



PROPETRO[®]

2017 Q4 & Full Year Earnings Presentation

March 27, 2018

NYSE: **PUMP**

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 Full Year and Quarterly Highlights**
- **2017 Q4 Financial Review**
- **Fleet Expansion Initiative**
- **Unique Positioning**
- **Outlook**

- **100% Frac Operations
Permian Concentrated**
 - 905,000 HHP⁽¹⁾ Spread over 20 Crews
- **Over 8x Organic HHP Growth
Since 2013⁽²⁾**
- **Customer and Employee
Focused Business Model**

20 Hydraulic
Fracturing
Units⁽¹⁾

905,000 HHP⁽¹⁾

18 Cementing
Units⁽¹⁾

3 Coiled Tubing
Units

10 Acidizing
Pumps

Flowback
Operations

- **Permian Focused Customers**

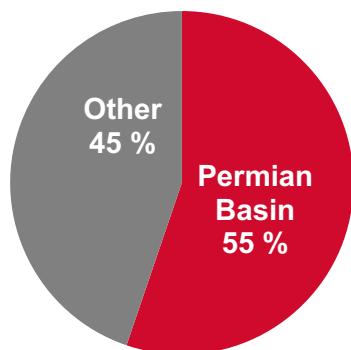


(1) Estimated as of Q3 2018 exit.

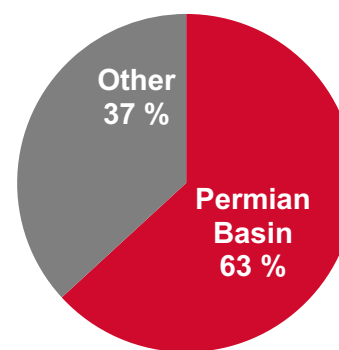
(2) Growth calculated using YE 2012 to estimated end of Q3 2018.

