# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 8-K

**CURRENT REPORT**
**PURSUANT TO SECTION 13 OR 15(D)**
**OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (date of earliest event reported): **November 13, 2019**

# ProPetro Holding Corp.
(Exact name of registrant as specified in its charter)

| | | |
|---|---|---|
| **Delaware** | **001-38035** | **26-3685382** |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

| | |
|---|---|
| **1706 S. Midkiff, Bldg. B**<br>**Midland, TX** | **79701** |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: **(432) 688-0012**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, par value $0.001 per share | PUMP | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 2.02 Results of Operations and Financial Condition.**

On November 13, 2019, ProPetro Holding Corp. (the “Company”) issued a press release announcing, among other things, its preliminary third quarter financial results. A copy of the press release is furnished as Exhibit 99.1.

**Item 7.01 Regulation FD Disclosure.**

On November 13, 2019, the Company posted an investor presentation to its website at ir.propetroservices.com/presentations. The presentation is furnished as Exhibit 99.2 hereto.

The information furnished with this report, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 8.01 Other Events.**

***Audit Committee Internal Review***

The Audit Committee of the board of directors of the Company, with assistance of independent outside counsel and accounting advisors, has continued to review the matters previously disclosed in the Company’s Current Reports on Form 8-K filed with the Securities and Exchange Commission (“SEC”) on August 8, 2019 and October 9, 2019. Since October 9, 2019, the Audit Committee has identified one related party transaction that was not previously disclosed and is described in greater detail below.

The Audit Committee and management have not identified to date any items that would require restatement of the Company’s previously reported balance sheets, statements of operations, statements of shareholders’ equity or statements of cash flows. However, the Audit Committee’s internal review has identified a number of internal control deficiencies. As a result of these internal control deficiencies, the Company’s management has concluded that there were at least two material weaknesses that resulted in the Company’s internal control over financial reporting and disclosure controls and procedures not being effective as of a prior date. While management continues to evaluate the impacts of the identified control deficiencies, management has concluded that at least one of these material weaknesses existed as of December 31, 2018.

These determinations affect the conclusions regarding effectiveness previously expressed by the Company’s management in Part II, Item 9A, “Controls and Procedures” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 (the “2018 Annual Report”) and Part I, Item 4, “Controls and Procedures” in the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 (the “First Quarter 10-Q”). Accordingly, investors should no longer rely on management’s report on internal control over financial reporting or the internal control over financial reporting opinion of the Company’s independent registered public accounting firm included in the 2018 Annual Report. The Company expects to amend the 2018 Annual Report and the First Quarter 10-Q in the future to reflect these conclusions.

The Company also continues to require additional time in order to permit the new members of the Company’s management team who are responsible for certifying the accuracy of the Company’s financial information and the effectiveness of the Company’s disclosure controls and procedures to be in a position to so certify amended, delinquent and future SEC filings.

In addition, the Company’s management continues to provide information to its independent registered public accounting firm in order to allow it to evaluate the internal review and associated findings, as well as the Company’s proposed remediation plan and the impact that any identified material weaknesses may have on its prior opinions. The Company also expects that management and its independent registered public accounting firm may need to perform additional procedures with respect to historical periods prior to the Company making any amended, delinquent or future SEC filings.

The Company cannot currently predict when this evaluation and review process will be completed, but it does not currently expect to be in a position to file amended, delinquent or future SEC filings prior to the end of 2019. The Company will continue to seek to complete the evaluation and review process, take appropriate corrective actions and make necessary filings with the SEC with a view to becoming current in its filing obligations under the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable.

The Audit Committee identified one related party transaction that was not previously disclosed. During 2018, (i) an entity ("Entity A") that is 50% owned by the Company's former Chief Accounting Officer (the "Former CAO") and 50% by the Former CAO's business partner (who is not affiliated with the Company) loaned approximately $770,000, and (ii) an entity that is owned 100% by the Former CAO ("Entity B") loaned approximately $57,000, to another entity that is owned 100% by the Former CAO's business partner ("Entity C"). The loaned funds were used by Entity C during 2018 to pay for a portion of the acquisition, development, and construction costs associated with an iron testing facility and a portion of the acquisition and development costs associated with a maintenance facility that were sold or leased to the Company. The approximately $827,000 of funds loaned by Entity A and Entity B to Entity C were repaid in full by Entity C, without interest.

Similarly, during 2019, Entity A provided approximately $500,000 of funds to Entity C, which funds the Company understands were used during 2019 to pay for a portion of the development and construction costs associated with the iron testing facility.

The Company purchased the iron testing facility from Entity C, reimbursed Entity C for certain development costs associated with the maintenance facility, and leased a property adjacent to the iron testing facility and the maintenance facility property from Entity C. In total, the Company has paid approximately $3,600,000 to Entity C, which includes $2,300,000 associated with the iron testing facility discussed above.

***Shareholder Litigation and SEC Investigation***

On September 16, 2019, a complaint was filed against the Company and certain of its current and former officers and directors in the U.S. District Court for the Western District of Texas on behalf of a putative class of shareholders who purchased the Company's common stock during the period between March 17, 2017 and August 8, 2019. The suit, captioned *Richard Logan, Individually and On Behalf of All Others Similarly Situated, Plaintiff, v. ProPetro Holding Corp., et al*, (Case No. 7:19-CV-217) (the "Logan Lawsuit"), alleges that the defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 thereunder, as well as Sections 11 and 15 of the Securities Act of 1933, as amended, based on allegedly inaccurate or misleading statements, or omissions of material facts, about the Company's business, operations and prospects. The plaintiffs seek awards of compensatory damages, among other relief, and their costs and attorneys' and experts' fees.

