

NABORS INDUSTRIES LTD. AND SUBSIDIARIES
SEGMENT REPORTING
2017, 2018, 2019 and 2020

(In thousands, except per share amounts and rig activity)

The following table sets forth certain information with respect to our reportable segments and rig activity:

Reportable Segments:	2017	2018					2019					2020	
	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q
Operating revenues:													
U.S. Drilling	\$ 805,223	\$ 241,002	\$ 264,395	\$ 273,996	\$ 303,834	\$ 1,083,227	\$ 320,209	\$ 323,402	\$ 307,808	\$ 289,517	\$ 1,240,936	\$ 274,901	\$ 173,784
Canada Drilling	82,929	31,887	17,442	26,645	29,026	105,000	25,315	11,389	12,191	19,379	68,274	25,591	3,564
International Drilling	1,474,060	368,845	377,986	377,125	345,082	1,469,038	337,256	326,905	328,278	331,703	1,324,142	337,110	301,078
Drilling Solutions	140,701	62,648	59,859	60,923	66,812	250,242	65,422	64,583	62,286	60,499	252,790	55,384	33,129
Rig Technologies	234,542	64,669	81,321	63,641	61,357	270,988	71,753	72,751	63,106	52,616	260,226	42,150	33,582
Other reconciling items	(173,170)	(34,857)	(39,083)	(22,905)	(24,031)	(120,876)	(20,315)	(27,624)	(15,593)	(39,453)	(102,985)	(16,772)	(11,206)
Total operating revenues	<u>2,564,285</u>	<u>734,194</u>	<u>761,920</u>	<u>779,425</u>	<u>782,080</u>	<u>3,057,619</u>	<u>799,640</u>	<u>771,406</u>	<u>758,076</u>	<u>714,261</u>	<u>3,043,383</u>	<u>718,364</u>	<u>533,931</u>
Adjusted EBITDA:													
U.S. Drilling	\$ 161,294	\$ 73,067	\$ 86,923	\$ 99,353	\$ 113,945	\$ 373,288	\$ 125,005	\$ 124,924	\$ 120,936	\$ 113,128	\$ 483,993	\$ 101,809	\$ 77,659
Canada Drilling	17,335	9,299	4,963	7,294	9,450	31,006	7,446	1,069	1,466	5,302	15,283	7,931	(564)
International Drilling	509,181	123,990	122,631	116,797	94,030	457,448	85,844	86,767	95,214	96,155	363,980	91,509	93,510
Drilling Solutions	32,926	14,728	14,765	16,145	23,025	68,663	21,046	22,461	23,471	24,776	91,754	19,439	9,411
Rig Technologies	(19,434)	(8,684)	446	137	(1,274)	(9,375)	(2,296)	3,160	2,173	(1,569)	1,468	(3,178)	3,176
Other reconciling items	(157,339)	(43,986)	(42,045)	(38,766)	(37,557)	(162,354)	(40,049)	(39,974)	(36,226)	(35,267)	(151,516)	(29,779)	(29,367)
Total adjusted EBITDA	<u>\$ 543,963</u>	<u>\$ 168,414</u>	<u>\$ 187,683</u>	<u>\$ 200,960</u>	<u>\$ 201,619</u>	<u>\$ 758,676</u>	<u>\$ 196,996</u>	<u>\$ 198,407</u>	<u>\$ 207,034</u>	<u>\$ 202,525</u>	<u>\$ 804,962</u>	<u>\$ 187,731</u>	<u>\$ 153,825</u>
Adjusted operating income (loss):													
U.S. Drilling	\$ (213,877)	\$ (19,746)	\$ (13,107)	\$ 2,578	\$ 8,977	\$ (21,298)	\$ 24,683	\$ 20,392	\$ 12,427	\$ 6,811	\$ 64,313	\$ (7,404)	\$ (23,395)
Canada Drilling	(22,262)	(592)	(4,608)	(1,895)	929	(6,166)	(59)	(5,537)	(5,701)	(3,186)	(14,483)	37	(5,795)
