

**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, 2018

**ProPetro Holding Corp.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-38035**  
(Commission  
File Number)

**26-3685382**  
(IRS Employer  
Identification No.)

**1706 S. Midkiff, Bldg. B**  
**Midland, TX**  
(Address of principal executive offices)

**79701**  
(Zip Code)

**(432) 688-0012**  
(Registrant's telephone number, including area code)  
(Not applicable)  
(Former name or former address, if changed since last report)

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 (see General Instruction A.2 below):

- 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))

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) of 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.

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**Item 7.01 Regulation FD Disclosure.**

On November 13, 2018, ProPetro Holding Corp. (the "Company") issued a press release announcing its entry into a purchase and sale agreement with Pioneer Natural Resources Pumping Services LLC ("Pioneer Pumping Services") and Pioneer Natural Resources USA, Inc. ("Pioneer", and together with Pioneer Pumping Services, the "Sellers") for the purchase of certain assets and real property related to the Sellers' pressure pumping, pump down and coiled tubing services (the "Acquisition"). The Company also announced that it will hold a conference call to discuss the Acquisition on Wednesday, November 14th at 8:00 A.M. Central Time (the "Conference Call"). A copy of the press release is furnished as Exhibit 99.1 hereto.

On November 14, 2018, the Company posted an investor presentation to its website pertaining to the Acquisition, which it will discuss on the Conference Call. The presentation is posted on the Company's website at [ir.propetroservices.com/presentations](http://ir.propetroservices.com/presentations) and attached hereto as Exhibit 99.2.

The information furnished with this report, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed "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 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 9.01 Financial Statements and Exhibits.****(d) Exhibits.**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
99.1	<a href="#"><u>Press Release dated November 13, 2018.</u></a>
99.2	<a href="#"><u>Investor Presentation.</u></a>

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**SIGNATURE**

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.

Date: November 14, 2018

PROPETRO HOLDING CORP.

/s/ Mark Howell

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**Mark Howell**  
**General Counsel**



## **ProPetro Holding Announces Acquisition of Pumping Services Assets from Pioneer Natural Resources and Long-Term Service Agreement with Pioneer**

**Midland, Texas, November 13, 2018 - ProPetro Holding Corp. (NYSE:PUMP)** ("ProPetro" or the "Company") announced today that it has entered into an agreement with affiliates of **Pioneer Natural Resources Company** (NYSE: PXD) (collectively, "Pioneer") by which ProPetro will become a strategic long-term service provider to Pioneer providing pressure pumping and related services for a term of up to 10 years. Under the agreement, ProPetro will acquire Pioneer's pressure pumping assets ("PPS") in exchange for total consideration of \$400 million comprised of \$110 million of cash and 16.6 million shares of ProPetro common stock, representing approximately 17% Pioneer ownership in ProPetro following issuance. The transaction is expected to close during the fourth quarter of 2018, subject to the satisfaction of customary closing conditions, including regulatory approval.

Dale Redman, ProPetro co-founder and CEO, stated, "We could not be more excited about the opportunity to expand our relationship with Pioneer through this transformational transaction. The combination of ProPetro and Pioneer Pumping Services will result in the largest and most efficient pressure pumping provider in the Permian Basin. Equally as important is our strategic long-term service agreement, and we look forward to continuing our close partnership with Pioneer as they further develop their world class acreage here in the Permian Basin."

"We are proud to welcome our new teammates from Pioneer Pumping Services as the combination with ProPetro will create an unmatched workforce in the industry. Finally, we want to thank our people, our customers, our supply chain partners, and the Permian Basin community for their continued long-term support of the Company and our efforts."

Timothy L. Dove, Pioneer President and CEO, stated, "We are very pleased to announce our agreement with ProPetro that provides Pioneer with dedicated capacity from the leading pressure pumping service provider in the Permian Basin. Their robust operational track record aligns with our commitment to being the most efficient, low-cost Permian operator. We have had a strong relationship with the ProPetro team for many years, and this contract solidifies their position as a key partner in our development program. The long-term nature of this agreement will benefit both companies."

