



Investor Update

March 2019

Disclaimer



Leave nothing behind.

Forward-Looking Statements

The information in this presentation includes “forward-looking statements” that are subject to risks and uncertainties. All statements, other than statements of historical fact included in this presentation, regarding NCS Multistage Holdings, Inc.’s (the “Company,” “NCS,” “NCSM,” “we” or “us”) strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this presentation, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, our actual results may differ materially from those contemplated by the forward-looking statements. Important factors that could cause our actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following: declines in the level of oil and natural gas exploration and production activity within Canada and the United States; oil and natural gas price fluctuations; loss of significant customers; inability to successfully implement our strategy of increasing sales of products and services into the United States; significant competition for our products and services; our inability to successfully develop and implement new technologies, products and services; our inability to protect and maintain critical intellectual property assets; currency exchange rate fluctuations; impact of severe weather conditions; restrictions on the availability of our customers to obtain water essential to the drilling and hydraulic fracturing processes; our failure to identify and consummate potential acquisitions; our inability to integrate or realize the expected benefits from acquisitions; our inability to meet regulatory requirements for use of certain chemicals by our tracer diagnostics business; our inability to accurately predict customer demand; losses and liabilities from uninsured or underinsured business activities; changes in legislation or regulation governing the oil and natural gas industry, including restrictions on emissions of greenhouse gases; failure to comply with or changes to federal, state and local and non-U.S. laws and other regulations, including environmental regulations and the U.S. Tax Cuts and Jobs Act of 2017; changes in trade policy, including the impact of additional tariffs; loss of our information and computer systems; system interruptions or failures, including cyber-security breaches, identity theft or other disruptions that could compromise our information; our failure to establish and maintain effective internal control over financial reporting; complications with the design and implementation of our new enterprise resource planning system; our success in attracting and retaining qualified employees and key personnel; our inability to satisfy technical requirements and other specifications under contracts and contract tenders. For the reasons described above, as well as factors identified in the Company’s Annual Report on Form 10-K, under the section entitled “Risk Factors” and other filings with the Securities and Exchange Commission, we caution you against relying on any forward-looking statements. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation. Except as otherwise required by applicable law, we disclaim any duty to update and do not intend to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

Non-GAAP Financial Measures

This presentation includes financial measures that are not presented in accordance with generally accepted accounting principles (“GAAP”), including Adjusted EBITDA, Adjusted EBITDA margin and free cash flow. While management believes such measures are useful for investors, they should not be used as a replacement for financial measures that are in accordance with GAAP. Please see the Appendix for reconciliations of those measures to comparable GAAP measures.

Industry and Market Data

This presentation has been prepared by NCS and includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Although NCS believes these third-party sources are reliable as of their respective dates, NCS has not independently verified the accuracy or completeness of this information. Some data are also based on the NCS’s good faith estimates, which are derived from its review of internal sources as well as the third-party sources described above.

Company and Technology Overview

Company Overview

Innovation

Proven record of successfully introducing new technologies that drive completion and life-of-well optimization

Technology

Differentiated technology platform supported by patent protection and technical expertise

Market Leadership

- Leading provider of pinpoint stimulation technology worldwide
 - Over 10,000 wells completed, over 230,000 frac stages placed*
- Second-largest provider of chemical and radioactive tracer diagnostics services in North America
 - Focused on completions and field development optimization
- Growing well construction platform anchored by the AirLock® casing buoyancy system with over 6,500 successful installations worldwide*
- Growing sales of composite frac plugs with exclusive ability to provide an integrated frac plug and setting tool system

Trusted Advisor to Customers

Over 310 global customers

Profitable Growth

- Revenue growth from completions activity, completions intensity and market share gains
- Capital-light, enabling attractive margins and free cash flow generation

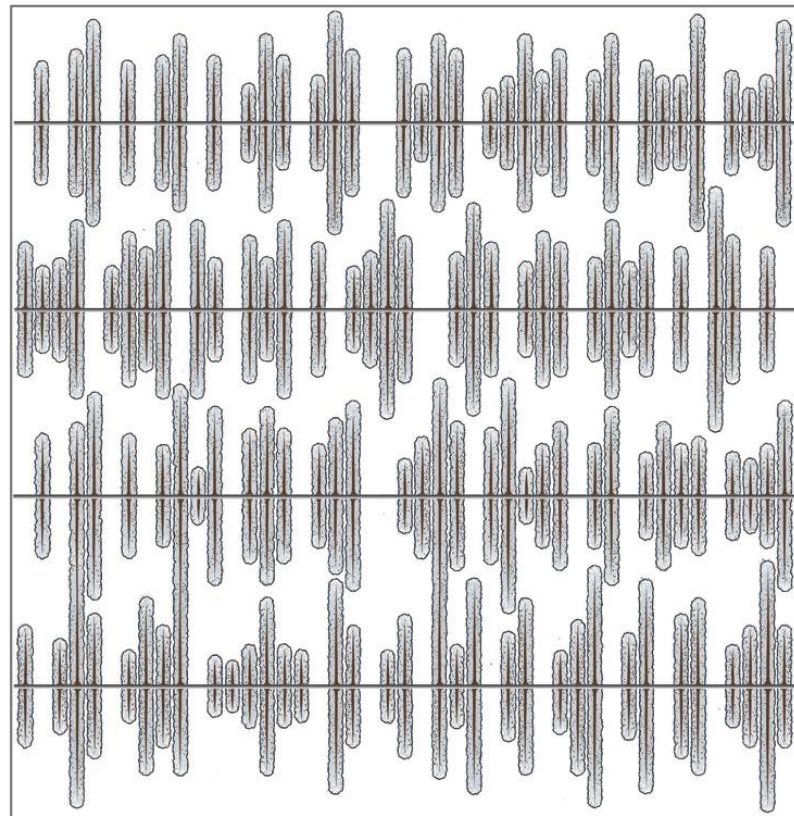
Technology-driven growth paired with free cash flow generation

* Cumulative experience through the end of December 2018.