On October 24, 2019, the Company received a letter from the SEC indicating that the SEC had opened an investigation into the Company and requesting that the Company provide certain documents, including documents related to the Company's internal investigation (referenced in the Company's August 8, 2019 Current Report on Form 8-K) and related events. The Company has cooperated and expects to continue to cooperate with the SEC's investigation.

We are presently unable to predict the duration, scope or result of the SEC's investigation, the Logan Lawsuit, or any other related lawsuit or investigation.

The ongoing SEC investigation, the Logan Lawsuit and any related future litigation give rise to risks and uncertainties that could adversely affect our business, results of operations and financial condition. Such risks and uncertainties include, but are not limited to, uncertainty as to the scope, timing and ultimate findings of the matters under review by the SEC; adverse effects of the investigation, including the potential impact to the Company or members of its management team in the event of an adverse outcome and on the market price of the Company's common stock; the costs and expenses of the SEC investigation and the Logan Lawsuit, including legal fees and possible monetary penalties in the event of an adverse outcome; the risk of additional potential litigation or regulatory action arising from these matters; the timing of the review by, and the conclusions of, the Company's independent registered public accounting firm regarding these matters; the potential identification of additional deficiencies in internal control over financial reporting or disclosure controls and procedures and the impact of the same; and potential reputational damage that the Company may suffer as a result of these matters.

The SEC has a broad range of civil sanctions available should it commence an enforcement action, including injunctive relief, disgorgement, fines, penalties, or an order to take remedial action. The imposition of any of these sanctions, fines, or remedial measures could have a material adverse effect on our business, results of operation and financial condition.

The outcome of the Logan Lawsuit or any other litigation is necessarily uncertain. We could be forced to expend significant resources in the defense of this lawsuit or future ones, and we may not prevail.

We maintain director and officer insurance; however, our insurance coverage is subject to certain exclusions (including, for example, any required SEC disgorgement or penalties) and we are responsible for meeting certain deductibles under the policies. Moreover, we cannot assure you that our insurance coverage will adequately protect us from claims made in the Logan Lawsuit, the SEC investigation or any future claims. Further, as a result of the pending litigation and investigation the costs of insurance may increase and the availability of coverage may decrease. As a result, we may not be able to maintain our current levels of insurance at a reasonable cost, or at all.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits.**

| Exhibit Number | Description of Exhibit |
|---|---|
| 99.1 | Press release dated November 13, 2019 |
| 99.2 | Investor presentation |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**PROPETRO HOLDING CORP.**

| | | |
|---|---|---|
| Date: November 13, 2019 | By: | /s/ Darin G. Holderness |
| | | Darin G. Holderness |
| | | Interim Chief Financial Officer |

**Exhibit 99.1**

**ProPetro Reports Preliminary Financial Results for the Third Quarter 2019**

MIDLAND, TX, November 13, 2019 (Businesswire) — ProPetro Holding Corp. (“ProPetro” or “the Company”) (NYSE: PUMP) today announced preliminary financial and operational results for the third quarter of 2019. The Company also provided updates regarding the audit committee’s internal review and related matters.

**Preliminary Third Quarter 2019 and Recent Highlights**

- Total revenue for the quarter was $541.8 million, as compared to $529.5 million for the second quarter of 2019.

- Net income was $34.4 million, or $.33 per diluted share, compared to $36.1 million, or $.35 per diluted share, for the second quarter of 2019.

- Adjusted EBITDA(1) for the quarter was $131.9 million compared to $126.6 million for the second quarter of 2019.

- Effective utilization for the third quarter was 25.1 fleets.

- ProPetro plans to deploy one new-build electrically powered DuraStim® hydraulic fracturing fleet(2) near the end of 2019 or early in 2020 and two additional *DuraStim®* fleets in 2020.

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*(1) Adjusted EBITDA is a Non-GAAP financial measure and is described and reconciled to net income (loss) in the table under “Non-GAAP Financial Measures.”*

*(2) DuraStim® is a registered trademark of AFGlobal*

Dale Redman, Chief Executive Officer, commented, “Operationally the ProPetro team performed well for yet another quarter.  We continue to be extremely proud of our team’s ability to perform at the wellsite and provide our customers with truly differentiated service quality.  We remain confident in our ability to execute at the highest level, even in periods of industry uncertainty.”

**Preliminary Third Quarter 2019 Financial Summary**

Revenue for the third quarter of 2019 was $541.8 million, a slight increase compared to revenue of $529.5 million for the second quarter of 2019. During the third quarter of 2019, 97.6% of total revenue was associated with pressure pumping services, compared to 97.4% in the second quarter.

Cost of services excluding depreciation and amortization for the third quarter of 2019 increased slightly to $396.9 million from $386.2 million during the second quarter of 2019, consistent with the increase in revenue described above.  As a percentage of revenues, cost of services remained relatively unchanged at approximately 73% in the third quarter of 2019.

