

**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): February 26, 2019

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.

Item 2.02 Results of Operations and Financial Condition.

On February 26, 2019, ProPetro Holding Corp. issued a press release announcing operating results and developments for the quarter and year ended December 31, 2018. A copy of the press release is furnished as Exhibit 99.1 hereto. The information furnished with this report, including Exhibit 99.1, 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.

| Exhibit Number | Description of Exhibit |
|---------------------------|---|
| 99.1 | <u>Press Release dated February 26, 2019.</u> |

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: February 26, 2019

PROPETRO HOLDING CORP.

/s/ Mark Howell

Mark Howell
General Counsel

ProPetro Reports Full Year and Fourth Quarter 2018 Results

-- Most Successful Year in Company's 13-Year History --

-- Grew Year-Over-Year Revenue and Year-End HHP Capacity of Legacy Business by 74% and 31%, Respectively -

-- Entered into Transformational Transaction with Pioneer Natural Resources for 10-Year Service Agreement and Acquisition of 510,000 HHP Across Eight Frac Fleets --

MIDLAND, TX, February 26, 2019 (Businesswire) - ProPetro Holding Corp. ("ProPetro" or "the Company") (NYSE: PUMP) today announced financial and operational results for the full year and fourth quarter of 2018.

Full Year 2018 Operational Highlights

- Organically grew legacy business year-end fleet capacity by 215,000 to 905,000 hydraulic horsepower ("HHP"), or 20 fleets, from 690,000 HHP, or 16 fleets, at the end of 2017.
- Maintained industry-leading fleet utilization throughout the year.
- Enhanced industry-leading safety and performance metrics while growing employee headcount over 50%
- Entered into a strategic transaction for the acquisition of 510,000 HHP, or 8 fleets, from Pioneer Natural Resources ("Pioneer" or "PXD") and related 10-year dedicated service agreement (for further discussion, see "Pioneer Transaction Update" section later in this release).

Full Year 2018 Financial Highlights

- Grew total revenue by 74% to \$1.7 billion from \$981.9 million in 2017.
- Expanded net income by almost 14 times to \$173.9 million, or \$2.00 per diluted share, for 2018, from \$12.6 million, or \$0.16 per diluted share, in 2017.
- Increased adjusted EBITDA⁽¹⁾ to \$388.5 million from \$137.4 million in 2017 - more than 180% higher.

Fourth Quarter 2018 Highlights

- Total revenue was \$425.4 million as compared to the \$434.0 million in the third quarter 2018.
- Grew net income to \$51.8 million, a 12% increase from \$46.3 million in the previous quarter.
- Adjusted EBITDA⁽¹⁾ increased 9% to \$112.4 million from \$103.3 million in the third quarter.
- Deployed one new-build frac fleet 45,000 HHP, bringing total year-end HHP to 905,000.
- Closed transaction with Pioneer on December 31, 2018, bringing company-wide/total HHP to 1,415,000 HHP.

⁽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."

Dale Redman, Chief Executive Officer, commented, "We are extremely proud of our results for 2018, and appreciate the outstanding efforts of our best-in-class team as they competed at the highest-level in what proved to be another pivotal year for the Permian Basin. As important, I want to thank our customers, supply chain partners, and other key stakeholders for their important contributions to our success. Underpinning our outperformance in 2018 was a resilient long-term model of providing unrivaled execution at the wellsite for the benefit of our customers, and we look forward to continued close collaboration in their ongoing efforts. Finally, we are very excited to have announced and closed on our strategic transaction and service agreement with Pioneer and would like to once again welcome all of our new teammates to the ProPetro team."

Fourth Quarter 2018 Financial Summary

Revenue for the fourth quarter of 2018 was \$425.4 million, or 2% lower than \$434.0 million for the third quarter of 2018. The decrease was primarily attributable to the increased adoption of local sand as well as expected holiday seasonality. During the fourth quarter of 2018, 97.8% of total revenue was associated with pressure pumping services, compared to 97.1% in the third quarter.

Costs of services excluding depreciation and amortization for the fourth quarter of 2018 decreased to \$300.4 million from \$320.1 million during the third quarter of 2018 primarily due to increased volumes of local sand. As a percentage of pressure pumping segment revenues, pressure pumping costs of services decreased to 70.3% from 73.9% in the third quarter of 2018.