"I would also like to personally thank all of the dedicated employees of Pioneer Pumping Services. Their unrelenting commitment to safety, efficiency and execution has underpinned our success in the Permian Basin and we are excited to have them continue working on Pioneer locations for years to come in our partnership with ProPetro."

PPS assets include eight frac fleets with 510,000 hydraulic horsepower (HHP), as well as three coiled tubing units and associated equipment. Upon closing of the transaction, ProPetro will have 28 frac fleets with 1,415,000 HHP operating in the Permian Basin. In addition, PPS assets include a best-in-class maintenance facility situated on 111 contiguous acres located near ProPetro's current maintenance operations in Midland. As a result, the combination will increase ProPetro's scale in the Permian Basin and expand its leading operational track record while allowing Pioneer to improve capital efficiency and long-term cost competitiveness in its core operations.

The total transaction value of \$400 million is comprised of \$333 million for the pressure pumping assets and \$67 million for real estate facilities and other assets<sup>1</sup>. The total transaction will be funded through a

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combination of \$290 million of ProPetro shares issued to Pioneer and \$110 million in cash. The 16.6 million shares issued by ProPetro are valued at \$17.48 per share (based on a 20-day volume weighted average price as of market close on November 9, 2018). ProPetro will pay \$55 million of the cash portion of the purchase price to Pioneer at closing, with the balance to be paid within the following sixty days. ProPetro plans to use a combination of its current revolving credit facility and its current cash balance to fund the cash portion.

Goldman Sachs & Co. LLC served as sole financial advisor to ProPetro and Hunton Andrews Kurth LLP served as legal counsel to ProPetro in this transaction.

(1) *The \$67 million in real estate and other assets is based on the current appraised value of the real estate and the original purchase price of non-pressure pumping equipment.*

## **Conference Call Information**

ProPetro will host a conference call to discuss the transaction on Wednesday November 14, 2018 at 8:00am central time. This call will also be webcast, along with a presentation slide deck on ProPetro's website at [www.propetroservices.com](http://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 10126420.

## **About ProPetro Holding Corp.**

ProPetro 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 concerning ProPetro, visit [www.propetroservices.com](http://www.propetroservices.com).

## **About Pioneer Natural Resources**

Pioneer is a large independent oil and gas exploration and production company, headquartered in Dallas, Texas, with operations in the United States. For more information, visit [www.pxd.com](http://www.pxd.com).

*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 and the business prospects of ProPetro are subject to a number of risks and uncertainties that may cause ProPetro's actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things, volatility of commodity prices, government regulation or action, the ability to obtain approvals from third parties and negotiate agreements with third parties on mutually acceptable terms and litigation. These and other risks are described in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q 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. 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. ProPetro undertakes no duty to publicly update these statements except as required by law.*

## **ProPetro Holding Corp.**

Sam Sledge, 432-688-0012

Director of Investor Relations

[sam.sledge@propetroservices.com](mailto:sam.sledge@propetroservices.com)

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# **PROPETRO<sup>®</sup>**

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## **Acquisition of Pumping Services Assets from Pioneer Natural Resources November 13, 2018**

NYSE: **PUMP**  
[www.propetroservices.com](http://www.propetroservices.com)

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## 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

- **Transaction Summary**
- **Strategic Rationale**
- **Implied Valuation**
- **Asset Overview**
- **Sources & Uses and Pro Forma Capitalization**
- **Pro Forma ProPetro Overview**

## TRANSACTION SUMMARY

### Overview

- **ProPetro to acquire Pioneer Natural Resources Pressure Pumping ("PPS") Assets**
  - ProPetro to become a strategic long-term service provider to Pioneer, providing pressure pumping and related services for a term of up to 10 years

### Asset Description

- **PPS assets include 8 fleets with 510,000 hydraulic horsepower (HHP), 3 coiled tubing units and best-in-class maintenance facility situated on 111 contiguous acres**
  - Upon closing of the transaction, ProPetro will have 28 frac fleets with 1,415,000 HHP operating in the Permian Basin

### Consideration

- **Total consideration of \$400 million comprised of:**
  - \$290 million of ProPetro shares issued to Pioneer<sup>(1)</sup>
  - \$110 million in cash<sup>(2)</sup>

