



CreditRiskMonitor’s warning of Weatherford International plc’s (“Weatherford”) bankruptcy risk was determined by a combination of factors:

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## MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® score had been warning of financial stress at Weatherford International plc (OTC: WFTIQ) for more than a year.

We issued a [Blog Post](#), dated 12/5/18, informing that the company's financial condition exhibited elevated financial risk and bankruptcy probability within the next 12 months.

The company ultimately filed for bankruptcy on July 1, 2019.

Business Name	2018						2019						
	J	A	S	O	N	D	J	F	M	A	M	J	J
Weatherford International plc	3	2	2	1	1	1	1	1	2	2	1	2	2

**BANKRUPT!**

The FRISK® score is 96% accurate\* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

Probability of bankruptcy within 12 months			
FRISK®	From	To	
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
Worst	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

\* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

## THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody's, Fitch, DBRS, & Morningstar

## Crowdsourced CreditRiskMonitor Usage Data

**Crowdsourcing** has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

**The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:**

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

# COMPANY REPORT DETAIL

## Weatherford International plc

Weststrasse 1  
 Phone: +41 228161500 BAAR, ZUG 6340 Switzerland Ticker: **WFTIQ**

**Filed for Bankruptcy on 7/1/2019**  
 Case #19-33694, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)  
 On 7/1/2019, Weatherford International plc, Weatherford International Ltd., and Weatherford International, LLC initiated their previously-announced financial restructuring by commencing voluntary cases under chapter 11 of the U.S. Bankruptcy Code. The Companies' other entities and affiliates are not included in the Chapter 11 Cases. Weatherford also expects to file Bermuda and Irish examinership proceedings in the coming months.

### Latest Financial Statements as of 3/31/2019

#### Business Summary

Weatherford International public limited company is a multinational oilfield service company. The Company's segments include North America, Latin America, Europe/Sub-Sahara Africa (SSA)/Russia, Middle East/North Africa (MENA)/Asia Pacific and Land Drilling Rigs. Its principal business is providing equipment and services to the oil and natural gas exploration and production industry, both on land and offshore, through its three business groups: Well Construction, Completion and Production, and Land Drilling Rigs. The Well Construction business group includes managed-pressure drilling, liner systems and reservoir solutions, among others. The Completion and Production business group includes artificial lift systems, stimulation and completion systems. The Land Drilling Rigs business group encompasses its land drilling rigs business, including the products and services ancillary thereto.

Employees: 26,500 (as of 12/31/2018) Incorporated: 3/3/2014 Federal Tax Id: 980371344

#### Credit Score History

[Why are these scores different?](#)

#### Auditor Information

Score/ Index	2018					2019							
	A	S	O	N	D	J	F	M	A	M	J	J	A
<b>FRISK® Score*</b>	2	2	1	1	1	1	1	2	2	1	2	2	<b>F</b>
<b>DBT Index</b>	8	8	8	8	8	7	7	6	7	7	7	7	DBT DBT
<b>Z"-Score</b>	-2.82	-2.96				-5.7			-6.53				Z" Z"

