

# PROPETRO®

**2017 Q3 Earnings Presentation**

**November 2, 2017**

NYSE: **PUMP**

[www.propetroservices.com](http://www.propetroservices.com)

Certain information included in this presentation constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act. These forward-looking statements are subject to numerous risks and uncertainties, many of which are difficult to predict, and generally beyond our control. Actual results may differ materially from those indicated or implied by such forward-looking statements. For information on identified risks and uncertainties that could impact our forecasts, expectations, and results of operations, please review the risk factors and other information disclosed from time to time in our filings with the Securities and Exchange Commission.

This presentation references “Adjusted EBITDA,” a non-GAAP financial measure. This non-GAAP measure is not intended to be an alternative to any measure calculated in accordance with GAAP. We believe the presentation of Adjusted EBITDA provides useful information to investors in assessing our financial condition and results of operations. Net income is the GAAP measure most directly comparable to Adjusted EBITDA. 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 Adjusted EBITDA in isolation or as a substitute for an analysis of our results as reported under GAAP. Further, Adjusted EBITDA may be defined differently by other companies in our industry, and our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing their utility. A reconciliation of non-GAAP measures to the most directly comparable measures calculated in accordance with GAAP, is set forth in the Appendix hereto.

- **ProPetro at a Glance**
- **Permian Basin Update**
- **2017 Q3 Highlights**
- **2017 Q3 Financial Review**
- **Fleet Expansion Initiative**
- **Unique Positioning**
- **Outlook**

- **100% Frac Operations Permian Concentrated**
  - 735,000 HHP Spread over 17 Crews<sup>(1)</sup>
- **Over 7x Organic HHP Growth Since 2013<sup>(2)</sup>**
- **Customer and Employee Focused Business Model**

- **Permian Focused Customers**

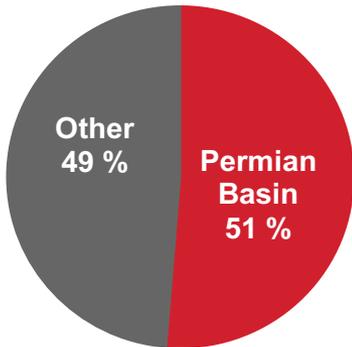


17 Hydraulic Fracturing Units <sup>(1)</sup>	735,000 HHP <sup>(1)</sup>	14 Cementing Units
3 Coiled Tubing Units	10 Acidizing Pumps	Flowback Operations

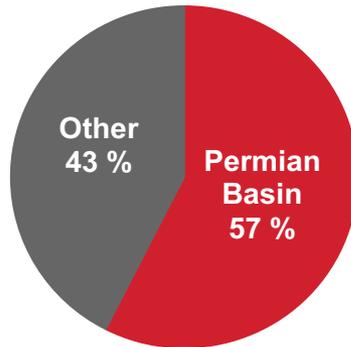
(1) Estimate as of Q1 2018 includes 45,000HHP to be purchased and scheduled to be delivered in Q1 2018  
(2) Growth calculated using YE 2012 to estimated YE 2017

- **Healthy Frac Demand Outpacing HHP Capacity**
  - Driven by Recent E&P Acquisitions and Attractive Economics
- **Increasing Pricing Leverage for Services**
  - Driven by Rig Activity and Short Supply of HHP Capacity
- **Mature and Evolving Infrastructure**
  - Driven by Historical Activity Levels and New Regional Sand Mines

