



**PROPETRO<sup>®</sup>**

# Q2 2022 INVESTOR PRESENTATION

August 2, 2022

# FORWARD-LOOKING STATEMENTS

Except for historical information contained herein, the statements and information in this presentation, including the oral statements made in connection herewith, are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include the words “may,” “could,” “plan,” “project,” “budget,” “predict,” “pursue,” “target,” “seek,” “objective,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” and other expressions that are predictions of, or indicate, future events and trends and that do not relate to historical matters identify forward-looking statements. Our forward-looking statements include, among other matters, statements about our business strategy, industry, future profitability, expected fleet utilization, sustainability efforts, the future performance of newly improved technology, expected capital expenditures and the impact of such expenditures on our performance and capital programs. A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable.

Although forward-looking statements reflect our good faith beliefs at the time they are made, forward-looking statements are subject to a number of risks and uncertainties that may cause actual events and results to differ materially from the forward-looking statements. Such risks and uncertainties include the volatility of and recent declines in oil prices, the operational disruption and market volatility resulting from the COVID-19 pandemic, the global macroeconomic uncertainty related to the Russia-Ukraine war, and other factors described in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, particularly the “Risk Factors” sections of such filings, and other filings with the Securities and Exchange Commission (the “SEC”). In addition, we may be subject to currently unforeseen risks that may have a materially adverse impact on us, including matters related to shareholder litigation and the SEC investigation.

Accordingly, no assurances can be given that the actual events and results will not be materially different than the anticipated results described in the forward-looking statements. Readers are cautioned not to place undue reliance on such forward-looking statements and are urged to carefully review and consider the various disclosures made in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other filings made with the SEC from time to time that disclose risks and uncertainties that may affect our business. The forward-looking statements in this presentation are made as of the date of this presentation. We do not undertake, and expressly disclaim, any duty to publicly update these statements, whether as a result of new information, new developments or otherwise, except to the extent that disclosure is required by law.