Last Audit: 12/31/2018  
 Auditors: KPMG LLP  
 Opinion: Unqualified

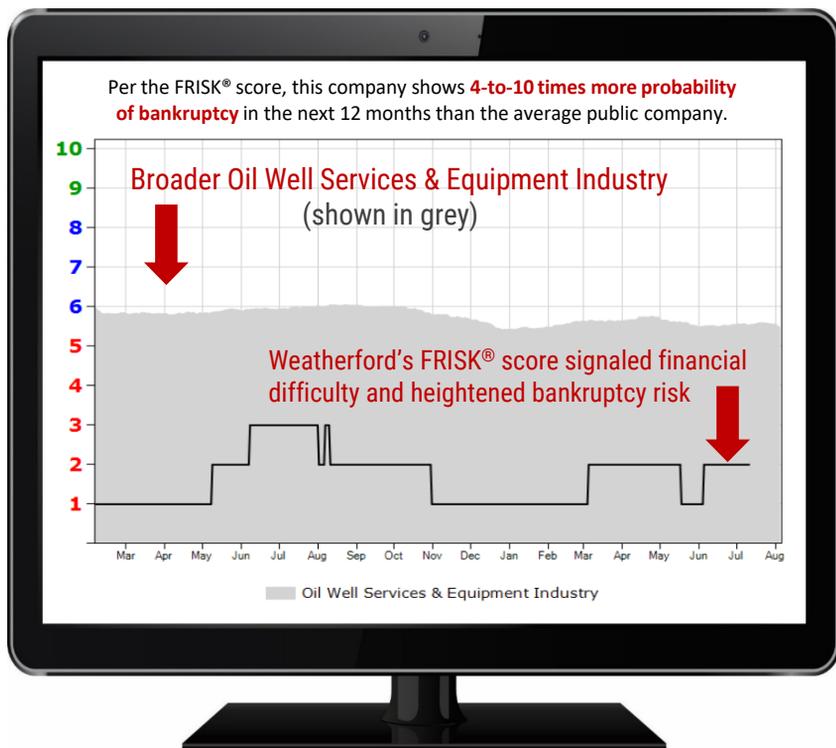
\*FRISK® Scores are month-end

#### Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Sh
<b>Fitch</b>	NR		
<b>Morningstar</b>	WO	Negative	

The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk. Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

## FRISK® DEEP DIVE



The FRISK® score relative to the broader Oil Well Services & Equipment industry raised an additional red flag signaling heightened risk relative to peers, as well...

**MAKING IMMEDIATE ATTENTION REQUIRED.**

## ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

# FRISK® STRESS INDEX

#	Business Name	Country	FRISK® score
1	Pioneer Energy Services Corp	United States	1
2	Seadrill Partners LLC	United Kingdom	1
3	Boart Longyear Ltd.	United States	1
4	Aban Offshore Ltd	India	1
5	Vantage Drilling International	United States	1
6	Key Energy Services Inc	United States	1
7	Western Energy Services Corp	Canada	1
8	Petrolera del Conosur S.A.	Argentina	2
9	Archer Ltd	Bermuda	2
10	Dafora SA	Romania	2
11	Noble Corporation PLC	United Kingdom	2
12	Weatherford International plc	Switzerland	2

## FRISK® Stress Index - SIC classification: Drilling oil and gas wells

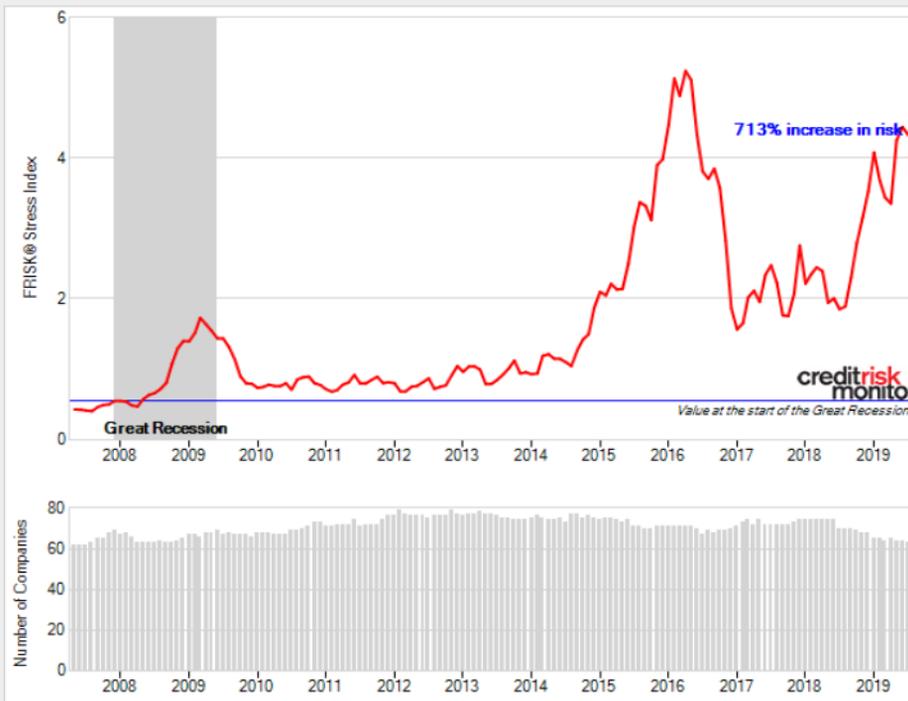
Primary industry codes only
  Primary and secondary industry codes

Businesses From:  CLEAR  
 In Industry:   
 Country:

**UPDATE RESULTS**

Scale:

Total Companies in all months **136**



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

**The average probability of failure for SIC code 1381 (Drilling oil and gas wells) has increased 713% since 2007.** Weatherford was among the weakest names in the industry as evidenced by its FRISK® score of 2.

# PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Calendar Year/Quarter: 2019.1

Businesses in Peer Group: 755	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
<b>Credit Ratings</b>						
Z-Score	105	117	-6.53	-10,446.42	1.59	2,264.74
<b>Performance ratios:</b>						
Net Sales (Thousands of U.S. Dollars)	6	58	1,346,000	0	149,136	7,879,000
Gross Margin % Of Sales	70	104	19.61	-549.45	27.90	103.16
Gross Margin % Of Sales -- TTM	68	104	21.46	-1,107.97	27.93	102.51
SGA % Of Sales	74	109	17.16	0.08	11.03	12,019.64
SGA % Of Sales -- TTM	70	110				
Operating Margin % Of Sales	97	118				
Operating Margin % Of Sales -- TTM	101	118				
EBITDA Margin Of Sales	82	90				
EBITDA Margin Of Sales -- TTM	80	93				
Net Profit Margin % Of Sales	99	118				
Net Profit Margin % Of Sales -- TTM	97	118				
Pre-tax Income % Of Sales	98	118				
Effective Tax Rate	30	111				
Depreciation % Of Prop/Plant/Equipment	90	109				
Capital Expense % Of Prop/Plant/Equipment	53	102	11.74	0.12	10.85	272.64
Interest Coverage	80	88	-1.21	-234.39	3.52	153.52
Interest Coverage -- TTM	81	92	-2.91	-74.73	2.56	187.21
<b>Liquidity ratios:</b>						
Cash Ratio	67	121	0.24	0.00	0.30	304.00
Quick Ratio	85	114	0.70	0.04	1.20	304.74
Current Ratio	70	121	1.36	0.00	1.53	304.75
<b>Efficiency ratios:</b>						
Accounts Receivable Turnover	64	116	4.71	0.00	5.00	368.50
Days Sales Outstanding	68	118				
% of Inventory Financed by Vendors	52	69				
% of Inventory Financed by Vendors -- TTM	53	72				
Inventory Turnover	61	92				
Inventory Turnover -- TTM	64	92				
Days Sales in Inventory	61	82				
Inventory to Working Capital	63	88				
Accounts Payable Turnover	44	97				
Accounts Payable Turnover -- TTM	42	97				
<b>Leverage &amp; debt coverage:</b>						
Total Debt to Equity Ratio	118			0.00	0.58	10.62
Debt to Tangible Equity Ratio	105			0.00	0.62	10.80
Total Debt to Assets Ratio	113	115	1.26	0.00	0.29	246.81
Short-Term Debt % of Total Debt	35	95	7.45	0.00	15.34	100.00
Short-Term Debt % of Working Capital	52	98	67.85	-3,198.07	4.33	12,929.63
Liabilities to Net Worth Ratio		113		0.00	1.00	17.32
Total Liabilities to Equity Ratio		116		0.00	0.91	17.03
TTM EBITDA to Total Debt	78	89	-0.22	-2.55	0.26	8.77
Net Debt to TTM EBITDA		69		-15.65	1.96	775.21

Rank	Company Name
1	Mammoth Energy Services Inc
2	Propetro Holding Corp
3	Senergy Holding Company KSCP
4	Oasis Midstream Partners LP
5	High Arctic Energy Services, Inc.

