



CreditRiskMonitor's assessment of Basic Energy Services, Inc.'s ("Basic") "high risk" status has been determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score signals that Basic Energy Services, Inc. (OTC: BASX) has a 10 to 50 times greater risk of bankruptcy than the average public company.

Business Name	2019												2020
	J	F	M	A	M	J	J	A	S	O	N	D	J
Basic Energy Services, Inc.	1	2	1	1	1	1	1	1	1	1	1	1	1

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.

FRISK® Score	BANKRUPTCY RISK RELATIVE TO THE HISTORICAL AVERAGE	
	FROM	TO
10	0.00x	0.12x
9	0.12x	0.27x
8	0.27x	0.34x
7	0.34x	0.55x
6	0.55x	0.87x
5	0.87x	1.40x
4	1.40x	2.10x
3	2.10x	4.00x
2	4.00x	9.99x
1	9.99x	50.00x

While the 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

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

Basic Energy Services, Inc.

801 Cherry Street
Suite 2100

Phone: (817) 334-4100

Fort Worth, TX 76102-6821 United States

Ticker: **BASX**

Latest Financial Statements as of 9/30/2019

Business Summary

Basic Energy Services, Inc. provides a range of well site services in the United States to oil and natural gas drilling and producing companies, including completion and remedial services, fluid services, well servicing and contract drilling. The Company operates through segments, which include Completion and Remedial Services, Fluid Services, Well Servicing and Contract Drilling. The Company's operations are managed regionally and are concentrated in the United States onshore oil and natural gas producing regions located in Texas, New Mexico, Oklahoma, Arkansas, Kansas, Louisiana, Wyoming, North Dakota, Colorado, Utah, Montana, West Virginia, California, Ohio and Pennsylvania. Its operations are focused on liquids-rich basins, as well as natural gas-focused shale plays characterized by prolific reserves. It has a presence in the Permian Basin and the Bakken, Eagle Ford, Haynesville and Marcellus shales.

(Source: 10-K)

Employees: 4,100 (as of 12/31/2018)

Incorporated: 1/7/2003

Federal Tax Id: 542091194

Credit Score History

[Why are these scores different?](#)

FRISK® Score Analysis

Score/ Index	2019												2020
	J	F	M	A	M	J	J	A	S	O	N	D	J
FRISK® Score*	1	2	1	1	1	1	1	1	1	1	1	1	1
DBT Index	8	8	8	9	8	8	8	8	8	8	8	8	8
Z"-Score	-0.53		-0.89			-1.25			-1.84			Z"	

*FRISK® Scores are month-end

- Probability of bankruptcy within 12 months is 10% to 50%.
- Trade payments are prompt, "cloaking" the risk.
- Bonds are rated as non-investment grade ("junk").
- Market Capitalization has declined by 95% over the last 18 months.
- Total Liabilities to Market Capitalization ratio is 1.5x.
- Market Capitalization is 10% of Total Liabilities.