### Valuation

- **Total transaction value of \$400 million comprised of:**
  - \$333 million for pressure pumping assets (implied ~\$653/HHP for 510,000 HHP)
  - \$67 million for real estate facilities and other assets<sup>(3)</sup>

### Timing

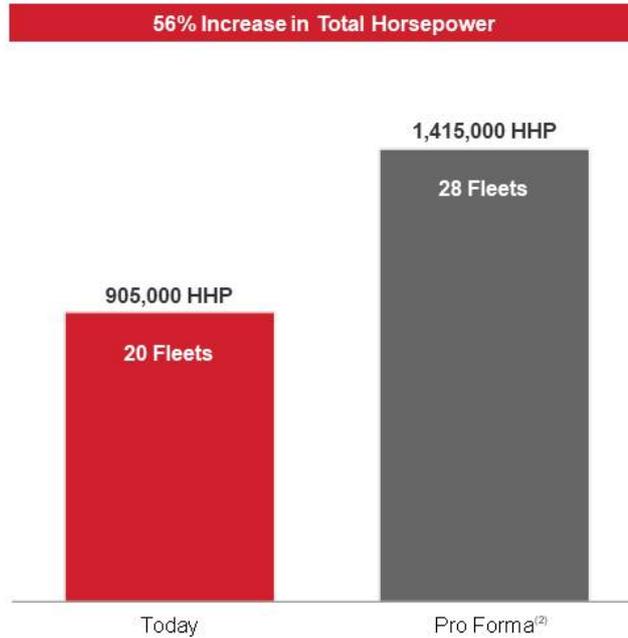
- **Expected to close during fourth quarter of 2018**

(1) 16.6 million shares valued at \$17.48 per share (based on a 20-day volume weighted average price as of market close on November 9, 2018); implies approximately 17% Pioneer ownership pro forma for transaction

(2) Paid 50% at closing and 50% within 60 days following closing

(3) The \$67 million in real estate and other assets is based on the current appraised value of the real estate and the original purchase price of non-pressure pumping equipment

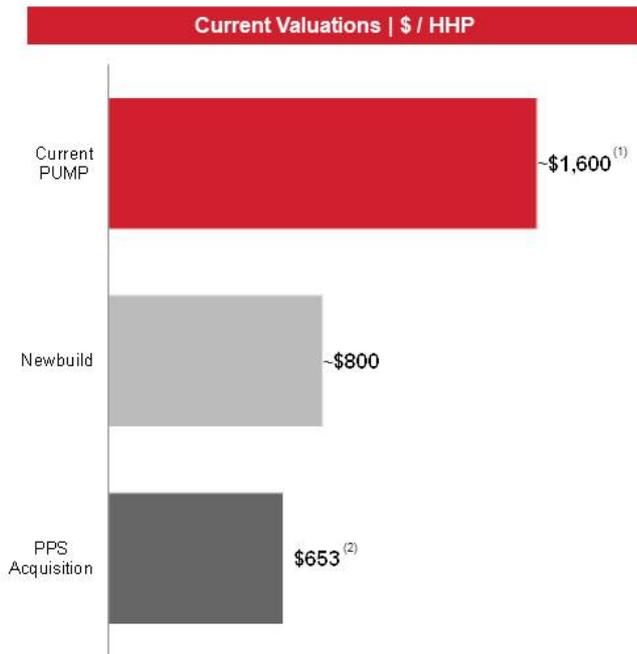
- ✓ Transaction creates the largest pressure pumper in the Permian Basin
- ✓ Efficient transition through existing partnership with leading Permian operator
- ✓ Acquiring 510,000 HHP for \$653 / HHP<sup>(1)</sup>
- ✓ Long-term agreement provides contracted demand for nearly 30% of pro forma fleet for up to 10 years
- ✓ Transaction adds significant scale to ProPetro, while not adding incremental fleets to the overall market
- ✓ Maintain strong balance sheet and liquidity position



<sup>(1)</sup> \$333 million purchase price allocation to 510,000 acquired hydraulic horsepower  
<sup>(2)</sup> Pro forma upon closing