Rank	Company Name
1	Awilco Drilling PLC
2	Jasper Investments Limited
3	Slavneft' Megionneftegazgeologiya OAO
4	Ukrnafta PAT
5	Ypfb Andina SA

TTM = trailing 12 months  
N/A = Not Available

Green - Ranked in Upper Quartile of Peer Group  
White - Ranked in the Middle Two Quartiles of Peer Group  
Red - Ranked in Lower Quartile of Peer Group  
Orange - Confidential  
Grey - Data is Not Available

**Weatherford demonstrated bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.**

# QUARTERLY PERFORMANCE RATIOS

Operating and net losses in each of the last five fiscal quarters

Interest coverage ratio turns negative & negative free cash flow

## Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018	3 mos 3/31/2018
<b>Net Sales \$</b>	<b>\$1,346,000</b>	<b>\$1,429,000</b>	<b>\$1,444,000</b>	<b>\$1,448,000</b>	<b>\$1,423,000</b>
% change	-5.81%	-1.04%	-0.28%	1.76%	-4.50%
<b>Gross Margin \$</b>	<b>\$264,000</b>	<b>\$308,000</b>	<b>\$339,000</b>	<b>\$305,000</b>	<b>\$278,000</b>
% change	-14.29%	-9.14%	11.15%	9.71%	45.55%
% of sales	19.61%	21.55%	23.48%	21.06%	19.54%
change as % of incremental sales	n/m	n/m	n/m	108.00%	n/m
<b>SG&amp;A \$</b>	<b>\$231,000</b>	<b>\$202,000</b>	<b>\$223,000</b>	<b>\$233,000</b>	<b>\$236,000</b>
% change	14.36%	-9.42%	-4.29%	-1.27%	-12.27%
% of sales	17.16%	14.14%	15.44%	16.09%	16.58%
change as % of incremental sales	n/m	n/m	n/m	-12.00%	n/m
<b>Operating margin \$</b>	<b>(\$301,000)</b>	<b>(\$1,959,000)</b>	<b>(\$13,000)</b>	<b>(\$73,000)</b>	<b>(\$73,000)</b>
% change	84.64%	-14,969.23%	82.19%	0.00%	95.81%
% of sales	-22.36%	-137.09%	-0.90%	-5.04%	-5.13%
change as % of incremental sales	n/m	n/m	n/m	0.00%	n/m
<b>EBITDA \$</b>	<b>(\$187,000)</b>	<b>(\$1,837,000)</b>	<b>\$114,000</b>	<b>\$65,000</b>	<b>\$65,000</b>
% change	89.82%	-1,711.40%	75.38%	0.00%	104.23%
% of sales	-13.89%	-128.55%	7.89%	4.49%	4.57%
change as % of incremental sales	n/m	n/m	n/m	0.00%	n/m
<b>EBIT \$</b>	<b>(\$310,000)</b>	<b>(\$1,974,000)</b>	<b>(\$14,000)</b>	<b>(\$79,000)</b>	<b>(\$82,000)</b>
% change	84.30%	-14,000.00%	82.28%	3.66%	95.25%
% of sales	-23.03%	-138.14%	-0.97%	-5.46%	-5.76%
change as % of incremental sales	n/m	n/m	n/m	12.00%	n/m
<b>Pre-tax income \$</b>	<b>(\$465,000)</b>	<b>(\$2,142,000)</b>	<b>(\$172,000)</b>	<b>(\$233,000)</b>	<b>(\$210,000)</b>
% change	78.29%	-1,145.35%	26.18%	-10.95%	88.78%
% of sales	-34.55%	-149.90%	-11.91%	-16.09%	-14.76%
change as % of incremental sales	n/m	n/m	n/m	-92.00%	n/m
<b>Net income (loss) \$</b>	<b>(\$481,000)</b>	<b>(\$2,103,000)</b>	<b>(\$199,000)</b>	<b>(\$264,000)</b>	<b>(\$245,000)</b>
% change	77.13%	-956.78%	24.62%	-7.76%	87.36%
% of sales	-35.74%	-147.17%	-13.78%	-18.23%	-17.22%
change as % of incremental sales	n/m	n/m	n/m	-76.00%	n/m
<b>Tax expense \$</b>	<b>\$12,000</b>	<b>(\$46,000)</b>	<b>\$22,000</b>	<b>\$26,000</b>	<b>\$32,000</b>
Effective tax rate	-2.58%	2.15%	-12.79%	-11.16%	-15.24%
<b>Depreciation expense \$</b>	<b>\$123,000</b>	<b>\$137,000</b>	<b>\$128,000</b>	<b>\$144,000</b>	<b>\$147,000</b>
% of sales	9.14%	9.59%	8.86%	9.94%	10.33%
% of capital expenses	192.19%	147.31%	216.95%	276.92%	358.54%
% of PP&E, net (annualized)	22.56%	25.83%	23.12%	23.74%	22.24%
<b>Capital expenditures \$</b>	<b>\$64,000</b>	<b>\$93,000</b>	<b>\$59,000</b>	<b>\$52,000</b>	<b>\$41,000</b>
% change	-31.18%	57.63%	13.46%	26.83%	-48.75%
% of PP&E, net (annualized)	11.74%	17.53%	10.65%	8.57%	6.20%
% of working capital (annualized)	24.95%	28.83%	16.14%	13.79%	10.34%
<b>Interest coverage ratio</b>	<b>(1.21)</b>	<b>(10.93)</b>	<b>0.72</b>	<b>0.42</b>	<b>0.44</b>
% change	88.97%	-1,615.52%	70.93%	-3.23%	104.31%
<b>Free cash flow \$</b>	<b>(\$313,000)</b>	<b>\$12,000</b>	<b>(\$91,000)</b>	<b>(\$182,000)</b>	<b>(\$226,000)</b>
% change	-2,708.33%	113.19%	50.00%	19.47%	-1,512.50%
Source:	10-Q 5/10/2019	10-K 2/15/2019	10-Q 11/2/2018	10-Q 8/9/2018	10-Q 5/2/2018