Fracturing Systems – Pinpoint Stimulation

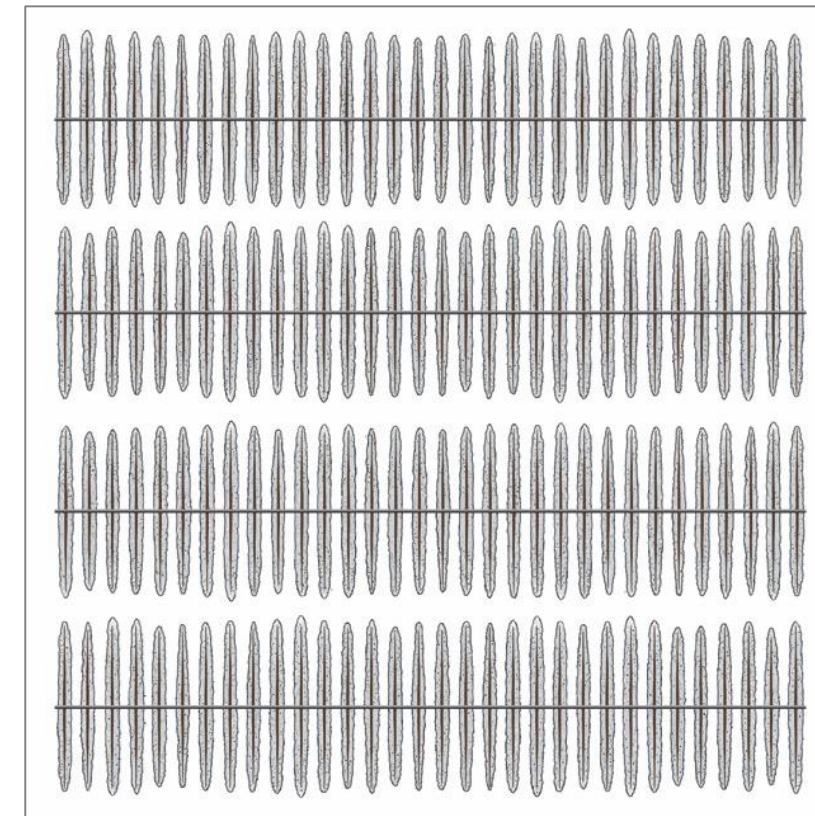
Pinpoint stimulation enables more predictable, repeatable, and verifiable completions that maximize reservoir connectivity, as compared to other completion methods

Other Completion Methods



Unpredictable frac size and location

Pinpoint Stimulation



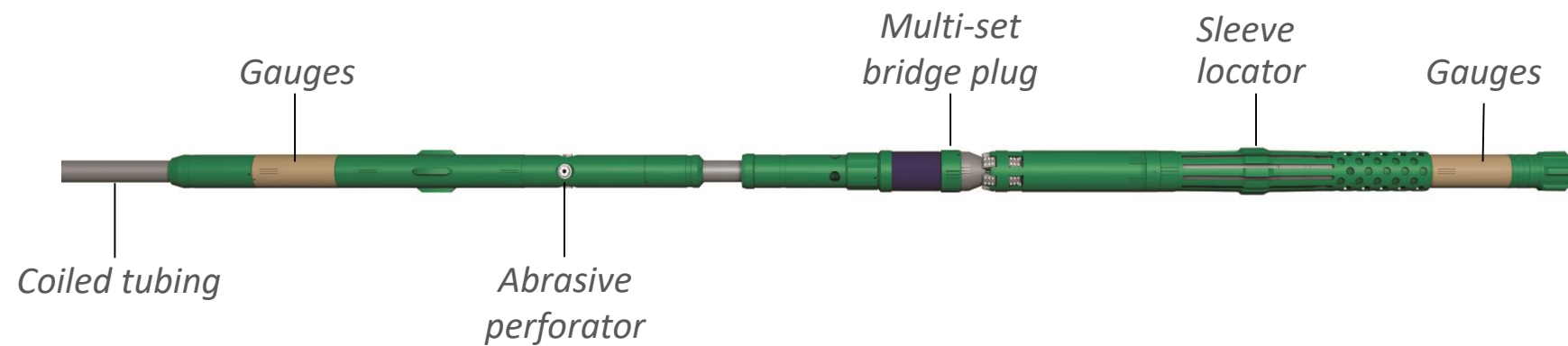
Controlled proppant placement

Fracturing Systems – Pinpoint Stimulation

Casing-Installed Frac Sleeve (open)



Downhole Frac-Isolation Assembly on Coiled Tubing



Tracer Diagnostics

Leading provider of chemical and radioactive tracers for well diagnostics and reservoir characterization

- Cost-effective and reliable service utilized by E&P companies to optimize completion designs and field development
 - Growing portfolio of patented and patent-pending chemical tracers, including
 - FFI[®] tracers (liquid tracers, for identification of stage-specific fracture fluid returns)
 - OST[®] tracers (particulate tracers, oil soluble)
 - WST[®] tracers (particulate tracers, water soluble)
 - NANO STAGED TRACER[®] chemicals (partition into gas phase)
 - Radioactive tracer logging services (RA) including real-time and memory tools
- Diverse customer base across the U.S. and Canada and an emerging international opportunity

How Customers Utilize Tracers

Our customers utilize our services to:

- Evaluate well spacing projects, including horizontal spacing and vertical spacing in formations with stacked pay characteristics
- Provide long-term qualitative stage-by-stage production information
- Evaluate the distribution of proppant along the wellbore – cluster efficiency and diverter effectiveness
- Determine if all stages in the lateral are producing, indicating flowback is complete
- Validate the performance of dissolvable plugs
- Assess frac fluid performance to improve completion designs
- Assess performance of waterfloods and other EOR strategies

