

PROPETRO[®]

Q4 & FY 2022 Investor Presentation

February 21, 2023



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, projected financial results and future financial performance, 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 as well as our ability to integrate the business of Silvertip Completion Services Operating, LLC (“Silvertip”) and realize the benefits of the Silvertip acquisition. 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 global macroeconomic uncertainty related to the Russia-Ukraine war, general economic conditions, including impact of continued inflation and the risk of a global recession 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.

This presentation contains certain measures that are not determined in accordance with GAAP. For a definition of these measures and a reconciliation to the most directly comparable GAAP measure on a historical basis, please see slide 3. Due to the forward-looking nature of certain non-GAAP measures presented in this presentation, reconciliations of the non-GAAP measures to their most directly comparable GAAP measure are not available without unreasonable efforts. This is due to the inherent difficulty of forecasting the timing or amount of various reconciling items that would impact the most directly comparable forward-looking GAAP financial measure, that have not yet occurred, are out of our control and/or cannot be reasonably predicted. Accordingly, such reconciliations are excluded from this presentation. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

Non-GAAP Reconciliations

This presentation references “Adjusted EBITDA” and “Free Cash Flow,” which are non-GAAP financial measures. We define EBITDA as net income (loss) less (i) depreciation and amortization, (ii) interest expense and (iii) income tax expense (benefit). We define Adjusted EBITDA as EBITDA, plus (i) loss/(gain) on disposal of assets, (ii) stock-based compensation, (iii) other expense (income), (iv) other general and administrative expense (net) and (v) severance expense. Free cash flow (FCF) is defined as net cash provided by operating activities minus 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 the results of operations. Net income (loss) is the GAAP measure most directly comparable to Adjusted EBITDA. Net cash provided by 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	
	December 31, 2022	September 30, 2022
<i>(in thousands)</i>		
Net income (loss)	\$ 13,041	\$ 10,032
Depreciation and amortization	34,375	30,417
Interest expense	565	237
Income tax expense (benefit)	6,520	2,768
Loss on disposal of assets	26,912	36,636
Stock-based compensation	3,754	3,306
Other expense (income)	(1,835)	616
Other general and administrative expenses (net)	748	4,920
Severance expense	30	1,068
Adjusted EBITDA	\$ 84,110	\$ 90,000

	Three Months Ended	
	December 31, 2022	September 30, 2022
<i>(in thousands)</i>		
Net Cash provided by Operating Activities	\$ 125,478	\$ 71,643
Net Cash used in Investing Activities	(109,788)	(98,389)
Free Cash Flow	\$ 15,690	\$ (26,746)

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	Twelve Months Ended	
	December 31, 2022	December 31, 2021
<i>(in thousands)</i>		
Net income (loss)	\$ 2,030	\$ (54,185)
Depreciation and amortization	128,108	133,377
Interest expense	1,605	614
Income tax expense (benefit)	5,356	(14,252)
Loss on disposal of assets	102,150	64,646
Impairment expense	57,454	-
Stock-based compensation	21,881	11,519
Other expense (income)	(11,582)	(873)
Other general and administrative expenses (net)	8,460	(6,471)
Severance expense	1,128	632
Adjusted EBITDA	\$ 316,590	\$ 135,007

	Twelve Months Ended	
	December 31, 2022	December 31, 2021
<i>(in thousands)</i>		
Net Cash provided by Operating Activities	\$ 300,429	\$ 154,714
Net Cash used in Investing Activities	(349,745)	(104,292)
Free Cash Flow	\$ (49,316)	\$ 50,422

PROPETRO

DGB

Company Snapshot

Oilfield services leader in the Permian Basin providing complementary completions services in Hydraulic Fracturing, Cementing, and Wireline to leading upstream oil and gas producers



NYSE

PUMP

2022 Revenue

\$1.3 billion

Year End 2022 Total Liquidity

\$155 million

2022 Adjusted EBITDA⁽¹⁾

\$317 million

Headquartered in

Midland, Texas

(1) Adjusted EBITDA is a Non-GAAP financial measure, please see the reconciliation to Net Income (Loss) on the "Non-GAAP Reconciliations" slide.

