—	—	—	—	3,002	3,002
Issuance of common stock upon IPO, net of offering costs	34,500	458	634,239	—	—	—	76,814	711,511
Foreign currency translation adjustments	—	—	—	—	(8,357)	—	(2,883)	(11,240)
Unrealized gain on marketable securities	—	—	—	—	2,720	—	938	3,658
Stock-based compensation expense	—	—	7,220	—	—	—	—	7,220
Distributions to stockholders	—	—	—	(78,340)	—	—	(27,027)	(105,367)
Distribution to noncontrolling interest	—	—	—	—	—	—	(11,496)	(11,496)
Common stock dividends (\$0.075 per share)	—	—	—	(11,514)	—	—	—	(11,514)
Other	—	—	54	—	—	—	—	54
Balance at December 31, 2013	153,524	2,019	642,164	455,632	(2,383)	—	235,895	1,333,327
Net income	—	—	—	159,037	—	—	70,275	229,312
Tax benefits due to offering costs	—	—	3,093	—	—	—	—	3,093
Foreign currency translation adjustments	—	—	—	—	(8,266)	—	(2,838)	(11,104)
Unrealized loss on marketable	—	—	—	—	—	—	—	—

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securities	—	—	—	—	(3,561)	—	(1,221)	(4,782)
Stock-based compensation expense	—	—	38,368	—	—	—	—	38,368
Distribution to noncontrolling interest	—	—	—	—	—	—	(41,565)	(41,565)
Common stock dividends (\$0.45 per share)	—	—	—	(69,311)	—	—	—	(69,311)
Preferred stock dividends	—	—	—	(1)	—	—	—	(1)
Common shares issued upon vesting of restricted stock units	1,047	14	(14)	—	—	—	—	—
Treasury shares withheld	(244)	—	—	—	—	(4,801)	—	(4,801)
Balance at December 31, 2014	154,327	2,033	683,611	545,357	(14,210)	(4,801)	260,546	1,472,536
Net income	—	—	—	79,110	—	—	27,000	106,110
Foreign currency translation adjustments	—	—	—	—	(10,462)	—	(3,577)	(14,039)
Unrealized loss on marketable securities	—	—	—	—	(883)	—	(303)	(1,186)
Stock-based compensation expense	—	—	28,402	—	—	—	—	28,402
Amount withheld for employee stock purchase plan ("ESPP")	—	—	198	—	—	—	—	198
Distribution to noncontrolling interest	—	—	—	—	—	—	(43,539)	(43,539)
Common stock dividends (\$0.60 per share)	—	—	—	(92,844)	—	—	—	(92,844)
Preferred stock dividends	—	—	—	(2)	—	—	—	(2)
Common shares issued upon vesting of restricted stock units	1,070	12	(12)	—	—	—	—	—
Common shares issued for ESPP	20	—	287	—	—	—	—	287
Treasury shares withheld	(271)	—	—	—	—	(4,497)	—	(4,497)
Balance at December 31, 2015	155,146	\$2,045	\$712,486	\$531,621	\$ (25,555)	\$(9,298)	\$240,127	\$1,451,426

The accompanying notes are an integral part of these consolidated financial statements.

55

FRANK'S INTERNATIONAL N.V.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2015	2014	2013
Cash flows from operating activities			
Net income	\$ 106,110	\$ 229,312	\$ 350,830
Adjustments to reconcile net income to cash provided by operating activities			
Depreciation and amortization	108,962	90,041	78,226
Stock-based compensation expense	28,402	38,368	7,220
ESPP expense	198	—	—
Amortization of deferred financing costs	164	235	129
Venezuelan currency devaluation charge	—	13,010	1,755
Deferred tax provision	4,868	27,995	3,621
Provision for (recovery of) bad debts	228	(3,137)	) 12,551
(Gain) loss on sale of assets	(1,038)	) 289	(39,752)
Changes in fair value of marketable securities	741	(1,403)	) (3,891)
Change in value of contingent consideration	(1,532)) —	—
Unrealized gain on derivative	(210)) —	—
Increase in value of life insurance policies	—	—	(815)
Other	(3,909)) —	—
Changes in operating assets and liabilities			
Accounts receivable	140,657	(43,349)	) (82,032)
Inventories	41,502	(30,282)	) (85,654)
Other current assets	16,981	(7,926)	) (1,698)
Other assets	1,333	(1,619)	) (1,430)
Accounts payable	(3,035)	) 4,991	(5,278)
Deferred revenue	(18,473)	) 13,505	39,437
Accrued expenses and other current liabilities	3,971	32,915	(2,744)
Other noncurrent liabilities	1,838	5,915	6,956
Net cash provided by operating activities	427,758	368,860	277,431
Cash flows from investing activities			
Acquisition of Timco Services, Inc. (net of acquired cash)	(78,676)) —	—
Purchase of property, plant and equipment	(99,723)	) (172,952)	) (184,504)
Proceeds from sale of assets	4,579	848	50,959
Purchase of marketable securities	(869)	) (1,539)	) (1,813)
Premiums on life insurance policies	—	—	(2,142)
Net cash used in investing activities	(174,689)	) (173,643)	) (137,500)
Cash flows from financing activities			
Proceeds from initial public offering, net of offering costs	—	—	711,511
Repayments of borrowings	(765)	) (72)	) (472,070)
Proceeds from borrowings	151	—	170
Deferred financing costs	—	—	(1,000)
Dividends paid on common stock	(92,844)	) (69,311)	) (11,514)
Dividends paid on preferred stock	(2)) (1)) —
Distribution to noncontrolling interest	(43,539)) (41,565)) (11,496)

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Treasury shares withheld	(4,497) (4,801) —
Proceeds from the issuance of ESPP shares	287	—	—
Distributions to stockholders	—	—	(105,367)
Net cash provided by (used in) financing activities	(141,209	) (115,750	) 110,234
Effect of exchange rate changes on cash due to Venezuelan devaluation	—	(1,040	) 575
Effect of exchange rate changes on cash	1,145	5,980	1,262
Net increase in cash	113,005	84,407	252,002
Cash and cash equivalents at beginning of period	489,354	404,947	152,945
Cash and cash equivalents at end of period	\$602,359	\$489,354	\$404,947

The accompanying notes are an integral part of these consolidated financial statements.

56

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1—Basis of Presentation and Significant Accounting Policies

Nature of Business

Frank's International N.V. ("FINV"), a limited liability company organized under the laws of The Netherlands, is a global provider of highly engineered tubular services to the oil and gas industry. FINV provides services to leading exploration and production companies in both offshore and onshore environments with a focus on complex and technically demanding wells.

Basis of Presentation

The consolidated financial statements of FINV for the years ended December 31, 2015, 2014 and 2013 include the activities of Frank's International C.V. ("FICV") and its wholly owned subsidiaries (collectively, "Company," "we," "us" and "our"). All intercompany accounts and transactions have been eliminated for purposes of preparing these consolidated financial statements.

Our accompanying consolidated financial statements and related financial information have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). In the opinion of management, the consolidated financial statements reflect all adjustments and reclassifications consisting solely of normal accruals that are necessary for the fair presentation of financial results as of and for the periods presented.

The consolidated financial statements have been prepared on a historical cost basis using the United States dollar as the reporting currency.

Out-Of-Period Adjustment

During our review of the three months ended June 30, 2014, we identified a non-cash error that originated in prior periods. The error related to the attribution of the cost of share-based compensation to the requisite service periods of retirement-eligible employees. Awards made pursuant to the 2013 Long-Term Incentive Plan generally provided that the awards vest if the employee retires. The requisite service period for awards does not extend beyond the date an employee becomes eligible to retire, which causes the requisite service period to be either two years or the period from grant date to the date the employee becomes retirement eligible. In the second quarter of 2014, we discovered that share-based compensation expense related to retirement-eligible employees was cumulatively understated through the first quarter of 2014 by approximately \$7.5 million. Because the errors were immaterial both in the periods in which they arose and in which they were corrected, the correction was recorded as an out-of-period adjustment in the second quarter of 2014 and is included in general and administrative expenses on the consolidated statements of income.

Significant Accounting Policies

Accounting Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ

from these estimates.

Accounts Receivable

We establish an allowance for doubtful accounts based on various factors including historical experience, the current aging status of our customer accounts, the financial condition of our customers and the business and political environment in which our customers operate. Provisions for doubtful accounts are recorded when it becomes probable that customer accounts are uncollectible.

57

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cash and Cash Equivalents

We consider all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents. Throughout the year, we have cash balances in excess of federally insured limits deposited with various financial institutions. We have not experienced any losses in such accounts and believe we are not exposed to any significant credit risk on cash and cash equivalents.

Comprehensive Income

Accounting standards on reporting comprehensive income require that certain items, including foreign currency translation adjustments and unrealized gains and losses on marketable securities be presented as components of comprehensive income. The cumulative amounts recognized by us under these standards are reflected in the consolidated balance sheet as accumulated other comprehensive income, a component of stockholders' equity.

Contingencies

Certain conditions may exist as of the date our consolidated financial statements are issued that may result in a loss to us, but which will only be resolved when one or more future events occur or fail to occur. Our management, with input from legal counsel, assesses such contingent liabilities, and such assessment inherently involves an exercise in judgment. In assessing loss contingencies related to legal proceedings pending against us or unasserted claims that may result in proceedings, our management, with input from legal counsel, evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is probable a material loss has been incurred and the amount of liability can be estimated, then the estimated liability would be accrued in our consolidated financial statements. If the assessment indicates a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, is disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Derivative Financial Instruments

When we deem appropriate, we use foreign currency forward derivative contracts to mitigate the risk of fluctuations in foreign currency exchange rates. We use these instruments to mitigate our exposure to non-local currency working capital. We do not hold or issue financial instruments for trading or other speculative purposes. We account for our derivative activities under the provisions of accounting guidance for derivatives and hedging. Derivatives are recognized on the consolidated balance sheet at fair value. Although the derivative contracts will serve as an economic hedge of the cash flow of our currency exchange risk exposure, they are not formally designated as hedge contracts for hedge accounting treatment. Accordingly, any changes in the fair value of the derivative instruments during a period will be included in our consolidated statements of income.