- **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: 804⁽¹⁾**

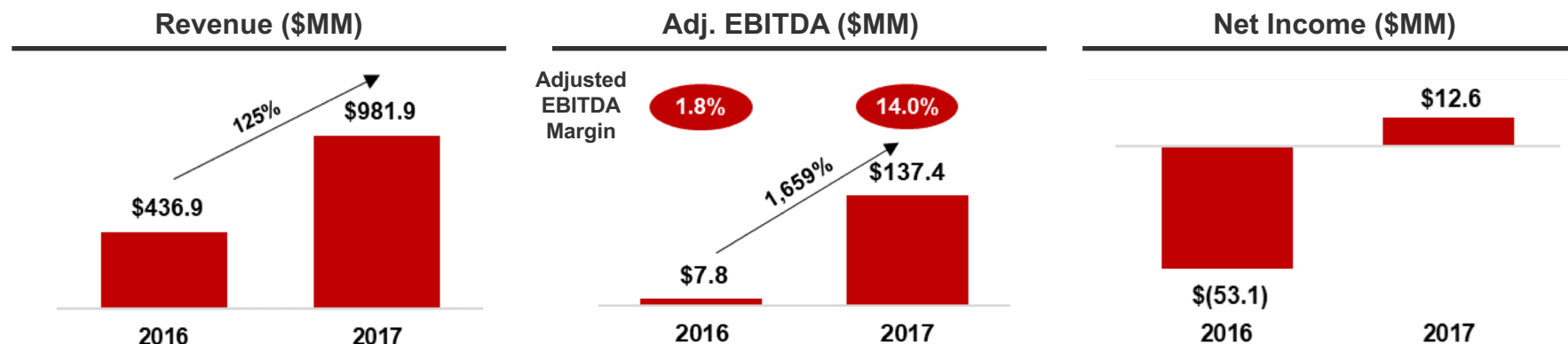


**Total U.S. Onshore Oil Rigs Added
Since Trough (May 2016): 486⁽¹⁾**



⁽¹⁾ Baker Hughes Rig Data, March 23, 2018

■ Significant financial improvement over 2016



■ Continued frac fleet utilization of 100%

- Exited 2017 with 16 deployed fleets

■ Grew fleet capacity by 64%

- 690,000 HHP at year end 2017 versus 420,000 HHP at year end 2016

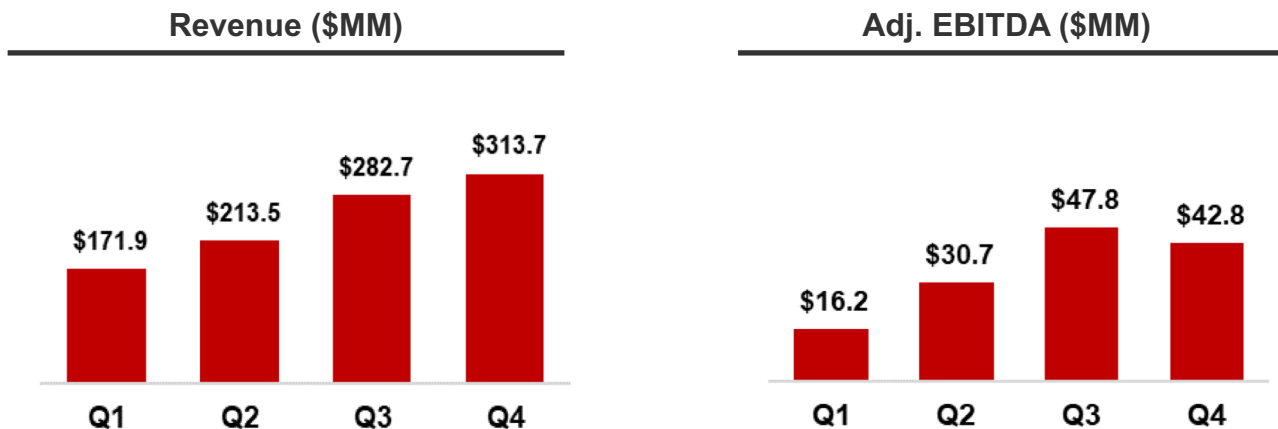
■ Purchased 86 Tier-2 engines estimated to yield ~\$30MM in savings

- Utilized for new-builds and existing fleet enhancements

■ Expanded operations to Delaware Basin

■ Converted fluid ends to all stainless

■ Solid quarterly financial performance during 2017



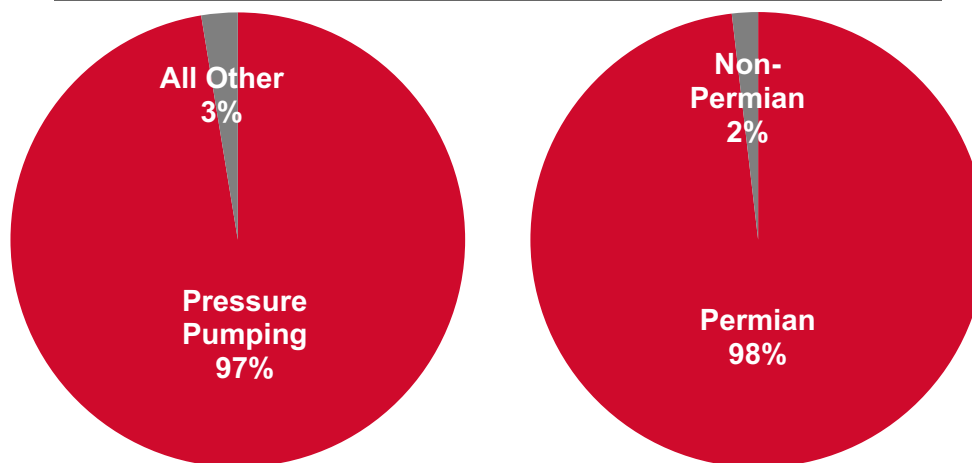
■ 2017 Q4

- Deployed one new-build fleet (45,000 HHP)
- Frac fleet remained 100% utilized
- Completed conversion of fluid ends to all stainless
- Higher than anticipated amount of holiday time-off, vertical completion work and inclement weather

2017 Q4 FINANCIAL HIGHLIGHTS

- **Revenue:** \$313.7 MM
- **Adjusted EBITDA:** \$42.8 MM
- **EPS:** \$0.12
- **Conservative Leverage Profile⁽¹⁾**
 - **Cash:** \$23.9 MM
 - **Total Debt:** \$72.9 MM
 - **Total Liquidity:** \$103.0 MM⁽²⁾

2017 Q4 Revenue Mix



(1) As of December 31, 2017.