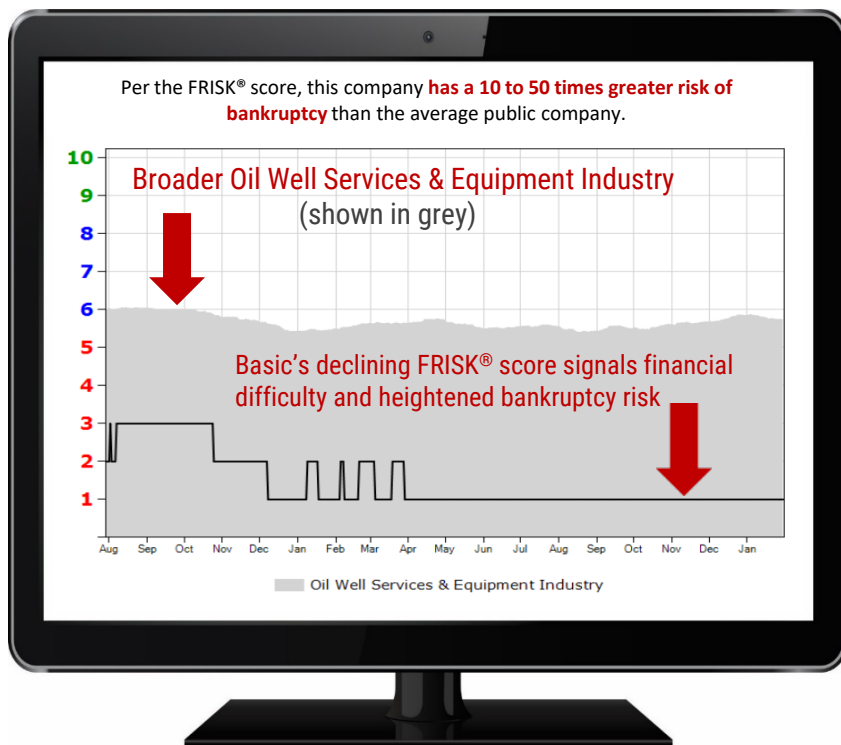
The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

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."

Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Wa
Moody's	Caa1	Stable	SGL-3	C

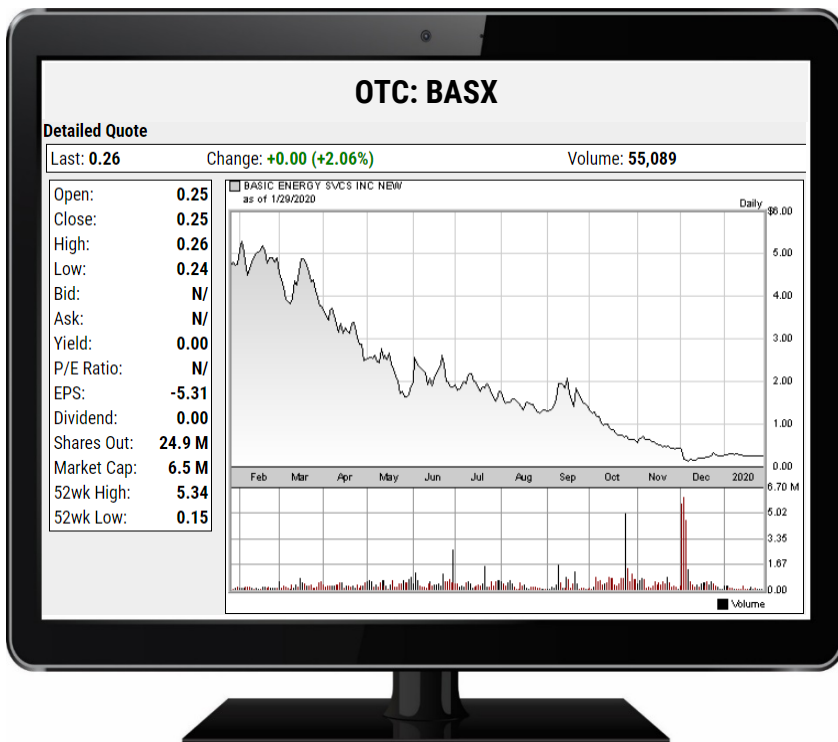
FRISK[®] DEEP DIVE



The FRISK[®] score relative to the broader Oil Well Services & Equipment industry raises 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	Apexindo Pratama Duta Tbk PT	Indonesia	1
2	Basic Energy Services, Inc.	United States	1
3	FTS International Inc	United States	1
4	Oil Country Tubular Ltd	India	1
5	Prosafe SE	Norway	1
6	Trevi-Finanziaria Industriale SpA	Italy	1
7	Aker Solutions ASA	Norway	2
8	Calfrac Well Services Ltd	Canada	2
9	DOF ASA	Norway	2
10	Ezion Holdings Ltd	Singapore	2

FRISK® Stress Index - SIC classification: Oil and gas field services, not elsewhere classified