**Total U.S. Onshore  
Oil Directed Rig Count: 737<sup>(1)</sup>**



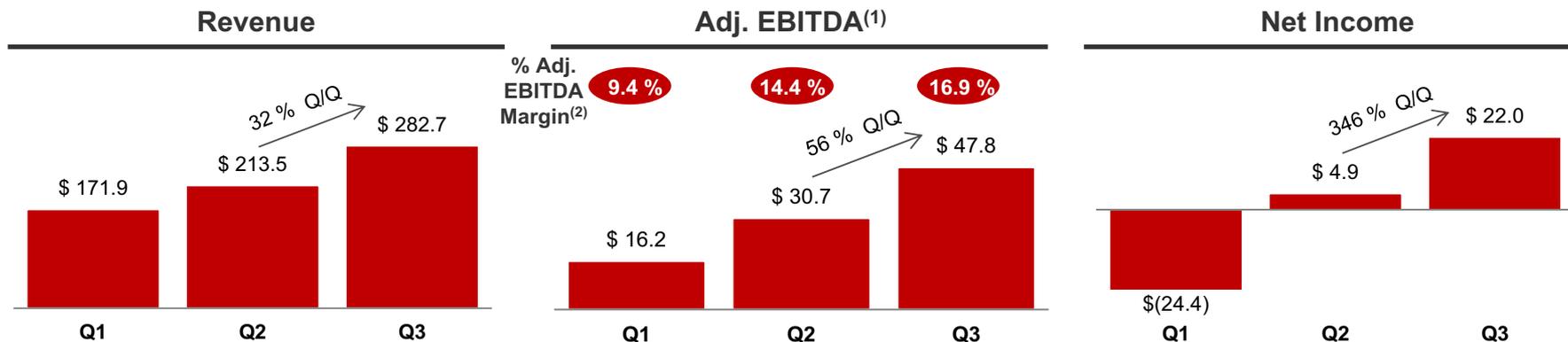
**Total U.S. Onshore Oil Rigs Added  
Since Trough (May 2016): 421<sup>(1)</sup>**



*(1) Baker Hughes Rig Data, October 27, 2017*

■ **Significant financial improvement in 2017**

(in millions)



■ **Continued frac fleet utilization of 100%**

- Exited Q3 with 15 deployed fleets

■ **Fleet deployment ahead of schedule**

- Deployed three new-build fleets in Q3
- Recently deployed 16<sup>th</sup> fleet
- Plans to add 17<sup>th</sup> fleet in Q1 2018

■ **Additional 86 Tier-2 engines scheduled to be delivered by end of year 2017**

■ **Stainless fluid end conversion on schedule (fully converted in Q4)**

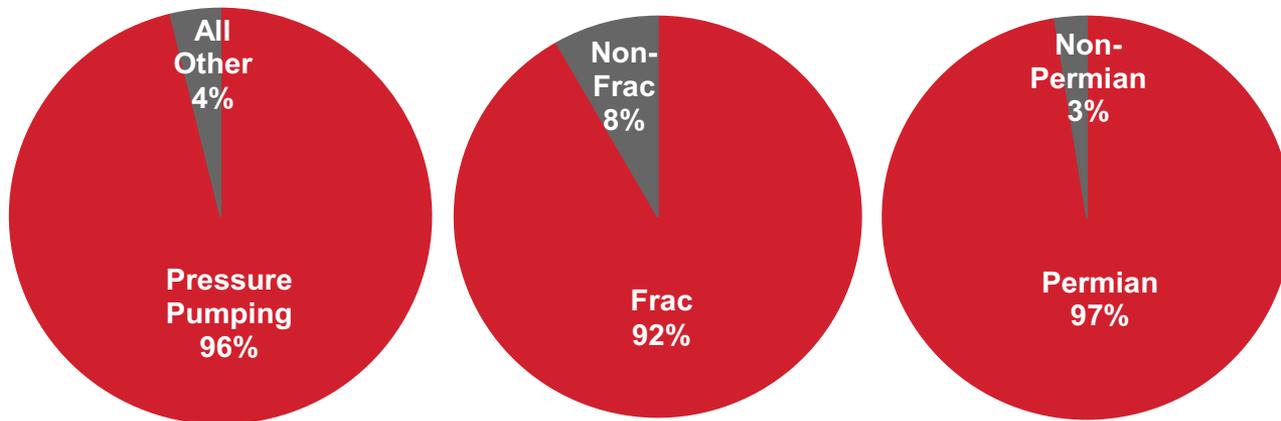
(1) For a reconciliation to net income (loss), please see slide 13

(2) Defined as Adj. EBITDA over Revenue

# 2017 Q3 FINANCIAL HIGHLIGHTS

- **Revenue:** \$282.7 MM
- **Adjusted EBITDA:** \$47.8 MM
- **Diluted Earnings Per Share (EPS):** \$0.25
- **Conservative Leverage Profile<sup>(1)</sup>**
  - **Cash:** \$51.0 MM
  - **Total Debt:** \$41.9 MM
  - **Total Liquidity:** \$176.0 MM <sup>(2)</sup>

2017 Q3 Revenue Mix



(1) As of September 30, 2017

(2) Including partially drawn revolving credit facility with a borrowing capacity of \$150 MM