Earnings Per Share

Basic earnings per share excludes dilution and is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities to issue common stock were exercised or converted to common stock.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fair Value of Financial Instruments

Our financial instruments consist primarily of cash and cash equivalents, trade accounts receivable, available-for-sale securities, derivative financial instruments, obligations under trade accounts payable and short and long-term debt. Due to their short-term nature, the carrying values for cash and cash equivalents, trade accounts receivable and trade accounts payable approximate fair value. Refer to Note 11 for the fair values of our available-for-sale securities, derivative financial instruments, and other obligations.

Foreign Currency Translations and Transactions

Results of operations for foreign subsidiaries with functional currencies other than the U.S. dollar are translated using average exchange rates during the period. Assets and liabilities of these foreign subsidiaries are translated using the exchange rates in effect at the balance sheet dates. Gains and losses resulting from these translations are included in accumulated other comprehensive income within stockholders' equity.

For those foreign subsidiaries that have designated the U.S. dollar as the functional currency, gains and losses resulting from balance sheet remeasurement of foreign operations are included in the consolidated statements of income as incurred. Gains and losses resulting from transactions denominated in a foreign currency are also included in the consolidated statements of income as incurred.

Goodwill

Goodwill is not subject to amortization and is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. A qualitative assessment is allowed to determine if goodwill is potentially impaired. The qualitative assessment determines whether it is more likely than not that a reporting unit's fair value is less than its carrying amount. If it is more likely than not that the fair value of the reporting unit is less than the carrying amount, then the two step impairment test is performed. First, the fair value of each reporting unit is compared to its carrying value to determine whether an indication of impairment exists. If impairment is indicated, then the fair value of the reporting unit's goodwill is determined by allocating the unit's fair value to its assets and liabilities (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The amount of impairment for goodwill is measured as the excess of its carrying value over its fair value. We complete our assessment of goodwill impairment as of December 31 each year. No impairment was recorded for years ended December 31, 2015, 2014 and 2013. Our goodwill is allocated to our operating segments as follows: U.S. Services - approximately \$16.3 million; Tubular Sales - approximately \$2.4 million. The inputs used in the determination of fair value are generally level 3 inputs. See Note 11 in these Notes to Consolidated Financial Statements for a discussion of fair value measures.

Impairment of Long-Lived Assets

Long-lived assets, which include property, plant and equipment, and certain other assets to be held and used by us, are reviewed when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable based on estimated future cash flows. If this assessment indicates that the carrying values will not be recoverable, as determined based on undiscounted cash flows over the remaining useful lives, an impairment loss is recognized based on fair value of the asset.

Income Taxes

We operate under many legal forms in approximately 60 countries. As a result, we are subject to many U.S. and foreign tax jurisdictions and many tax agreements and treaties among the various taxing authorities. Our operations in these different jurisdictions are taxed on various bases such as income before taxes, deemed profits (which is generally determined using a percentage of revenues rather than profits), and withholding taxes based on revenues.

Determination of taxable income in any jurisdiction requires the interpretation of the related tax laws and regulations and the use of estimates and assumptions regarding significant future events. Changes in tax laws, regulations, agreements and treaties,

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

foreign currency exchange restrictions, or our level of operations or profitability in each taxing jurisdiction could have an impact upon the amount of income taxes that we provide during any given year.

FICV is treated as a partnership for U.S. federal income tax purposes and its domestic subsidiaries are classified as limited liability companies not subject to federal or state income taxation. As a partner in FICV, we are subject to U.S. taxation on our allocable share of U.S. taxable income and the noncontrolling member will pay taxes with respect to its allocable share of U.S. taxable income.

We provide for income tax expense based on the liability method of accounting for income taxes based on the authoritative accounting guidance. Deferred tax assets and liabilities are recorded based upon temporary differences between the tax basis of assets and liabilities and their carrying values for financial reporting purposes, and are measured using the enacted marginal rates and laws that will be in effect when the differences are expected to reverse. Deferred tax expense or benefit is the result of changes in deferred tax assets and liabilities during the period. The impact of an uncertain tax position taken or expected to be taken on an income tax return is recognized in the financial statements at the largest amount that is more likely than not to be sustained upon examination by the relevant taxing authority.

Intangible Assets

Intangible assets are comprised of licenses, customer relationships, trade names, and non-compete agreements. Identifiable intangible assets are amortized using the straight-line method over the estimated useful lives of the assets. We evaluate impairment of our intangible assets on an individual basis whenever circumstances indicate that the carrying value may not be recoverable. Intangible assets deemed to be impaired are written down to their fair value discounted cash flows and, if available, comparable market values.

The following table provides information related to our intangible assets as of December 31, 2015 and 2014 (in thousands):

	December 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Total
Customer relationships	\$ 14,658	\$ (9,422)	) \$ 5,236
Non-compete agreement	1,160	(440)	) 720
Trade name	3,525	(2,925)	) 600
License agreement	4,957	(4,957)) —
Total intangible assets	\$ 24,300	\$ (17,744)	) \$ 6,556
	December 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Total
Customer relationships	\$ 8,498	\$ (8,498)) \$ —
Non-compete agreement	200	(200)) —
Trade name	2,725	(2,725)) —
License agreement	4,957	(4,536)	) 421
Total intangible assets	\$ 16,380	\$ (15,959)	) \$ 421

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Amortization expense for intangibles assets was \$1.8 million, \$0.7 million and \$0.8 million for the years ended December 31, 2015, 2014 and 2013, respectively.

As of December 31, 2015, estimated amortization expense for the intangible assets for each of the next five years was as follows (in thousands):

2016	\$ 1,819
2017	1,819
2018	1,379
2019	1,232
2020	307
Total	\$ 6,556

Inventories

Inventories are stated at the lower of cost (primarily average cost) or market value. Work in progress and finished goods include the cost of materials, labor, and manufacturing overhead. Inventory placed in service is either capitalized and included in equipment or expensed based upon our capitalization policies.

Marketable Securities

Our marketable securities in publicly traded equity securities as an indirect result of strategic investments are classified as available-for-sale and are reported at fair value. See Note 8-Other Assets.

The marketable securities are held within a Rabbi Trust for the purpose of paying future executive deferred compensation benefit obligations. Unrealized gains and losses are reported as a component of stockholders' equity. Realized gains and losses on marketable securities are included in other income on our consolidated statements of income, net when realized. Any impairment loss to reduce an investment's carrying amount to its fair market value is recognized in income when a decline in the fair market value of an individual security below its cost or carrying value is determined to be other than temporary. Realized gains (losses) on investments were \$(0.7) million, \$1.4 million and \$3.9 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Expenditures for significant improvements and betterments are capitalized when they enhance or extend the useful life of the asset. Expenditures for routine repairs and maintenance, which do not improve or extend the life of the related assets, are expensed when incurred. When properties or equipment are sold, retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the books and the resulting gain or loss is recognized on the consolidated statements of income.

Depreciation on fixed assets is computed using the straight-line method over the estimated useful lives of the individual assets. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the lease term. The depreciation of fixed assets recorded under capital lease agreements is included in depreciation expense.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Revenue Recognition

All revenue is recognized when all of the following criteria have been met: (1) evidence of an arrangement exists; (2) delivery to and acceptance by the customer has occurred; (3) the price to the customer is fixed or determinable; and (4) collectability is reasonably assured, as follows:

Services Revenue. We provide tubular services to clients in the oil and gas industry. We perform services either under direct service purchase orders or master service agreements. Service revenue is recognized when services have been performed or rendered.

Rental Revenue. We design and manufacture a suite of highly technical equipment and products that we rent to our customers in connection with providing our services, including high-end, proprietary tubular handling equipment. We rent our products either under direct rental agreements or with customers with rental agreements in place. Revenue from rental agreements is recognized as earned over the rental period.

For customers contracted under direct service purchase orders and direct rental agreements, an accrual is recorded in unbilled accounts receivable for revenue earned but not yet invoiced.

Tubular Sales Revenue. Revenue on tubular sales is recognized when the product has shipped and significant risks of ownership have passed to the customer. The sales arrangements typically do not include right of return or other similar provisions or other post-delivery obligations. In some regions, customers have a right of return due to purchasing of excess products and deliverability limitations of products in remote locations. When the likelihood of a return exists on a sale, a determination of this portion of revenue is reclassified to deferred revenue until such time as the product is returned or the return period has expired.

Some of our tubular sales customers have requested that we store pipe and connectors purchased from us in our facilities. We considered whether revenue should be recognized on these sales under the "bill and hold" guidance provided by the SEC Staff; however, based upon the assessment performed, revenue recognition on these transactions totaling \$57.6 million and \$76.1 million was deferred at December 31, 2015 and 2014, respectively.

Stock-Based Compensation

Our 2013 Long-Term Incentive Plan provides for the granting of stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs"), dividend equivalent rights and other types of equity and cash incentive awards to employees, non-employee directors and service providers. Stock-based compensation expense is measured at the grant date of the share-based awards based on their value and is recognized on a straight-line basis over the vesting period, net of an estimated forfeiture rate and is included in general and administrative expense in the consolidated statements of income.

Our stock-based compensation currently consists of RSUs. The grant date fair value of the RSUs, which are not entitled to receive dividends until vested, is measured by reducing the share price at that date by the present value of the dividends expected to be paid during the requisite vesting period, discounted at the appropriate risk-free interest rate.

Recent Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates ("ASUs") to the FASB's Accounting Standards Codification.

We consider the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on our consolidated financial position or results of operations.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In January 2016, the FASB issued accounting guidance on the recognition and measurement of financial assets and financial liabilities. Under this guidance, equity investments will be measured at fair value with changes in fair value recognized in net income. The guidance requires public businesses to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes and requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset. The guidance also eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost. The guidance is not applicable to equity investments accounted for under the equity method of accounting. The guidance is effective for interim and annual periods beginning after December 15, 2017. Management does not believe the adoption will have a material impact on our consolidated financial statements.

In November 2015, the FASB issued accounting guidance on the classification and presentation of deferred taxes. The guidance eliminates the current requirement for organizations to present deferred tax liabilities and assets as current and noncurrent in a classified balance sheet. The guidance requires all deferred tax assets and liabilities be classified as noncurrent. The guidance is effective for interim and annual periods beginning after December 15, 2016 with early adoption permitted. The amendments in this guidance may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. We adopted this guidance on December 31, 2015 and the adoption did not have a material impact on our consolidated financial statements.