# QUARTERLY LEVERAGE RATIOS

Negative tangible net worth suggested that the company had exhausted all of its loanable collateral

Creditors' degree of protection from loss declined as the total debt to assets ratio worsened

## Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
<b>Total debt \$</b>	<b>\$8,218,000</b>	<b>\$7,988,000</b>	<b>\$8,022,000</b>	<b>\$7,929,000</b>	<b>\$7,792,000</b>
% change	2.88%	-0.42%	1.17%	1.76%	1.34%
<b>Stockholders' equity \$</b>	<b>(\$4,106,000)</b>	<b>(\$3,666,000)</b>	<b>(\$1,508,000)</b>	<b>(\$1,312,000)</b>	<b>(\$898,000)</b>
% change	-12.00%	-143.10%	-14.94%	-46.10%	-57.27%
<b>Tangible net worth \$</b>	<b>(\$4,610,000)</b>	<b>(\$4,592,000)</b>	<b>(\$4,332,000)</b>	<b>(\$4,149,000)</b>	<b>(\$3,866,000)</b>
% change	-0.39%	-6.00%	-4.41%	-7.32%	-10.11%
<b>Total assets \$</b>	<b>\$6,519,000</b>	<b>\$6,601,000</b>	<b>\$8,838,000</b>	<b>\$8,979,000</b>	<b>\$9,334,000</b>
% change	-1.24%	-25.31%	-1.57%	-3.80%	-4.24%
<b>Total debt to assets ratio</b>	<b>1.26</b>	<b>1.21</b>	<b>0.91</b>	<b>0.88</b>	<b>0.83</b>
% change	4.17%	33.32%	2.79%	5.79%	5.82%
<b>Tangible assets \$</b>	<b>\$6,015,000</b>	<b>\$5,675,000</b>	<b>\$6,014,000</b>	<b>\$6,142,000</b>	<b>\$6,366,000</b>
% change	5.99%	-5.64%	-2.08%	-3.52%	-6.48%
<b>Short-term debt \$</b>	<b>\$612,000</b>	<b>\$383,000</b>	<b>\$396,000</b>	<b>\$295,000</b>	<b>\$153,000</b>
% change	59.79%	-3.28%	34.24%	92.81%	3.38%
<b>Short-term debt % of total debt</b>	<b>7.45%</b>	<b>4.79%</b>	<b>4.94%</b>	<b>3.72%</b>	<b>1.96%</b>
% change	55.32%	-2.87%	32.68%	89.47%	2.02%
<b>Short-term debt % of working capital</b>	<b>67.85%</b>	<b>33.30%</b>	<b>27.67%</b>	<b>19.76%</b>	<b>10.05%</b>
% change	103.73%	20.35%	40.05%	96.68%	11.86%
<b>Total liabilities \$</b>	<b>\$10,625,000</b>	<b>\$10,267,000</b>	<b>\$10,346,000</b>	<b>\$10,291,000</b>	<b>\$10,232,000</b>
% change	3.58%	-3.76%	0.53%	0.58%	-0.83%
<b>Total debt to EBITDA ratio (annualized)</b>			<b>17.59</b>	<b>30.50</b>	<b>29.97</b>
% change			-42.31%	1.76%	n/a

