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): May 3, 2023

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)	(IRS Employer Identification No.)

1706 South Midkiff,
Midland, Texas 79701
(Address of principal executive offices)

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

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))

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
Preferred Stock Purchase Rights	N/A	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 CFR230.405) 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 May 3, 2023, ProPetro Holding Corp. (the “Company”) issued a press release announcing its results for the quarter ended March 31, 2023. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

On May 3, 2023, the Company posted an investor presentation to its website pertaining to the financial and operational results for the quarter ended March 31, 2023 and the commentary discussing financial and operating results for the first quarter 2023. The presentation and the commentary are posted on the Company's website at ir.propetroservices.com/presentations and attached hereto as Exhibit 99.2 and Exhibit 99.3, respectively.

The information furnished with this report, including Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3, 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 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibit
99.1	Press release announcing first quarter 2023 results, dated May 3, 2023.
99.2	Investor presentation, dated May 3, 2023.
99.3	Commentary discussing financial and operating results for the first quarter 2023.
104	Cover Page Interactive Data File. The cover page XBRL tags are embedded within the inline XBRL document (contained in Exhibit 101).

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: May 3, 2023

PROPETRO HOLDING CORP.

/s/ David S. Schorlemer

David S. Schorlemer
Chief Financial Officer

EXHIBIT 99.1

ProPetro Reports Financial Results for the First Quarter of 2023

MIDLAND, Texas, May 3, 2023, (Business Wire) – ProPetro Holding Corp. ("ProPetro" or "the Company") (NYSE: PUMP) today announced financial and operational results for the first quarter of 2023.

First Quarter 2023 Results and Recent Highlights

- Total revenue increased 21% sequentially to $424 million compared to the prior quarter.
- Net income was $29 million, or $0.25 per diluted share, compared to net income of $13 million, or $0.12 per diluted share, in the prior quarter.
- Effective January 1, 2023, the Company began to record utilization of fluid ends as an operating expense rather than capital expenditure.
- Adjusted EBITDA(1) for the quarter increased 42% sequentially to $119 million or 28% of revenues, including a margin increase of over 400 basis points.
- Effective frac fleet utilization increased to 15.5 fleets compared to 14.5 fleets in the prior quarter.
    - Six Tier IV Dynamic Gas Blending ("DGB") dual-fuel frac fleets are operating currently with the Company's seventh fleet expected to commence operations in the second quarter.
    - Four electric frac fleets to be delivered in 2023 with two expected to be deployed in the third quarter of 2023 and the remainder in early 2024.
    - The Company plans to retire approximately 140,000 hydraulic horsepower of Tier II conventional diesel frac equipment during 2023 which will be scrapped and will not return to service.
- Net cash provided by operating activities of $73 million as compared to $125 million in the prior quarter.
- Free Cash Flow(2) was approximately negative $41 million as compared to Free Cash Flow of approximately $15 million in the prior quarter.

(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”. Adjusted EBITDA in the periods prior to 2023 does not include the impact of expensing fluid ends.

(2) Free Cash Flow is a Non-GAAP financial measure and is described and reconciled to cash from operating activities in the table under “Non-GAAP Financial Measures".

Sam Sledge, Chief Executive Officer, commented, “The first quarter of 2023 was an exciting start to the year for ProPetro. Thanks to the hard work and dedication of our team, we continue to execute and produce results through our aggressive positioning strategy aimed at achieving sustained, long-term success. As a part of this strategy, in the first quarter we repriced a substantial portion of our active fleets while continuing the transition into more next generation gas burning equipment, both of which are vital for driving value creation. These adjustments, have proven to be crucial tailwinds for our strong quarter and a large reason ProPetro is primed for success in the remainder of 2023 and beyond.”

“We are proud to deliver our best quarterly financial results for Adjusted EBITDA, margin and Net Income in over three years," said David Schorlemer, Chief Financial Officer. "These results included healthy increases to revenue and Adjusted EBITDA in the quarter along with nearly 50 percent incremental Adjusted EBITDA margins and over 400 basis points of margin improvement. Our results this quarter reflect our focus on our strategic pillars including optimizing our business, our fleet and capital-light equipment transition, and the returns from our recent Silvertip acquisition. Additionally, this strategic focus coupled with our disciplined repricing efforts led to enhanced margins driving strong profitability. While we experienced some working capital expansion during the quarter, our balance sheet and liquidity position remain strong to support our strategy going forward.”