General and administrative expense was \$15.0 million as compared to \$12.8 million in the third quarter of 2018. The increase was primarily attributable to an increase in insurance costs and professional and legal fees. General and administrative expense, exclusive of stock-based compensation and deferred IPO bonus, was \$12.7 million, or 3.0% of revenue, for the fourth quarter of 2018.

Net income for the fourth quarter of 2018 totaled \$51.8 million, or \$0.59 per diluted share, versus \$46.3 million, or \$0.53 per diluted share, for the third quarter of 2018.

Adjusted EBITDA increased to \$112.4 million for the fourth quarter of 2018 from \$103.4 million in the previous quarter.

Pioneer Transaction Update

As previously announced, on December 31, 2018, ProPetro completed its acquisition of the pressure pumping assets of and became a strategic long-term service provider to Pioneer providing pressure pumping and related services for a term of up to 10 years. Under the terms of the agreement ProPetro acquired Pioneer's pressure pumping assets ("PPS") in exchange for \$110 million of cash and 16.6 million shares of ProPetro common stock, representing approximately 17% Pioneer ownership in ProPetro.

The acquired Pioneer assets include eight frac fleets with a collective capacity of 510,000 hydraulic horsepower (HHP), as well as four coiled tubing units and associated equipment. In addition, the PPS assets include a best-in-class maintenance facility situated on 111 contiguous acres located near ProPetro's legacy maintenance operations in Midland. This transaction has significantly increased ProPetro's scale in the Permian Basin and expanded its leading operational track record while allowing Pioneer to improve capital efficiency and long-term cost competitiveness in its core operations.

Operational Highlights and Fleet Expansion

Active HHP deployed during the quarter and at quarter end was 905,000 HHP, or 20 fleets. Consistent with the Company's previously announced plans, ProPetro expanded its fracturing capacity by an additional 45,000 HHP, or one fleet, in early October. This fleet is working under a dedicated agreement with an existing customer. As previously discussed, the Company acquired 510,000 HHP, or 8 fleets, from Pioneer Natural Resources effective December 31, 2018. This brings total current HHP to 1,415,000 or 28 fleets, in the Permian Basin of which 27 are currently operating.

ProPetro exited 2018 operating 20 cementing units, a 25% increase from 16 units operating at year-end 2017. The Company also recently deployed one new-build unit bringing total current cementing capacity to 21 units. ProPetro plans to continue to organically expand cementing capacity by an additional 2 units during the remainder of 2019, thereby exiting the year with 23 units.

The Company exited 2018 with four coiled tubing units, and with the closing of the Pioneer transaction, currently has total capacity of eight units of which four are currently operating. ProPetro plans to deploy one additional new-build coiled tubing unit later in 2019.

Liquidity and Capital Spending

As of December 31, 2018, total cash was \$132.7 million and total debt was \$70.0 million. Total liquidity at the end of the fourth quarter of 2018 was \$257.7 million, including cash and \$125.0 million of available capacity under the Company's \$300.0 million revolving credit facility.

Capital expenditures incurred during the fourth quarter of 2018, exclusive of the Pioneer transaction, were \$50.2 million, which included spending on ProPetro's growth initiatives as well as maintenance capital.

Outlook

Mr. Redman concluded, “As our customer base and other producers in the Permian continue to move toward full manufacturing mode in the Permian, we are pleased with the activity and efficiency levels we have seen in our operations to date in 2019. We will continue to focus on outperforming customer expectations while staying within their required project economics, as well as look for opportunities to further enhance our proven model of success.”

Conference Call Information

The Company will host a conference call at 8:00 AM Central Time on Wednesday, February 27, 2019 to discuss financial and operating results for the full year and fourth quarter of 2018 and recent developments. 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 10126663.

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, please visit www.propetroservices.com.

Forward-Looking Statements

The information above includes forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements are subject to certain risks, uncertainties and assumptions identified above or as disclosed from time to time in the Company’s filings with the Securities and Exchange Commission. As a result of these factors, actual results may differ materially from those indicated or implied by such forward-looking statements.