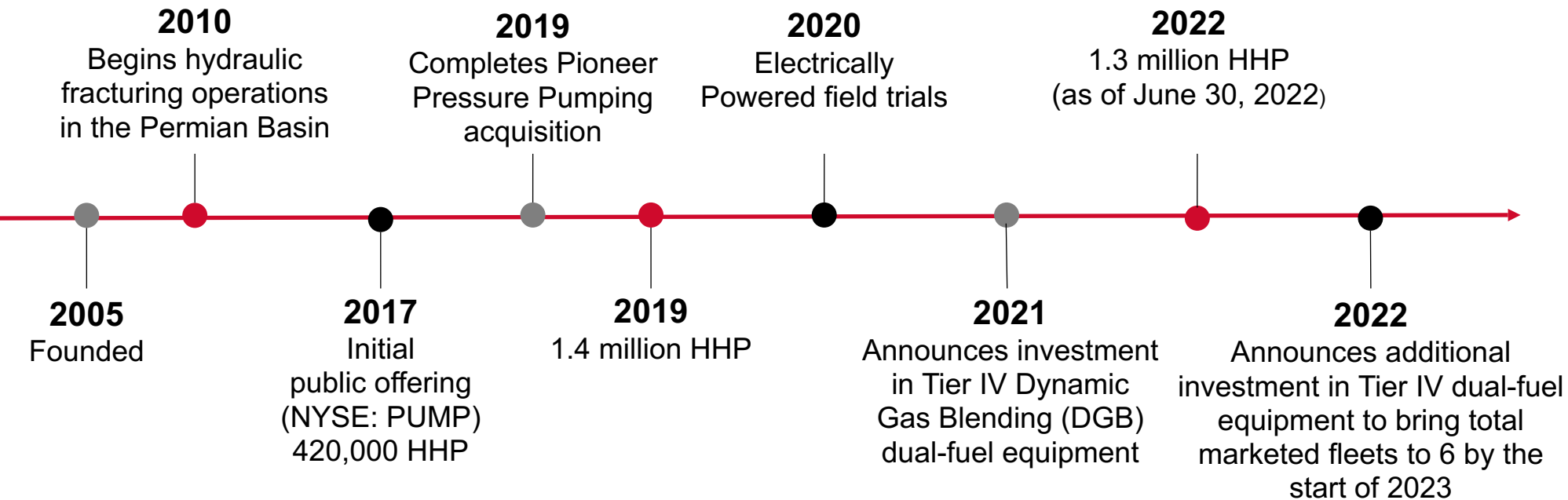
# PROPETRO AT A GLANCE

**Customer Focused  
Team Driven**

**0.54**  
Full Year 2021 TRIR

**100%**  
Concentration of Frac  
Operations in the Permian

**Sustainability  
Investments  
Accelerating**



**Teamwork & Collaboration**



**Execution**

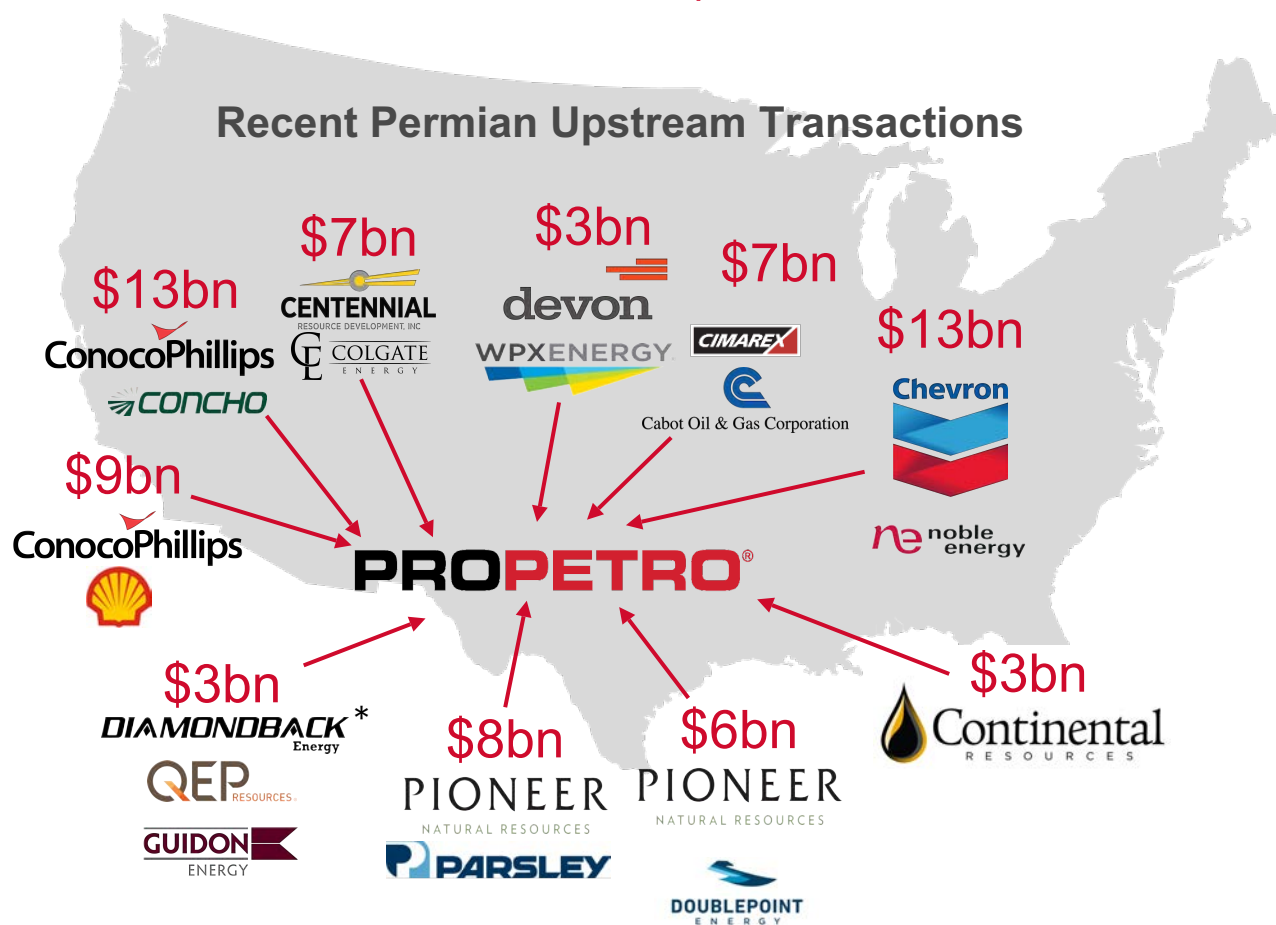


**Capital Discipline**

# CAPITAL MIGRATES TO THE PERMIAN

Over \$75 billion in Permian E&P transactions since 2018

## Recent Permian Upstream Transactions



## Notable Transactions Announced

Date	Buyer	Value (\$MM)
5/19/2022	Centennial / Colgate	\$7,000
12/31/2021	Continental Resources	\$3,250
10/1/2021	Coterra Energy	\$7,400
9/20/2021	ConocoPhillips	\$9,500
4/1/2021	Pioneer Natural Resources	\$6,400
10/20/2020	Pioneer Natural Resources	\$7,621
10/19/2020	ConocoPhillips	\$13,337
12/16/2019	WPX Energy	\$2,500
12/21/2020	Diamondback Energy Inc	\$2,962
10/14/2019	Parsley Energy Inc	\$2,270
11/19/2018	Cimarex Energy Co	\$1,616
8/14/2018	Diamondback Energy Inc	\$9,200
8/8/2018	Diamondback Energy Inc	\$1,245
3/28/2018	Concho Resources Inc	\$9,500

ProPetro is ~100% focused in the Permian

\* Source: Company filings and industry research, values as of time of announcement.