First Quarter 2023 Financial Summary

Revenue was $424 million, compared to $349 million for the fourth quarter of 2022. The 21% increase in revenue is attributable to increased utilization, improved pricing across our service lines, the full quarter effect of Silvertip's revenue contribution, and the fleet repositioning efforts we undertook in the fourth quarter of 2022.

Cost of services, excluding depreciation and amortization of approximately $51 million, increased to $280 million from $243 million during the fourth quarter of 2022. The 16% increase was attributable to the increased operational activity levels across our service lines in the first quarter of 2023. Effective January 1, 2023, the Company began to record utilization of fluid ends as an operating expense rather than capital expenditure. This change to fluid ends expensing was made after an analysis of the useful life for these components and was implemented prospectively.

General and administrative expense of $29 million increased from $27 million in the fourth quarter of 2022. G&A expense excluding nonrecurring and noncash items (stock-based compensation of $4 million, and other items totaling $1 million, including insurance reimbursements, legal settlements, transaction expenses, retention bonuses and severance expenses) was $24 million, or 5.6% of revenue as compared to 6.4% of revenue in the fourth quarter of 2022.

Net income totaled $29 million, or $0.25 per diluted share, compared to net income of $13 million, or $0.12 per diluted share, for the fourth quarter of 2022.

Adjusted EBITDA increased to $119 million from $84 million for the fourth quarter of 2022. The increase in Adjusted EBITDA was also primarily attributable to net pricing improvements, frac fleet repositioning efforts and the full quarter effect of Silvertip's Adjusted EBITDA contribution.

Liquidity and Capital Spending

As of March 31, 2023, our total cash balance was $45 million and total liquidity was $149 million, which included our cash balance plus available borrowing capacity under the Company’s ABL Credit Facility, with $30 million of borrowings outstanding thereunder. As of May 1, 2023, our cash balance was $82 million and we had $60 million of borrowings under our ABL and $166 million of total liquidity.

Capital expenditures incurred during the first quarter of 2023 were $97 million, the majority of which was related to maintenance expenditures and our previously announced Tier IV DGB dual-fuel conversions. Net cash used in investing activities from our statement of cash flows during the first quarter of 2023 was $114 million.

Guidance

Our first quarter cash capital expenditures were in line with our prior guidance of a front-loaded annual capex budget. Full-year 2023 cash capital expenditures are still anticipated to be between $250 million and $300 million, a reduction compared to 2022. The Company anticipates that ongoing fleet revitalization and strategic investments will continue to increase the competitiveness of our service offering.

Additionally, based on our current outlook for the second quarter of 2023, the Company anticipates frac fleet utilization to range between 15 to 16 fleets. The Company previously announced ordering four electric hydraulic fracturing fleets of which two are expected to be deployed in the third quarter of 2023 and the remainder in early 2024. Total next generation frac fleet configuration by year-end 2023 will include seven Tier IV DGB dual-fuel fleets and four electric fleets. In accordance with the Company's fleet replacement strategy and not expanding net capacity in the market, we plan to retire approximately 140,000 hydraulic horsepower of Tier II conventional diesel frac equipment during 2023.

Outlook

Mr. Sledge, concluded, “We are continuing to see strong demand for our services into the second quarter. Our strong balance sheet is a testament to our commitment to capital discipline, which has enabled us to install upgraded next generation equipment to benefit ProPetro for years to come while funding this transition through organic cash flow generation. We believe our first quarter performance is a powerful starting point and we intend to maintain that momentum as we progress through the rest of the year."