In July 2015, the FASB issued accounting guidance on simplifying the measurement of inventory. Under this guidance, inventory will be measured at the lower of cost and net realizable value. Options that currently exist for market value will be eliminated. The guidance defines net realizable value as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. No other changes were made to the current guidance on inventory measurement. This guidance will be effective for interim and annual periods beginning after December 15, 2016. Early application is permitted and should be applied prospectively. Management is evaluating the provisions of this statement, including which period to adopt, and has not determined what impact the adoption of the new accounting guidance will have on our consolidated financial statements.

In April 2015, the FASB issued amended guidance on the presentation of debt issuance costs, which requires debt issuance costs to be presented in the balance sheet as a direct deduction from the related debt liability rather than as an asset, consistent with debt discounts and premiums. Amortization of the costs will be reported as interest expense. In August 2015, additional guidance was provided to address the presentation or subsequent measurement of debt issuance costs related to line-of-credit arrangements. The SEC staff stated that it would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. We adopted this guidance during 2015 and the adoption did not have an impact on our consolidated financial statements.

In February 2015, the FASB issued guidance on the amendments to the consolidation analysis, which affects reporting entities that are required to evaluate whether they should consolidate certain legal entities. All legal entities are subject to reevaluation under the revised consolidation model. Specifically, the amendments: (1) modify the evaluation of whether limited partnerships and similar legal entities are variable interest entities ("VIEs") or voting interest entities; (2) eliminate the presumption that a general partner should consolidate a limited partnership; (3) affect the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships; and (4) provide a scope exception from consolidation guidance for reporting entities

with interest in legal entities that are required to comply with or operate in accordance with requirements that are similar to those for registered money market funds. This pronouncement is effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. We are evaluating the impact that the adoption of this standard will have on our consolidated financial statements

In January 2015, the FASB issued guidance on the income statement presentation, which eliminates the concept of extraordinary items while retaining certain presentation and disclosure guidance for items that are unusual in nature or occur infrequently. The standard is effective prospectively for fiscal years and interim periods within those fiscal

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

years, beginning after December 15, 2015, with early adoption permitted provided the guidance is applied from the beginning of the fiscal year of adoption. We do not expect to adopt this guidance early and do not believe that the adoption of this guidance will have a material impact on our consolidated financial statements.

In May 2014, the FASB issued amendments to guidance on the recognition of revenue based upon the entity's contracts with customers to transfer goods or services. Under the new standard update, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. On July 9, 2015, the FASB deferred the effective date by one year to December 15, 2017 for annual reporting periods beginning after that date. The FASB will also permit early adoption of the standard, but not before the original effective date of December 15, 2016. We are currently evaluating the impact of this accounting standard update on our consolidated financial statements.

Note 2—Noncontrolling Interest

We hold an economic interest in FICV and are responsible for all operational, management and administrative decisions relating to FICV's business. As a result, the financial results of FICV are consolidated with ours and we record a noncontrolling interest on our consolidated balance sheet with respect to the remaining economic interest in FICV held by Mosing Holdings, Inc. ("MHI"). Net income attributable to noncontrolling interest on the statements of income represents the portion of earnings or losses attributable to the economic interest in FICV held by MHI. The allocable domestic income from FICV to FINV is subject to U.S. taxation.

A reconciliation of net income attributable to noncontrolling interest is detailed as follows (in thousands):

	Year Ended December 31,		
	2015	2014	2013
Net income	\$106,110	\$229,312	\$350,830
Add: Provision for income taxes of FINV (1)	6,585	45,433	20,750
Less: (Income) loss in FINV (2)	(6,824)	(392)	224
Net income subject to noncontrolling interest	105,871	274,353	371,804
Noncontrolling interest percentage (3)	25.4	% 25.6	% 25.7
Net income attributable to noncontrolling interest	\$27,000	\$70,275	\$95,368

(1) Represents income tax expense of entities outside of FICV as well as income tax attributable to our proportionate share of the U.S. operations of our partnership interests in FICV.

(2) Represents results of operations for entities outside of FICV.

(3) Represents the economic interest in FICV held by MHI. This percentage will change as additional shares of FINV common stock are issued.

Note 3—Discontinued Operations

On June 14, 2013, we sold a component of our Tubular Sales segment, which manufactured centralizers for sales to third parties, and recognized a gain on sale of \$39.6 million, which is included in income from discontinued operations on the consolidated statements of income. As a result, for the year ended December 31, 2013, the operations from that component have been reported as discontinued operations.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the results of discontinued operations (in thousands):

	Year Ended December 31, 2013
Revenues	\$7,554
Income from discontinued operations	\$3,036
Gain on sale of discontinued operations	39,629
Income from discontinued operations before income taxes	42,665
Income tax expense	30
Net income from discontinued operations	\$42,635

The major classes of assets and liabilities as of June 14, 2013, which were included in the disposition were as follows (in thousands):

Accounts receivable, net	\$1,968
Inventory	4,905
Prepaid and other current assets	53
Property, plant and equipment	2,260
Goodwill	1,497
Total assets	\$10,683
 Total liabilities	 \$312

Cash flows from discontinued operations are included with cash flows from continuing operations in the consolidated statements of cash flows for the year ended December 31, 2013.

Note 4—Acquisition

On April 1, 2015, Frank's International, LLC, a Texas limited liability company ("Frank's LLC") and an indirect wholly-owned subsidiary of FICV closed on a transaction, which was an immaterial acquisition, to purchase all of the outstanding equity interests of Timco Services, Inc. ("Timco"), a Louisiana corporation with a strong presence in the Permian Basin and Eagle Ford Shale regions, in exchange for consideration consisting of (i) approximately \$81.0 million inclusive of a tax reimbursement payment of \$8.0 million as well as closing adjustments for normal operating activity and customary purchase price adjustments and (ii) contingent consideration of up to \$20.0 million, payable in two separate payments of \$10.0 million based upon exceeding certain targets of the United States land rotary rig count, as reported by Baker Hughes, over prescribed time periods, which is revalued each quarter as discussed in Note 11 - Fair Value Measurements. As of December 31, 2015, the contingent consideration had a fair value of approximately \$7.0 thousand. In addition, each party agreed to indemnify the other for breaches of representations and warranties, breaches of covenants and certain other matters, subject to certain exceptions.

The Timco acquisition was accounted for as a business combination in accordance with accounting guidance. As described in Note 11 - Fair Value Measurements, the purchase price is allocated to the fair value of assets acquired and liabilities assumed based on a discounted cash flow model and goodwill is recognized for the excess consideration transferred over the fair value of the net assets. We recognized \$4.9 million of goodwill. The goodwill is assigned to the U.S. Services segment and is deductible for tax purposes. The purchase price allocation was finalized during the

fourth quarter of 2015.

In connection with the Timco acquisition, we acquired intangible assets in the amount of \$7.9 million related to customer relationships, trade names and non-compete clauses. The intangible assets will be amortized over their

65

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

estimated useful lives. Amortization expense for the intangible assets for the Timco acquisition was \$1.4 million for the year ended December 31, 2015.

Note 5—Accounts Receivable, net

Accounts receivable at December 31, 2015 and 2014 were as follows (in thousands):

	December 31,	
	2015	2014
Trade accounts receivable, net of allowance of \$2,528 and \$2,477, respectively	\$ 166,256	\$ 291,140
Unbilled receivables	40,033	62,993
Taxes receivable	34,163	32,056
Affiliated (1)	3,966	3,370
Other receivables	1,773	1,418
Total accounts receivable	\$ 246,191	\$ 390,977

(1) Amounts represent expenditures on behalf of non-consolidated affiliates and receivables for aircraft charter income.

Note 6—Inventories

Inventories at December 31, 2015 and 2014 were as follows (in thousands):

	December 31,	
	2015	2014
Pipe and connectors	\$ 137,245	\$ 185,076
Finished goods	4,020	4,291
Work in progress	5,230	3,363
Raw materials, components and supplies	14,768	11,278
Total inventories	\$ 161,263	\$ 204,008

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 7—Property, Plant and Equipment

The following is a summary of property, plant and equipment at December 31, 2015 and 2014 (in thousands):

	Estimated Useful Lives in Years	December 31,	
		2015	2014
Land and land improvements (1)	8 - 15	\$19,408	\$21,804
Buildings and improvements	39	74,152	69,827
Rental machinery and equipment	7	898,134	763,722
Machinery and equipment - other	7	60,250	64,648
Furniture, fixtures and computers	5	18,240	17,915
Automobiles and other vehicles	5	48,402	37,417
Aircraft	7	16,267	14,868
Leasehold improvements	7-15, or lease term if shorter	7,947	6,353
Construction in progress - machinery and equipment and buildings	—	102,432	114,308
		1,245,232	1,110,862
Less: Accumulated depreciation		(620,273	) (530,720
Total property, plant and equipment, net		\$624,959	\$580,142

(1) The estimated useful life presented is only land improvements. Land does not have a depreciable life.

Depreciation expense was approximately \$107.2 million, \$89.4 million and \$77.3 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Note 8—Other Assets

Other assets at December 31, 2015 and 2014 consisted of the following (in thousands):

	December 31,	
	2015	2014
Marketable securities held in Rabbi Trust (1)	\$45,254	\$45,126
Deferred tax asset	536	1,507
Deposits	2,031	4,043
Other	5,112	6,281
Total other assets	\$52,933	\$56,957

(1) See Note 11 – Fair Value Measurements

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9—Accrued and Other Current Liabilities

Accrued and other current liabilities at December 31, 2015 and 2014 consisted of the following (in thousands):

	December 31,	
	2015	2014
Accrued compensation	\$25,281	\$35,097
Accrued property and other taxes	23,790	32,190
Accrued severance and other charges	22,244	—
Income taxes	7,385	3,362
Accrued inventory	5,281	6,235
Accrued medical claims	4,141	3,218
Accrued purchase orders	5,562	8,081
Other	18,200	26,044
Total accrued and other current liabilities	\$111,884	\$114,227

Note 10—Debt

Credit Facility

We have a \$100.0 million revolving credit facility with certain financial institutions, including up to \$20.0 million for letters of credit and up to \$10.0 million in swingline loans, which matures in August 2018 (the “Credit Facility”). Subject to the terms of our credit agreement, we have the ability to increase the commitments under the Credit Facility by \$150.0 million. At December 31, 2015 and 2014, we did not have any outstanding indebtedness under the Credit Facility. In addition, we had \$4.7 million in letters of credit outstanding as of December 31, 2015.