Contact: ProPetro Holding Corp

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

| | Three Months Ended | | | Twelve Months Ended | |
|--|--------------------|--------------|-------------|---------------------|------------|
| | December 31 | September 30 | December 31 | 2018 | 2017 |
| | 2018 | 2018 | 2017 | | |
| REVENUE - Service revenue | \$ 425,414 | \$ 434,041 | \$ 313,712 | \$ 1,704,562 | \$ 981,865 |
| COSTS AND EXPENSES | | | | | |
| Cost of services (exclusive of depreciation and amortization) | 300,421 | 320,146 | 262,048 | 1,270,577 | 813,823 |
| General and administrative (inclusive of stock-based compensation) | 15,015 | 12,821 | 10,335 | 53,958 | 49,215 |
| Depreciation and amortization | 24,710 | 23,217 | 17,026 | 88,138 | 55,628 |
| Loss on disposal of assets | 16,159 | 16,407 | 10,115 | 59,220 | 39,086 |
| Total costs and expenses | 356,305 | 372,591 | 299,524 | 1,471,893 | 957,752 |
| OPERATING INCOME (LOSS) | 69,109 | 61,450 | 14,188 | 232,669 | 24,113 |
| OTHER INCOME (EXPENSE): | | | | | |
| Interest expense | (1,916) | (1,480) | (878) | (6,889) | (7,347) |
| Other expense | (158) | (93) | (232) | (663) | (1,025) |
| Total other income (expense) | (2,074) | (1,573) | (1,110) | (7,552) | (8,372) |
| INCOME (LOSS) BEFORE INCOME TAXES | 67,035 | 59,877 | 13,078 | 225,117 | 15,741 |
| INCOME TAX (EXPENSE)/BENEFIT | (15,257) | (13,592) | (3,000) | (51,255) | (3,128) |
| NET INCOME (LOSS) | \$ 51,778 | \$ 46,285 | \$ 10,078 | \$ 173,862 | \$ 12,613 |
| NET INCOME (LOSS) PER COMMON SHARE: | | | | | |
| Basic | \$ 0.62 | \$ 0.55 | \$ 0.12 | \$ 2.08 | \$ 0.17 |
| Diluted | \$ 0.59 | \$ 0.53 | \$ 0.12 | \$ 2.00 | \$ 0.16 |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING: | | | | | |
| Basic | 83,758 | 83,544 | 83,040 | 83,460 | 76,371 |
| Diluted | 87,218 | 86,878 | 86,818 | 87,046 | 79,583 |

PROPETRO HOLDING CORP. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

(Unaudited)

| | <u>December 31, 2018</u> | <u>December 31, 2017</u> |
|--|--------------------------|--------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 132,700 | \$ 23,949 |
| Accounts receivable - net of allowance for doubtful accounts of \$100 and \$443, respectively | 202,956 | 199,656 |
| Inventories | 6,353 | 6,184 |
| Prepaid expenses | 6,610 | 5,123 |
| Other current assets | 638 | 748 |
| Total current assets | <u>349,257</u> | <u>235,660</u> |
| PROPERTY AND EQUIPMENT - Net of accumulated depreciation | 912,846 | 470,910 |
| OTHER NONCURRENT ASSETS: | | |
| Goodwill | 9,425 | 9,425 |
| Intangible assets - net of amortization | 13 | 301 |
| Deferred revenue rebate - net of amortization | | 615 |
| Other noncurrent assets | 2,981 | 2,121 |
| Total other noncurrent assets | <u>12,419</u> | <u>12,462</u> |
| TOTAL ASSETS | <u>\$ 1,274,522</u> | <u>\$ 719,032</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 214,460 | \$ 211,149 |
| Accrued liabilities | 138,089 | 16,607 |
| Current portion of long-term debt | - | 15,764 |
| Accrued interest payable | 211 | 76 |
| Total current liabilities | <u>352,760</u> | <u>243,596</u> |
| DEFERRED INCOME TAXES | 54,283 | 4,881 |
| LONG-TERM DEBT | 70,000 | 57,178 |
| OTHER LONG-TERM LIABILITIES | 124 | 125 |
| Total liabilities | <u>477,167</u> | <u>305,780</u> |
| COMMITMENTS AND CONTINGENCIES | | |
| SHAREHOLDERS' EQUITY: | | |
| Preferred stock, \$0.001 par value, 30,000,000 shares authorized, 0 and 16,999,990 shares issued, respectively | - | - |
| Common stock, \$0.001 par value, 200,000,000 shares authorized, 100,190,126 and 83,039,854 shares issued, respectively | 100 | 83 |
| Additional paid-in capital | 817,690 | 607,466 |
| Accumulated deficit | (20,435) | (194,297) |
| TOTAL Total shareholders' equity | <u>797,355</u> | <u>413,252</u> |
| | <u>\$ 1,274,522</u> | <u>\$ 719,032</u> |