Well Construction

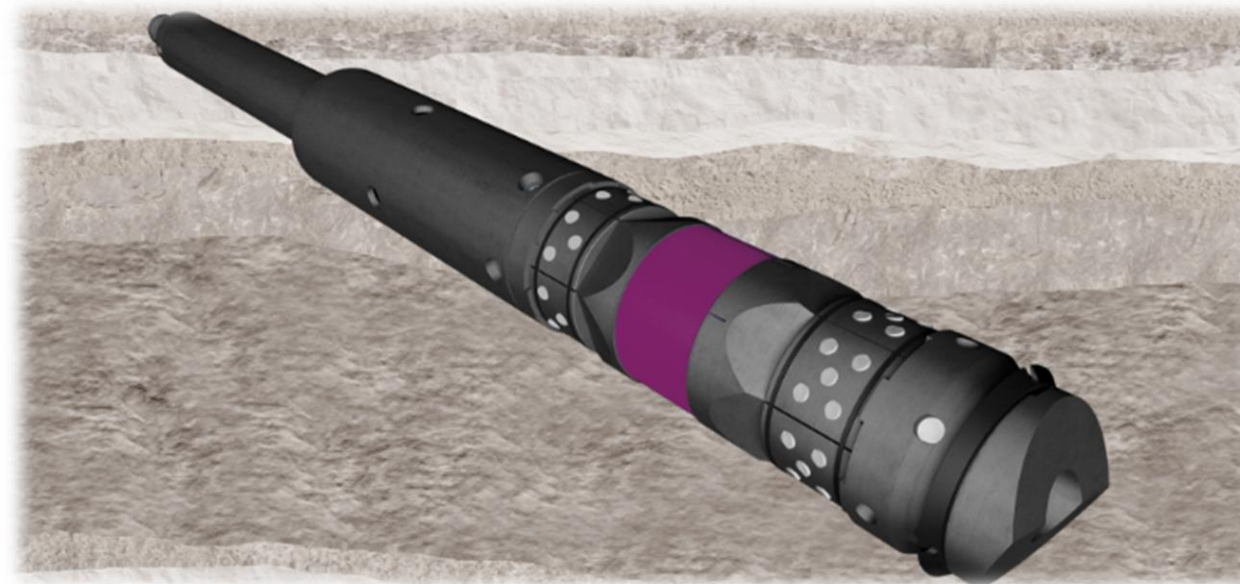
- Complementary technologies to support casing and liner installation and for initial formation access
 - AirLock® casing buoyancy system – over 6,500 successful installations
 - Liner hangers
 - Pressure activated toe sleeves



AirLock® casing buoyancy system

Repeat Precision Joint Venture

- Commercialized Purple Seal composite frac plug in 2017
 - 4.5", 5.5" and 6.0" specifications
 - All composite, hybrid and dual-cast designs
 - Purple Seal Express™ disposable frac plug deployment system; pre-assembled, compact, single-use system
- Provides NCS with additional revenue exposure from plug-and-perf wells
- Supply chain partner for NCS