Borrowings under the Credit Facility bear interest, at our option, at either a base rate or an adjusted Eurodollar rate. Base rate loans under the Credit Facility bear interest at a rate equal to the higher of (a) the prime rate as published in the Wall Street Journal, (b) the Federal Funds Effective Rate plus 0.50% or (c) the adjusted Eurodollar rate plus 1.00%, plus an applicable margin ranging from 0.50% to 1.50%, subject to adjustment based on the leverage ratio. Interest is in each case payable quarterly for base-rate loans. Eurodollar loans under the Credit Facility bear interest at an adjusted Eurodollar rate equal to the Eurodollar rate for such interest period multiplied by the statutory reserves, plus an applicable margin ranging from 1.50% to 2.50%. Interest is payable at the end of applicable interest periods for Eurodollar loans, except that if the interest period for a Eurodollar loan is longer than three months, interest is paid at the end of each three-month period. The unused portion of the Credit Facility is subject to a commitment fee ranging from 0.250% to 0.375% based on certain leverage ratios.

The Credit Facility contains various covenants that, among other things, limit our ability to grant certain liens, make certain loans and investments, enter into mergers or acquisitions, enter into hedging transactions, change our lines of business, prepay certain indebtedness, enter into certain affiliate transactions, incur additional indebtedness or engage in certain asset dispositions.

The Credit Facility also contains financial covenants, which, among other things, require us, on a consolidated basis, to maintain: (i) a ratio of total consolidated funded debt to adjusted EBITDA (as defined in our credit agreement) of not more than 2.50 to 1.0; and (ii) a ratio of EBITDA to interest expense of not less than 3.0 to 1.0. As of December 31, 2015, we were in compliance with all financial covenants under the Credit Facility.

In addition, the Credit Facility contains customary events of default, including, among others, the failure to make required payments, the failure to comply with certain covenants or other agreements, breach of the representations and covenants contained in the agreements, default of certain other indebtedness, certain events of bankruptcy or insolvency and the occurrence of a change in control (as defined in our credit agreement).

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AFCO Credit Corporation - Insurance Notes Payable

In 2015, we entered into a note to finance annual insurance premiums for \$7.6 million. The note bears interest at an annual rate of 1.9% and will mature in October 2016. At December 31, 2015, the total outstanding balance was \$6.9 million.

Note 11—Fair Value Measurements

We follow fair value measurement authoritative accounting guidance for measuring fair values of assets and liabilities in financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). We utilize market data or assumptions that market participants who are independent, knowledgeable, and willing and able to transact would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. We are able to classify fair value balances based on the observability of these inputs. The authoritative guidance for fair value measurements establishes three levels of the fair value hierarchy, defined as follows:

Level 1: Unadjusted, quoted prices for identical assets or liabilities in active markets.

Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Significant, unobservable inputs for use when little or no market data exists, requiring a significant degree of judgment.

The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. Depending on the particular asset or liability, input availability can vary depending on factors such as product type, longevity of a product in the market and other particular transaction conditions. In some cases, certain inputs used to measure fair value may be categorized into different levels of the fair value hierarchy. For disclosure purposes under the accounting guidance, the lowest level that contains significant inputs used in valuation should be chosen.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Financial Assets and Liabilities

A summary of financial assets and liabilities that are measured at fair value on a recurring basis, as of December 31, 2015 and 2014 were as follows (in thousands):

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
December 31, 2015				
Assets:				
Derivative financial instruments	\$—	\$210	\$—	\$210
Investments available-for-sale:				
Marketable securities - deferred compensation plan	\$—	\$45,254	\$—	\$45,254
Marketable securities - other	2,387	—	—	2,387
Liabilities:				
Marketable securities - deferred compensation plan	—	43,568	—	43,568
Contingent consideration	—	—	7	7
December 31, 2014				
Assets:				
Investments available-for-sale:				
Marketable securities - deferred compensation plan	\$—	\$45,126	\$—	\$45,126
Marketable securities - other	2,257	—	—	2,257
Liabilities:				
Marketable securities - deferred compensation plan	—	42,968	—	42,968

Our derivative financial instruments consist of short-duration foreign currency forward contracts. The fair value of derivative financial instruments is based on quoted market values including foreign exchange forward rates and interest rates. The fair value is computed by discounting the projected future cash flow amounts to present value. The derivative financial instruments are included in accounts receivable, net in our consolidated balance sheets.

Our investments associated with our deferred compensation plan consist of marketable securities that are held in the form of investments in mutual funds within insurance contracts. Assets and liabilities measured using significant observable inputs are reported at fair value based on third-party broker statements which are derived from the fair value of the funds' underlying investments. Other marketable securities and investments are included in other assets on the consolidated balance sheets. Our valuation technique used to estimate the fair value of contingent consideration payable in connection with our acquisition of Timco (as described in Note 4) is the Monte Carlo simulation lattice option-pricing model which uses weekly rig count forecasts through June 30, 2017 as a basis for the simulation. The contingent consideration is included in other non-current liabilities on the balance sheet.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We used the following assumptions in the Monte Carlo simulation lattice option-pricing model:

	December 31, 2015	
Assumptions:		
Rig count volatility	1.85	%
Cost of debt	5.31	%
Date of first contingent consideration payment	December 31, 2016	
Date of second contingent consideration payment	June 30, 2017	

The following table sets forth a reconciliation of the changes in the fair value of the contingent consideration payable, which changed as a result of the significant reduction in the rig count forecast. The contingent consideration is classified as Level 3 in the fair value hierarchy (in thousands):

	Significant Unobservable	
Beginning balance, December 31, 2014	\$—	
Issuance of contingent consideration	1,539	
Change in value of contingent consideration	(1,532)
Ending Balance, December 31, 2015	\$7	

Assets and Liabilities Measured at Fair Value on a Non-recurring Basis

We apply the provisions of the fair value measurement standard to our non-recurring, non-financial measurements including business combinations as well as impairment related to goodwill and other long-lived assets. For business combinations, the purchase price is allocated to the assets acquired and liabilities assumed based on a discounted cash flow model for most intangibles as well as market assumptions for the valuation of equipment and other fixed assets. We utilize a discounted cash flow model in evaluating impairment considerations related to goodwill and long-lived assets. Given the unobservable nature of the inputs, the discounted cash flow models are deemed to use Level 3 inputs. There were no non-recurring measurements during the periods presented.

Other Fair Value Considerations

The carrying values on our consolidated balance sheet of our cash and cash equivalents, trade accounts receivable, other current assets, accounts payable, accrued and other current liabilities and lines of credit approximate fair values due to their short maturities.

Note 12— Derivatives

In December 2015, we began entering into short-duration foreign currency forward derivative contracts to reduce the risk of foreign currency fluctuations. We use these instruments to mitigate our exposure to non-local currency operating working capital. We record these contracts at fair value on our consolidated balance sheets. Although the derivative contracts will serve as an economic hedge of the cash flow of our currency exchange risk exposure, they are not formally designated as hedge contracts for hedge accounting treatment. Accordingly, any changes in the fair value of the derivative instruments during a period will be included in our consolidated statements of income.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2015 we had the following foreign currency derivative contracts outstanding in U.S. Dollars (in thousands):

	December 31, 2015		
	Notional Amount	Contractual Exchange Rate	Settlement Date
Derivative Contracts			
Canadian dollar	\$ 5,091	1.3751	1/13/16
Euro	19,706	1.0948	1/13/16
Norwegian kroner	11,498	8.6973	1/13/16
Pound sterling	7,516	1.5031	1/13/16

The following table summarizes the location and fair value amounts of all derivative contracts in the consolidated balance sheets as of December 31, 2015 (in thousands):

Derivatives not designated as Hedging Instruments	Consolidated Balance Sheet Location	December 31, 2015
Foreign currency contracts	Accounts receivable, net	\$ 210

The following table summarize the location and amounts of the unrealized gains on derivative contracts in the consolidated income statement as of December 31, 2015 (in thousands):

Derivatives not designated as Hedging Instruments	Location of gain recognized in income on derivative contracts	December 31, 2015
Unrealized gain on foreign currency contracts	Other income	\$ 210

Our derivative transactions are governed through International Swaps and Derivatives Association ("ISDA") master agreements. These agreements include stipulations regarding the right of offset in the event that we or our counterparty default on our performance obligations. If a default were to occur, both parties have the right to net amounts payable and receivable into a single net settlement between parties. Our accounting policy is to offset derivative assets and liabilities executed with the same counterparty when a master netting arrangement exists.

The following table presents the gross and net fair values of our derivatives as of December 31, 2015 (in thousands):

	December 31, 2015	
	Derivative Asset Positions	Derivative Liability Positions
Gross position - asset / (liability)	\$ 316	\$(106)
Netting adjustment	(106)	106
Net position - asset / (liability)	\$ 210	\$—

Note 13—Preferred Stock

At December 31, 2015 and 2014, we had 52,976,000 shares of Series A preferred stock, par value €0.01 per share (the "Preferred Stock") issued and outstanding, which were held by MHI. Each share of Preferred Stock has a liquidation preference equal to its par value of €0.01 per share and is entitled to an annual dividend equal to 0.25% of its par value. The preferred dividend of \$1,506 for the year ended December 31, 2014 was paid on June 30, 2015. We expect to pay the annual dividend for the year ended December 31, 2015 in May 2016. Additionally, each share of Preferred Stock

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

entitles its holder to one vote. Preferred stockholders vote with the common stockholders as a single class on all matters presented to FINV's shareholders for their vote.

MHI has the right to convert all or a portion of its Preferred Stock into shares of our common stock by delivery of an equivalent portion of its interest in FICV to us. Accordingly, the increase in our interest in FICV in connection with the conversion will decrease the noncontrolling interest in our financial statements that is attributable to MHI's interest in FICV. As of December 31, 2015, there have been no conversions of the Preferred Stock or exchanges of the FICV limited partner interests. Exchanges are subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications.