Primary industry codes only
 Primary and secondary industry codes

Businesses From: All Businesses CLEAR

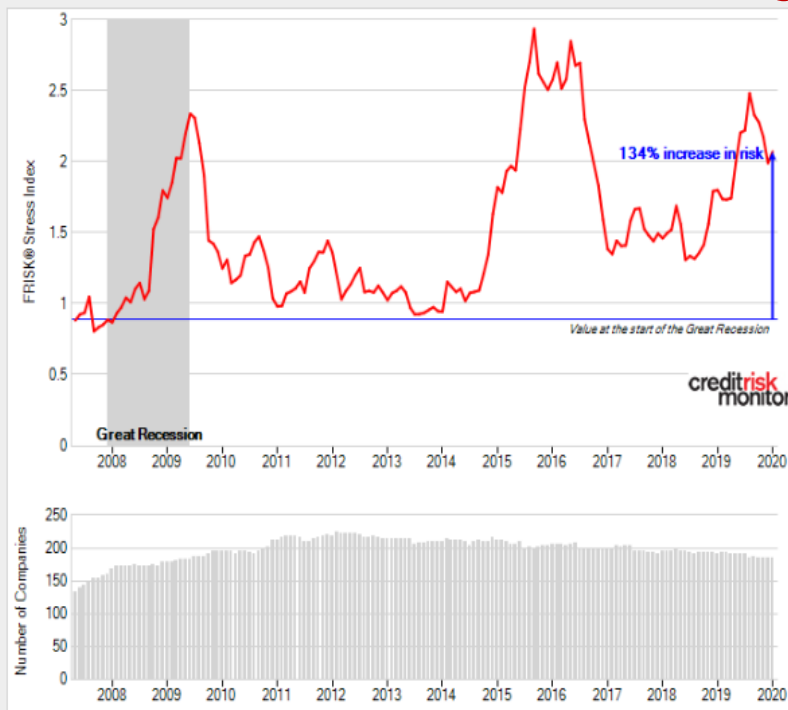
In Industry: SIC 1389: Oil and gas field services, not elsewhere classified

Country: All Countries

UPDATE RESULTS

Scale: Auto

Total Companies in all months 335



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 1389 (Oil and gas field services, not elsewhere classified) has increased 134% since 2007. Basic is among the weakest names in the industry as evidenced by its FRISK® score of 1.

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

Peer Analysis: SIC classification: Oil and gas field services, not elsewhere classified

Calendar Year/Quarter: 2019.3

Businesses in Peer Group: 1776	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
Z-Score	337	411	-1.84	-17,262.80	1.95	323.19
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	67	144	178,365	0	140,596	86,592,000
Gross Margin % Of Sales	213	389				
Gross Margin % Of Sales -- TTM	201	393				
SGA % Of Sales	270	395				
SGA % Of Sales -- TTM	269	405				
Operating Margin % Of Sales	340	429				
Operating Margin % Of Sales -- TTM	322	432				
EBITDA Margin Of Sales	227	297				
EBITDA Margin Of Sales -- TTM	229	309				
Net Profit Margin % Of Sales	336	429				
Net Profit Margin % Of Sales -- TTM	316	432				
Pre-tax Income % Of Sales	333	429				
Effective Tax Rate	60	417	-5.47	-758.14	11.34	822.13
Depreciation % Of Prop/Plant/Equipment	335	380	26.73	0.08	10.96	3,587.02
Capital Expense % Of Prop/Plant/Equipment	208	332	12.22	0.05	9.32	16,606.90
Interest Coverage	213	282	0.34	-9,359.00	3.59	3,712.63
Interest Coverage -- TTM	220	301	0.47	-251.13	3.35	75,614.00
Liquidity ratios:						
Cash Ratio	209	437	0.29	0.00	0.26	83.44
Quick Ratio	189	414				
Current Ratio	220	437				
Efficiency ratios:						
Accounts Receivable Turnover	168	418				
Days Sales Outstanding	188	430				
% of Inventory Financed by Vendors	112	270				
% of Inventory Financed by Vendors -- TTM	109	276				
Inventory Turnover	126	369				
Inventory Turnover -- TTM	129	371				
Days Sales in Inventory	126	344				
Inventory to Working Capital	172	363	0.52	-10.08	0.17	33.81
Accounts Payable Turnover	109	325	7.66	-0.84	5.23	122.69
Accounts Payable Turnover -- TTM	130	326	7.47	0.00	5.73	193.31
Leverage & debt coverage:						
Total Debt to Equity Ratio	344	374	2.63	0.00	0.60	100.67
Debt to Tangible Equity Ratio	310	352	2.69	0.00	0.65	1,509.20
Total Debt to Assets Ratio	329	419	0.50	0.00	0.29	9.16
Short-Term Debt % of Total Debt	84	381	6.73	0.00	24.61	100.00
Short-Term Debt % of Working Capital	164	387	42.04	-2,106.39	4.53	8,299.47
Liabilities to Net Worth Ratio	331	373	4.31	0.00	1.12	2,422.74
Total Liabilities to Equity Ratio	365	395	4.22	0.00	1.04	106.34
TTM EBITDA to Total Debt	215	302	0.06	-233.34	0.21	789.23
Net Debt to TTM EBITDA	214	229	13.95	-76.74	2.56	366.79