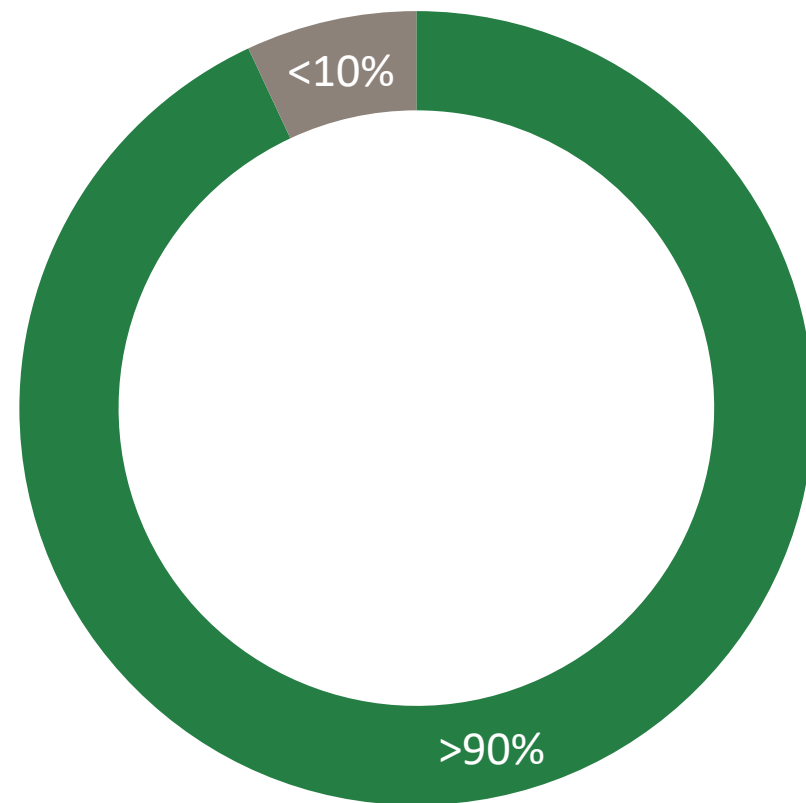


Purple Seal Express™ frac-plug deployment system

Expanded Addressable Market

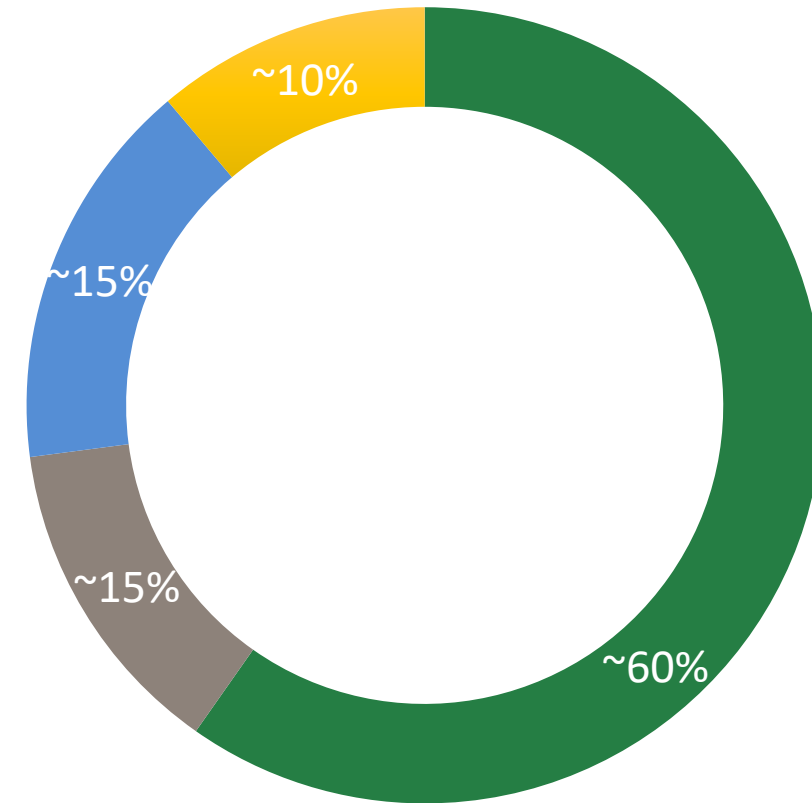
- NCS has expanded its addressable market and diversified its business through organic sales and new product development, the Repeat Precision joint venture and the Spectrum acquisition

2016 - \$98 mm Revenue



140+ Customers

2018 - \$227 mm Revenue



310+ Customers

■ Fracturing Systems ■ Well Construction ■ Tracer Diagnostics ■ Repeat Precision

Growth and Financial Execution

Q4 2018 and Full Year 2018 Results

Q4 2018 Performance:

- Total revenue of \$50.2 million
 - U.S. revenue of \$27.5 million; Canadian revenue of \$19.3 million; International revenue of \$3.5 million
- Cost of sales, excluding D&A, of \$26.0 million
- S,G&A of \$20.3 million, including \$2.7 million of share-based compensation and \$0.3 million of non-recurring professional fees
- Adjusted EBITDA of \$7.8 million, a 15% margin*

Impairment of Goodwill and Other Long-lived Assets

- Non-cash charge to operating expense of \$227.5 million

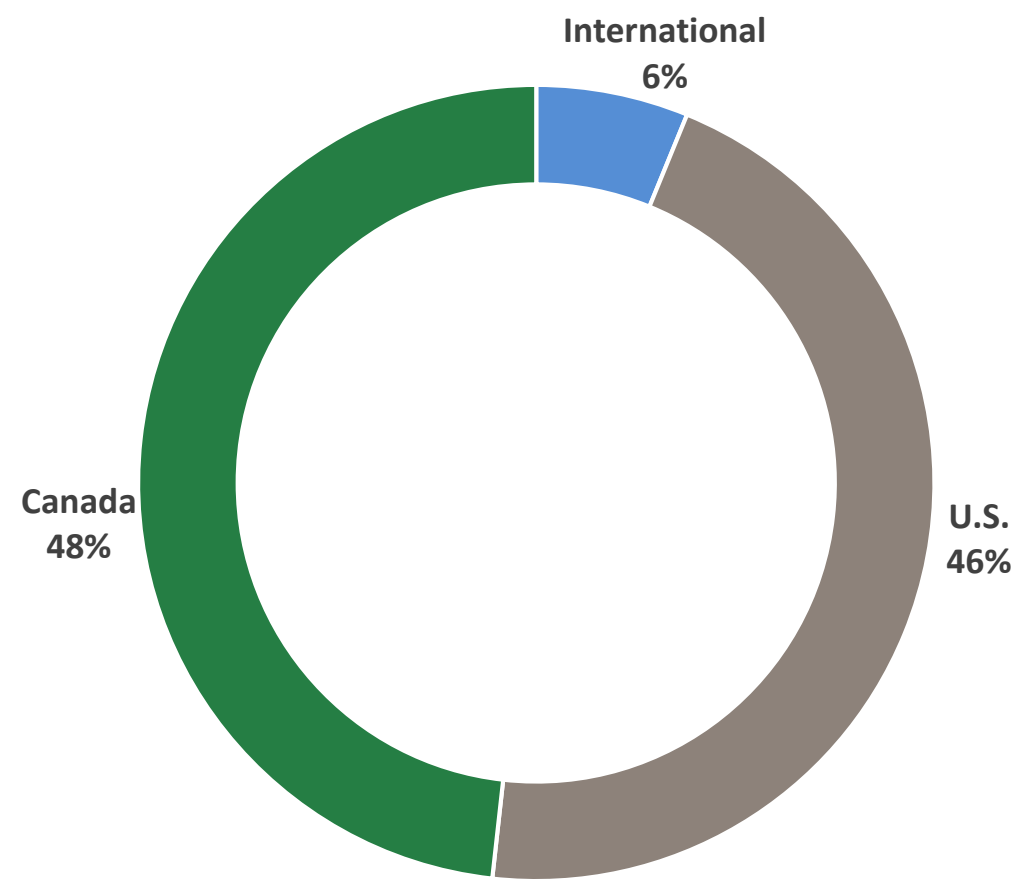
Full Year 2018 Balance Sheet and Cash Flow

- Year-end cash of \$25.1 million, and total debt of \$25.7 million
- Full year 2018 net CapEx of \$15.4 million, free cash flow of \$(1.4) million*