The Preferred Stock is classified outside of permanent equity in our consolidated balance sheet at its redemption value of par plus accrued and unpaid dividends because the conversion provisions are not solely within our control.

Note 14—Treasury Stock

At December 31, 2015, common shares held in treasury totaled 514,812 with a cost of \$9.3 million. These shares were withheld from employees to settle personal tax withholding obligations that arose as a result of restricted stock units that vested.

Note 15—Related Party Transactions

We have engaged in certain transactions with other companies related to us by common ownership. We have entered into various operating leases to lease office space from an affiliated partnership. Rent expense related to these leases was \$7.6 million, \$7.4 million and \$5.8 million for the years ended December 31, 2015, 2014 and 2013, respectively.

We are a party to certain agreements relating to the rental of aircraft to Western Airways ("WA"), an entity owned by the Mosing family. Prior to our initial public offering (the "IPO"), we had entered agreements, whereby we leased the aircraft as needed for a rental fee per hour and reimbursed WA for a management fee and hangar rental. The rental fees exceeded the reimbursement costs and we recorded net charter income. Subsequent to the IPO in 2013, we entered into new agreements with WA for the aircraft that was retained by us whereby we are paid a flat monthly fee for dry lease rental and charged block hours monthly. In 2015, we amended the agreements to reflect both dry lease and wet lease rental, whereby we are charged a flat monthly fee and earn charter income from third party usage. We recorded net charter expense of \$2.0 million and \$1.5 million for the years ended December 31, 2015 and 2014, respectively, and net charter income of \$1.0 million for the year ended December 31, 2013.

Tax Receivable Agreement

MHI and its permitted transferees may convert all or a portion of its Preferred Stock into shares of our common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications and other similar transactions, by delivery of an equivalent portion of its interest in FICV to us (a "Conversion"). FICV has made an election under Section 754 of the Code. Pursuant to the Section 754 election, each future Conversion is expected to result in an adjustment to the tax basis of the tangible and intangible assets of FICV, and these adjustments will be allocated to FINV. Certain of the adjustments to the tax basis of the tangible and intangible assets of FICV described above would not have been available absent these future Conversions. The anticipated basis adjustments are expected to reduce the amount of tax that FINV would otherwise be required to pay in the future. These basis adjustments may also decrease gains (or increase losses) on future dispositions of certain

capital assets to the extent tax basis is allocated to those capital assets.

The tax receivable agreement (the "TRA") that we entered into with FICV and MHI in connection with our IPO generally provides for the payment by FINV of 85% of the amount of the actual reductions, if any, in payments of U.S. federal, state and local income tax or franchise tax (which reductions we refer to as "cash savings") in periods after our IPO as a result of (i) the tax basis increases resulting from the Conversions and (ii) imputed interest deemed to be paid by us as a result of, and additional tax basis arising from, payments under the TRA. In addition, the TRA provides

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for payment by us of interest earned from the due date (without extensions) of the corresponding tax return to the date of payment specified by the TRA. We will retain the remaining 15% of cash savings, if any.

The payment obligations under the TRA are our obligations and are not obligations of FICV. The term of the TRA will continue until all such tax benefits have been utilized or expired, unless we exercise our right to terminate the TRA.

Estimating the amount of payments that may be made under the TRA is by its nature imprecise. The actual increase in tax basis, as well as the amount and timing of any payments under the TRA, will vary depending upon a number of factors, including the timing of Conversions, the relative value of our U.S. and international assets at the time of the Conversion, the price of our common stock at the time of the Conversion, the extent to which such Conversions are taxable, the amount and timing of the taxable income FINV realizes in the future and the tax rate then applicable, FINV's use of loss carryovers and the portion of its payments under the TRA constituting imputed interest or depreciable or amortizable basis. FINV expects that the payments that it will be required to make under the TRA will be substantial but that it will be able to fund such payments. There may be a negative impact on our liquidity if, as a result of timing discrepancies, the payments under the TRA exceed the actual benefits we realize in respect of the tax attributes subject to the TRA. The payments under the TRA will not be conditioned upon a holder of rights under a TRA having a continued ownership interest in either FICV or FINV.

The TRA provides that FINV may terminate it early. If FINV elects to terminate the TRA early, it would be required to make an immediate payment equal to the present value of the anticipated future tax benefits subject to the TRA (based upon certain assumptions and deemed events set forth in the TRA, including the assumption that it has sufficient taxable income to fully utilize such benefits and that any FICV interests that MHI or its transferees own on the termination date are deemed to be exchanged on the termination date). Any early termination payment may be made significantly in advance of the actual realization, if any, of such future benefits. In addition, payments due under the TRA will be similarly accelerated following certain mergers or other changes of control. In these situations, FINV's obligations under the TRA could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. For example, if the TRA were terminated on December 31, 2015, the estimated termination payment would be approximately \$45.5 million (calculated using a discount rate of 5.67%). The foregoing number is merely an estimate and the actual payment could differ materially.

Because FINV is a holding company with no operations of its own, its ability to make payments under the TRA is dependent on the ability of FICV to make distributions to it in an amount sufficient to cover FINV's obligations under such agreements; this ability, in turn, may depend on the ability of FICV's subsidiaries to provide payments to it. The ability of FICV and its subsidiaries to make such distributions will be subject to, among other things, the applicable provisions of Dutch law that may limit the amount of funds available for distribution and restrictions in our debt instruments. To the extent that FINV is unable to make payments under the TRA for any reason, except in the case of an acceleration of payments thereunder occurring in connection with an early termination of the TRA or certain mergers or change of control, such payments will be deferred and will accrue interest until paid, and FINV will be prohibited from paying dividends on its common stock.

Note 16—Earnings Per Common Share

Basic earnings per common share is determined by dividing net income, less preferred stock dividends, by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined

by dividing net income attributable to common stockholders by the weighted average number of common shares outstanding, assuming all potentially dilutive shares were issued.

We apply the treasury stock method to determine the dilutive weighted average common shares represented by the unvested restricted stock units and ESPP shares. The diluted earnings per share calculation assumes the conversion of 100% of our outstanding Preferred Stock on an as if converted basis. Accordingly, the numerator is also adjusted to include the earnings allocated to the noncontrolling interest after taking into account the tax effect of such exchange.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the basic and diluted earnings per share calculations (in thousands, except per share amounts):

	Year Ended December 31,			
	2015	2014	2013	
Numerator - Basic				
Income from continuing operations	\$ 106,110	\$ 229,312	\$ 308,195	
Less: Net income attributable to noncontrolling interest	(27,000	) (70,275	) (95,368
Discontinued operations attributable to noncontrolling interest	—	—	10,935	
Less: Preferred stock dividends	(2	) (1) —	
Income from continuing operations attributable to common shareholders	79,108	159,036	223,762	
Income from discontinued operations attributable to FINV	—	—	31,700	
Net income available to common shareholders	\$ 79,108	\$ 159,036	\$ 255,462	
Numerator - Diluted				
Income from continuing operations attributable to common shareholders	\$ 79,108	\$ 159,036	\$ 223,762	
Add: Net income attributable to noncontrolling interest (1)	24,784	54,866	77,106	
Add: Preferred stock dividends	2	1	—	
Diluted income from continuing operations applicable to common shareholders	103,894	213,903	300,868	
Income from discontinued operations attributable to FINV	—	—	42,635	
Dilutive net income available to common shareholders	\$ 103,894	\$ 213,903	\$ 343,503	
Denominator				
Basic weighted average common shares	154,662	153,814	132,257	
Exchange of noncontrolling interest for common stock (Note 13)	52,976	52,976	52,976	
Restricted stock units	1,512	1,038	273	
Stock to be issued pursuant to ESPP	2	—	—	
Diluted weighted average common shares	209,152	207,828	185,506	
Basic earnings per common share:				
Continuing operations	\$ 0.51	\$ 1.03	\$ 1.69	
Discontinued operations	—	—	0.24	
Total	\$ 0.51	\$ 1.03	\$ 1.93	
Diluted earnings per common share:				
Continuing operations	\$ 0.50	\$ 1.03	\$ 1.62	
Discontinued operations	—	—	0.23	
Total	\$ 0.50	\$ 1.03	\$ 1.85	
(1)	Adjusted for the additional tax expense upon the assumed conversion of the Preferred Stock	\$ 2,216	\$ 15,409	\$ 7,327

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 17—Stock-Based Compensation

2013 Long-Term Incentive Plan

Under our 2013 Long-Term Incentive Plan (the "LTIP"), stock options, SARs, restricted stock, restricted stock units, dividend equivalent rights and other types of equity and cash incentive awards may be granted to employees, non-employee directors and service providers. The LTIP expires after 10 years, unless prior to that date the maximum number of shares available for issuance under the plan has been issued or our board of directors terminates the plan. There are 20,000,000 shares of common stock reserved for issuance under the LTIP. As of December 31, 2015, 16,038,580 shares remained available for issuance.

Restricted Stock Units

Upon completion of the IPO and pursuant to the LTIP, we began granting restricted stock units. Substantially all RSUs granted under the LTIP vest ratably over a period of two to three years. Certain restricted stock unit awards provide for accelerated vesting for qualifying terminations of employment or service.

Employees granted RSUs are not entitled to dividends declared on the underlying shares while the restricted stock unit is unvested. As such, the grant date fair value of the award is measured by reducing the grant date price of our common stock by the present value of the dividends expected to be paid on the underlying shares during the requisite service period, discounted at the appropriate risk-free interest rate. The weighted average grant date fair value of RSUs granted during the years ended December 31, 2015, 2014 and 2013 was \$14.6 million, \$3.1 million and \$74.1 million, respectively. Compensation expense is recognized ratably over the vesting period. As of December 31, 2015, we assumed no annual forfeiture rate because of our lack of turnover and history for this type of award.

Stock-based compensation expense relating to RSUs included in general and administrative expenses on the consolidated statements of income for the years ended December 31, 2015, 2014 and 2013 was \$26.1 million, \$38.4 million and \$7.2 million, respectively. An additional \$2.3 million of stock-based compensation expense was recorded in severance and other charges as a result of our reduction efforts mentioned in Note 20, bringing the total stock-based compensation expense recorded to \$28.4 million for the year ended December 31, 2015. Unamortized stock compensation expense as of December 31, 2015 relating to RSUs totaled approximately \$15.1 million which will be expensed over a weighted average period of 1.29 years.