Our Strategy & Recent Highlights

- ✓ 2022 financial results demonstrated significant growth versus prior year
- ✓ Transformational year in which we engaged a new corporate strategy
- ✓ Acquired and integrated Silvertip Completion Services
- ✓ Transitioned 5 Tier II diesel frac fleets to Tier IV DGB dual-fuel
- ✓ Ordered 4 electric frac fleets under lease program



Optimize operations and industrialize our business



Pursue a more capital-light asset profile and next generation fleet



Develop and integrate innovative technologies



Pursue opportunistic strategic transactions to accelerate value creation and distribution



Maintain a strong balance sheet



Generate robust earnings, increasing free cash flow, and build towards enhanced shareholder returns and value distribution

PRE-COVID PANDEMIC INDUSTRY DYNAMICS



Booming global economy



Higher relative refining capacity



Limited shareholder and corporate pressure for Environmental and other ESG-related causes



Robust capital markets and associated capital access

CURRENT INDUSTRY DYNAMICS

Oil supply is expected to remain suppressed due to insufficient capital spending, refining capacity constraints, and ongoing geo-political conflicts

Demand has rebounded from pandemic-related impacts, although not fully in certain areas of the globe (e.g., China)

Strong balance sheets and capital discipline are the new normal for oil and gas production and service companies

Capital markets largely avoiding oil and gas - private equity groups are chasing “transition energy” and debt markets are effectively closed

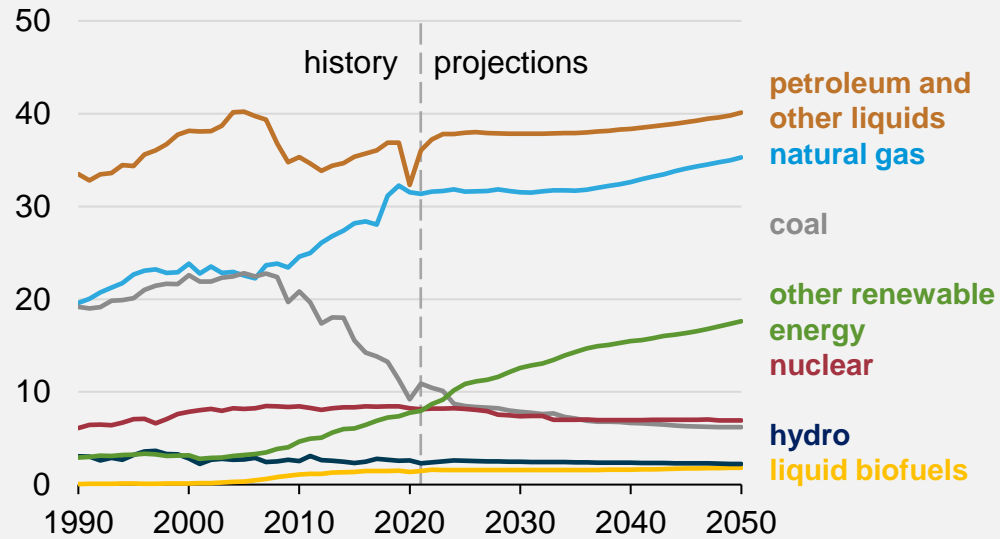
The hydrocarbon industry is here to stay - even though use of alternative energy is increasing, hydrocarbons have proven their critical value to global prosperity and energy security

ProPetro is well-positioned to take advantage of the long-term industry dynamics through improved fundamentals, access to the attractive Permian Basin, consistent execution, and capital discipline.

Global Hydrocarbon Macro Environment

A bullish demand outlook coupled with constrained supply availability reinforces our belief that we are in a long-term up-cycle that supports incremental margins and sustainable cash flow generation for completion services.