# POSITIONING FOR A **CLEANER** FUTURE

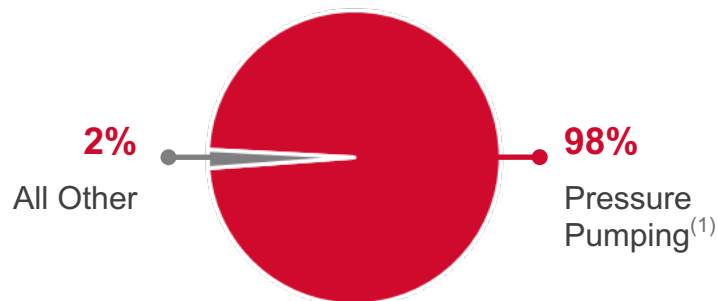
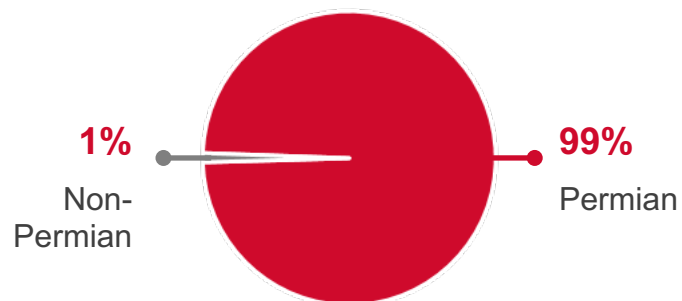


## Converting our Fleet to Tier IV DGB Dual-Fuel

- Displacing diesel ~70% with cleaner-burning natural gas
- Customers willing to pay a premium due to fuel savings and lower emissions - "A Win-Win"
- EPA Emissions Standards compliant
- We continue to invest in natural gas-powered equipment to lower emissions with 215,000 HHP of Tier IV DGB recently delivered and expect another 125,000 HHP to be delivered in the fourth quarter of this year
- **Expect to start 2023 with six marketed Tier IV DGB fleets**

# 2Q22 FINANCIAL HIGHLIGHTS

## Focused Revenue Mix



**Revenue:** \$315 million, increased 11% vs. 1Q22

**Net Loss:** \$33 million

**Adj. EBITDA:** \$76 million<sup>(2)</sup> or 24% of revenues, increased 13% vs. 1Q22

**Free Cash Flow:** \$1 million<sup>(3)</sup>

## Durable Capital Structure:

- **Cash:** \$70 million
- **Total Debt:** \$0
- **Total Liquidity:** \$185 million<sup>(4)</sup>

(1) Hydraulic fracturing revenue represents approximately 94% of pressure pumping revenue for the first quarter.

(2) Adjusted EBITDA is a Non-GAAP financial measure, please see appendix for reconciliation to Net Income (Loss).

(3) Free cash flow (FCF) is a Non-GAAP financial measure and is defined as net cash flow provided from operating activities less net cash used in investing activities. Please see appendix for reconciliation to Net Cash from Operating activities.

(4) Inclusive of cash and available capacity under revolving credit facility as of the end of the quarter.

# FINANCIAL TRENDS

(in millions)



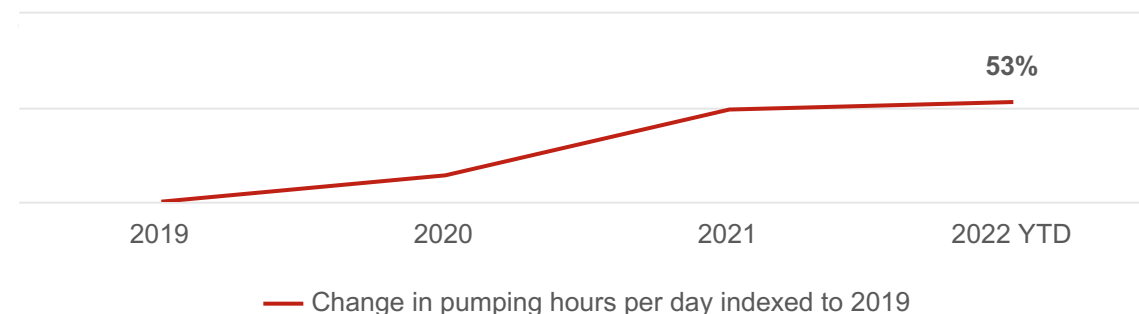
## Prudent approach to increased utilization