Non-vested RSUs outstanding as of December 31, 2015 and the changes during the year were as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested at December 31, 2014	2,577,237	\$20.98
Granted	932,202	15.71
Vested	(1,069,630)	) 20.94
Forfeited	(80,436)	) 19.91
Non-vested at December 31, 2015	2,359,373	\$18.95

Employee Stock Purchase Plan

In connection with the completion of our IPO, we adopted the Frank's International N.V. ESPP, which became effective January 1, 2015. Under the ESPP, eligible employees have the right to purchase shares of common stock at the lesser of (i) 85% of the last reported sale price of our common stock on the last trading date immediately preceding the first day of the option period, or (ii) 85% of the last reported sale price of our common stock on the last trading date immediately preceding the last day of the option period. The ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code. We have reserved three million shares of our common

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

stock for issuance under the ESPP. Shares of our common stock issued to our employees under the ESPP totaled 20,291 shares in 2015. For the year ended December 31, 2015, we recognized \$0.2 million of compensation expense related to stock purchased under the ESPP.

In January 2016, we issued 28,454 shares of our common stock to our employees under this plan to satisfy the employee purchase period from July 1, 2015 to December 31, 2015, which increased our common stock outstanding. There are currently 2,951,255 shares available under this plan.

Note 18—Employee Benefit Plans

U.S. Benefit Plans

401(k) Savings and Investment Plan. Frank's International, LLC administers a 401(k) savings and investment plan (the "Plan") as part of the employee benefits package. Employees were required to complete six months of service before becoming eligible to participate in the Plan. On October 1, 2015, the Plan was amended to change the service period to one month. Under the terms of the Plan, we match 75% of employee contributions up to \$3,000 annually. Our matching contributions to the Plan totaled \$3.4 million, \$3.5 million and \$2.9 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Executive Deferred Compensation Plan. In December 2004, we and certain affiliates adopted the Frank's Executive Deferred Compensation Plan ("EDC Plan"). The purpose of the EDC Plan is to provide participants with an opportunity to defer receipt of a portion of their salary, bonus, and other specified cash compensation. Participant contributions are immediately vested. Our contributions vest after five years of service. All participant benefits under this EDC Plan shall be paid directly from the general funds of the applicable participating subsidiary or a grantor trust, commonly referred to as a Rabbi Trust, created for the purpose of informally funding the EDC Plan, and other than such Rabbi Trust, no special or separate fund shall be established and no other segregation of assets shall be made to assure payment. The assets of our EDC Plan's trust are invested in a corporate owned split-dollar life insurance policy and an amalgamation of mutual funds (See Note 8).

We recorded compensation expense related to the vesting of the Company's contribution of \$1.9 million, \$2.3 million and \$2.1 million for the years ended December 31, 2015, 2014 and 2013, respectively. The total liability recorded at December 31, 2015 and 2014, related to the EDC Plan was \$43.6 million and \$43.0 million, respectively, and was included in other noncurrent liabilities on the consolidated balance sheets.

Foreign Benefit Plans

We sponsor certain benefit plans as dictated by host country law. We recorded expense related to foreign benefit plans of \$5.5 million, \$6.6 million and \$4.4 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Note 19—Income Taxes

Income from continuing operations before income tax expense was comprised of the following for the periods indicated (in thousands):

Year Ended December 31,		
2015	2014	2013

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United States	\$30,795	\$144,756	\$177,244
Foreign	112,634	159,968	169,678
Income from continuing operations before income tax expense	\$143,429	\$304,724	\$346,922

77

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Income taxes have been provided for based upon the tax laws and rates in the countries in which operations are conducted and income is earned. Components of income tax expense consist of the following for the periods indicated (in thousands):

	Year Ended December 31,		
	2015	2014	2013
Current			
U.S. federal	\$3,141	\$19,152	\$9,367
U.S. state and local	(1,424	) 2,663	630
Foreign	30,734	25,602	25,052
Total current	32,451	47,417	35,049
Deferred			
U.S. federal	8,138	20,521	10,696
U.S. state and local	(3,042	) 3,357	833
Foreign	(228	) 4,117	(7,851
Total deferred	4,868	27,995	3,678
Total income tax expense	\$37,319	\$75,412	\$38,727

Foreign taxes were incurred in the following regions for the periods indicated (in thousands):

	Year Ended December 31,		
	2015	2014	2013
Latin America	\$6,077	\$2,301	\$(4,171
West Africa	8,413	11,247	8,789
Middle East	5,474	8,630	4,765
Europe	3,317	1,690	1,842
Asia Pacific	1,454	2,032	2,732
Other	5,771	3,819	3,244
Total foreign income tax expense	\$30,506	\$29,719	\$17,201

A reconciliation of the differences between the income tax provision computed at the U.S. statutory rate and the reported provision for income taxes for the periods indicated is as follows (in thousands):

	Year Ended December 31,		
	2015	2014	2013
Income tax expense at statutory rate	\$54,854	\$116,557	\$133,565
Benefit of pass through entity status	—	—	(41,644
Taxes on foreign earnings at less than the U.S statutory rate	(12,569	) (31,468	) (48,154
Noncontrolling interest	(2,991	) (14,116	) (6,869
Other	(1,975	) 4,439	1,829
Total income tax expense	\$37,319	\$75,412	\$38,727

A reconciliation using the Netherlands statutory rate was not provided as there are no significant operations in the Netherlands.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred tax assets and liabilities are recorded for the anticipated future tax effects of temporary differences between the financial statement basis and tax basis of our assets and liabilities using the applicable tax rates in effect at year-end. A valuation allowance is recorded when it is not more likely than not that some or all of the benefit from the deferred tax asset will be realized. Significant components of deferred tax assets and liabilities are as follows (in thousands):

	December 31,	
	2015	2014
Deferred tax assets		
Current		
Other	\$—	\$7
Noncurrent		
Other	296	1,696
Property and equipment	240	187
Valuation allowance	—	(376)
Total deferred tax assets	536	1,514
Deferred tax liabilities		
Current		
Other	—	(417)
Noncurrent		
Investment in partnership	(39,962)	(35,182)
Other	(295)	(139)
Total deferred liabilities	(40,257)	(35,738)
Net deferred tax liabilities	\$(39,721)	\$(34,224)

Undistributed earnings of certain of our foreign subsidiaries amounted to approximately \$500.0 million at December 31, 2015. It is our intention to permanently reinvest undistributed earnings and profits from the subsidiaries of the consolidated companies' operations that have been generated through December 31, 2015 and future plans do not demonstrate a need to repatriate the foreign amounts to fund parent company activity.

As of December 31, 2015 and 2014, we have total gross unrecognized tax benefits of \$0.1 million and \$0.3 million, respectively. Substantially all of the uncertain tax positions, if recognized in the future, would impact our effective tax rate. We have elected to classify interest and penalties incurred on income taxes as income tax expense.

We file income tax returns in various international tax jurisdictions. As of December 31, 2015, the tax years 2009 through 2015 remain open to examination in the major foreign taxing jurisdictions to which we are subject. We are currently under audit by the Internal Revenue Service for the tax period ending June 30, 2014. We do not expect any material adjustments resulting from this audit.

Note 20—Severance and Other Charges

During 2015, we executed a workforce reduction plan as part of our cost savings initiatives due to depressed oil and gas prices. The reduction was communicated to affected employees on various dates. The plan resulted in a reduction of approximately 800 employees.

On January 5, 2016, we announced the transition of our Chairman of the board of supervisory directors (who also held the role of Executive Chairman of the company) to a non-executive director of the supervisory board effective as of December 31, 2015.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We recorded expenses of approximately \$35.5 million for the year ended December 31, 2015, which included cash severance payments, accelerated vesting of RSU grants for certain individuals and other employee-related termination costs as well as base rationalization and lease termination fees. These costs are reflected in our consolidated statements of income under severance and other charges. As of December 31, 2015, we had a \$22.2 million liability.

Below is a reconciliation of the beginning and ending liability balance (in thousands):

	International Services	U.S. Services	Tubular Sales	Total	
Beginning balance, December 31, 2014	\$—	\$—	\$—	\$—	
Additions for costs expensed	1,500	32,838	1,146	35,484	
Other adjustments	—	(87) 47	(40)
Severance and other payments	(1,422) (8,302) (1,193) (10,917)
Reclass to equity for acceleration of RSU awards	—	(2,283) —	(2,283)
Ending balance, December 31, 2015	\$78	\$22,166	\$—	\$22,244	

We expect to pay a significant portion of the remaining liability no later than the third quarter of 2016.

Note 21—Commitments and Contingencies

Commitments

We are committed under various noncancelable operating lease agreements primarily related to facilities and equipment that expire at various dates throughout the next several years. Future minimum lease commitments under noncancelable operating leases with initial or remaining terms of one year or more at December 31, 2015, are as follows (in thousands):

Year Ending December 31,	
2016	\$ 11,575
2017	9,773
2018	7,220
2019	3,870
2020	3,767
Thereafter	16,673
Total future lease commitments	\$52,878

Total rent expense incurred under operating leases was \$19.6 million, \$17.2 million, and \$12.9 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Contingencies

We are the subject of lawsuits and claims arising in the ordinary course of business from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. As of December 31, 2015, we had no material accruals for loss contingencies, individually or in the aggregate. We believe the probability is remote that the ultimate outcome of these matters would have a material adverse effect on our financial position, results of operations or cash flows.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 22—Supplemental Cash Flow Information

Supplemental cash flows and non-cash transactions were as follows for the periods indicated (in thousands):

	Year Ended December 31,		
	2015	2014	2013
Cash paid for interest	\$ 180	\$ 559	\$ 1,542
Cash paid for income taxes	20,499	28,004	29,196
Non-cash transactions:			
Change in accounts payable related to capital expenditures	\$(3,534)	) \$(3,479)	) \$3,787
Insurance premium financed by note payable	7,630	—	—
Distribution of net assets to MHI	—	—	50,319

Note 23—Segment Information

Reporting Segments

Operating segments are defined as components of an enterprise for which separate financial information is available that is regularly evaluated by the chief operating decision maker (“CODM”) in deciding how to allocate resources and assess performance. We are comprised of three reportable segments: International Services, U.S. Services and Tubular Sales.