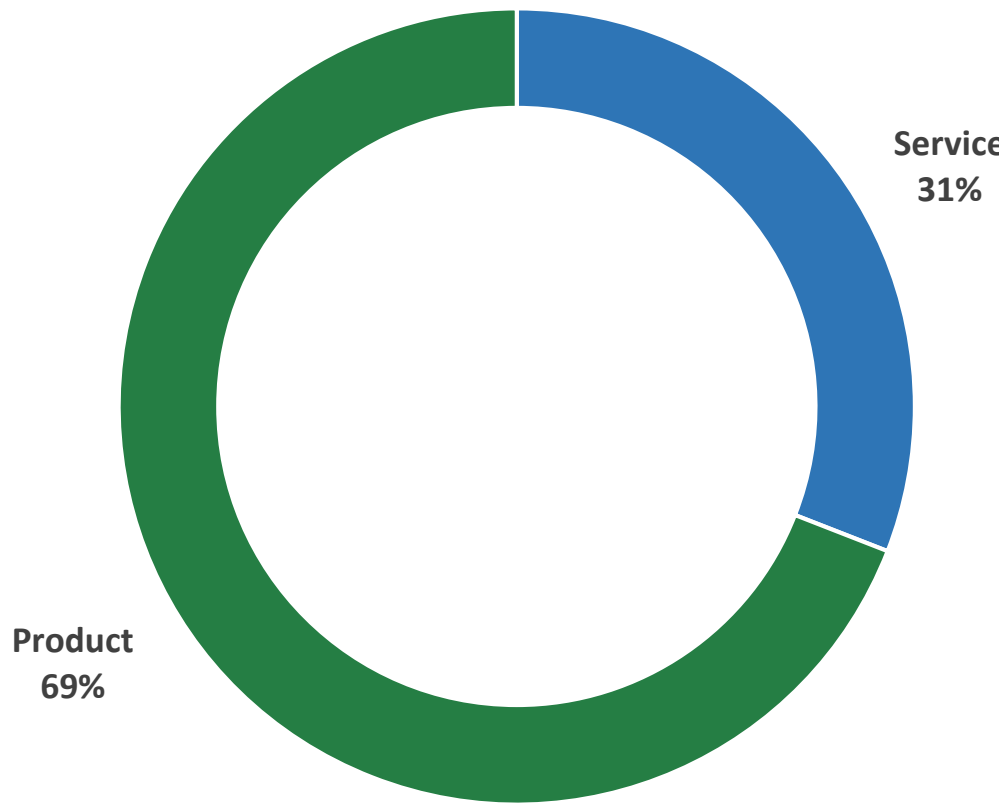
Revenue Profile

Revenue Contribution – LTM – December 31, 2018

By Geography



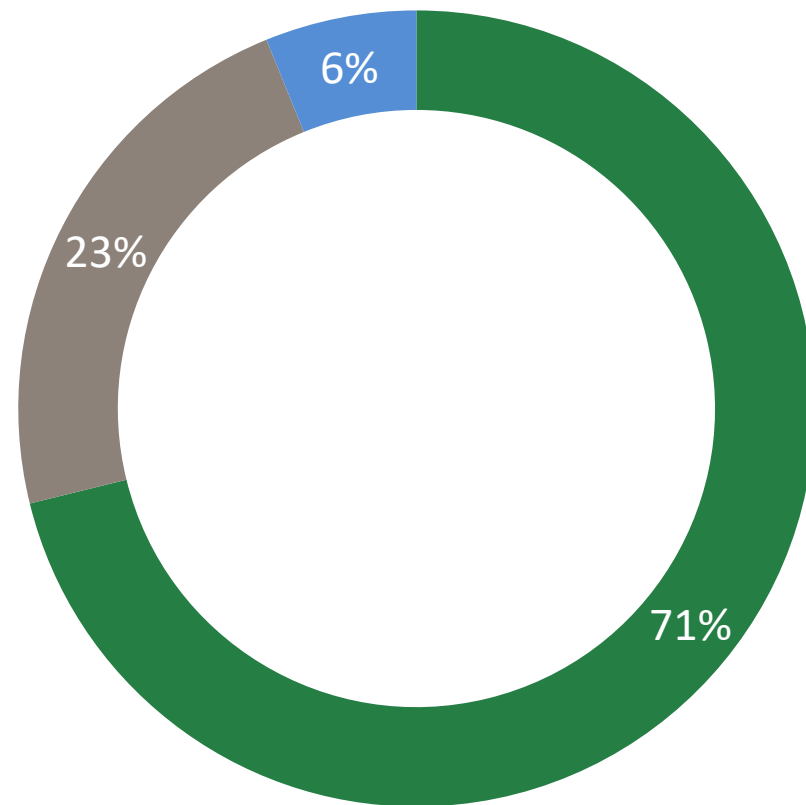
Product and Service Mix



Evolving Geographic Mix

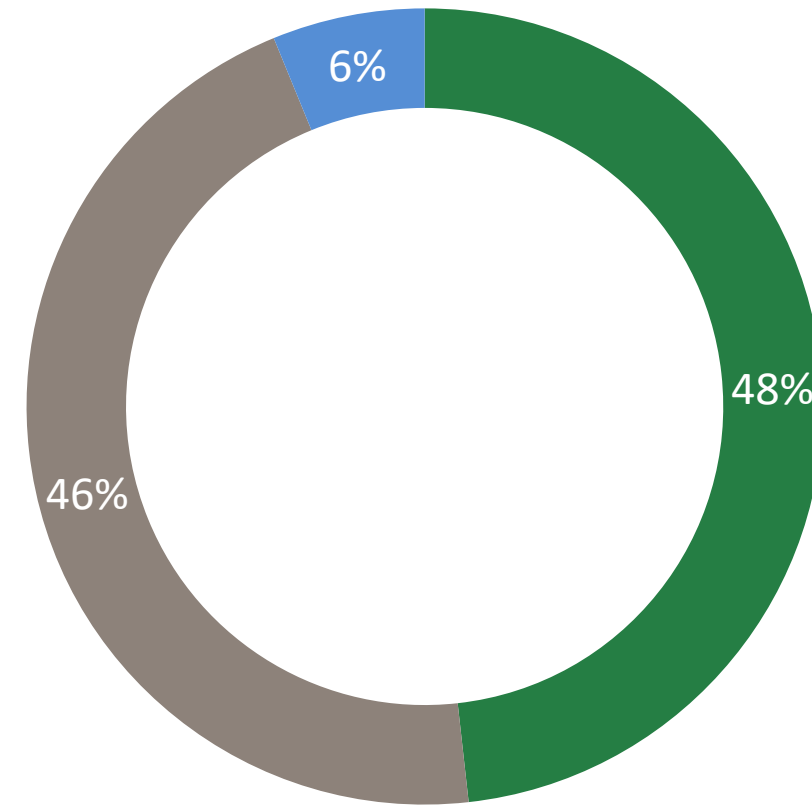
- U.S. and international markets represented over 50% of total revenue in 2018, up from under 30% in 2016