PROPETRO HOLDING CORP. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

| | <u>Twelve Months Ended December 31,</u> | |
|--|---|------------------|
| | <u>2018</u> | <u>2017</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 173,862 | \$ 12,613 |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 88,138 | 55,628 |
| Deferred income tax benefit | 49,704 | 3,430 |
| Amortization of deferred revenue rebate | 615 | 1,846 |
| Amortization of deferred debt issuance costs | 403 | 3,403 |
| Stock-based compensation | 5,482 | 9,489 |
| Loss on disposal of assets | 59,220 | 39,086 |
| (Gain) on interest rate swap | - | (251) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (3,300) | (84,477) |
| Other current assets | 207 | 3,304 |
| Inventories | (168) | (1,472) |
| Prepaid expenses | (1,418) | (468) |
| Accounts payable | 9,720 | 64,228 |
| Accrued liabilities and other current liabilities | 9,853 | 2,930 |
| Accrued interest | 761 | (32) |
| Net cash provided by operating activities | <u>393,079</u> | <u>109,257</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital expenditures | (284,197) | (285,891) |
| Proceeds from sale of assets | 3,593 | 4,422 |
| Net cash used in investing activities | <u>(280,604)</u> | <u>(281,469)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from borrowings | 77,378 | 60,045 |
| Repayments of borrowings | (80,946) | (166,546) |
| Proceeds from insurance financing | 5,824 | 4,125 |
| Repayments of insurance financing | (4,495) | (3,807) |
| Payment of debt issuance costs | (1,732) | (1,653) |
| Proceeds from exercise of equity awards | 247 | - |
| Proceeds from IPO | - | 185,500 |
| Payment of deferred IPO costs | - | (15,099) |
| NET INCR Net cash provided by financing activities | <u>(3,724)</u> | <u>62,565</u> |
| CASH AND CASH EQUIVALENTS — Beginning of period | 108,751 | (109,647) |
| CASH AND CASH EQUIVALENTS — End of period | <u>23,949</u> | <u>133,596</u> |
| | <u>\$ 132,700</u> | <u>\$ 23,949</u> |

Reportable Segment Information

| (\$ in thousands) | Three Months Ended | | | | | | | | |
|-------------------------------|--------------------|------------|------------|--------------------|------------|------------|-------------------|------------|------------|
| | December 31, 2018 | | | September 30, 2018 | | | December 31, 2017 | | |
| | Pressure Pumping | All Other | Total | Pressure Pumping | All Other | Total | Pressure Pumping | All Other | Total |
| Service revenue | \$ 416,117 | \$ 9,297 | \$ 425,414 | \$ 421,436 | \$ 12,605 | \$ 434,041 | \$ 305,685 | \$ 8,027 | \$ 313,712 |
| Adjusted EBITDA | \$ 116,447 | \$ (4,004) | \$ 112,443 | \$ 105,069 | \$ (1,701) | \$ 103,368 | \$ 46,826 | \$ (4,036) | \$ 42,790 |
| Depreciation and amortization | \$ 23,573 | \$ 1,136 | \$ 24,709 | \$ 22,026 | \$ 1,191 | \$ 23,217 | \$ 15,927 | \$ 1,099 | \$ 17,026 |
| Capital expenditures | \$ 359,059 | \$ 8,845 | \$ 367,904 | \$ 73,143 | \$ 1,060 | \$ 74,203 | \$ 97,310 | \$ 1,662 | \$ 98,972 |

| (\$ in thousands) | Twelve Months Ended | | | | | |
|-------------------------------|---------------------|------------|--------------|-------------------|------------|------------|
| | December 31, 2018 | | | December 31, 2017 | | |
| | Pressure Pumping | All Other | Total | Pressure Pumping | All Other | Total |
| Service revenue | \$ 1,658,403 | \$ 46,159 | \$ 1,704,562 | \$ 945,040 | \$ 36,825 | \$ 981,865 |
| Adjusted EBITDA | \$ 398,396 | \$ (9,873) | \$ 388,523 | \$ 145,122 | \$ (7,679) | \$ 137,443 |
| Depreciation and amortization | \$ 83,404 | \$ 4,734 | \$ 88,138 | \$ 51,155 | \$ 4,473 | \$ 55,628 |
| Capital expenditures | \$ 577,171 | \$ 15,431 | \$ 592,602 | \$ 300,406 | \$ 4,893 | \$ 305,299 |