General and administrative expense was $27.6 million for the third quarter of 2019 as compared to $27.9 million during the second quarter of 2019. Compared to the second quarter of 2019, key changes for the third quarter of 2019 included: an approximate $4.2 million increase in professional and other advisory costs incurred primarily in connection with the audit committee’s internal review, an approximate $1.4 million increase in severance expense in connection with the resignation of a former officer, offset by an approximate aggregate $2.3 million decrease in stock based compensation in connection with the forfeiture of stock awards by certain officers and employees and decrease in bonus expense of $2.5 million and net decrease in other remaining general and administrative expense of $0.5 million. General and administrative expense, exclusive of $10.8 million of professional and advisory fees, $0.6 million of stock-based compensation, $3.2 million of retention bonus and severance was $13.0 million, or 2.4% of revenue, for the third quarter of 2019.

Net income for the third quarter of 2019 totaled $34.4 million, or $.33 per diluted share, versus $36.1 million, or $.35 per diluted share, for the second quarter of 2019.

Adjusted EBITDA increased approximately 4% to $131.9 million for the third quarter of 2019 from $126.6 million for the second quarter of 2019.

**Operational Highlights and Fleet Expansion**

Effective utilization of the Company's fracturing assets during the third quarter of 2019 was 25.1 fleets. ProPetro currently expects effective utilization in the fourth quarter of 2019 to be approximately 18-20 fleets. The decrease in utilization is primarily attributable to customer budget exhaustion, seasonality and overall softening industry demand.

The Company plans to deploy one electrically powered *DuraStim®* hydraulic fracturing fleet near the end of 2019 or early in 2020 and two additional *DuraStim®* fleets in 2020. These fleets will be deployed to two existing customers on a dedicated basis.

During the quarter, the Company also expanded its cementing operations by deploying one additional new-build cementing unit, bringing total current cementing capacity to 23 units.

**Liquidity and Capital Spending**

As of September 30, 2019, total cash was $109.2 million and total debt was $130.0 million. Total liquidity at the end of the third quarter of 2019 was $173.5 million (as compared to $146.5 million at the end of the second quarter of 2019), including cash and $64.3 million of available capacity under the Company's revolving credit facility. As of September 30, 2019, the Company's net debt was approximately $20.8 million, which represents outstanding debt of $130.0 million less cash of $109.2 million. We believe our conservative capital structure positions us well to balance customer demand for our new generation *DuraStim®* fleets and other competing uses of cash.

Capital expenditures incurred during the third quarter of 2019 were $87.0 million. As of September 30, 2019, ProPetro had spent approximately $120.8 million on its *DuraStim®* growth initiatives and expects to spend an additional approximately $58.3 million through 2020 on the first three *DuraStim®* fleets (this total includes a third turbine that the Company has not yet agreed to purchase).

**Outlook**

Mr. Redman concluded, "Although the current market for our services is challenging and the market is increasingly oversupplied from an equipment perspective, we remain confident that our differentiated service model, ability to pull through new technologies to the wellsite, and our operational efficiency position us to compete effectively and continue to support our customers' operations."

**Audit Committee Internal Review and Related Matters**

ProPetro has filed a Current Report on Form 8-K (the "Form 8-K") today that provides updates regarding the audit committee's internal review, as well as related accounting conclusions regarding the existence of at least two material weaknesses, recently filed shareholder litigation, a Securities and Exchange Commission ("SEC") investigation and related matters. The audit committee has continued to review the matters previously disclosed in the Company's Current Reports on Form 8-K filed with the SEC on August 8, 2019 and October 9, 2019. Since October 9, 2019, the Audit Committee has identified one related party transaction that was not previously disclosed and is described in greater detail in the Form 8-K.

The Company and certain of its officers and directors have been named in a shareholder classaction lawsuit that was filed in September 2019 and remains in its early stages. The Company has also been advised by the SEC that the SEC has opened an investigation into the Company, and the Company has cooperated and expects to continue to cooperate with the SEC's investigation. The Company cannot currently predict the duration, scope or results of either of these proceedings, including whether either or both may have a material adverse impact on the Company.

ProPetro has also filed a Form 12b-25, Notification of Late Filing, with the SEC today regarding its inability to timely file its Form 10-Q for the third quarter of 2019.

The Company does not currently expect to be in a position to file amended, delinquent or future SEC filings prior to the end of 2019. As described in the Form 8-K and Form 12b-25, the Company will continue to seek to take all appropriate actions and make necessary filings with the SEC with a view to becoming current in its filing obligations under the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable.

Investors should read the Form 8-K and Form 12b-25 for additional information regarding these and other matters disclosed therein.

**Conference Call Information**

The Company will host a conference call at 8:00 AM Central Time on Thursday, November 14, 2019 to discuss preliminary financial and operating results for the third quarter of 2019. This call will also be webcast, along with a presentation slide deck on ProPetro's website at www.propetroservices.com. The slide deck will be published on the website the morning of the call. To access the conference call, U.S. callers may dial toll free 1-844-340-9046 and international callers may dial 1-412-858-5205. Please call ten minutes ahead of the scheduled start time to ensure a proper connection. A replay of the conference call will be available for one week following the call and can be accessed toll free by dialing 1-877-344-7529 for U.S. callers, 1-855-669-9658 for Canadian callers, as well as 1-412-317-0088 for international callers. The access code for the replay is 10131724.

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**About ProPetro**

ProPetro Holding Corp. is a Midland, Texas-based oilfield services company providing pressure pumping and other complementary services to leading upstream oil and gas companies engaged in the exploration and production of North American unconventional oil and natural gas resources. For more information visit www.propetroservices.com.