## COMPELLING VALUATION IN TODAY'S MARKET



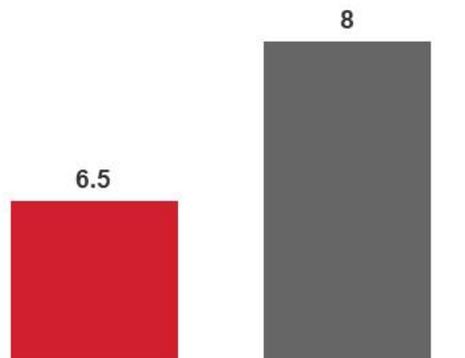
- ✓ Attractive \$ / HHP valuation relative to current corporate levels and estimated newbuild levels
- ✓ Prudent investment in assets with a net neutral impact to market supply
- ✓ Expected to be accretive on a cash flow basis

(1) Market data as of 12-Nov-2018, balance sheet as of 30-Sep-2018

(2) Assumes \$333 million purchase price allocation for pressure pumping assets

*Steady ramp to run-rate activity and efficiency by year-end 2019*

**PPS Estimated Active Fleets**



Annualized Per Fleet Metrics (\$mm) <sup>(1)</sup>	2019 Q1E	2019E Exit Rate
Revenue	\$60 - \$65	\$65 - \$68
EBITDA	\$14 - \$16	\$16 - \$18
Maintenance Capex	\$4.5 - \$5.5	\$4.5 - \$5.5

- Drivers of Upside**
- ✓ Increased scale likely to generate greater purchasing power
  - ✓ Three coiled tubing units
  - ✓ Additional HHP dedicated to wireline pumpdown
  - ✓ Operational efficiencies
    - Combined workforce able to share techniques and high-grade operations
  - ✓ Potential savings from extra HHP
    - Extra HHP can be utilized to limit maintenance capex
  - ✓ Improved facilities and infrastructure located near ProPetro's current maintenance operations

<sup>(1)</sup> Excludes potential upside drivers; assumes Pioneer self-sourcing sand and logistics



## HORSEPOWER ALLOCATION

Asset Breakdown	
Frac Fleets: 50,000 HHP / Fleet x 8 Fleets: <sup>(1)</sup>	400,000
+ Pumpdown: 7,500 HHP / Fleet x 8 Fleets: <sup>(1)</sup>	60,000
+ Extra HHP (Potential Maintenance Savings):	50,000
= Total HHP:	510,000

<sup>(1)</sup> Requested by Pioneer in service agreement



## TRANSACTION SOURCES & USES AND PRO FORMA CAPITALIZATION

Sources and Uses			
(\$ in millions)			
Sources		Uses	
Equity Issuance	\$290	Pressure Pumping Assets	\$333
ABL Draw at Closing	\$55	RE Facilities and Other Assets <sup>(1)</sup>	\$67
ABL Draw 60 Days Post-Closing	\$55		
<b>Total Sources</b>	<b>\$400</b>	<b>Total Uses</b>	<b>\$400</b>

Pro Forma Capitalization			
(\$ in millions)	As of September 30, 2018		
	Actual	Adjustments	Pro Forma
<b>Cash and Cash Equivalents</b>	<b>\$78</b>	<b>-</b>	<b>\$78</b>
<b>Total Debt</b>			
ABL Credit Facility	\$80	\$110 <sup>(2)</sup>	\$190
Other Long Term Debt	\$9	-	\$9
<b>Total Debt</b>	<b>\$89</b>	<b>\$110</b>	<b>\$199</b>
<b>Net Debt</b>	<b>\$11</b>	<b>\$110</b>	<b>\$121</b>

Prudent Pro Forma Leverage		
<b>Net Debt / LTM Adj. EBITDA<sup>(3)</sup></b>	<b>0.0 x</b>	<b>0.4 x</b>

(1) The \$67 million in real estate and other assets is based on the current appraised value of the real estate and the original purchase price of non-pressure pumping equipment

(2) \$110 million cash to be paid 50% at closing and 50% within the following 60 days