"Looking ahead, we continue to believe that hydrocarbons remain in structural undersupply and may remain so for the foreseeable future. The ongoing industrialization of the Permian Basin and the industry more broadly is an important change, one that the service space must pursue to capture maximum value. ProPetro is well situated to capitalize on this evolution with the combination of two-thirds of our equipment being under two years of age and capable of utilizing natural gas as a primary fuel source by the end of 2023 coupled with a unique regional expertise, which together constitute a meaningful competitive advantage. At ProPetro, we are intensely focused on the key pillars of our strategy: optimizing our businesses, transitioning our fleet to next generation equipment and pursuing strategic transactions and partnerships to accelerate free cash flow and, most importantly, generate enhanced value for our shareholders.”

Conference Call Information

The Company will host a conference call at 8:00 AM Central Time on Wednesday, May 3, 2023, to discuss financial and operating results for the first quarter of 2023. The call will also be webcast on ProPetro’s website at www.propetroservices.com. 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 4994405. The Company also posted the scripted remarks on its website.

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. We help bring reliable energy to the world. For more information visit www.propetroservices.com.

Forward-Looking Statements

Except for historical information contained herein, the statements and information in this news release and discussion in the scripted remarks described above are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include the words “may,” “could,” “plan,” “project,” “budget,” “predict,” “pursue,” “target,” “seek,” “objective,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” and other expressions that are predictions of, or indicate, future events and trends and that do not relate to historical matters identify forward-looking statements. Our forward-looking statements include, among other matters, statements about the supply of and demand for hydrocarbons, our business strategy, industry, future profitability, expected fleet utilization, sustainability efforts, the future performance of newly improved technology, expected capital expenditures, the impact of such expenditures on our performance and capital programs and our fleet conversion strategy. A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable.

Although forward-looking statements reflect our good faith beliefs at the time they are made, forward-looking statements are subject to a number of risks and uncertainties that may cause actual events and results to differ materially from the forward-looking statements. Such risks and uncertainties include the volatility of oil prices, the operational disruption and market volatility resulting from the COVID-19 pandemic, the global macroeconomic uncertainty related to the Russia-Ukraine war, general economic conditions, including the impact of continued inflation, central bank policy actions, bank failures, and the risk of a global recession, and other factors 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 (the “SEC”). In addition, the Company may be subject to currently unforeseen risks that may have a materially adverse impact on it, including matters related to shareholder litigation. 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 SEC 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.

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

	Three Months Ended		
	March 31, 2023	**December 31, 2022**	**March 31, 2022**
REVENUE - Service revenue	$ 423,570	$ 348,924	$ 282,680
COSTS AND EXPENSES			
Cost of services (exclusive of depreciation and amortization)	280,486	242,618	197,271
General and administrative (inclusive of stock-based compensation)	28,746	26,728	31,707
Depreciation and amortization	50,798	34,375	31,854
Loss on disposal of assets	22,080	26,912	16,117
Total costs and expenses	382,110	330,633	276,949
OPERATING INCOME	41,460	18,291	5,731
OTHER INCOME (EXPENSE):			
Interest expense	(667)	(565)	(134)
Other income (expense)	(3,704)	1,835	10,357
Total other income (expense)	(4,371)	1,270	10,223
INCOME BEFORE INCOME TAXES	37,089	19,561	15,954
INCOME TAX EXPENSE	(8,356)	(6,520)	(4,137)
NET INCOME	$ 28,733	$ 13,041	$ 11,817
NET INCOME PER COMMON SHARE:			
Basic	$ 0.25	$ 0.12	$ 0.11
Diluted	$ 0.25	$ 0.12	$ 0.11
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	114,881	111,118	103,683
Diluted	115,331	111,988	105,384

NOTE: Cost of services in the periods prior to 2023 does not include the impact of expensing fluid ends.