***Cautionary Statement Regarding Preliminary Financial Information***

*The Company has prepared the preliminary financial information set forth above on a materially consistent basis with its historical financial information and in good faith based upon its internal reporting as of and for the three and nine months ended September 30, 2019. This financial information is preliminary and unaudited and is thus inherently uncertain and subject to change as the Company finalizes its financial results and related reviews for the three and nine months ended September 30, 2019. The Company is in the process of completing its customary quarterly close and review procedures as of and for the three and nine months ended September 30, 2019, and there can be no assurance that its final results for this period will not differ from this preliminary financial information. During the course of the preparation of the Company's consolidated financial statements and related notes as of and for the three and nine months ended September 30, 2019, the Company may identify items that could cause its final reported results to be materially different from the preliminary financial information set forth above.*

*This preliminary financial information should not be viewed as a substitute for full interim financial statements prepared in accordance with GAAP. In addition, this preliminary financial information for the three and nine months ended September 30, 2019 is not necessarily indicative of the results to be achieved for the remainder of 2019 or any future period. This preliminary financial information has been prepared by and is the responsibility of management. In addition, the preliminary financial information presented above has not been audited, reviewed, or compiled by the Company's independent registered public accounting firm. Accordingly, the Company's independent registered public accounting firm does not express an opinion or any other form of assurance with respect thereto and assumes no responsibility for, and disclaims any association with, this information.*

***Forward-Looking Statements***

*Except for historical information contained herein, the statements in this news release are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. 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 those described in the Company's 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. In addition, the Company may be subject to currently unforeseen risks that may have a materially adverse impact on it, including matters related to the audit committee's internal review, the 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 the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other filings made with the Securities and Exchange Commission from time to time that disclose risks and uncertainties that may affect the Company's business. The forward-looking statements in this news release are made as of the date of this news release. ProPetro does not undertake, and expressly disclaims, 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.*

**Contact: ProPetro Holding Corp**

Sam Sledge, 432-688-0012
Director of Investor Relations
sam.sledge@propetroservices.com

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**PROPETRO HOLDING CORP.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
**(In thousands, except per share data)**
**(Unaudited)**

| | Three Months Ended | | |
|---|---|---|---|
| | September 30 2019 | June 30 2019 | September 30 2018 |
| REVENUE - Service revenue | $ 541,847 | $ 529,494 | $ 434,041 |
| COSTS AND EXPENSES | | | |
| Cost of services (exclusive of depreciation and amortization) | 396,922 | 386,218 | 320,146 |
| General and administrative (inclusive of stock-based compensation) | 27,558 | 27,889 | 12,821 |
| Depreciation and amortization | 37,653 | 35,482 | 23,217 |
| Loss on disposal of assets | 31,153 | 31,198 | 16,407 |
| Total costs and expenses | 493,286 | 480,787 | 372,591 |
| OPERATING INCOME | 48,561 | 48,707 | 61,450 |
| OTHER INCOME (EXPENSE): | | | |
| Interest expense | (1,749) | (2,026) | (1,480) |
| Other expense | (75) | (276) | (93) |
| Total other expense | (1,824) | (2,302) | (1,573) |
| INCOME BEFORE INCOME TAXES | 46,737 | 46,405 | 59,877 |
| INCOME TAX EXPENSE | (12,340) | (10,272) | (13,592) |
| NET INCOME | $ 34,397 | $ 36,133 | $ 46,285 |
| NET INCOME PER COMMON SHARE: | | | |
| Basic | $ 0.34 | $ 0.36 | $ 0.55 |
| Diluted | $ 0.33 | $ 0.35 | $ 0.53 |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING: | | | |
| Basic | 100,606 | 100,425 | 83,544 |
| Diluted | 103,652 | 104,379 | 86,878 |

**PROPETRO HOLDING CORP.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(In thousands, except share data)**
**(Unaudited)**

| | September 30, 2019 | December 31, 2018 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 109,191 | $ 132,700 |
| Accounts receivable - net of allowance for doubtful accounts of $575 and $100, respectively | 275,749 | 202,956 |
| Inventories | 1,850 | 6,353 |
| Prepaid expenses | 4,417 | 6,610 |
| Other current assets | 1,521 | 638 |
| Total current assets | 392,728 | 349,257 |
| PROPERTY AND EQUIPMENT - Net of accumulated depreciation | 1,050,039 | 912,846 |
| OPERATING LEASE RIGHT-OF-USE ASSETS | 1,055 | — |
| OTHER NONCURRENT ASSETS: | | |
| Goodwill | 9,425 | 9,425 |
| Intangible assets - net of amortization | — | 13 |
| Other noncurrent assets | 2,796 | 2,981 |
| Total other noncurrent assets | 12,221 | 12,419 |
| TOTAL ASSETS | $ 1,456,043 | $ 1,274,522 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | $ 249,087 | $ 214,460 |
| Operating lease liabilities | 294 | — |
| Finance lease liabilities | 2,917 | — |
| Accrued and other current liabilities | 31,293 | 138,089 |
| Accrued interest payable | 569 | 211 |
| Total current liabilities | 284,160 | 352,760 |
| DEFERRED INCOME TAXES | 96,906 | 54,283 |
| LONG-TERM DEBT | 130,000 | 70,000 |
| NONCURRENT OPERATING LEASE LIABILITIES | 877 | — |
| OTHER LONG-TERM LIABILITIES | — | 124 |
| Total liabilities | 511,943 | 477,167 |
| COMMITMENTS AND CONTINGENCIES | | |
| SHAREHOLDERS' EQUITY: | | |
| Preferred stock, $0.001 par value, 30,000,000 shares authorized, none issued, respectively | — | — |
| Common stock, $0.001 par value, 200,000,000 shares authorized, 100,617,240 and 100,190,126 shares issued, respectively | 101 | 100 |
| Additional paid-in capital | 824,099 | 817,690 |
| Retained earnings (accumulated deficit) | 119,900 | (20,435) |
| Total shareholders' equity | 944,100 | 797,355 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $ 1,456,043 | $ 1,274,522 |