(2) Including available balance partially drawn revolving credit facility with borrowing capacity of \$150 MM (amended on February 22, 2018, including increase in borrowing capacity to \$200 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

- +2 new build fleets in Q1
- +2 new build fleets in Q2 and Q3 respectively
- +35,000 additional HHP to increase legacy fleet size

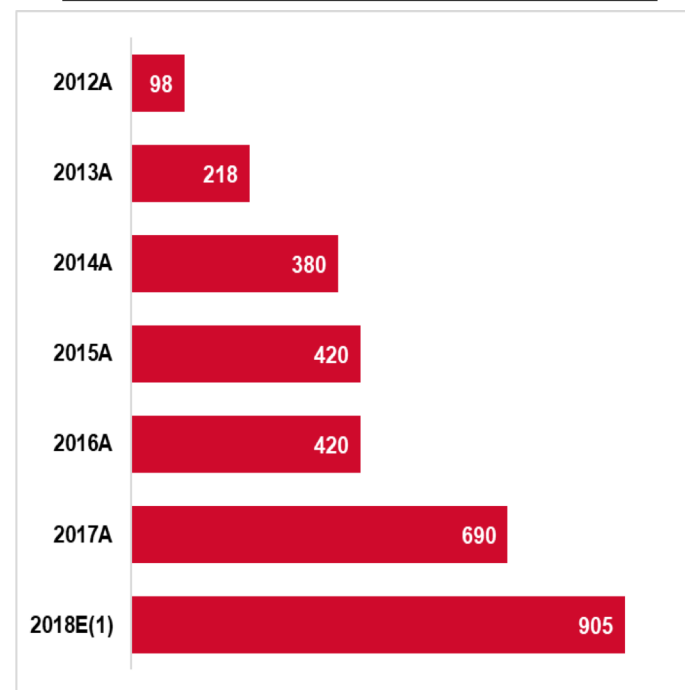
■ Coiled Tubing

- +1 large diameter unit in Q1

■ Cementing

- Deployed new-build unit in Q1
- Two new-builds units in Q2 and Q3
- Will bring total capacity to 18 units

Period End HHP Capacity



(1) As of end of Q3 2018.