The International Services segment provides tubular services in international offshore markets and in several onshore international regions. Our customers in these international markets are primarily large exploration and production companies, including integrated oil and gas companies and national oil and gas companies.

The U.S. Services segment provides tubular services in almost all of the active onshore oil and gas drilling regions in the U.S., including the Permian Basin, Bakken Shale, Barnett Shale, Eagle Ford Shale, Haynesville Shale, Marcellus Shale and Utica Shale, as well as in the U.S. Gulf of Mexico.

The Tubular Sales segment designs, manufactures and distributes large outside diameter (“OD”) pipe, connectors and casing attachments and sells large OD pipe originally manufactured by various pipe mills. We also provide specialized fabrication and welding services in support of offshore projects, including drilling and production risers, flowlines and pipeline end terminations, as well as long length tubulars (up to 300 feet in length) for use as caissons or pilings. This segment also designs and manufactures proprietary equipment for use in our International and U.S. Services segments.

The operating results of the Tubular Sales component that was sold in June 2013 have been accounted for as discontinued operations and have been excluded from the segment results below.

Adjusted EBITDA

We define Adjusted EBITDA as income from continuing operations before net interest income or expense, depreciation and amortization, income tax benefit or expense, asset impairments, gain or loss on sale of assets, foreign currency gain or loss, stock-based compensation, other non-cash adjustments and unusual charges. We review Adjusted EBITDA on both a consolidated basis and on a segment basis. We use Adjusted EBITDA to assess our

financial performance because it allows us to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization) and items outside the control of our management team (such as income tax rates). Adjusted EBITDA has limitations as an analytical tool and should not be considered as an alternative to net income, operating income, cash

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

flow from operating activities or any other measure of financial performance or liquidity presented in accordance with generally accepted accounting principles in the U.S. ("GAAP").

Our CODM uses Adjusted EBITDA as the primary measure of segment reporting performance.

The following table presents a reconciliation of Segment Adjusted EBITDA to income from continuing operations (in thousands):

	Year Ended December 31,			
	2015	2014	2013	
Segment Adjusted EBITDA:				
International Services	\$182,475	\$231,469	\$199,620	
U.S. Services	93,871	180,575	198,442	
Tubular Sales	40,999	38,366	40,624	
Total	317,345	450,410	438,686	
Corporate and other	96	(34	) 53
Adjusted EBITDA Total	317,441	450,376	438,739	
Interest income (expense), net	341	87	(653)
Income tax expense	(37,319) (75,412) (38,727)
Depreciation and amortization	(108,962) (90,041) (78,082)
Gain on sale of assets	1,038	(289	) 122
Foreign currency loss	(6,358) (17,041) (2,556)
Stock-based compensation expense	(26,119) (38,368) (7,220)
Severance and other costs	(35,484) —	—	
Change in value of contingent consideration	1,532	—	—	
IPO transaction-related costs (1)	—	—	(3,428)
Income from continuing operations	\$106,110	\$229,312	\$308,195	

(1) Represents charges incurred in connection with our IPO, primarily those amounts attributable to the restructuring in advance of the IPO.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table sets forth certain financial information with respect to our reportable segments. Included in "Corporate and Other" are intersegment eliminations and costs associated with activities of a general nature (in thousands):

	International Services	U.S. Services	Tubular Sales	Corporate and Other	Total
Year Ended December 31, 2015					
Revenue from external customers	\$442,107	\$326,437	\$206,056	\$—	\$974,600
Inter-segment revenues	754	25,844	35,927	(62,525)	—
Adjusted EBITDA	182,475	93,871	40,999	96	317,441
Depreciation and amortization	58,163	46,548	4,251	—	108,962
Property, plant and equipment	288,089	248,153	88,717	—	624,959
Capital expenditures	42,772	28,881	28,070	—	99,723
Year Ended December 31, 2014					
Revenue from external customers	\$537,259	\$439,638	\$175,735	\$—	\$1,152,632
Inter-segment revenues	1,471	23,734	64,542	(89,747)	—
Adjusted EBITDA	231,469	180,575	38,366	(34)	450,376
Depreciation and amortization	52,363	34,314	3,364	—	90,041
Property, plant and equipment	314,031	149,485	116,626	—	580,142
Capital expenditures	100,483	30,215	42,254	—	172,952
Year Ended December 31, 2013					
Revenue from external customers	\$475,297	\$434,940	\$167,485	\$—	\$1,077,722
Inter-segment revenues	3,275	20,552	71,271	(95,098)	—
Adjusted EBITDA	199,620	198,442	40,624	53	438,739
Depreciation and amortization	41,177	33,102	3,803	—	78,082
Property, plant and equipment	278,452	132,502	100,245	—	511,199
Capital expenditures	97,120	56,586	30,798	—	184,504

The CODM does not review total assets by segment as part of the financial information provided; therefore, no asset information is provided in the above table.

FRANK'S INTERNATIONAL N.V.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We are a Netherlands based company and we derive our revenue from services and product sales to clients primarily in the oil and gas industry. No single customer accounted for more than 10% of our revenue for the years ended December 31, 2015, 2014 and 2013.

Geographic Areas

	Year Ended December 31,		
	2015	2014	2013
Revenue:			
United States	\$530,133	\$573,773	\$542,562
Europe/Middle East/Africa	314,173	385,064	310,603
Latin America	56,515	55,021	78,019
Asia Pacific	55,995	77,952	63,709
Other countries	17,784	60,822	82,829
	\$974,600	\$1,152,632	\$1,077,722

The revenue generated in The Netherlands was immaterial for the years ended December 31, 2015, 2014 and 2013. Other than the United States and Dubai, which had revenues of \$140.4 million, no individual country represented more than 10% of our revenue for the year ended December 31, 2015. Other than the United States, no individual country represented more than 10% of our revenue for each of the years ended December 31, 2014 and 2013.

	December 31,	
	2015	2014
Long-Lived Assets (PP&E)		
United States	\$336,870	\$266,111
International	288,089	314,031
	\$624,959	\$580,142

Based on the unique nature of our operating structure, revenue generating assets are interchangeable between international countries and are not separately identifiable. Revenues from customers and long-lived assets in The Netherlands were insignificant in each of the years presented.

FRANK'S INTERNATIONAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 24—Quarterly Financial Data (Unaudited)

Summarized quarterly financial data for the years ended December 31, 2015 and 2014 is set forth below (in thousands, except per share data).

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2015					
Revenue	\$277,437	\$254,304	\$239,883	\$202,976	\$974,600
Operating income	55,035	41,309	39,097	8,214	143,655
Net income attributable to Frank's International N.V.	34,279	20,830	16,565	7,436	79,110
Earnings per common share: (1)					
Basic	\$0.22	\$0.14	\$0.11	\$0.05	\$0.51
Diluted	\$0.21	\$0.14	\$0.11	\$0.04	\$0.50
2014					
Revenue	\$264,492	\$272,937	\$296,183	\$319,020	\$1,152,632
Operating income	74,069	62,838	86,273	91,763	314,943
Net income attributable to Frank's International N.V.	41,863	35,216	47,346	34,612	159,037
Earnings per common share: (1)					
Basic	\$0.27	\$0.23	\$0.31	\$0.22	\$1.03
Diluted	\$0.27	\$0.23	\$0.31	\$0.22	\$1.03

The sum of the individual quarterly earnings per share amounts may not agree with year-to-date net income per (1) common share as each quarterly computation is based on the weighted average number of common shares outstanding during that period.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-K. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure, and such information is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon the evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of December 31, 2015 at the reasonable assurance level.

Management's Report Regarding Internal Control

See Management's Report on Internal Control Over Financial Reporting under Item 8 of this Form 10-K.

Attestation Report of the Registered Public Accounting Firm

See Report of Independent Registered Public Accounting Firm under Item 8 of this Form 10-K.

Changes in Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

Item 10 is incorporated by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act. We expect to file the definitive proxy statement with the SEC within 120 days after December 31, 2015.

Item 11. Executive Compensation

Item 11 is incorporated by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act. We expect to file the definitive proxy statement with the SEC within 120 days after December 31,

2015.

86

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Item 12 is incorporated by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act. We expect to file the definitive proxy statement with the SEC within 120 days after December 31, 2015.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Item 13 is incorporated by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act. We expect to file the definitive proxy statement with the SEC within 120 days after December 31, 2015.

Item 14. Principal Accounting Fees and Services

Item 14 is incorporated by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act. We expect to file the definitive proxy statement with the SEC within 120 days after December 31, 2015.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Financial Statements

Our Consolidated Financial Statements are included under Part II, Item 8 of this Form 10-K. For a listing of these statements and accompanying footnotes, see "Index to Consolidated Financial Statements" at page 49.

(a)(2) Financial Statement Schedules

Schedule II - Valuation and Qualifying Account

Schedules not listed above have been omitted because they are not applicable or not required or the information required to be set forth therein is included in the Financial Statements and Supplementary Data, Item 8, or notes thereto.

(a)(3) Exhibits

Exhibits are listed in the exhibit index beginning on page 90.