**PROPETRO HOLDING CORP.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(In thousands)**
**(Unaudited)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2019 | 2018 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | $ 140,335 | $ 122,084 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 106,252 | 63,428 |
| Deferred income tax expense | 42,623 | 34,546 |
| Amortization of deferred revenue rebate | — | 615 |
| Amortization of deferred debt issuance costs | 405 | 295 |
| Stock-based compensation | 5,246 | 3,832 |
| Loss on disposal of assets | 81,578 | 42,898 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (72,793) | (52,734) |
| Other current assets | 603 | (431) |
| Inventories | 4,503 | (496) |
| Prepaid expenses | 1,973 | 2,265 |
| Accounts payable | (11,496) | 26,378 |
| Accrued liabilities and other current liabilities | 8,042 | 7,384 |
| Accrued interest | 358 | 1,030 |
| Net cash provided by operating activities | 307,629 | 251,094 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital expenditures | (394,343) | (212,152) |
| Proceeds from sale of assets | 6,774 | 3,280 |
| Net cash used in investing activities | (387,569) | (208,872) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from borrowings | 110,000 | 77,378 |
| Repayments of borrowings | (50,000) | (61,858) |
| Payment of finance lease obligation | (186) | — |
| Repayments of insurance financing | (4,547) | (3,218) |
| Payment of debt issuance costs | — | (360) |
| Proceeds from exercise of equity awards | 1,164 | 51 |
| Net cash provided by financing activities | 56,431 | 11,993 |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (23,509) | 54,215 |
| CASH AND CASH EQUIVALENTS — Beginning of period | 132,700 | 23,949 |
| CASH AND CASH EQUIVALENTS — End of period | $ 109,191 | $ 78,164 |

**Non-GAAP Financial Measures**
**Reportable Segment Information**

| ($ in thousands) | Three Months Ended September 30, 2019 Pressure Pumping | All Other | Total | June 30, 2019 Pressure Pumping | All Other | Total |
|---|---|---|---|---|---|---|
| Service revenue | $ 528,851 | $ 12,996 | $ 541,847 | $ 515,867 | $ 13,627 | $ 529,494 |
| Adjusted EBITDA | 134,789 | (2,894) | 131,895 | 131,187 | (4,625) | 126,562 |
| Depreciation and amortization | 36,110 | 1,543 | 37,653 | 34,023 | 1,459 | 35,482 |
| Capital expenditures | 83,770 | 3,189 | 86,959 | 156,542 | 4,677 | 161,219 |

*Adjusted EBITDA is not a financial measure presented in accordance with GAAP. We believe that the presentation of this non-GAAP financial measure provides 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. Non-GAAP financial measures should not be considered as alternatives to the most directly comparable GAAP financial measure. 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. Because Adjusted EBITDA may be defined differently by other companies in our industry, our definitions of this non-GAAP financial measure may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.*

**Reconciliation of Net Income (loss) to Adjusted EBITDA**

| ($ in thousands) | Three Months Ended September 30, 2019 Pressure Pumping | All Other | Total | June 30, 2019 Pressure Pumping | All Other | Total |
|---|---|---|---|---|---|---|
| Net income (loss) | $ 65,961 | $ (31,564) | $ 34,397 | $ 64,230 | $ (28,097) | $ 36,133 |
| Depreciation and amortization | 36,110 | 1,543 | 37,653 | 34,023 | 1,459 | 35,482 |
| Interest expense | 21 | 1,728 | 1,749 | 22 | 2,004 | 2,026 |
| Income tax expense | — | 12,340 | 12,340 | — | 10,272 | 10,272 |
| Loss on disposal of assets | 30,987 | 166 | 31,153 | 31,117 | 81 | 31,198 |
| Stock-based compensation | — | 577 | 577 | — | 2,840 | 2,840 |
| Other expense and legal settlement | — | 75 | 75 | — | 276 | 276 |
| Other general and administrative expenses | — | 10,786 | 10,786 | — | 6,540 | 6,540 |
| Deferred IPO bonus expense | 1,710 | 1,455 | 3,165 | 1,795 | — | 1,795 |
| **Adjusted EBITDA** | **$ 134,789** | **$ (2,894)** | **$ 131,895** | **$ 131,187** | **$ (4,625)** | **$ 126,562** |