International Drilling	108,428	24,536	24,486	25,680	(481)	74,221	(5,637)	(6,884)	2,466	1,152	(8,903)	(4,147)	276
Drilling Solutions	16,738	8,721	7,546	9,506	11,853	37,626	12,855	13,793	16,145	16,672	59,465	10,549	1,733
Rig Technologies	(30,964)	(12,976)	(3,433)	(4,141)	(5,212)	(25,762)	(5,148)	496	(641)	(5,954)	(11,247)	(8,151)	(1,492)
Other reconciling items	(157,043)	(44,977)	(41,463)	(39,285)	(41,090)	(166,815)	(40,089)	(42,172)	(39,219)	(38,794)	(160,274)	(30,216)	(28,622)
Total adjusted operating income (loss)	<u>\$ (298,980)</u>	<u>\$ (45,034)</u>	<u>\$ (30,579)</u>	<u>\$ (7,557)</u>	<u>\$ (25,024)</u>	<u>\$ (108,194)</u>	<u>\$ (13,395)</u>	<u>\$ (19,912)</u>	<u>\$ (14,523)</u>	<u>\$ (23,299)</u>	<u>\$ (71,129)</u>	<u>\$ (39,332)</u>	<u>\$ (57,295)</u>
Reconciliation of non-GAAP measures to GAAP:													
Adjusted EBITDA	\$ 543,963	\$ 168,414	\$ 187,683	\$ 200,960	\$ 201,619	\$ 758,676	\$ 196,996	\$ 198,407	\$ 207,034	\$ 202,525	\$ 804,962	\$ 187,731	\$ 153,825
Depreciation and amortization	(842,943)	(213,448)	(218,262)	(208,517)	(226,643)	(866,870)	(210,391)	(218,319)	(221,557)	(225,824)	(876,091)	(227,063)	(211,120)
Operating income (loss)	(298,980)	(45,034)	(30,579)	(7,557)	(25,024)	(108,194)	(13,395)	(19,912)	(14,523)	(23,299)	(71,129)	(39,332)	(57,295)
Earnings (losses) from unconsolidated affiliates	7	2	(1)	-	-	1	(5)	-	-	-	(5)	-	-
Investment income (loss)	1,194	465	(3,164)	(1,342)	(5,458)	(9,499)	9,677	469	(1,437)	1,509	10,218	(3,198)	2,036
Interest expense	(222,889)	(61,386)	(60,592)	(51,415)	(53,731)	(227,124)	(52,352)	(51,491)	(51,291)	(49,177)	(204,311)	(54,722)	(51,206)
Other, net	(59,416)	(14,089)	(77,601)	(22,907)	(59,381)	(173,978)	(17,502)	(110,469)	(8,634)	(187,090)	(323,695)	(259,324)	(27,057)
Income (loss) from continuing operations before income taxes	<u>\$ (580,084)</u>	<u>\$ (120,042)</u>	<u>\$ (171,937)</u>	<u>\$ (83,221)</u>	<u>\$ (143,594)</u>	<u>\$ (518,794)</u>	<u>\$ (73,577)</u>	<u>\$ (181,403)</u>	<u>\$ (75,885)</u>	<u>\$ (258,057)</u>	<u>\$ (588,922)</u>	<u>\$ (356,576)</u>	<u>\$ (133,522)</u>
Income tax expense (benefit)	(82,970)	23,545	23,278	10,489	21,957	79,269	29,799	11,398	23,903	26,476	91,576	17,693	4,446
Subsidiary preferred stock dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss) from continuing operations, net of tax	(497,114)	(143,587)	(195,215)	(93,710)	(165,551)	(598,063)	(103,376)	(192,801)	(99,788)	(284,533)	(680,498)	(374,269)	(137,968)
Income (loss) from discontinued operations, net of tax	(43,519)	(75)	(584)	(13,933)	(71)	(14,663)	(157)	(34)	157	22	(12)	(93)	23
Net income (loss)	(540,633)	(143,662)	(195,799)	(107,643)	(165,622)	(612,726)	(103,533)	(192,835)	(99,631)	(284,511)	(680,510)	(374,362)	(137,945)