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

	March 31, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash, cash equivalents and restricted cash	$ 44,793	$ 88,862
Accounts receivable - net of allowance for credit losses of $202 and $419, respectively	290,125	215,925
Inventories	17,732	5,034
Prepaid expenses	9,211	8,643
Short-term investment, net	6,489	10,283
Other current assets	343	38
Total current assets	368,693	328,785
PROPERTY AND EQUIPMENT - net of accumulated depreciation	941,200	922,735
OPERATING LEASE RIGHT-OF-USE ASSETS	4,654	3,147
OTHER NONCURRENT ASSETS:		
Goodwill	23,624	23,624
Intangible assets - net of amortization	54,913	56,345
Other noncurrent assets	1,067	1,150
Total other noncurrent assets	79,604	81,119
TOTAL ASSETS	$ 1,394,151	$ 1,335,786
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 246,141	$ 234,299
Operating lease liabilities	986	854
Accrued and other current liabilities	57,352	49,027
Total current liabilities	304,479	284,180
DEFERRED INCOME TAXES	73,073	65,265
LONG-TERM DEBT	30,000	30,000
NONCURRENT OPERATING LEASE LIABILITIES	3,676	2,308
Total liabilities	411,228	381,753
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, 115,170,545 and 114,515,008 shares issued, respectively	115	114
Additional paid-in capital	970,675	970,519
Retained earnings (accumulated deficit)	12,133	(16,600)
Total shareholders' equity	982,923	954,033
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,394,151	$ 1,335,786

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

	Three Months Ended March 31,	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 28,733	$ 11,817
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	50,798	31,854
Deferred income tax expense	7,807	3,826
Amortization of deferred debt issuance costs	64	134
Stock-based compensation	3,536	11,364
Loss on disposal of assets	22,080	16,117
Unrealized loss on short-term investment	3,794	—
Changes in operating assets and liabilities:		
Accounts receivable	(74,199)	(44,032)
Other current assets	(468)	156
Inventories	(6,366)	1,653
Prepaid expenses	(548)	1,707
Accounts payable	29,823	(10,035)
Accrued and other current liabilities	7,978	609
Accrued interest	28	—
Net cash provided by operating activities	73,060	25,170
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(114,839)	(64,323)
Proceeds from sale of assets	1,089	275
Net cash used in investing activities	(113,750)	(64,048)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of equity awards	—	419
Tax withholdings paid for net settlement of equity awards	(3,379)	(2,691)
Net cash used in financing activities	(3,379)	(2,272)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(44,069)	(41,150)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - Beginning of period	88,862	111,918
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - End of period	$ 44,793	$ 70,768

Reportable Segment Information

	Three Months Ended					
	March 31, 2023			December 31, 2022		
(in thousands)	Completion Services	All Other	Total	Completion Services	All Other	Total
Service revenue	$ 423,570	$ —	$ 423,570	$ 348,924	$ —	$ 348,924
Adjusted EBITDA	$ 119,165	$ —	$ 119,165	$ 84,228	$ (118)	$ 84,110
Depreciation and amortization	$ 50,798	$ —	$ 50,798	$ 34,375	$ —	$ 34,375
Capital expenditures	$ 97,170	$ —	$ 97,170	$ 89,158	$ 226	$ 89,384

NOTE: Adjusted EBITDA in the periods prior to 2023 does not include the impact of expensing fluid ends.

Non-GAAP Financial Measures

Adjusted EBITDA and Free Cash Flow are not financial measures presented in accordance with GAAP. We define EBITDA as net income (loss) less (i) depreciation and amortization, (ii) interest expense and (iii) income tax expense (benefit). We define Adjusted EBITDA as EBITDA, plus (i) loss (gain) on disposal of assets, (ii) stock-based compensation, (iii) other expense (income), (iv) other general and administrative expense (net) and (v) retention bonus and severance expense. We define Free Cash Flow as net cash provided by operating activities less net cash used in investing activities. We define EBITDA as net income (loss) less (i) depreciation and amortization, (ii) interest expense and (iii) income tax expense (benefit). We define Adjusted EBITDA as EBITDA, plus (i) loss (gain) on disposal of assets, (ii) stock-based compensation, (iii) other expense (income), (iv) other general and administrative expense (net) and (v) severance expense. We define Free Cash Flow as net cash provided by operating activities less net cash used in investing activities.