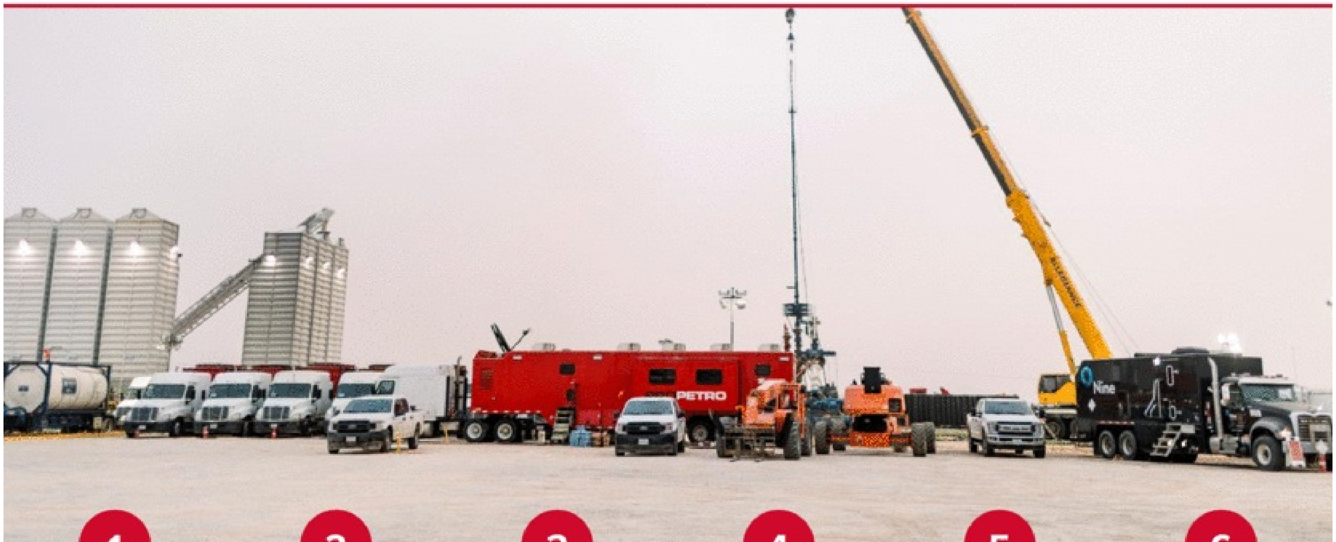
Exhibit 99.2

# FORWARD-LOOKING STATEMENTS

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.

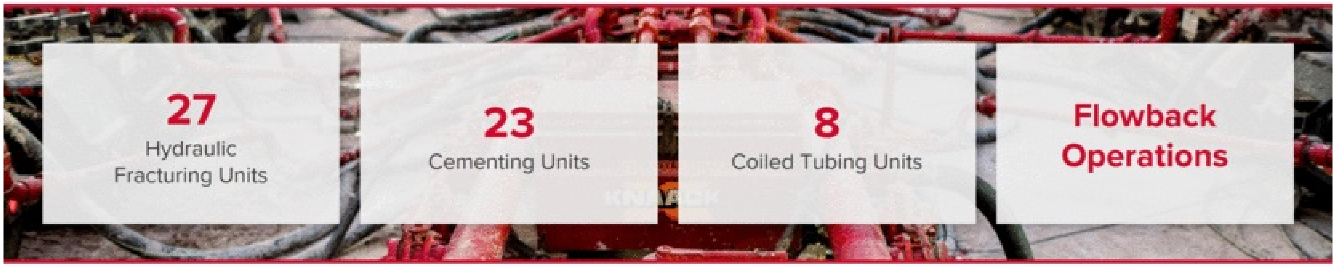
# DISCUSSION TOPICS




1. ProPetro at a Glance
2. Permian Basin Update
3. 2019 Third Quarter Highlights
4. 2019 Q3 Financial Review
5. The *DuraStim®* Difference[1]
6. Unique Positioning

1) Items regarding DuraStim are estimates and are subject to change. DuraStim® is a registered trademark of AF Global Corporation ("AFGlobal")

# PROPETRO AT A GLANCE



**27** Hydraulic Fracturing Units

**23** Cementing Units

**8** Coiled Tubing Units

**Flowback Operations**

### 100% Frac Operations Permian Concentrated

- 1,415,000 HHP Spread over 27 Crews

### Customer and Employee Focused Business Model

### Highly Utilized Fleet

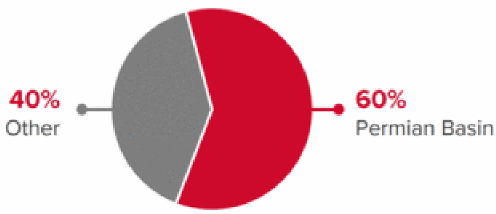
- Including a 10 year strategic, long-term service agreement for ~30% of the fleet

### Permian Focused Customers

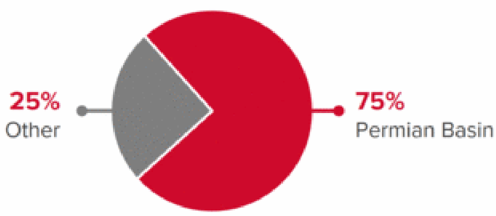
Admiral Permian Resources; Henry Resources; Endeavor Energy Resources LP; Parsley; Pioneer Natural Resources; CrownQuest Operating, LLC; ExxonMobil; Fasken Oil and Ranch; Diamondback Energy; DE3 Operating LLC