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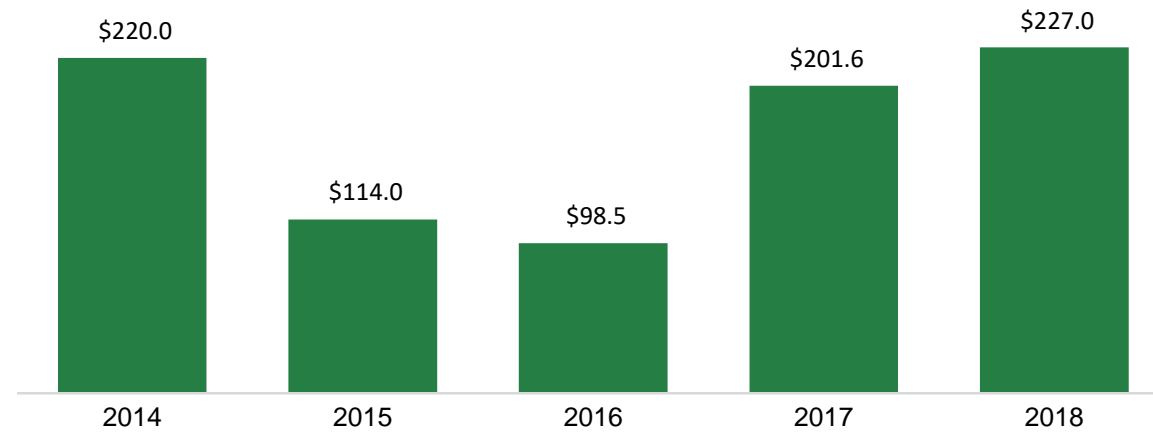
310+ Customers

■ Canada ■ US ■ International

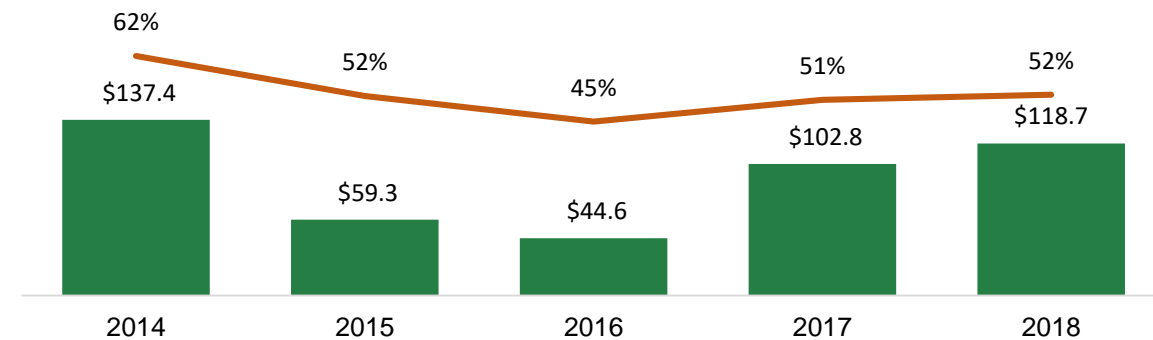
High Margins with Free Cash Flow

Financial and operating model minimizes capital investment and maximizes free cash flow

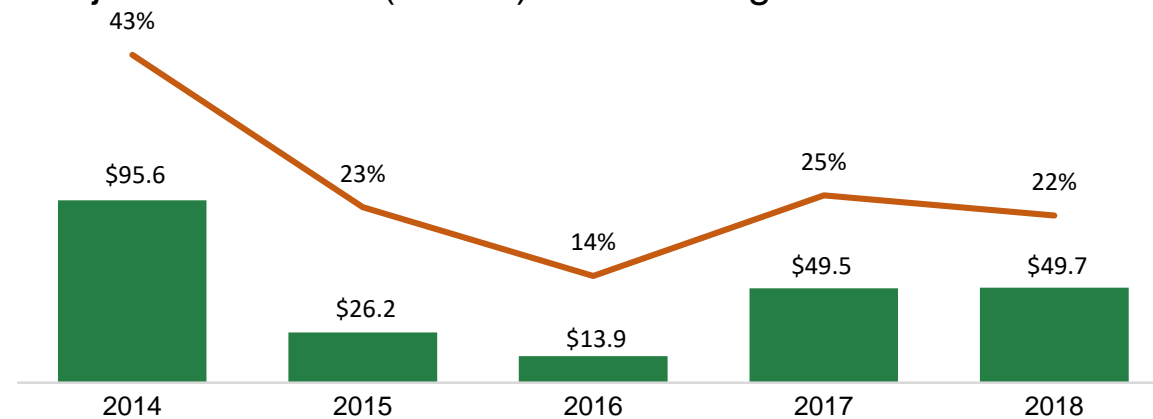
Revenue (million)