Sharp increase in short-term debt as a percentage of working capital. Such a drastic jump often precedes a bankruptcy filing.

# QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital drastically declined

## Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
<b>Current assets \$</b>	<b>\$3,406,000</b>	<b>\$3,450,000</b>	<b>\$3,730,000</b>	<b>\$3,693,000</b>	<b>\$3,615,000</b>
% change	-1.28%	-7.51%	1.00%	2.16%	-6.78%
% of short-term debt	556.54%	900.78%	941.92%	1,251.86%	2,362.75%
<b>Current liabilities \$</b>	<b>\$2,504,000</b>	<b>\$2,300,000</b>	<b>\$2,299,000</b>	<b>\$2,200,000</b>	<b>\$2,092,000</b>
% change	8.87%	0.04%	4.50%	5.16%	-6.19%
<b>Working capital \$</b>	<b>\$902,000</b>	<b>\$1,150,000</b>	<b>\$1,431,000</b>	<b>\$1,493,000</b>	<b>\$1,523,000</b>
% change	-21.57%	-19.64%	-4.15%	-1.97%	-7.59%
% of sales (annualized)	16.75%	20.12%	24.77%	25.78%	26.76%
<b>Cash \$</b>	<b>\$598,000</b>	<b>\$602,000</b>	<b>\$393,000</b>	<b>\$415,000</b>	<b>\$459,000</b>
% change	-0.66%	53.18%	-5.30%	-9.59%	-25.12%
% of short-term debt	97.71%	157.18%	99.24%	140.68%	300.00%
<b>Cash ratio</b>	<b>0.24</b>	<b>0.26</b>	<b>0.17</b>	<b>0.19</b>	<b>0.22</b>
% change	-8.75%	53.13%	-9.38%	-14.04%	-20.19%
<b>Quick assets \$</b>	<b>\$1,752,000</b>	<b>\$1,736,000</b>	<b>\$1,548,000</b>	<b>\$1,582,000</b>	<b>\$1,559,000</b>
% change	0.92%	12.14%	-2.15%	1.48%	-9.15%
% of short-term debt	286.27%	453.26%	390.91%	536.27%	1,018.95%
<b>Quick ratio</b>	<b>0.70</b>	<b>0.75</b>	<b>0.67</b>	<b>0.72</b>	<b>0.75</b>
% change	-7.30%	12.10%	-6.37%	-3.50%	-3.16%
<b>Current ratio</b>	<b>1.36</b>	<b>1.50</b>	<b>1.62</b>	<b>1.68</b>	<b>1.73</b>
% change	-9.32%	-7.54%	-3.35%	-2.86%	-0.63%
Source:	10-Q 5/10/2019	10-K 2/15/2019	10-Q 11/2/2018	10-Q 8/9/2018	10-Q 5/2/2018

Unable to generate any positive returns

## Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
<b>Return on total assets</b>	<b>-7.33%</b>	<b>-27.24%</b>	<b>-2.23%</b>	<b>-2.88%</b>	<b>-2.57%</b>
% change	73.09%	-1,119.57%	22.52%	-12.27%	85.58%
<b>Return on tangible assets</b>	<b>-8.23%</b>	<b>-35.98%</b>	<b>-3.27%</b>	<b>-4.22%</b>	<b>-3.72%</b>
% change	77.13%	-999.00%	22.44%	-13.49%	84.41%
Source:	10-Q 5/10/2019	10-K 2/15/2019	10-Q 11/2/2018	10-Q 8/9/2018	10-Q 5/2/2018