We believe that the presentation of these non-GAAP financial measures provide 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, and net cash from operating activities is the GAAP measure most directly comparable to Free Cash Flow. Non-GAAP financial measures should not be considered as alternatives to the most directly comparable GAAP financial measures. 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 or Free Cash Flow in isolation or as a substitute for an analysis of our results as reported under GAAP. Because Adjusted EBITDA and Free Cash Flow may be defined differently by other companies in our industry, our definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

EXHIBIT 99.1

Reconciliation of Net Income (Loss) to Adjusted EBITDA

	Three Months Ended					
	March 31, 2023			December 31, 2022		
(in thousands)	Completion Services	All Other	Total	Completion Services	All Other	Total
Net income	$ 28,733	$ —	$ 28,733	$ 13,386	$ (345)	$ 13,041
Depreciation and amortization	50,798	—	50,798	34,375	—	34,375
Interest expense	667	—	667	565	—	565
Income tax expense	8,356	—	8,356	6,520	—	6,520
Loss on disposal of assets	22,080	—	22,080	26,685	227	26,912
Stock-based compensation	3,536	—	3,536	3,754	—	3,754
Other expense (income) (2)	3,704	—	3,704	(1,835)	—	(1,835)
Other general and administrative expense, (net) (1)	946	—	946	748	—	748
Retention bonus and severance expense	345	—	345	30	—	30
Adjusted EBITDA	$ 119,165	$ —	$ 119,165	$ 84,228	$ (118)	$ 84,110

NOTE: Adjusted EBITDA in the periods prior to 2023 does not include the impact of expensing fluid ends.

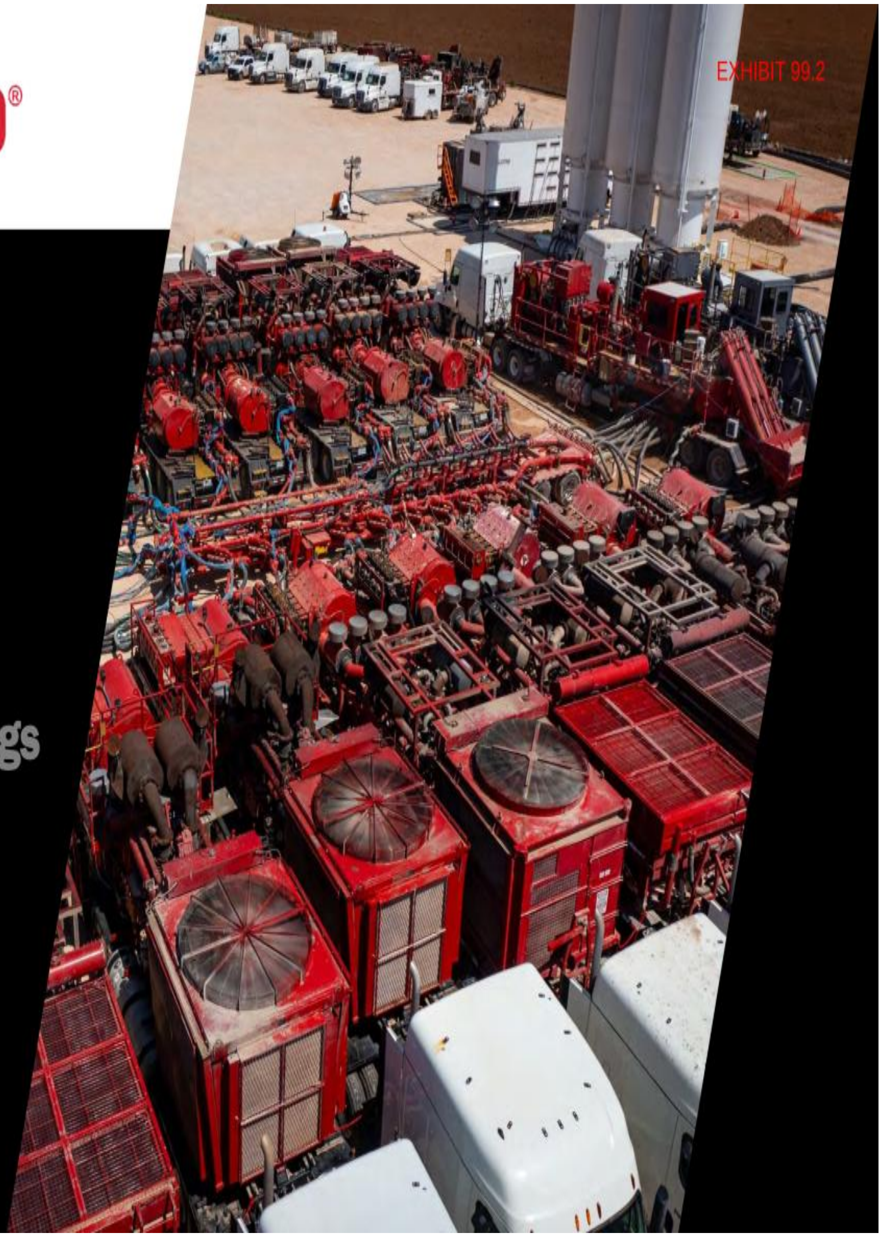
(1) Other general and administrative expense, (net of reimbursement from insurance carriers) primarily relates to nonrecurring professional fees paid to external consultants in connection with the Company's audit committee review, SEC investigation, shareholder litigation, legal settlement to a vendor and other legal matters, net of insurance recoveries. During the three months ended March 31, 2023 and December 31, 2022, we received approximately $0.3 million and $3.5 millior, respectively, from our insurance carriers in connection with the SEC investigation and shareholder litigation.