FRANK'S INTERNATIONAL N.V.
 Schedule II - Valuation and Qualifying Account
 (In thousands)

	Balance at Beginning of Period	Additions/ Charged to Expense	Deductions	Other	Balance at End of Period
Year Ended December 31, 2015 Allowance for doubtful accounts	\$2,477	\$570	\$(751	) \$232	\$2,528
Year Ended December 31, 2014 Allowance for doubtful accounts	\$13,614	\$1,062	\$(10,497	) \$(1,702	) \$2,477
Year Ended December 31, 2013 Allowance for doubtful accounts	\$1,697	\$12,050	\$—	\$(133) \$13,614

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Exhibit Index

- #2.1 Membership Interest Purchase Agreement by and among Mark L. Guidry, Michael P. Maraist and Frank's International, LLC, dated March 11, 2015 (incorporated by reference to Exhibit 2.1 to the Quarterly Report on Form 10-Q (File No. 001-36053), filed on May 1, 2015).
- 3.1 Deed of Amendment to Articles of Association of Frank's International N.V., dated May 14, 2014 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-36053), filed on May 16, 2014).
- 10.1 Revolving Credit Agreement, dated August 14, 2013, by and among Frank's International C.V. (as Borrower), Amegy Bank National Association (as Administrative Agent), Capital One, National Association (as Syndication Agent) and the other lenders party thereto (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- †10.2 Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and Donald Keith Mosing (incorporated by reference to Exhibit 10.9 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- †10.3 Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and Kirkland D. Mosing (incorporated by reference to Exhibit 10.12 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- †10.4 Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and Sheldon Erikson (incorporated by reference to Exhibit 10.14 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- †10.5 Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and Steven B. Mosing (incorporated by reference to Exhibit 10.15 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- †10.6 Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and W. John Walker (incorporated by reference to Exhibit 10.16 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- †10.7 Indemnification Agreement dated November 6, 2013, by and between Frank's International N.V. and Michael C. Kearney (incorporated by reference to Exhibit 10.11 to the Annual Report on Form 10-K (File No. 001-36053), filed on March 6, 2015).
- †10.8 Indemnification Agreement dated November 6, 2013, by and between Frank's International N.V. and Gary P. Luquette (incorporated by reference to Exhibit 10.12 to the Annual Report on Form 10-K (File No. 001-36053), filed on March 6, 2015).
- †10.9 Indemnification Agreement dated February 3, 2014, by and among Frank's International N.V. and Burney J. Latiolais, Jr. (incorporated by reference to Exhibit 10.12 to the Annual Report on Form 10-K (File No. 001-36053), filed on March 4, 2014).
- †10.10 Indemnification Agreement dated December 1, 2014, by and between Frank's International N.V. and Jeffrey J. Bird (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K (File No. 001-36053), filed on December 1, 2014).
- †10.11 Indemnification Agreement dated January 23, 2015, by and between Frank's International N.V. and William B. Berry ((incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K (File No. 001-36053), filed on January 27, 2015).
- *†10.12 Indemnification Agreement dated May 4, 2015, by and between Frank's International N.V. and Daniel A. Allinger.
- *†10.13 Indemnification Agreement dated August 4, 2015, by and between Frank's International N.V. and Alejandro Cestero.
- *†10.14 Indemnification Agreement dated October 19, 2015, by and between Frank's International N.V. and Ozong E. Etta.
- †10.15 Employment Offer for Jeffrey J. Bird effective as of December 1, 2014 (incorporated by reference to Exhibit 10.20 to the Annual Report on Form 10-K (File No. 001-36053), filed on March 6, 2015).

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- †10.16 Employment Offer for Gary P. Luquette effective as of January 23, 2015 (incorporated by reference to Exhibit 10.21 to the Annual Report on Form 10-K (File No. 001-36053), filed on March 6, 2015).
- †10.17 Addendum to Employment Offer for Gary P. Luquette effective as of January 23, 2015 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q (File No. 001-36053), filed on August 5, 2015).
- †10.18 Separation and General Release Agreement, dated as of June 11, 2015, by and between Frank's International, LLC and Victor Szabo (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36053), filed on June 17, 2015).
- †10.19 Separation and General Release Agreement, dated as of June 11, 2015, by and between Frank's International, LLC and Charles Mike Webre (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K (File No. 001-36053), filed on June 17, 2015).
- *†10.20 Separation and General Release Agreement, dated as of June 30, 2015, by and between Frank's International, LLC and Brian Baird.
- *†10.21 Separation and General Release Agreement effective December 31, 2015, by and between Frank's International, LLC and John Sindors.
- *†10.22 Separation Agreement dated December 31, 2015, by and among Frank's International, LLC, Frank's International N.V. and Donald Keith Mosing.
- †10.23 Frank's International N.V. 2013 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-8 (File No. 333-190607), filed on August 13, 2013).
- †10.24 Frank's International N.V. Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.6 to the Registration Statement on Form S-8 (File No. 333-190607), filed on August 13, 2013).
- †10.25 First Amendment to Frank's International N.V. Employee Stock Purchase Plan effective as of December 31, 2013 (incorporated by reference to Exhibit 10.16 to the Annual Report on Form 10-K (File No. 001-36053), filed on March 4, 2014).
- †10.26 Second Amendment to Frank's International N.V. Employee Stock Purchase Plan effective as of November 5, 2014 (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q (File No. 001-36053), filed on November 7, 2014).
- †10.27 Third Amendment to Frank's International N.V. Employee Stock Purchase Plan effective as of January 1, 2016 (incorporated by reference to Exhibit 10.8 to the Quarterly Report on Form 10-Q (File No. 001-36053), filed on August 5, 2015).
- †10.28 Frank's International N.V. 2013 Long-Term Incentive Plan Restricted Stock Unit Agreement (Non-Employee Director Form) (incorporated by reference to Exhibit 10.5 to the Registration Statement on Form S-1/A (File No. 333-188536), filed on July 16, 2013).
- †10.29 Frank's International N.V. 2013 Long-Term Incentive Plan Restricted Stock Unit Agreement (Non-Employee Director Form) (incorporated by reference to Exhibit 10.18 to the Annual Report on Form 10-K (File No. 001-36053), filed on March 4, 2014).
- †10.30 Frank's International N.V. 2013 Long-Term Incentive Plan Restricted Stock Unit Agreement (Employee Form) (incorporated by reference to Exhibit 10.6 to the Registration Statement on Form S-1/A (File No. 333-188536), filed on July 16, 2013).
- †10.31 First Amendment to the Frank's International N.V. 2013 Long-Term Incentive Plan Restricted Stock Unit Agreement (Employee Form) (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q (File No. 001-36053), filed on November 7, 2014).
- †10.32 Frank's International N.V. 2013 Long-Term Incentive Plan Restricted Stock Unit Agreement (Employee Form) (incorporated by reference to Exhibit 10.20 to the Annual Report on Form 10-K (File No. 001-36053), filed on March 4, 2014).
- †10.33 Frank's International N.V. 2013 Long-Term Incentive Plan Restricted Stock Unit Agreement (Employee Form) (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36053), filed on December 1, 2014).
- †10.34 Amendment to Frank's International N.V. 2013 Long-Term Incentive Plan Restricted Stock Unit Agreement (IPO Grants Form) (incorporated by reference to Exhibit 10.3 to the Current Report on

- †10.35 Amendment to Frank's International N.V. 2013 Long-Term Incentive Plan Restricted Stock Unit Agreement (Bonus Grants Form) (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K (File No. 001-36053), filed on June 17, 2015).
- *†10.36 Frank's International N.V. 2013 Long-Term Incentive Plan Employee Restricted Stock Unit Agreement (Time Vested Form).
- *†10.37 Frank's International N.V. 2013 Long-Term Incentive Plan Employee Restricted Stock Unit Agreement (Performance Based Form).
- 10.38 Frank's International N.V. Executive Change-in-Control Severance Plan, dated May 20, 2015 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36053), filed on May 27, 2015).
- 10.39 Form of Frank's International N.V. Executive Change-in-Control Severance Plan Participation Agreement (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q (File No. 001-36053), filed on August 5, 2015).
- 10.40 Frank's Executive Deferred Compensation Plan, as amended and restated effective January 1, 2009 (incorporated by reference to Exhibit 10.18 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.41 Tax Receivable Agreement, dated August 14, 2013, by and among Frank's International N.V., Frank's International C.V. and Mosing Holdings, Inc. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.42 Registration Rights Agreement, dated August 14, 2013, by and among Frank's International N.V., Mosing Holdings, Inc. and FWW B.V. (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.43 Global Transaction Agreement, dated July 22, 2013, by and among Frank's International N.V. and Mosing Holdings, Inc. (incorporated by reference to Exhibit 10.11 to the Registration Statement on Form S-1/A (File No. 333-188536), filed on July 24, 2013).
- 10.44 Voting Agreement, dated July 22, 2013, by and among Ginsoma Family C.V., FWW B.V., Mosing Holdings, Inc., and certain other parties thereto (incorporated by reference to Exhibit 10.12 to the Registration Statement on Form S-1/A (File No. 333-188536), filed on July 24, 2013).
- 10.45 Frank's International C.V. Management Agreement, dated August 14, 2013, by and among Frank's International N.V., Frank's International LP B.V., Frank's International Management B.V. and Mosing Holdings, Inc. (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.46 Amendment No. 7 to the Limited Partnership Agreement of Frank's International C.V., dated as of December 31, 2014 (incorporated by reference to Exhibit 10.39 to the Annual Report on Form 10-K (File No. 001-36053), filed on March 6, 2015).
- *10.47 Amendment No. 8 to the Limited Partnership Agreement of Frank's International C.V., dated as of December 31, 2015.
- *21.1 List of Subsidiaries of Frank's International N.V.
- *23.1 Consent of PricewaterhouseCoopers LLP.
- *31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- *31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- **32.1 Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350.
- **32.2 Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350.

- *101.INS XBRL Instance Document.
- *101.SCH XBRL Taxonomy Extension Schema Document.
- *101.CAL XBRL Taxonomy Calculation Linkbase Document.
- *101.DEF XBRL Taxonomy Definition Linkbase Document.
- *101.LAB XBRL Taxonomy Extension Label Linkbase Document.
- *101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.

Represents management contract or compensatory plan or arrangement.

Pursuant to Item 601(b)(2) of Regulation S-K, the registrant agrees to furnish supplementally a copy of any omitted schedule to the SEC upon request.

* Filed herewith.

**Furnished herewith.

SIGNATURES

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, thereunto duly authorized.

By: Frank's International N.V.
(Registrant)

Date: February 29, 2016

By: /s/ Jeffrey J. Bird
Jeffrey J. Bird
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 29, 2016.

Signature	Title
/s/ Gary P. Luquette Gary P. Luquette	President, Chief Executive Officer and Supervisory Director (Principal Executive Officer)
/s/ Jeffrey J. Bird Jeffrey J. Bird	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Ozong Etta Ozong E. Etta	Vice President, Chief Accounting Officer (Principal Accounting Officer)
/s/ Michael C. Kearney Michael C. Kearney	Chairman of the Board of Supervisory Directors
/s/ Donald Keith Mosing Donald Keith Mosing	Supervisory Director
/s/ Kirkland D. Mosing Kirkland D. Mosing	Supervisory Director
/s/ Steven B. Mosing Steven B. Mosing	Supervisory Director
/s/ William B. Berry William B. Berry	Supervisory Director
/s/ Sheldon Erikson Sheldon R. Erikson	Supervisory Director