■ Modern Homogeneous Fleet

— 89% of current fleet built by single manufacturer since 2013

■ 83% of Fleet Currently Works 24/7

■ Fully Maintained Through the Downturn

■ No Speculative New-Builds

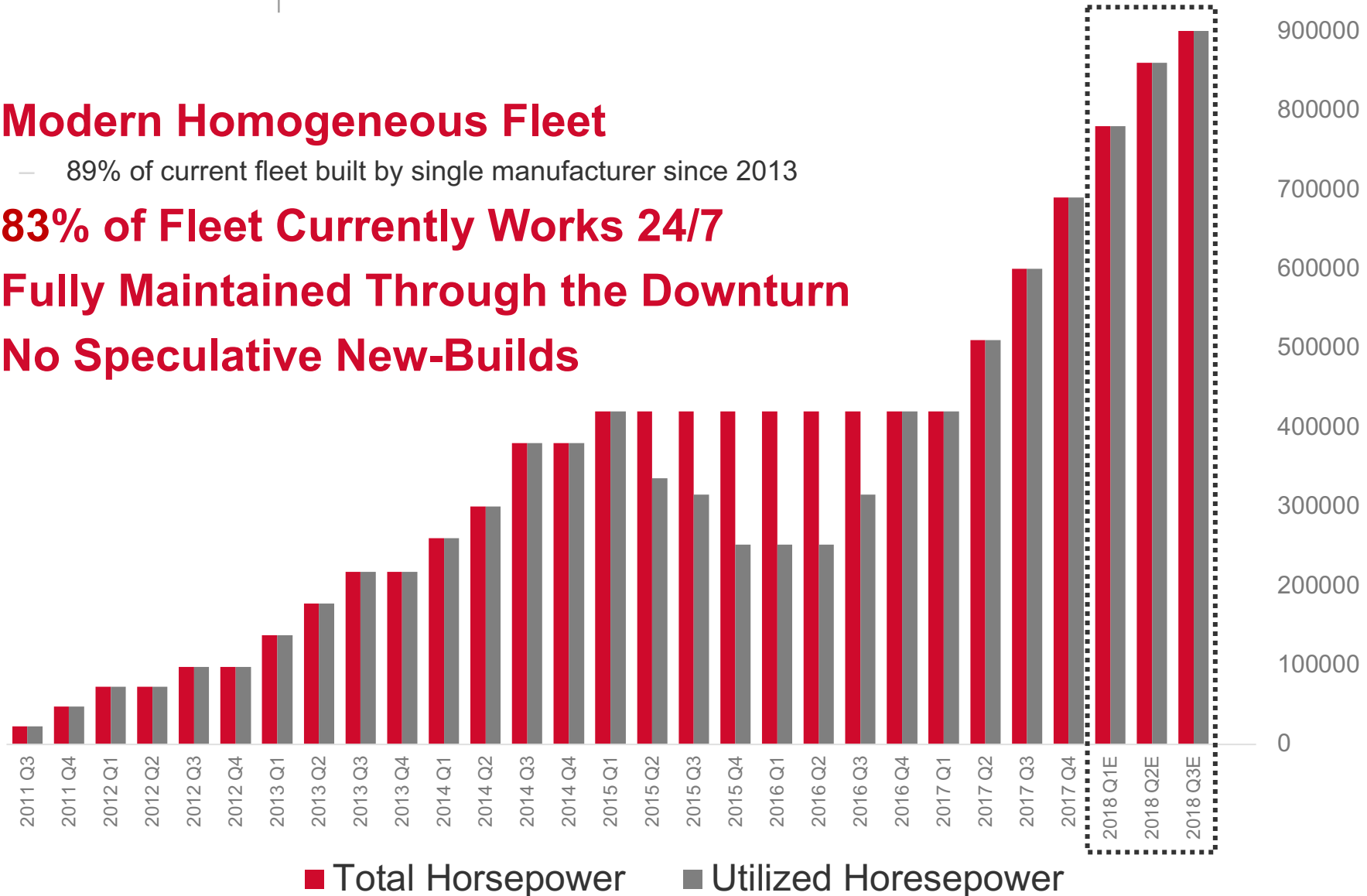
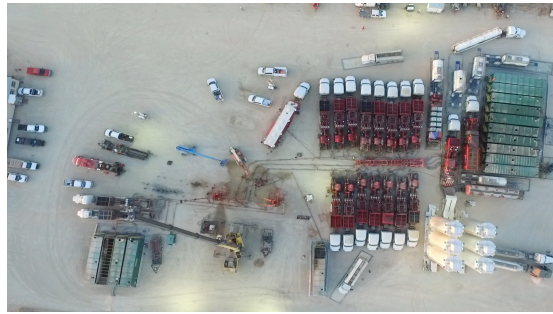


Chart based on end of period HHP counts

- **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
- **Capitalizing on Delaware Basin**
 - Significant opportunities with current customers and beyond



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ADJUSTED EBITDA RECONCILIATION

	<u>2017 Q1</u>	<u>2017 Q2</u>	<u>2017 Q3</u>	<u>2017 Q4</u>	<u>2017 FY</u>	<u>2016 FY</u>
(\$ in thousands)						
Net income (loss)	\$ (24,351)	\$ 4,921	\$ 21,965	\$ 10,078	\$ 12,613	\$ (53,147)
Depreciation and amortization	11,151	12,706	14,745	17,026	55,628	43,542
Interest expense	5,175	650	644	878	7,347	20,387
Income tax expense (benefit)	116	108	(96)	3,000	3,128	(27,972)
Loss (gain) on disposal of assets	10,442	9,785	8,742	10,117	39,086	22,529
Stock-based compensation	7,369	610	751	759	9,489	1,649
Property and equipment impairment	-	-	-	-	-	6,305
Goodwill impairment	-	-	-	-	-	1,177
Other (income) expense and legal settlement	(26)	1,200	340	233	1,747	321
Gain on extinguishment of debt	-	-	-	-	-	(6,975)
Deferred IPO bonus expense	6,352	677	677	699	8,405	-
Adjusted EBITDA	<u>\$ 16,228</u>	<u>\$ 30,657</u>	<u>\$ 47,768</u>	<u>\$ 42,790</u>	<u>\$ 137,443</u>	<u>\$ 7,816</u>