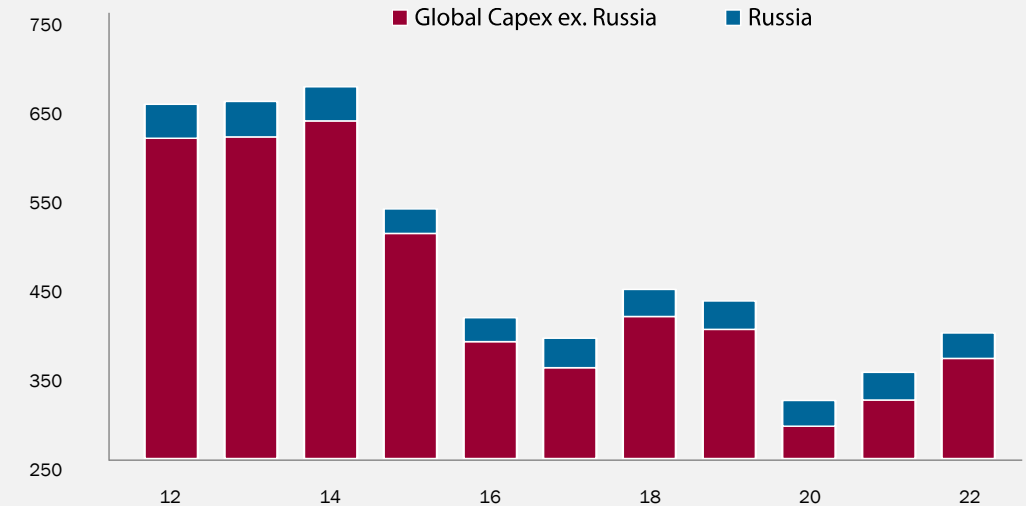
ENERGY CONSUMPTION BY FUEL
(quadrillion British thermal units)



“Petroleum and natural gas are the most-used fuels in the United States through 2050” – EIA

Source: EIA, March 3, 2022

GLOBAL E&P SPENDING
(\$ billion)



Upstream E&P spending continues to lag demand and is 45% below average spend from 2012–14 as producers have retreated.

Source: Energy Aspects, February 2023

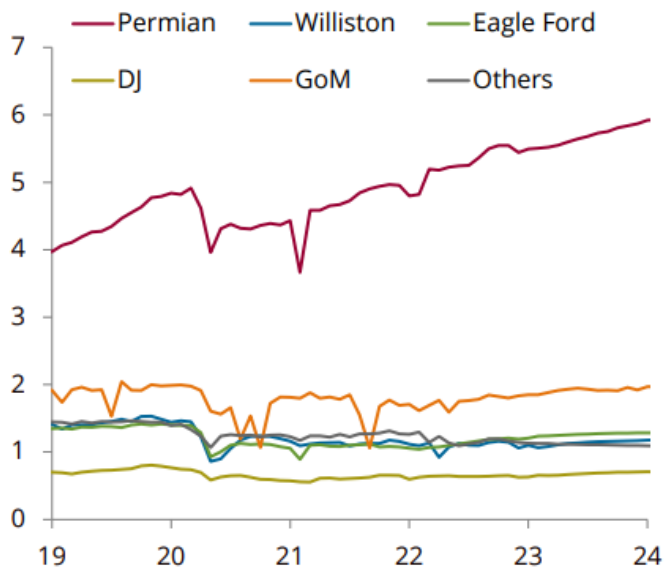
Permian Basin: Large Addressable Market Opportunity

THE PERMIAN BASIN STANDS ALONE AS THE RESILIENT PACESETTER OF US PRODUCTION

Despite relatively flat total US production growth expectations over the next several years and anticipated near-term market volatility, the Permian Basin stands to see production increases and be the sole source of growth across the US.

ProPetro is strategically located in and levered to the Permian Basin with ~98% of our 2022 revenue coming from this region, ensuring a more sustainable and resilient demand for our services.

US CRUDE PRODUCTION FORECAST
(MB/D)



Source: Energy Aspects, February 2023

~60 billion

barrels of oil equivalent⁽¹⁾

~86,000

sq miles

(1) Rystad Energy, September 2022.