(3) Based on LTM Adjusted EBITDA of \$319 million

- **100% Frac Operations Permian Concentrated**
  - 1,415,000 HHP Spread over 28 Crews<sup>(1)</sup>
- **Customer and Employee Focused Business Model**
- **Fully Utilized Fleet**
  - Including a 10 year strategic, long-term service agreement for ~30% of the fleet

28 Hydraulic Fracturing Units<sup>(1)</sup>

20 Cementing Units<sup>(2)</sup>

6 Coiled Tubing Units<sup>(1)</sup>

Flowback Operations

■ **Permian Focused Customers**



(1) Estimate upon transaction close  
 (2) Estimate as of YE 2018



# HORSEPOWER GROWTH AND UTILIZATION

- **56% Increase in Total Horsepower**
  - 510,000 total HHP additions
- **Homogenous Fleet**
- **Fully Maintained Through the Downturn**
- **Continue to Maintain Industry Leading Utilization**

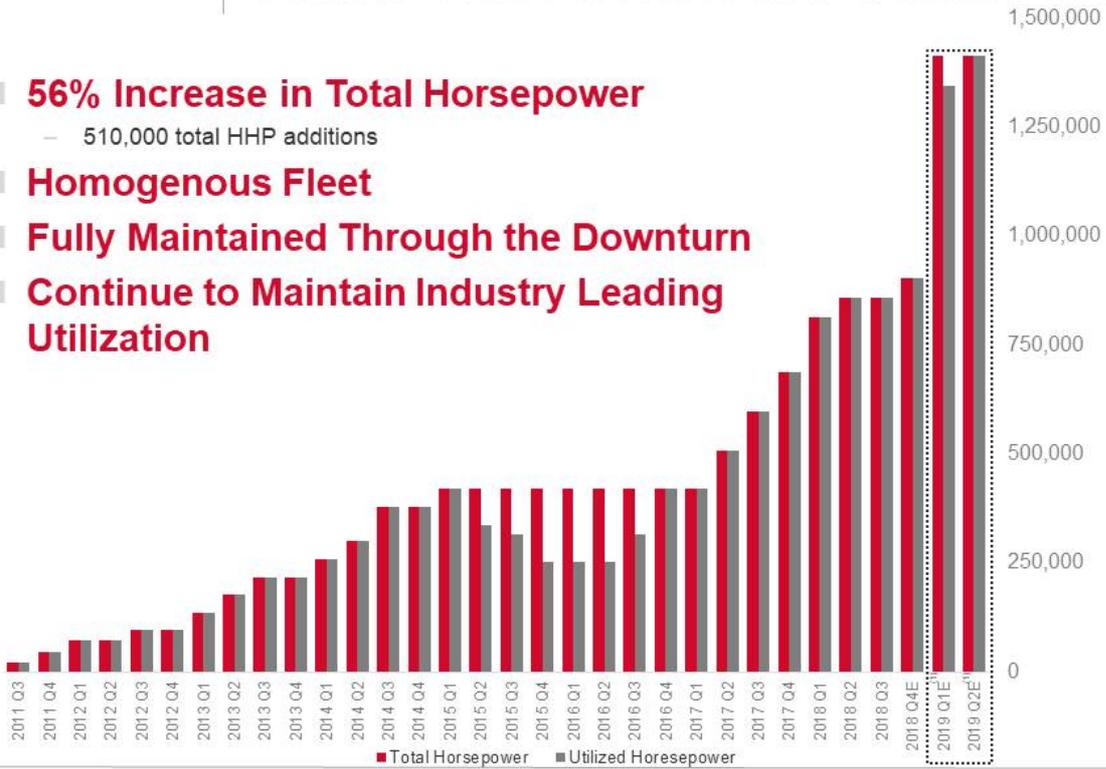


Chart based on end of period HHP counts  
 (1) Estimated upon transaction close

- **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 and beyond
  - **Strong Balance Sheet**
    - Minimal leverage with disciplined capital allocation
  - **No Speculative New-Builds**
    - Strong customer commitments
  - **High Utilization Through Cycles**
    - Great history of battling cyclicalities
  - **Delaware Upside**
    - Significant opportunities with current customers and beyond
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## CONTACT

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

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