Rank	Company Name
1	Solaris Oilfield Infrastructure Inc
2	Mirach Energy Limited
3	Dril-Quip, Inc.
4	Distribuidora de Gas Cuyana SA
5	Saudi Advanced Industries Company SJSC

Rank	Company Name
1	Giprospektgaz AO (P)
2	Giprotyumenneftegaz PAO
3	VNIPIgazdobycha PAO (P)
4	Red Trail Energy, LLC
5	Slavneft' Megionneftegazgeologiya OAO

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

TTM = trailing 12 months
 N/A = Not Available

Basic Energy Services, Inc. demonstrates 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

Recurring poor interest coverage ratio; negative free cash flow

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2019	3 mos 6/30/2019	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018
Net Sales \$	\$178,365	\$189,847	\$197,202	\$230,352	\$246,334
% change	-6.05%	-3.73%	-14.39%	-6.49%	n/a
Gross Margin \$	\$39,899	\$46,682	\$45,360	\$51,609	\$55,935
% change	-14.53%	2.91%	-12.11%	-7.73%	n/a
% of sales	22.37%	24.59%	23.00%	22.40%	22.71%
change as % of incremental sales	n/m	n/m	n/m	n/m	n/a
SG&A \$	\$32,125	\$34,803	\$35,522	\$35,477	\$39,599
% change	-7.69%	-2.02%	0.13%	-10.41%	n/a
% of sales	18.01%	18.33%	18.01%	15.40%	16.08%
change as % of incremental sales	n/m	n/m	n/m	n/m	n/a
Operating margin \$	(\$25,458)	(\$17,454)	(\$19,115)	(\$36,075)	(\$16,609)
% change	-45.86%	8.69%	47.01%	-117.20%	n/a
% of sales	-14.27%	-9.19%	-9.69%	-15.66%	-6.74%
change as % of incremental sales	n/m	n/m	n/m	n/m	n/a
EBITDA \$	\$3,936	\$11,589	\$8,682	(\$3,722)	\$16,226
% change	-66.04%	33.48%	333.26%	-122.94%	n/a
% of sales	2.21%	6.10%	4.40%	-1.62%	6.59%
change as % of incremental sales	n/m	n/m	n/m	n/m	n/a
EBIT \$	(\$25,243)	(\$17,402)	(\$18,816)	(\$35,989)	(\$16,528)
% change	-45.06%	7.51%	47.72%	-117.75%	n/a
% of sales	-14.15%	-9.17%	-9.54%	-15.62%	-6.71%
change as % of incremental sales	n/m	n/m	n/m	n/m	n/a
Pre-tax income \$	(\$36,860)	(\$27,805)	(\$29,327)	(\$46,668)	(\$27,336)
% change	-32.57%	5.19%	37.16%	-70.72%	n/a
% of sales	-20.67%	-14.65%	-14.87%	-20.26%	-11.10%
change as % of incremental sales	n/m	n/m	n/m	n/m	n/a
Net income (loss) \$	(\$38,877)	(\$27,777)	(\$27,476)	(\$46,676)	(\$27,336)
% change	-39.96%	-1.10%	41.13%	-70.75%	n/a
% of sales	-21.80%	-14.63%	-13.93%	-20.26%	-11.10%
change as % of incremental sales	n/m	n/m	n/m	n/m	n/a
Tax expense \$	\$2,017	(\$28)	(\$1,851)	\$8	\$0
Effective tax rate	-5.47%	0.10%	6.31%	-0.02%	0.00%
Depreciation expense \$	\$29,120	\$28,931	\$27,439	\$32,245	\$32,694
% of sales	16.33%	15.24%	13.91%	14.00%	13.27%