- Capital-efficient growth through disciplined fleet deployments, improved pricing, and efficient operations
- Effective utilization of 14.8 fleets in 2Q22
- Expect to start 2023 with six marketed fleets of Tier IV DGB equipment

## Valuable through-cycle partner

- Collaboration with customers to create unparalleled efficiencies at the wellsite
- Profitable operations with committed fleets are the driving force behind future re-investment cycles

## Pumping Hour Productivity



(1) For a reconciliation to net income (loss), please see Appendix.

(2) Free cash flow (FCF) is a Non-GAAP financial measure and is defined as net cash flow provided from operating activities less net cash used in investing activities. Please see appendix for reconciliation to Net Cash from Operating activities.

# DELIVERING DISCIPLINED EXECUTION



## Permian Focus

Positioned in the low cost basin with sector leading operating scale



## Blue Chip Customers

Large drilling inventories and sizeable rig programs



## Superior Performance

Consistently outperforming the competition on location and efficient Simul-Frac completions partner



## Sustainable Future

Investing in lower emissions equipment to reduce our carbon footprint



## Capital Discipline

Strong Balance Sheet with no debt; disciplined capital allocation and asset deployment



## Safety Culture

Full year 2021 Total Recordable Incident Rate of 0.54



## Technology

Focused on technological improvements to optimize our performance



## Access to Premier Projects

Meeting customer needs on their most complex jobs; dedicated contract and agreements with high quality Permian operators

**PRO**PETRO®

# Appendix

# NON-GAAP RECONCILIATIONS

This presentation references “Adjusted EBITDA” and “Free Cash Flow,” which are non-GAAP financial measures. We define EBITDA as our earnings, before (i) interest expense, (ii) income taxes and (iii) depreciation and amortization. We define Adjusted EBITDA as EBITDA, plus (i) loss/(gain) on disposal of assets, (ii) stock-based compensation, and (iii) other unusual or nonrecurring (income)/expenses, such as impairment charges, severance, costs related to asset acquisitions, costs related to SEC investigation and class action lawsuits and one-time professional and advisory fees. Free cash flow (FCF) is defined as net cash flow provided by operating activities less net cash used in investing activities. These non-GAAP financial measures are not intended to be an alternative to any measure calculated in accordance with GAAP. We believe the presentation of Adjusted EBITDA and Free Cash Flow provide useful information to investors in assessing our financial condition and results of operations. Net income (loss) is the GAAP measure most directly comparable to Adjusted EBITDA. Net cash flow provided from operating activities is the GAAP measure most directly comparable to Free Cash Flow. Non-GAAP financial measures have important limitations as analytical tools because they exclude some, but not all, items that affect the most directly comparable GAAP financial measures. You should not consider these non-GAAP financial measures in isolation or as a substitute for an analysis of our results as reported under GAAP. Further, Adjusted EBITDA and Free Cash Flow may be defined differently by other companies in our industry, and our definitions of Adjusted EBITDA and Free Cash Flow may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

	Three Months Ended			
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
<i>(in thousands)</i>				
Net income (loss)	\$ (32,860)	\$ 11,817	\$ (20,232)	\$ (5,067)
Depreciation and amortization	31,462	31,854	33,124	33,531
Impairment expense	57,454	—	—	—
Interest expense	669	134	137	143
Income tax expense (benefit)	(8,069)	4,137	(2,613)	(1,279)
Loss on disposal of assets	22,485	16,117	24,145	12,424
Stock-based compensation	3,458	11,364	3,114	3,009
Other expense (income)	(6)	(10,357)	305	309
Other general and administrative expenses (net)	1,354	1,467	(800)	(972)
Severance expense	—	—	20	—
<b>Adjusted EBITDA</b>	<b>\$ 75,947</b>	<b>\$ 66,533</b>	<b>\$ 37,200</b>	<b>\$ 42,098</b>

# NON-GAAP RECONCILIATIONS

	Three Months Ended			
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
<i>(in thousands)</i>				
Net Cash from Operating Activities	\$ 78,138 \$	25,170 \$	45,455 \$	47,779
Net Cash used in Investing Activities	\$ (77,520) \$	(64,048) \$	(18,743) \$	(34,629)
<b>Free Cash Flow</b>	<b>\$ 618 \$</b>	<b>(38,878) \$</b>	<b>26,712 \$</b>	<b>13,150</b>

# CONTACT INFORMATION



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