Who We Are and Where We Are Going



**Customer focused;
Team driven**



Dedicated and efficient customer base harnessing the potential of the resource-rich Permian Basin



Transitioning to a young, efficient capital-light fleet that burns natural gas



Relied upon by premier customers with proven results year-after-year



Disciplined capital allocation and asset deployment strategy



Reducing emissions and investing in longer-lived assets



Diversified customer base including the largest Permian operators

Proven Success in the Most Challenging Environment: Unrivaled Completions Services



COMPLETION-RELATED SERVICES

Consistent with ProPetro's Hydraulic Fracturing, Cementing, and Wireline services



HYDRAULIC FRACTURING

ProPetro's premier service line delivering industry-leading performance



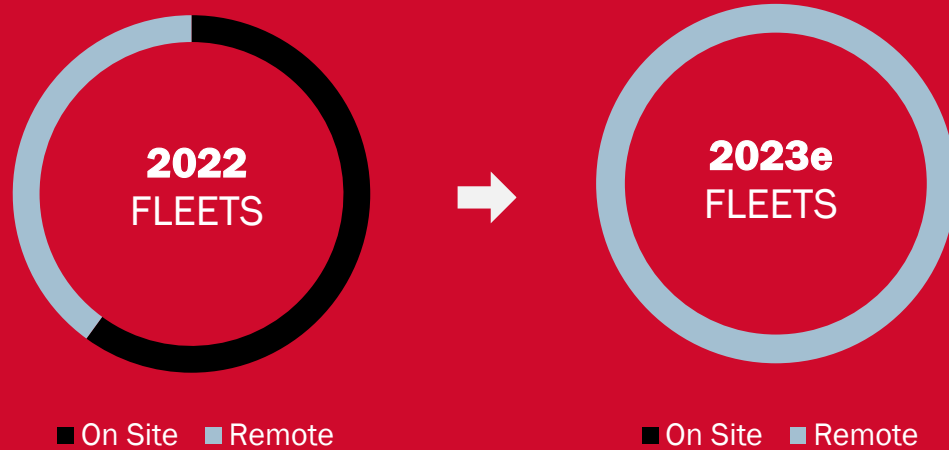
SPECIAL APPLICATIONS

Customized treatments and complex jobs for customers that put their trust in ProPetro for reliable completions services

Source: EnergyPoint Research Inc.
<https://www.propetroservices.com/our-services>

Innovation Leading to Our #1 Customer Ratings - A ProPetro Competitive Advantage

TRANSITIONING TO FULLY-REMOTE ENGINEERING SUPPORT



RECENTLY DEVELOPED NEW TACTICAL OPERATIONS CENTER TO:



Reduce maintenance capex



Increase capital and logistical efficiency



Reduce equipment in rotation

Source: management estimates; "e" estimate at year end.

EVOLVING OPERATIONS AND ADAPTING TECHNOLOGIES TO:



Reduce on-site headcount

Improve efficiency

Drive best-practices across fleets

Increase long-term profitability

Enhance safety protocols

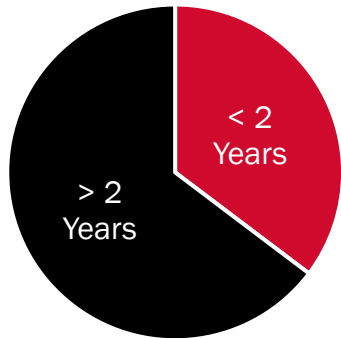
Increase sustainability of operations

Fleet Transition: Executing on The Strategy

RECAPITALIZATION OF OUR FLEET

- In 2022, we transitioned 35% of our frac fleet to Tier IV DGB dual-fuel and displacing diesel – up to ~70% - with cleaner-burning natural gas
- Continuing to bring youth to our fleet through our 2023 investment cycle. Expect to end 2023 with at least 7 Tier IV DGB and 4 electric frac fleets.