% of capital expenses	218.70%	199.88%	145.30%	160.26%	193.56%
% of PP&E, net (annualized)	26.73%	25.46%	24.12%	28.21%	27.65%
Capital expenditures \$	\$13,315	\$14,474	\$18,885	\$20,121	\$16,891
% change	-8.01%	-23.36%	-6.14%	19.12%	n/a
% of PP&E, net (annualized)	12.22%	12.74%	16.60%	17.60%	14.28%
% of working capital (annualized)	86.75%	74.31%	76.40%	79.30%	70.44%
Interest coverage ratio	0.34	1.10	0.81	(0.34)	1.49
% change	-69.54%	36.50%	335.68%	-123.00%	n/a
Free cash flow \$	\$3,947	(\$5,028)	(\$17,081)	(\$2,164)	\$14,367
% change	178.50%	70.56%	-689.33%	-115.06%	n/a
Source:	10-Q 11/1/2019	10-Q 8/2/2019	10-Q 5/9/2019	10-K 3/5/2019	10-Q 11/5/2018

QUARTERLY LEVERAGE RATIOS

Total debt in relation to tangible net worth has increased significantly, indicating heightened risk

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018
Total debt \$	\$336,138	\$340,951	\$344,823	\$349,740	\$317,738
% change	-1.41%	-1.12%	-1.41%	10.07%	-3.10%
Stockholders' equity \$	\$127,945	\$169,096	\$194,884	\$219,428	\$261,010
% change	-24.34%	-13.23%	-11.19%	-15.93%	-7.82%
Total debt to equity ratio	2.63	2.02	1.77	1.59	1.22
% change	30.30%	13.95%	11.01%	30.94%	5.11%
Tangible net worth \$	\$125,139	\$166,231	\$191,959	\$216,444	\$257,967
% change	-24.72%	-13.40%	-11.31%	-16.10%	-7.89%
Total debt to tangible net worth	2.69	2.05	1.80	1.62	1.23
% change	30.96%	14.18%	11.17%	31.18%	5.19%
Total assets \$	\$667,629	\$701,823	\$743,220	\$761,777	\$778,970
% change	-4.87%	-5.57%	-2.44%	-2.21%	-2.90%
Total debt to assets ratio	0.50	0.49	0.46	0.46	0.41
% change	3.64%	4.70%	1.07%	12.55%	-0.22%
Tangible assets \$	\$664,823	\$698,958	\$740,295	\$758,793	\$775,927
% change	-4.88%	-5.58%	-2.44%	-2.21%	-2.90%
Short-term debt \$	\$22,627	\$24,145	\$22,465	\$27,039	\$39,419
% change	-6.29%	7.48%	-16.92%	-31.41%	17.71%
Short-term debt % of total debt	6.73%	7.08%	6.51%	7.73%	12.41%
% change	-4.95%	8.70%	-15.73%	-37.14%	37.14%
Short-term debt % of working capital	42.04%	35.01%	25.87%	27.71%	27.71%
% change	20.10%	35.34%	6.09%	1.00%	0.00%
Total liabilities \$	\$539,684	\$532,727	\$548,336	\$548,336	\$548,336
% change	1.31%	-2.85%	1.10%	0.00%	0.00%
Total liabilities to equity ratio	4.22	3.15	2.81	2.50	2.10
% change	33.89%	11.97%	13.84%	24.00%	23.81%
Total liabilities to tangible net worth ratio	4.31	3.20	2.86	2.51	2.10
% change	34.57%	12.19%	14.00%	24.79%	23.81%
Total debt to EBITDA ratio (annualized)	21.35	7.36	9.93	n/a	4.90
% change	190.28%	-25.93%	n/a	n/a	-55.12%
Source:	10-Q	10-Q	10-Q	10-K	10-Q
	11/1/2019	8/2/2019	5/9/2019	3/5/2019	11/5/2018