# PERMIAN MACRO

**Total U.S. Onshore**
Oil Directed Rig Count: 691[1]




**Total U.S. Onshore Oil Rigs Added Since**
Trough (May 2016): 375[1]




(1) Baker Hughes Rig Data, November 8, 2019

## Healthy demand for *efficient* services

- Driven by E&P acquisitions, attractive economics, and completion intensity

## Permian shift to manufacturing mode

- Driven by customer shift to multi-well pad development
- Short supply of HHP capable of intensifying workload

## Mature and evolving infrastructure

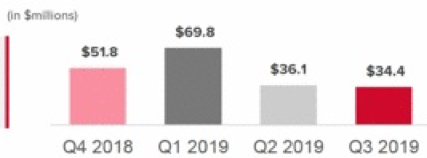
- Driven by historic activity levels and new regional sand mines

# 2019 Q3 HIGHLIGHTS

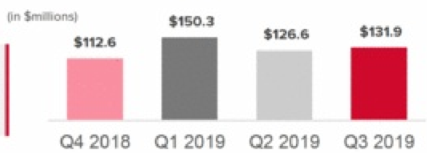
## Recent Financial Performance

Revenue


Net Income




Adj. EBITDA(1)




(1) For a reconciliation to net income (loss), please see Appendix
(2) Items regarding DuraStim are estimates and are subject to change, DuraStim® is a registered trademark of AF Global Corporation ("AFGlobal")

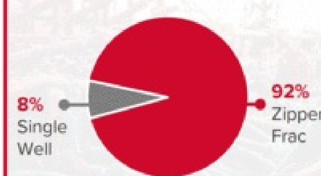
### Industry leading utilization

- Effective utilization of 25.1 fleets in Q3
- Plans to deploy one electrically powered DuraStim® fleet in late 2019 or early 2020, and two additional fleets in 2020 (2)

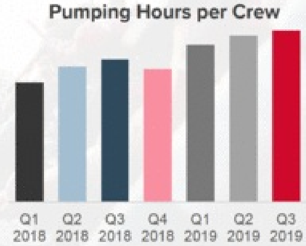
### Consistent cementing and coiled tubing operations

- Exited Q3 with 23 deployed cementing units, and 4 coiled tubing units

Q3 Job Mix




Pumping Hours per Crew

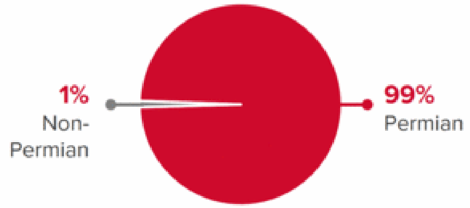


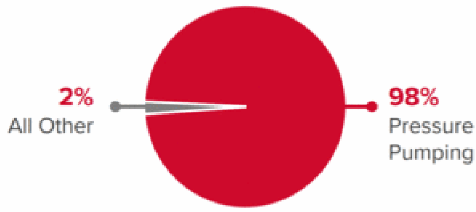



PROPETRO

# 2019 Q3 FINANCIAL HIGHLIGHTS

## 2019 Q3 Revenue Mix




**Revenue:** $541.8 MM

**Adjusted EBITDA:** $131.9 MM

**Diluted Earnings Per Share (EPS):** $0.33

**Conservative Leverage Profile:**

- Cash: $109.2 MM
- Total Debt: $130.0 MM
- Total Liquidity: $173.5 MM [1]

(1) Inclusive of cash and available capacity under revolving credit facility as of 9/30/2019

# HORSEPOWER GROWTH AND UTILIZATION

- **56% Increase in total horsepower[1]**
  510,000 total HHP additions in 2019
- **Growth & utilization driven by improvements in execution, efficiency and customer collaboration**
- **Continue to maintain industry leading utilization**
- **Consistent profitability**
- **Plans to deploy first electrically powered DuraStim® unit in late 2019 or early 2020[2]**

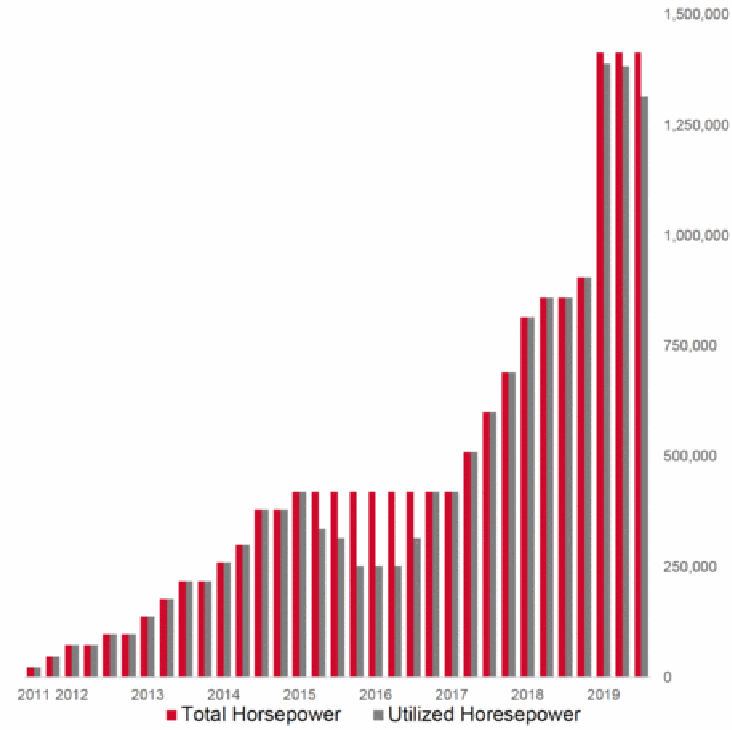



Chart based on end of period HHP counts
(1) Added HHP from PXD transaction
(2) Items regarding DuraStim are estimates and are subject to change, DuraStim® is a registered trademark of AF Global Corporation ("AFGlobal")