Less: Net (income) loss attributable to noncontrolling interest	(6,178)	(539)	(2,953)	(6,934)	(17,796)	(28,222)	(14,176)	(10,729)	(19,297)	21,827	(22,375)	(17,465)	(10,167)
Net income (loss) attributable to Nabors	<u>\$ (546,811)</u>	<u>\$ (144,201)</u>	<u>\$ (198,752)</u>	<u>\$ (114,577)</u>	<u>\$ (183,418)</u>	<u>\$ (640,948)</u>	<u>\$ (117,709)</u>	<u>\$ (203,564)</u>	<u>\$ (118,928)</u>	<u>\$ (262,684)</u>	<u>\$ (702,885)</u>	<u>\$ (391,827)</u>	<u>\$ (148,112)</u>
Less: Preferred stock dividend	-	-	(3,680)	(4,313)	(4,312)	(12,305)	(4,313)	(4,312)	(4,310)	(4,309)	(17,244)	(3,652)	(3,653)
Net income (loss) attributable to Nabors common shareholders	<u>\$ (546,811)</u>	<u>\$ (144,201)</u>	<u>\$ (202,432)</u>	<u>\$ (118,890)</u>	<u>\$ (187,730)</u>	<u>\$ (653,253)</u>	<u>\$ (122,022)</u>	<u>\$ (207,876)</u>	<u>\$ (123,238)</u>	<u>\$ (266,993)</u>	<u>\$ (720,129)</u>	<u>\$ (395,479)</u>	<u>\$ (151,765)</u>
Earnings (losses) per share:													
Basic from continuing operations	(87.31)	(23.18)	(30.32)	(15.35)	(27.49)	(\$97.42)	(\$18.11)	(\$30.31)	(\$18.27)	(\$38.66)	(\$105.39)	(\$56.72)	(\$22.13)
Basic from discontinued operations	(7.76)	(0.01)	(0.09)	(1.99)	(0.01)	(2.19)	(0.02)	-	0.02	-	-	(0.01)	-
Total Basic	<u>(\$95.07)</u>	<u>(\$23.19)</u>	<u>(\$30.41)</u>	<u>(\$17.34)</u>	<u>(\$27.50)</u>	<u>(\$99.61)</u>	<u>(\$18.13)</u>	<u>(\$30.31)</u>	<u>(\$18.25)</u>	<u>(\$38.66)</u>	<u>(\$105.39)</u>	<u>(\$56.73)</u>	<u>(\$22.13)</u>
Diluted from continuing operations	(87.31)	(23.18)	(30.32)	(15.35)	(27.49)	(\$97.42)	(\$18.11)	(\$30.31)	(\$18.27)	(\$38.66)	(\$105.39)	(\$56.72)	(\$22.13)
Diluted from discontinued operations	(7.76)	(0.01)	(0.09)	(1.99)	(0.01)	(2.19)	(0.02)	-	0.02	-	-	(0.01)	-
Total Diluted	<u>(\$95.07)</u>	<u>(\$23.19)</u>	<u>(\$30.41)</u>	<u>(\$17.34)</u>	<u>(\$27.50)</u>	<u>(\$99.61)</u>	<u>(\$18.13)</u>	<u>(\$30.31)</u>	<u>(\$18.25)</u>	<u>(\$38.66)</u>	<u>(\$105.39)</u>	<u>(\$56.73)</u>	<u>(\$22.13)</u>
Weighted-average number of common shares outstanding:													
Basic	5,613	6,176	6,567	7,004	7,005	6,688	7,015	7,031	7,041	7,043	7,032	7,051	7,052
Diluted	5,613	6,176	6,567	7,004	7,005	6,688	7,015	7,031	7,041	7,043	7,032	7,051	7,052
Rig Activity:													
Average rigs working:													
U.S.	100.8	111.8	112.1	111.6	117.3	113.2	120.9	122.2	114.1	104.2	115.3	96.4	63.8
Canada	15.4	21.1	10.2	17.9	18.3	16.9	16.3	7.4	7.7	12.3	10.9	16.8	2.2
International	91.1	94.6	93.1	96.0	88.0	92.9	89.7	88.6	87.7	87.1	88.3	86.7	82.4
Total average rigs working	<u>207.3</u>	<u>227.5</u>	<u>215.4</u>	<u>225.5</u>	<u>223.6</u>	<u>223.0</u>	<u>226.9</u>	<u>218.2</u>	<u>209.5</u>	<u>203.6</u>	<u>214.5</u>	<u>199.9</u>	<u>148.4</u>