Total debt to EBITDA ratio signals a worsening ability to pay off company debts

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Declining working capital

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018
Current assets \$	\$225,896	\$236,973	\$263,693	\$295,209	\$295,222
% change	-4.67%	-10.13%	-10.68%	0.00%	-2.60%
% of short-term debt	998.35%	981.46%	1,173.79%	1,091.79%	748.93%
Current liabilities \$	\$172,079	\$168,004	\$176,848	\$184,311	\$203,128
% change	2.43%	-5.00%	-4.05%	-9.26%	-0.11%
Working capital \$	\$53,817	\$68,969	\$86,845	\$110,898	\$92,094
% change	-21.97%	-20.58%	-21.69%	20.42%	-7.66%
% of sales (annualized)	7.54%	9.08%	11.01%	12.04%	9.35%
Cash \$	\$50,460	\$53,714	\$63,796	\$90,300	\$30,847
% change	-6.06%	-15.80%	-29.35%	192.74%	0.53%
% of short-term debt	223.01%	222.46%	283.98%	333.96%	78.25%
Cash ratio	0.29	0.32	0.36	0.49	0.15
% change	-8.29%	-11.37%	-26.37%	222.51%	0.66%
Quick assets \$	\$174,115	\$188,931	\$204,065	\$235,067	\$187,012
% change	-7.84%	-7.42%	-13.19%	25.70%	-3.58%
% of short-term debt	769.50%	782.49%	908.37%	869.36%	474.42%
Quick ratio	1.01	1.12	1.15	1.28	0.92
% change	-10.03%	-2.54%	-9.53%	38.53%	-3.46%
Current ratio	1.31	1.41	1.49	1.60	1.45
% change	-6.93%	-5.41%	-6.91%	10.20%	-2.49%
Source:	10-Q 11/1/2019	10-Q 8/2/2019	10-Q 5/9/2019	10-K 3/5/2019	10-Q 11/5/2018

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2019	3 mos 6/30/2019	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018
Return on equity	-22.99%	-14.25%	-12.52%	-17.88%	-9.65%
% change	-61.31%	-13.83%	29.98%	-85.23%	n/a
Return on net tangible equity	-23.39%	-14.47%	-12.69%	-18.09%	-9.76%
% change	-61.62%	-13.99%	29.84%	-85.37%	n/a
Return on total assets	-5.68%	-3.84%	-3.65%	-6.06%	-3.46%
% change	-47.68%	-5.29%	39.74%	-75.23%	n/a
Return on tangible assets	-5.70%	-3.86%	-3.67%	-6.08%	-3.47%
% change	-47.71%	-5.30%	39.74%	-75.24%	n/a
Source:	10-Q 11/1/2019	10-Q 8/2/2019	10-Q 5/9/2019	10-K 3/5/2019	10-Q 11/5/2018

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 56,000 global public companies.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK® score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

[Request a Personalized Demo and Risk Assessment](#)

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Contact us at:

845.230.3000

creditriskmonitor.com/contact-us