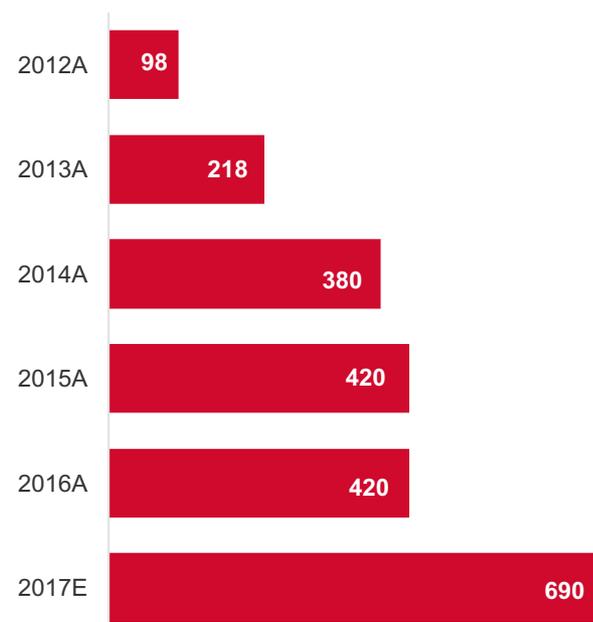
“Due to **strong Permian** demand within our **superior customer base**, we will continue to expand our operations while maintaining **industry leading performance**.”

- Dale Redman, CEO

■ Hydraulic Fracturing (~690,000 HHP by Year End)

Deployed	Fleets at End of Quarter	HHP	Cum HHP
Q1 2017A	10	420,000	420,000
Q2 2017A	12	+ 90,000	510,000
Q3 2017A	15	+ 135,000	645,000
Q4 2017E	16	+ 45,000	690,000
<b>Q1 2018E</b>	<b>17</b>	<b>+ 45,000</b>	<b>735,000</b>

Year End Frac Fleet HHP ('000s)



■ Cementing

- Deployed new-build units in June and October

- **Modern Homogeneous Fleet**

- 85% of current fleet built by single manufacturer since 2013

- **90% of Fleet Currently Works 24/7**

- **Fully Maintained Through the Downturn**

- **No Speculative New-Builds**

- **Tier 2 Engine Purchase Gives Expansion Optionality**

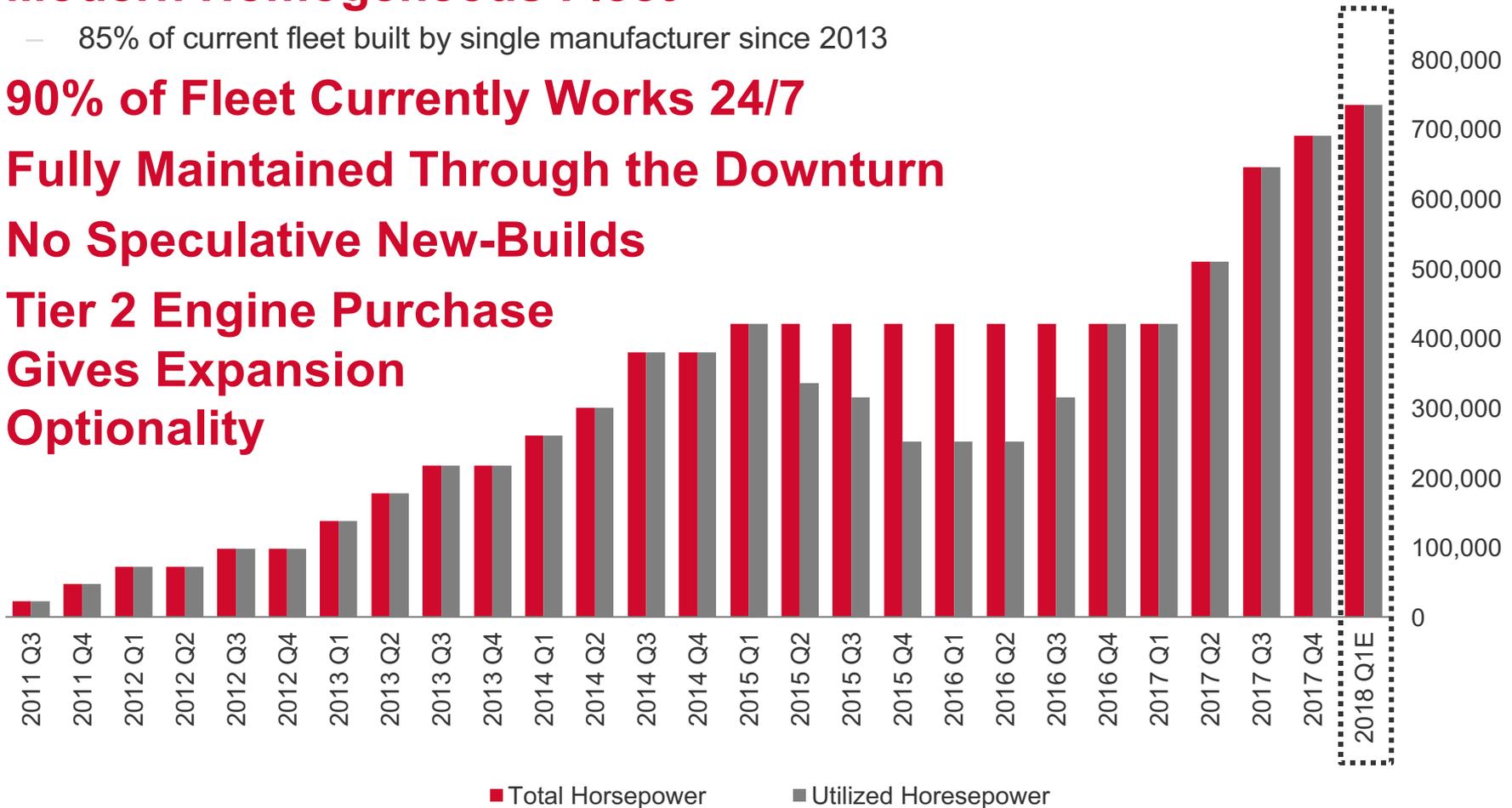
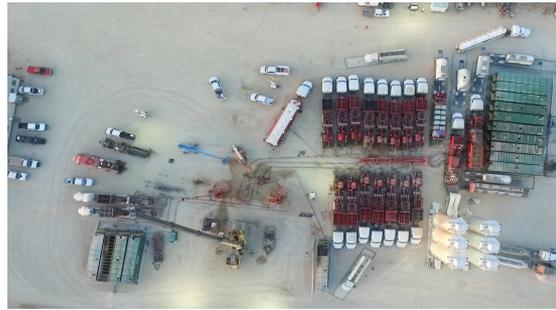