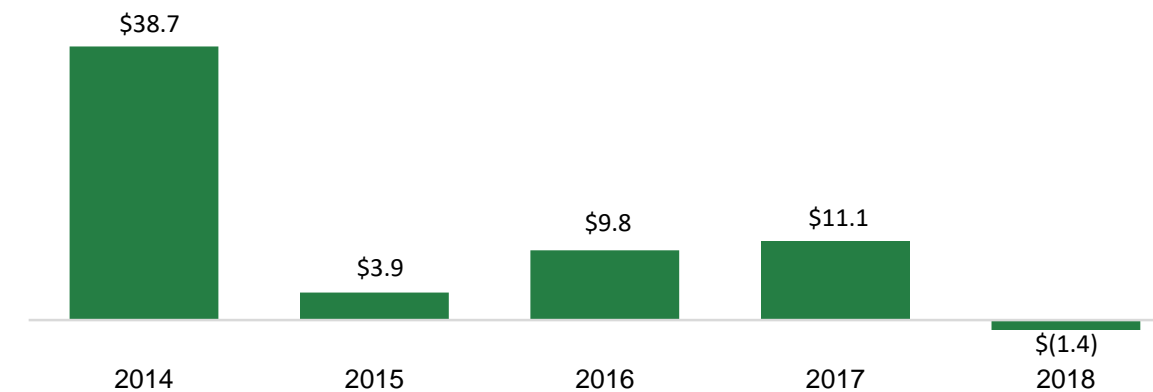
Gross Profit (million) and % Margin



Adjusted EBITDA (million) and % Margin*



Free Cash Flow* (million)

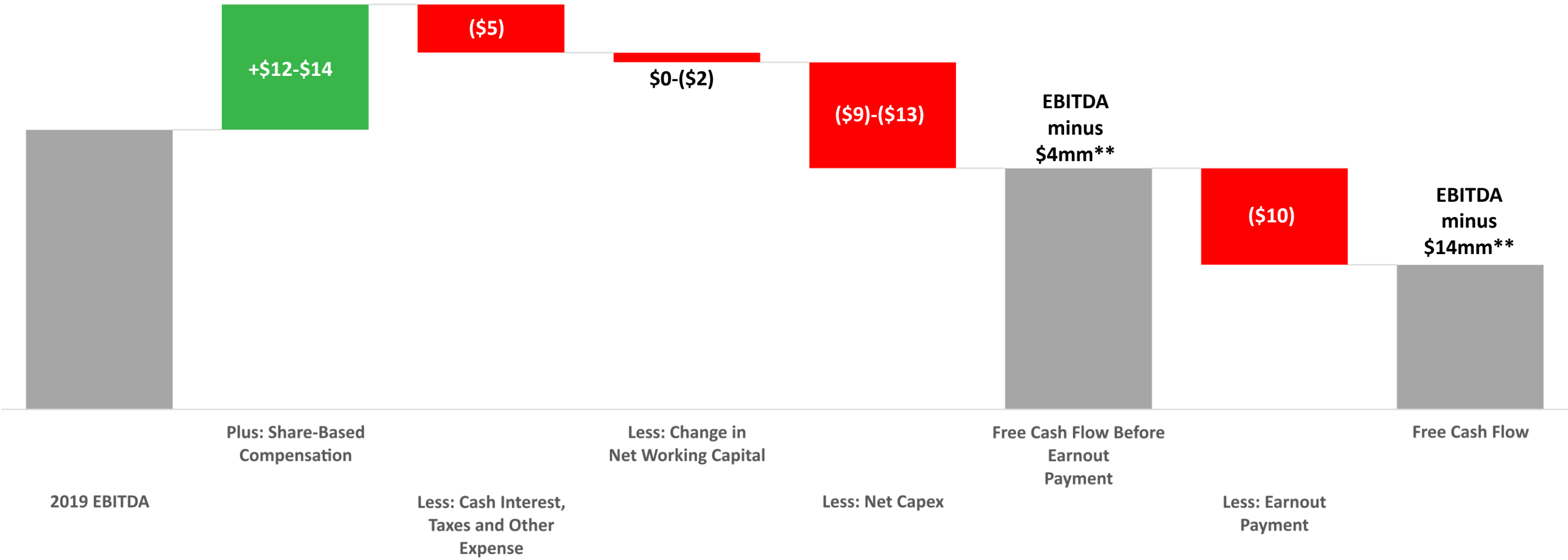


* See Appendix for Adjusted EBITDA , Adjusted EBITDA margin and free cash flow reconciliations

Illustrative 2019E Free Cash Flow Conversion

- Positioned to deliver free cash flow* in 2019

\$ in millions



* Free cash flow as presented consistent with free cash flow reconciliation in the Appendix

** Calculated free cash flow figures utilize the midpoint of the ranges for the individual cash flow items

Strong Balance Sheet

- Our strong balance sheet provides significant financial flexibility

\$ in millions	12/31/2018
Cash and Cash Equivalents	\$25.1
Total Debt	\$25.7
Total Stockholders' Equity	\$161.3
Non-Controlling Interest	14.9
Total Equity	176.2
Net Debt	\$0.6
Total Debt / Total Capitalization	13%
Revolver Availability	\$55.0
Total Potential Liquidity	\$80.1
Net Working Capital*	\$66.1

* Calculated as current assets (excluding cash and cash equivalents) less current liabilities (excluding current maturities of long-term debt)

Technology Driving Free Cash Flow

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* Cumulative experience through the end of December 2018.