Fleet Age (2023e)

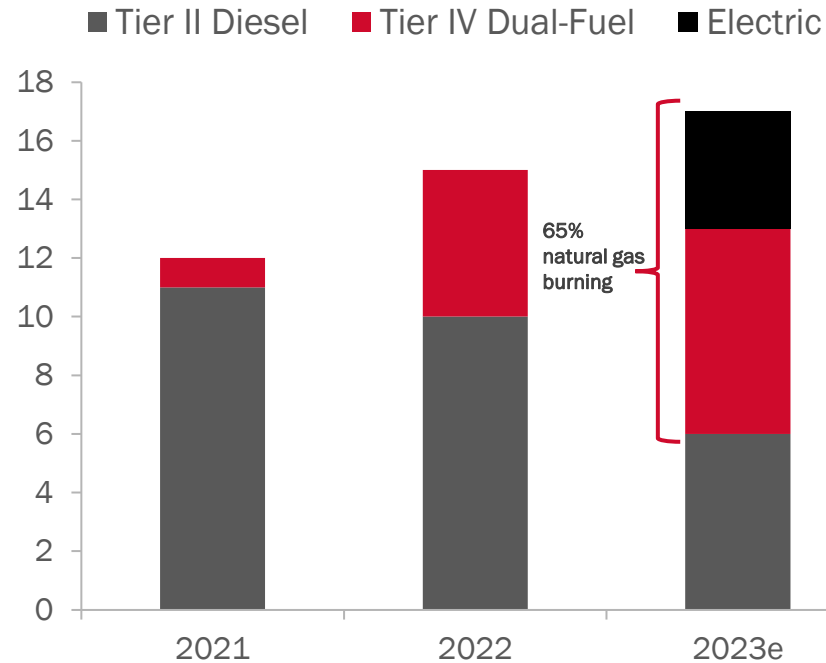


- Using natural gas to power frac fleets can result in annualized savings of \$10 million to \$20+ million due to the diesel/natural gas spread
- Customers are willing to pay a premium due to fuel savings and lower emissions

EXECUTED FIRST ELECTRIC-POWERED HYDRAULIC FRACTURING FLEET CUSTOMER CONTRACT

- Contract with large public E&P
- Currently Tier IV DGB fleet, converting to electric fleet upon delivery in 3Q23
- Coupled with capital-light electric fleet lease program

Active Fleet Configuration



Source: management estimates; "e" estimate at year-end.

Commitment to Our People, Our Community, and Our Environment



OPTIMIZED OPERATIONS & FLEET TRANSITION

Innovation

- Strategic investments in dual-fuel and electric-powered fleets, remote engineering operations, logistics, and maintenance systems

Get the job done efficiently

- Minimizing idle time, spills, and avoiding duplicative work

Optimizing fuel consumption

- Integrating cleaner-burning natural gas
- Investing in Tier IV DGB dual-fuel and electric equipment lowering diesel consumption

COMMITTED TO AN ACCIDENT-FREE WORKPLACE

- Strong training and development culture
- Dedicated heavy haul driving team to reduce hazards on the roads in our community
- Recognized with safety awards and leadership in the Permian Basin