Chart based on end of period HHP counts

- **Permian Focus**
  - Positioned in the low cost basin
- **Blue Chip Customers**
  - Large drilling inventories and sizeable rig programs
- **Superior Performance**
  - Consistently outperforming the competition on location
- **Full Calendar**
  - Fully booked calendar through the end of 2018
- **Strong Balance Sheet**
  - Minimal debt with disciplined capital allocation
- **No Speculative New-Builds**
  - Strong customer commitments
- **High Utilization Through Cycles**
  - Great history of battling cyclicalities
- **Delaware Upside**
  - Untapped opportunities with current customers and beyond



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(in millions)

Description	FYE '17
6 New Frac Fleets <i>(less one 2016 deposit)</i>	\$165 - \$170
Additional Tier 2 Engines	\$32 - \$37
Non-Frac Growth	\$6 - \$8
Maintenance CapEx	\$65 - \$75
<b>Total</b>	<b>\$270 - \$290</b>

- Equipment payback goals
  - 2-3 years on EBITDA basis
- Low new build costs
  - ~\$650/HHP
- Tier 2 engine commitments
  - 86 additional engines
- Single manufacturer efficiencies
  - ~85% homogeneous
- Disciplined Capital Allocation
  - Targeted <1.0x TTM Debt / EBITDA

# ADJUSTED EBITDA RECONCILIATION

*(in millions)*

	Three Months Ended September 30, 2017			Three Months Ended June 30, 2017		
	Pressure Pumping	All Other	Total	Pressure Pumping	All Other	Total
Net Income (Loss)	\$28,372	\$(6,407)	\$21,965	\$9,633	\$(4,712)	\$4,921
Depreciation and Amortization	13,637	1,108	14,745	11,596	1,110	12,706
Interest Expense	–	644	644	–	650	650
Income Tax Expense	–	(96)	(96)	–	108	108
Loss on Disposal of Assets	7,552	1,190	8,742	9,681	106	9,787
Stock-Based Compensation	–	751	751	–	609	609
Other General and Administrative Expenses	–	340	340	–	1,199	1,199
Deferred IPO Bonus Expense	452	225	677	452	224	676
<b>Adjusted EBITDA</b>	<b>\$ 50,013</b>	<b>\$(2,245)</b>	<b>\$ 47,768</b>	<b>\$ 31,362</b>	<b>\$(706)</b>	<b>\$ 30,656</b>

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