Appendix

Everything starts with *The Promise*

Employees	We will invest in our employees, our most important resource, by providing coaching and training that enables them to learn and grow to their full potential. Together, we will maintain a culture that promotes teamwork and an environment that is challenging, rewarding and fun. We will listen to our employees, treat them with respect and support them when they make decisions that are aligned with <i>The Promise</i> .
Health, Safety & Environment	We will provide leadership, tools and training to empower our employees, customers and vendors to remain healthy and safe. We will integrate environmental stewardship into our business activities and respect the communities in which we operate.
Customers	We will treat our customers as partners and operate in a fair and honest manner. We will listen to our customers, set clear, common expectations and respond with execution excellence.
Technology	We will deliver reservoir analysis, insights and technologies that support our customers' development strategies and resource recovery objectives and develop technology and processes to drive improvement in our products and services.
Quality	We will continuously improve our processes and systems in order to strive to meet or exceed all applicable quality requirements.
Vendors	We will treat our vendors as partners, stand by our commitments to them and expect the same from them.
Stakeholders	We will ethically and responsibly increase stakeholder value by focusing on innovation, sustainable growth and strong financial performance.

Adjusted EBITDA Reconciliation

(\$ in millions)

	Year Ended December 31,					Three Months Ended December 31,	
	2014	2015	2016	2017	2018	2017	2018
Net Income (Loss)	\$ 7.6	\$ 28.0	\$ (17.9)	\$ 1.3	\$ (185.2)	\$ (3.9)	\$ (202.0)
Income Tax Expense (Benefit)	50.9	(16.2)	(8.8)	0.7	(23.1)	(1.4)	(26.2)
Interest Expense (a)	7.4	8.1	6.3	4.3	2.0	0.6	0.6
Depreciation	2.0	2.7	1.8	3.2	4.7	1.1	1.3
Amortization	27.9	24.6	23.8	24.5	13.1	6.0	3.2
EBITDA	\$ 95.9	\$ 47.1	\$ 5.1	\$ 33.9	\$ (188.5)	\$ 2.5	\$ (223.1)
Impairments (b)	-	-	-	-	227.5	-	227.5
Share-based Compensation (c)	1.3	1.3	1.4	6.1	10.9	2.2	2.7
Restructuring Charges (d)	-	0.4	0.3	-	-	-	-
Board Fees and Expenses (e)	0.5	0.5	0.5	-	-	-	-
Professional Fees (f)	0.7	0.3	3.1	3.9	1.5	0.5	0.3
Dividends Treated as Compensation (g)	3.0	-	-	-	-	-	-
Unrealized Foreign Currency (Gain) Loss (h)	(8.7)	(12.8)	2.6	17.0	1.5	(3.2)	(0.7)
Realized Foreign Currency (Gain) Loss (i)	(0.3)	(13.0)	(0.1)	(17.2)	(1.6)	3.2	0.1
Change in Fair Value of Contingent Consideration (j)	-	-	-	5.5	(2.9)	4.9	0.1
Other (k)	3.1	2.3	1.0	0.3	1.2	0.2	0.7
Adjusted EBITDA	\$ 95.6	\$ 26.2	\$ 13.9	\$ 49.5	\$ 49.7	\$ 10.4	\$ 7.8
Adjusted EBITDA Margin	43%	23%	14%	25%	22%	21%	15%
2014 - 2018 Average Adjusted EBITDA Margin (l)	27%						

(a) Includes the write-off of the deferred loan costs of \$1,422 related to the prior credit agreement that were expensed when the debt was repaid with a portion of our net proceeds from the IPO during the second quarter of 2017.

(b) Represents non-cash impairment charges for goodwill and intangible assets as the fair values were lower than the carrying values.

(c) Represents non-cash compensation charges related to share-based compensation granted to our officers, employees and directors.

(d) Represents severance and other expenses associated with headcount reductions and other cost savings initiated as part of our restructuring initiatives.

(e) Represents Board fees and travel expenses paid to members of our Board, which is an adjustment permitted by the terms of our credit facilities.

(f) Represents non-capitalizable costs of professional services incurred in connection with our IPO, financings and refinancings, legal proceedings and the evaluation of proposed and completed acquisitions.

(g) Represents cash payments made to certain holders of (i) options to purchase our common stock and (ii) holders of shares of Exchangeco. The cash payment was a result of a dividend paid to our stockholders in August 2014.

(h) Represents unrealized foreign currency translation gains and losses primarily in respect of our indebtedness.

(i) Represents realized foreign currency translation gains and losses with respect to principal and interest payments related to our indebtedness.

(j) Represents the change in the fair value of the earn-outs associated with our acquisitions.

(k) Represents the impact of a research and development subsidy that is included in income tax expense (benefit) in accordance with GAAP, fees incurred in connection with refinancing our credit facilities, arbitration awards, board of directors fees and travel expenses prior to our initial public offering as permitted by the terms of our prior credit agreement and other charges and credits.

(l) Calculated as total cumulative Adjusted EBITDA for 2013-2018 divided by total cumulative revenue for 2013-2018

Free Cash Flow Reconciliation

(\$ in millions)

	2014	2015	2016	2017	2018
Net Cash Provided by Operating Activities	\$ 51.5	\$ 4.4	\$ 10.7	\$ 16.1	\$ 14.0
Purchases of Property & Equipment	(12.8)	(0.9)	(1.2)	(5.4)	(15.8)
Proceeds from Sales of Property & Equipment	-	0.4	0.3	0.4	0.4
Free Cash Flow	\$ 38.7	\$ 3.9	\$ 9.8	\$ 11.1	\$ (1.4)

Completion Cost Comparison

Pinpoint completions can be cost-neutral to, or less expensive than, plug-and-perf

Cost Impacts vs Plug-and-Perf

NCS Sleeves and Service	++	
Coiled Tubing	+	Coil used during fracturing vs. standby and drillout
Overall Completion Days	+/-	Specific to customer design and operations; can provide savings
Daily Frac Spread Cost	--	Reduced HHP needs due to lower pumping rates
Plugs and Perforating Equipment	-	Savings increase with increased plug-and-perf stage counts
Wireline	-	Savings increase with stage count / operating days
Fluids	-	No pumping down plugs
Data	-	Inherent downhole data collection vs. additional cost for fiber optic or microseismic
Overall	=/-	Savings possible through optimization over time