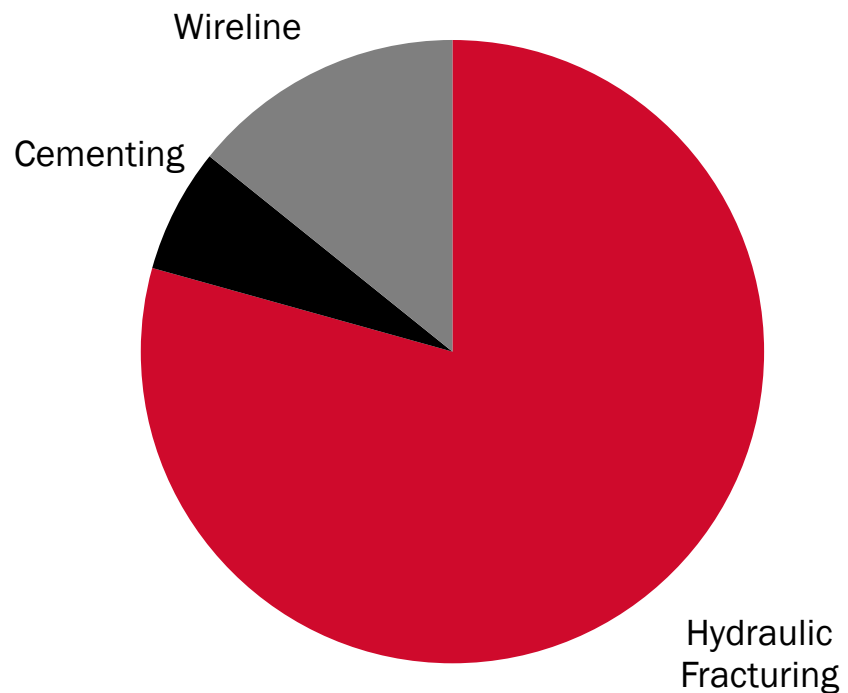
FOCUSED ON OUR TEAM

- Education and tuition reimbursement to engage and advance our employees
- ProPetro employees created the Positive United Morale Partners (P.U.M.P. Committee) to drive community engagement for those in need

To improve visibility around our recent progress towards accomplishing our sustainability goals, we plan to publish our Inaugural Sustainability Report in 2023

Estimated Revenue Mix by Service Line: Hydraulic Fracturing, Wireline, and Cementing

2023e REVENUE MIX BY SERVICE LINE



Source: 2023 management estimates.



FY22 Financial Highlights

(in millions except %'s and fleet counts)

	TOTAL REVENUE	EFFECTIVE UTILIZATION Fleets	ADJUSTED EBITDA⁽¹⁾	TOTAL LIQUIDITY⁽²⁾
FY22	\$1,280	14.5	\$317	\$155
FY21	\$875	12.4	\$135	\$169
	+46%	+17%	+134% 45% incremental margins ⁽³⁾ ; Adj. EBITDA margins sequentially higher (~930 bps)	(\$14) Investing in our company through the acquisition of Silvertip and the transitioning of our fleet to Tier IV DGB

(1) Adjusted EBITDA is a Non-GAAP financial measure; please see the reconciliation to Net Income (Loss) on the "Non-GAAP Reconciliations" slide.

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

(3) Incremental margin calculated as the change in Adjusted EBITDA divided by the change in revenues.

Strong Execution During a Transformational Year

FY22 showcased the economic potential of our business, as we maintained strong liquidity despite strategically investing in our fleet.

Capital Allocation Framework: Strategy Meets Opportunity

OPTIMIZE OPERATIONS

Enhancing operational efficiency by focusing resources on the most relevant technologies, tools, and best practices

FLEET TRANSITION

With robust industry fundamentals, transitioning our fleet to natural gas-burning and electric offerings, which command higher relative pricing

DISCIPLINED GROWTH

Prudently assessing value-enhancing investment opportunities to make ProPetro stronger — including opportunities to enhance scale, expand margins, and accelerate free cash flow

Designed to improve free cash flow and value-distribution...



...while maintaining a strong balance sheet.

Our Leadership: Committed to Shareholder Value Creation

Company Management



SAM SLEDGE

Chief Executive Officer & Director



ADAM MUÑOZ

President and Chief Operating Officer



DAVID SCHORLEMER

Chief Financial Officer



JODY MITCHELL

General Counsel



ELO OMAVUEZI

Chief Accounting Officer

Board Of Directors



PHILLIP A. GOBE

Chairman of the Board



MICHELE VION

Independent Director,
Compensation Committee Chair



G. LARRY LAWRENCE

Independent Director



ALAN E. DOUGLAS

Independent Director



MARY RICCIARDELLO

Independent Director



ANTHONY BEST

Lead Independent Director,
Audit Committee Chair



JACK B. MOORE

Independent Director,
Nominating & Corporate
Governance Committee Chair



SPENCER D. ARMOUR III

Independent Director



MARK BERG

Director

ProPetro: The Oilfield Services Leader Built For The Future



Efficient operator with a strong balance sheet



Cutting edge technologies drive leading profitability and customer solutions



Disciplined capital allocation and asset deployment strategy



Premium completion services company with one of the most efficient and productive pressure pumping and wireline systems in the oilfield service industry



Consistently outperforms the competition – the reliable choice for the most selective customers



ESG-friendly investments in electric-powered hydraulic fracturing technology and other innovative equipment to drive industry-leading profitability and flexibility through industry cycles

Investor Contacts

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