Reportable Segment Information

| (\$ in thousands) | Three Months Ended | | | | | | | | |
|-------------------------------|--------------------|------------|------------|--------------------|------------|------------|-------------------|------------|------------|
| | December 31, 2018 | | | September 30, 2018 | | | December 31, 2017 | | |
| | Pressure Pumping | All Other | Total | Pressure Pumping | All Other | Total | Pressure Pumping | All Other | Total |
| Service revenue | \$ 416,117 | \$ 9,297 | \$ 425,414 | \$ 421,436 | \$ 12,605 | \$ 434,041 | \$ 305,685 | \$ 8,027 | \$ 313,712 |
| Adjusted EBITDA | \$ 116,446 | \$ (4,003) | \$ 112,443 | \$ 105,069 | \$ (1,701) | \$ 103,368 | \$ 46,826 | \$ (4,036) | \$ 42,790 |
| Depreciation and amortization | \$ 23,573 | \$ 1,136 | \$ 24,709 | \$ 22,026 | \$ 1,191 | \$ 23,217 | \$ 15,927 | \$ 1,099 | \$ 17,026 |
| Capital expenditures | \$ 359,059 | \$ 8,845 | \$ 367,904 | \$ 73,143 | \$ 1,060 | \$ 74,203 | \$ 97,310 | \$ 1,662 | \$ 98,972 |

| (\$ in thousands) | Twelve Months Ended | | | | | |
|-------------------------------|---------------------|------------|--------------|-------------------|------------|------------|
| | December 31, 2018 | | | December 31, 2017 | | |
| | Pressure Pumping | All Other | Total | Pressure Pumping | All Other | Total |
| Service revenue | \$ 1,658,403 | \$ 46,159 | \$ 1,704,562 | \$ 945,040 | \$ 36,825 | \$ 981,865 |
| Adjusted EBITDA | \$ 398,396 | \$ (9,873) | \$ 388,523 | \$ 145,122 | \$ (7,679) | \$ 137,443 |
| Depreciation and amortization | \$ 83,404 | \$ 4,734 | \$ 88,138 | \$ 51,155 | \$ 4,473 | \$ 55,628 |
| Capital expenditures | \$ 577,171 | \$ 15,431 | \$ 592,602 | \$ 300,406 | \$ 4,893 | \$ 305,299 |

Non-GAAP Financial Measures

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 (Loss) to Adjusted EBITDA

| (\$ in thousands) | Three Months Ended | | | | | | | | |
|------------------------------------|--------------------|-------------|------------|--------------------|-------------|------------|-------------------|-------------|-----------|
| | December 31, 2018 | | | September 30, 2018 | | | December 31, 2017 | | |
| | Pressure Pumping | All Other | Total | Pressure Pumping | All Other | Total | Pressure Pumping | All Other | Total |
| Net income (loss) | \$ 76,244 | \$ (24,466) | \$ 51,778 | \$ 66,493 | \$ (20,208) | \$ 46,285 | \$ 20,330 | \$ (10,251) | \$ 10,079 |
| Depreciation and amortization | \$ 23,574 | 1,136 | 24,710 | 22,026 | 1,191 | 23,217 | 15,927 | 1,099 | 17,026 |
| Interest expense | \$ - | 1,916 | 1,916 | - | 1,480 | 1,480 | - | 878 | 878 |
| Income tax expense | \$ - | 15,257 | 15,257 | - | 13,592 | 13,592 | - | 3,000 | 3,000 |
| Loss on disposal of assets | \$ 16,194 | (35) | 16,159 | 16,117 | 290 | 16,407 | 10,117 | (1) | 10,116 |
| Stock-based compensation | \$ - | 1,650 | 1,650 | - | 1,631 | 1,631 | - | 759 | 759 |
| Other expense and legal settlement | \$ - | 343 | 343 | - | 93 | 93 | - | 233 | 233 |
| Deferred IPO bonus expense | \$ 434 | 196 | 630 | 433 | 230 | 663 | 452 | 247 | 699 |
| Adjusted EBITDA | \$ 116,447 | \$ (4,004) | \$ 112,443 | \$ 105,069 | \$ (1,701) | \$ 103,368 | \$ 46,826 | \$ (4,036) | \$ 42,790 |