# ANNUAL STATEMENT OF CASH FLOWS

Negative cash from operating activities

## Statement of Cash Flows - Annual - Standardized

(Thousands of U.S. Dollars)

Period Ended	12 mos 12/31/2018	12 mos 12/31/2017	12 mos 12/31/2016	12 mos 12/31/2015	12 mos 12/31/2014
			<b>Reclassified 12/31/2017</b>	<b>Reclassified 12/31/2017</b>	
<b>Cash Flows from Operating Activities:</b>					
Net income	(\$2,791,000)	(\$2,793,000)	(\$3,373,000)	(\$1,951,000)	(\$539,000)
Depreciation/depletion	556,000	801,000	956,000	1,200,000	1,371,000
Deferred taxes	(79,000)	(25,000)	381,000	(448,000)	(66,000)
Non-cash Items	2,262,000	1,722,000	1,489,000	1,427,000	950,000
Changes in working capital	(190,000)	(93,000)	243,000	487,000	(753,000)
<b>Total cash from operating activities</b>	<b>(242,000)</b>	<b>(388,000)</b>	<b>(304,000)</b>	<b>715,000</b>	<b>963,000</b>
<b>Cash Flows from Investing Activities:</b>					
Capital expenditures	(245,000)	(484,000)	(214,000)	(690,000)	(1,455,000)
Other investing cash flow items, total	367,000	422,000	77,000	31,000	1,785,000
<b>Total cash from investing activities</b>	<b>122,000</b>	<b>(62,000)</b>	<b>(137,000)</b>	<b>(659,000)</b>	<b>330,000</b>
<b>Cash Flows from Financing Activities:</b>					
Financing cash flow items	(74,000)	(33,000)	(129,000)	(32,000)	(19,000)
Issuance/retirement of stock, net	0	0	1,071,000	0	22,000
Issuance/retirement of debt, net	242,000	53,000	119,000	35,000	(1,183,000)
<b>Total cash from financing activities</b>	<b>168,000</b>	<b>20,000</b>	<b>1,061,000</b>	<b>3,000</b>	<b>(1,180,000)</b>
Foreign exchange effects	(59,000)	6,000	(50,000)	(66,000)	(74,000)
<b>Net change in cash</b>	<b>(11,000)</b>	<b>(424,000)</b>	<b>570,000</b>	<b>(7,000)</b>	<b>39,000</b>
<b>Net cash-beginning balance</b>	<b>613,000</b>	<b>1,037,000</b>	<b>467,000</b>	<b>474,000</b>	<b>435,000</b>
<b>Net cash-ending balance</b>	<b>\$602,000</b>	<b>\$613,000</b>	<b>\$1,037,000</b>	<b>\$467,000</b>	<b>\$474,000</b>
<b>Supplemental Disclosures:</b>					
Cash interest paid	\$584,000	\$538,000	\$467,000	\$477,000	\$511,000
Cash taxes paid, supplemental	\$99,000	\$87,000	\$161,000	\$331,000	\$386,000
Auditor/Opinion:	KPMG LLP <b>Unqualified</b>	KPMG LLP <b>Unqualified</b>	KPMG LLP <b>Unqualified</b>	KPMG LLP <b>Unqualified</b>	Ernst & Young LLP <b>Unqualified</b>
Source:	10-K 2/15/2019	10-K 2/15/2018	10-K 2/15/2018	10-K 2/15/2018	10-K 2/18/2015

## NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

<p><b>For the Q2 2018 period, the net loss of \$264 million widened versus the \$171 million net loss for the same period last year.</b></p>		
7/31/2018	CRMZ News Service	Weatherford International plc -- updated financials available
<p><b>Weatherford continued its business divesture plan by selling its laboratory services group for \$205 million in cash. 2019 would see more such transactions. Noncore asset sales are oftentimes a financial distress red flag and a precursor to bankruptcy.</b></p>		
10/22/2018	PRNewswire	Weatherford Announces Sale of Laboratory Services Business
<p><b>Weatherford reported a net loss of \$199 million for the Q3 2018 period. The 6 month year-to-date period net loss was \$708 million.</b></p>		
10/30/2018	CRMZ News Service	Weatherford International plc -- updated financials available
<p><b>Morningstar Ratings downgraded the long-term rating for Weatherford from B- to CCC+; outlook negative. The rating change was attributed to the company's leveraged balance sheet and inability to consistently generate significant free cash flow since energy prices first sharply declined in 2014.</b></p>		
11/16/2018	CRMZ News Service	Weatherford International plc -- updated Morningstar rating available
<p><b>Weatherford received notice from the New York Stock Exchange that the Company was not in minimum average share price compliance as required by the NYSE. This was because the price of its ordinary shares had fallen below \$1.00 per share over a period of 30 consecutive trading days.</b></p>		
12/14/2018	PRNewswire	Weatherford Receives Notice from NYSE regarding Continued Listing Standard
<p><b>Net loss for the Q4 2018 period increased to \$2.1 billion compared with net loss of \$1.9 billion for the same period last year.</b></p>		
2/5/2019	CRMZ News Service	Weatherford International plc -- updated financials available
<p><b>A reverse stock split is a corporate action that often signals a company in distress.</b></p>		
4/4/2019	Reuters	Weatherford International Says It Recommends Vote 'For' Approval Of A Reverse Stock Split
<p><b>Weatherford announced that it expected to implement a Restructuring Agreement through a "pre-packaged" Chapter 11 process and expected to file U.S. chapter 11 and Irish examinership proceedings.</b></p>		
5/10/2019	PRNewswire	Weatherford Reaches Agreement With Senior Noteholders On Terms Of Comprehensive Financial Restructuring To Create Sustainable Capital Structure And Greatly Enhance Liquidity
<p><b>Weatherford International plc filed for bankruptcy</b></p>		
7/1/2019	CRMZ News Service	U.S. Drilling Slowdown Triggers Oil Bankruptcy

# MANAGEMENT DISCUSSION AND ANALYSIS

One feature of the CreditRiskMonitor service is the ability to quickly access a Company's Management Discussion and Analysis (MD&A) history.

The MD&A represents the thoughts and opinions of management, and provides a forecast of future operations, and therefore these statements can't typically be falsified. According to the Financial Accounting Standards Board (FASB), "MD&A should provide a balanced presentation that includes both positive and negative information about the topics discussed."

Sarbanes-Oxley subjects CEOs and CFOs to jail and monetary penalties for certifying misleading or fraudulent reports

Report	Weatherford International plc	
Overview	Weststrasse 1	
Company News	Phone: +41 228161500	BAAR, ZUG 6340 Switzerland
Risk Ratings		Ticker: <u>WFTIQ</u>
Important Information	<p><b>Filed for Bankruptcy on 7/1/2019</b>            Case #19-33694, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)            On 7/1/2019, Weatherford International plc, Weatherford International Ltd., and Weatherford International, LLC initiated their previously-announced financial restructuring by commencing voluntary cases under chapter 11 of the U.S. Bankruptcy Code. The Companies' other entities and affiliates are not included in the Chapter 11 Cases. Weatherford also expects to file Bermuda and Irish examinership proceedings in the coming months.</p>	
Annual Financials		
Year/Year Interim		
Sequential Quarters		
<b>Liquidity (MD&amp;A)</b>	<p><b>Management Discussion and Analysis</b></p> <p>For the period ended 3/31/2019</p> <p>Our bond price decline and our share price decline, as well as our Company's credit ratings, have over time increased the level of uncertainty in our business and have impacted various key stakeholders, including our employees, our customers and suppliers, and our key lenders. We have experienced losses and negative operating cash flows for multiple years, despite continued focus on our overall profitability, including managing expenses... These uncertainties have impacted our Company in several ways, including the retention of our key personnel, access to debt and equity credit at suitable terms, our level of working capital and our ability to execute within our targeted timing on our transformation. These combined factors contributed to our poor financial results for the first quarter of 2019 and have had a significant negative impact on our ability to negotiate acceptable terms with our lenders on new or extended credit facilities and new longer-term debt issuances. <b>As a result, the Company believes that it will not be able to generate sufficient liquidity to service all of its debt and other obligations or comply with its debt covenants at some point within the next twelve months. These conditions raise substantial doubt about our ability to continue as a going concern.</b></p>	
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