# UNIQUE TECHNOLOGY OPPORTUNITIES

**created by reliable wellsite performance that earns customer trust**


**1. Proven Wellsite Execution**

Consistently earning customer trust

**2. Opportunity to Pull Through Differentiating Technologies**

Trust of customers allows for unique opportunities

**3. Constant Need to Drive Down Well Costs**

Desire to improve project economics up and down the value chain leading to demand for new technologies

**4. Reducing Environmental Impact**

Pushing to be better stewards of our environment and community

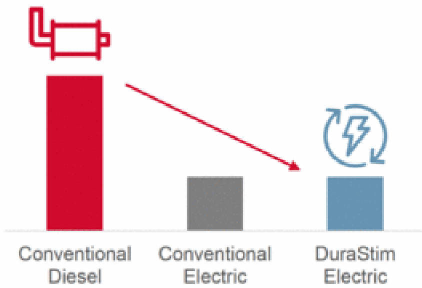
**Capitalizing on unique market position:**

*Equipping industry leading talent with innovative technology designed for the job of today*

# *DURASTIM* PROVIDES POTENTIAL BENEFITS UP AND DOWN THE VALUE CHAIN

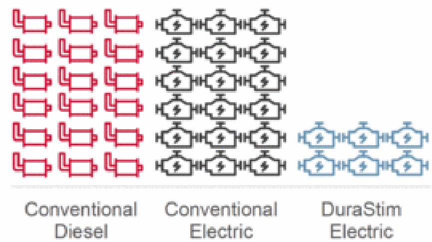
## Fuel Cost[(1)]

Conversion from diesel to natural gas electric power



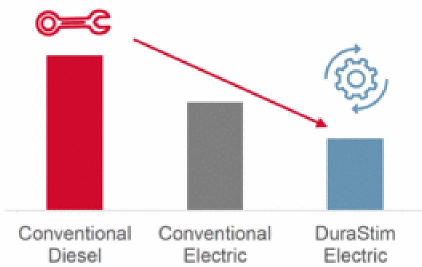

## Footprint / Labor / Safety[(1)]

Fewer units per location = fewer people = safer operations



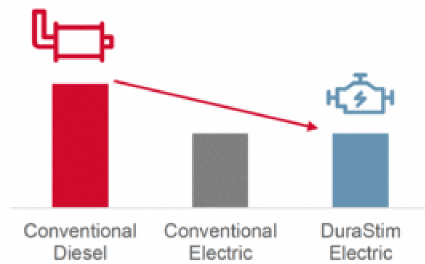

## General Supplies / Maintenance Capex[(1)]

Fewer moving parts = fewer expendables = longer asset life




## Sound and Air Pollution[(1)]

Cleaner and quieter power source




(1) Items regarding DuraStim are estimates and are subject to change, DuraStim® is a registered trademark of AF Global Corporation ("AFGlobal")

# UNIQUELY POSITIONED FOR SUCCESS

**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

**Access to Premier Projects**

Operational success gives access to high priority work

**Strong Balance Sheet**

Conservative debt profile with disciplined capital allocation

**No Speculative New-Builds**

New construction underpinned by customer demand

**The DuraStim® Difference**

Deploying the premier tools for completions manufacturing mode

**Technology**

Leveraging well-site performance to pull innovation forward


PROPETRO
APPENDIX

# ADJUSTED EBITDA RECONCILIATION (NON-GAAP)

*Adjusted EBITDA is not a financial measure presented in accordance with GAAP. We believe that the presentation of this non-GAAP financial measure 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 should not be considered as alternatives to the most directly comparable GAAP financial measure. 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. Because Adjusted EBITDA may be defined differently by other companies in our industry, our definitions of this non-GAAP financial measure may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.*

## Reconciliation of Net Income to Adjusted EBITDA

| | Three Months Ended | | | |
|---|---|---|---|---|
| ($ in Thousands) | December 31, 2018 | March 31, 2019 | June 30, 2019 | September 30, 2019 |
| Net income | $51,778 | $69,805 | $36,133 | $34,397 |
| Depreciation and amortization | $24,709 | $33,117 | $35,482 | $37,653 |
| Interest expense | $1,917 | $1,903 | $2,026 | $1,749 |
| Income tax expense | $15,258 | $21,892 | $10,272 | $12,340 |
| Loss on disposal of assets | $16,158 | $19,228 | $31,198 | $31,153 |
| Stock-based compensation | $1,650 | $1,829 | $2,840 | $577 |
| Other expense and legal settlement | $525 | $187 | $276 | $75 |
| Other general and administrative expenses | - | - | $6,540 | $10,786 |
| Deferred IPO bonus expense | $630 | $2,314 | $1,795 | $3,165 |
| **Adjusted EBITDA** | **$112,625** | **$150,275** | **$126,562** | **$131,895** |

# CONTACT

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