| (\$ in thousands) | Twelve Months Ended | | | | | |
|------------------------------------|---------------------|-------------|------------|-------------------|-------------|------------|
| | December 31, 2018 | | | December 31, 2017 | | |
| | Pressure Pumping | All Other | Total | Pressure Pumping | All Other | Total |
| Net income (loss) | \$ 253,196 | \$ (79,334) | \$ 173,862 | \$ 50,417 | \$ (37,804) | \$ 12,613 |
| Depreciation and amortization | 83,404 | 4,734 | 88,138 | 51,155 | 4,473 | 55,628 |
| Interest expense | - | 6,889 | 6,889 | - | 7,347 | 7,347 |
| Income tax expense | - | 51,255 | 51,255 | - | 3,128 | 3,128 |
| Loss on disposal of assets | 59,962 | (742) | 59,220 | 38,059 | 1,027 | 39,086 |
| Stock-based compensation | - | 5,482 | 5,482 | - | 9,489 | 9,489 |
| Other expense and legal settlement | 2 | 866 | 868 | - | 1,747 | 1,747 |
| Deferred IPO bonus expense | 1,832 | 977 | 2,809 | 5,491 | 2,914 | 8,405 |
| Adjusted EBITDA | \$ 398,396 | \$ (9,873) | \$ 388,523 | \$ 145,122 | \$ (7,679) | \$ 137,443 |

Reconciliation of Net Income (Loss) to Adjusted EBITDA

| (\$ in thousands) | Three Months Ended | | | | | | | | |
|------------------------------------|--------------------|-------------|------------|--------------------|-------------|------------|-------------------|-------------|-----------|
| | December 31, 2018 | | | September 30, 2018 | | | December 31, 2017 | | |
| | Pressure Pumping | All Other | Total | Pressure Pumping | All Other | Total | Pressure Pumping | All Other | Total |
| Net income (loss) | \$ 76,244 | \$ (24,466) | \$ 51,778 | \$ 66,493 | \$ (20,208) | \$ 46,285 | \$ 20,330 | \$ (10,251) | \$ 10,079 |
| Depreciation and amortization | \$ 23,574 | 1,136 | 24,710 | 22,026 | 1,191 | 23,217 | 15,927 | 1,099 | 17,026 |
| Interest expense | \$ - | 1,916 | 1,916 | - | 1,480 | 1,480 | - | 878 | 878 |
| Income tax expense | \$ - | 15,257 | 15,257 | - | 13,592 | 13,592 | - | 3,000 | 3,000 |
| Loss on disposal of assets | \$ 16,194 | (35) | 16,159 | 16,117 | 290 | 16,407 | 10,117 | (1) | 10,116 |
| Stock-based compensation | \$ - | 1,650 | 1,650 | - | 1,631 | 1,631 | - | 759 | 759 |
| Other expense and legal settlement | \$ - | 343 | 343 | - | 93 | 93 | - | 233 | 233 |
| Deferred IPO bonus expense | \$ 434 | 196 | 630 | 433 | 230 | 663 | 452 | 247 | 699 |
| Adjusted EBITDA | \$ 116,446 | \$ (4,003) | \$ 112,443 | \$ 105,069 | \$ (1,701) | \$ 103,368 | \$ 46,826 | \$ (4,036) | \$ 42,790 |

| (\$ in thousands) | Twelve Months Ended | | | | | |
|------------------------------------|---------------------|-------------|------------|-------------------|-------------|------------|
| | December 31, 2018 | | | December 31, 2017 | | |
| | Pressure Pumping | All Other | Total | Pressure Pumping | All Other | Total |
| Net income (loss) | \$ 253,196 | \$ (79,334) | \$ 173,862 | \$ 50,417 | \$ (37,804) | \$ 12,613 |
| Depreciation and amortization | 83,404 | 4,734 | 88,138 | 51,155 | 4,473 | 55,628 |
| Interest expense | - | 6,889 | 6,889 | - | 7,347 | 7,347 |
| Income tax expense | - | 51,255 | 51,255 | - | 3,128 | 3,128 |
| Loss on disposal of assets | 59,962 | (742) | 59,220 | 38,059 | 1,027 | 39,086 |
| Stock-based compensation | - | 5,482 | 5,482 | - | 9,489 | 9,489 |
| Other expense and legal settlement | 2 | 866 | 868 | - | 1,747 | 1,747 |
| Deferred IPO bonus expense | 1,832 | 977 | 2,809 | 5,491 | 2,914 | 8,405 |
| Adjusted EBITDA | \$ 398,396 | \$ (9,873) | \$ 388,523 | \$ 145,122 | \$ (7,679) | \$ 137,443 |