(2) Includes $3.8 million unrealized loss on short-term investment.

Reconciliation of Cash from Operating Activities to Free Cash Flow

	Three Months Ended	
(in thousands)	March 31, 2023	December 31, 2022
Cash from Operating Activities	$ 73,060	$ 125,478
Cash used in Investing Activities	(113,750)	(109,788)
Free Cash Flow	$ (40,690)	$ 15,690

PROPETRO®



Investor Presentation

First Quarter 2023 Earnings

May 3, 2023

Forward-Looking Statements

Except for historical information contained herein, the statements and information in this presentation, including the oral statements made in connection herewith, are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include the words "may," "could," "plan," "project," "budget," "predict," "pursue," "target," "seek," "objective," "believe," "expect," "anticipate," "intend," "estimate," and other expressions that are predictions of, or indicate, future events and trends and that do not relate to historical matters identify forward-looking statements. Our forward-looking statements include, among other matters, statements about the supply of and demand for hydrocarbons, our business strategy, industry, projected financial results and future financial performance, expected fleet utilization, sustainability efforts, the future performance of newly improved technology, expected capital expenditures, the impact of such expenditures on our performance and capital programs and our fleet conversion strategy. A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable.

Although forward-looking statements reflect our good faith beliefs at the time they are made, forward-looking statements are subject to a number of risks and uncertainties that may cause actual events and results to differ materially from the forward-looking statements. Such risks and uncertainties include the volatility of and recent declines in oil prices, the operational disruption and market volatility resulting from the global macroeconomic uncertainty related to the Russia-Ukraine war, general economic conditions, including impact of continued inflation, central bank policy actions, banking failures and the risk of a global recession and other factors described in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, particularly the "Risk Factors" sections of such filings, and other filings with the Securities and Exchange Commission (the "SEC"). In addition, we may be subject to currently unforeseen risks that may have a materially adverse impact on us, including matters related to shareholder litigation.

Accordingly, no assurances can be given that the actual events and results will not be materially different than the anticipated results described in the forward-looking statements. Readers are cautioned not to place undue reliance on such forward-looking statements and are urged to carefully review and consider the various disclosures made in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other filings made with the SEC from time to time that disclose risks and uncertainties that may affect our business. The forward-looking statements in this presentation are made as of the date of this presentation. We do not undertake, and expressly disclaim, any duty to publicly update these statements, whether as a result of new information, new developments or otherwise, except to the extent that disclosure is required by law.

This presentation contains certain measures that are not determined in accordance with GAAP. For a definition of these measures and a reconciliation to the most directly comparable GAAP measure on a historical basis, please see the reconciliation on slide 3.

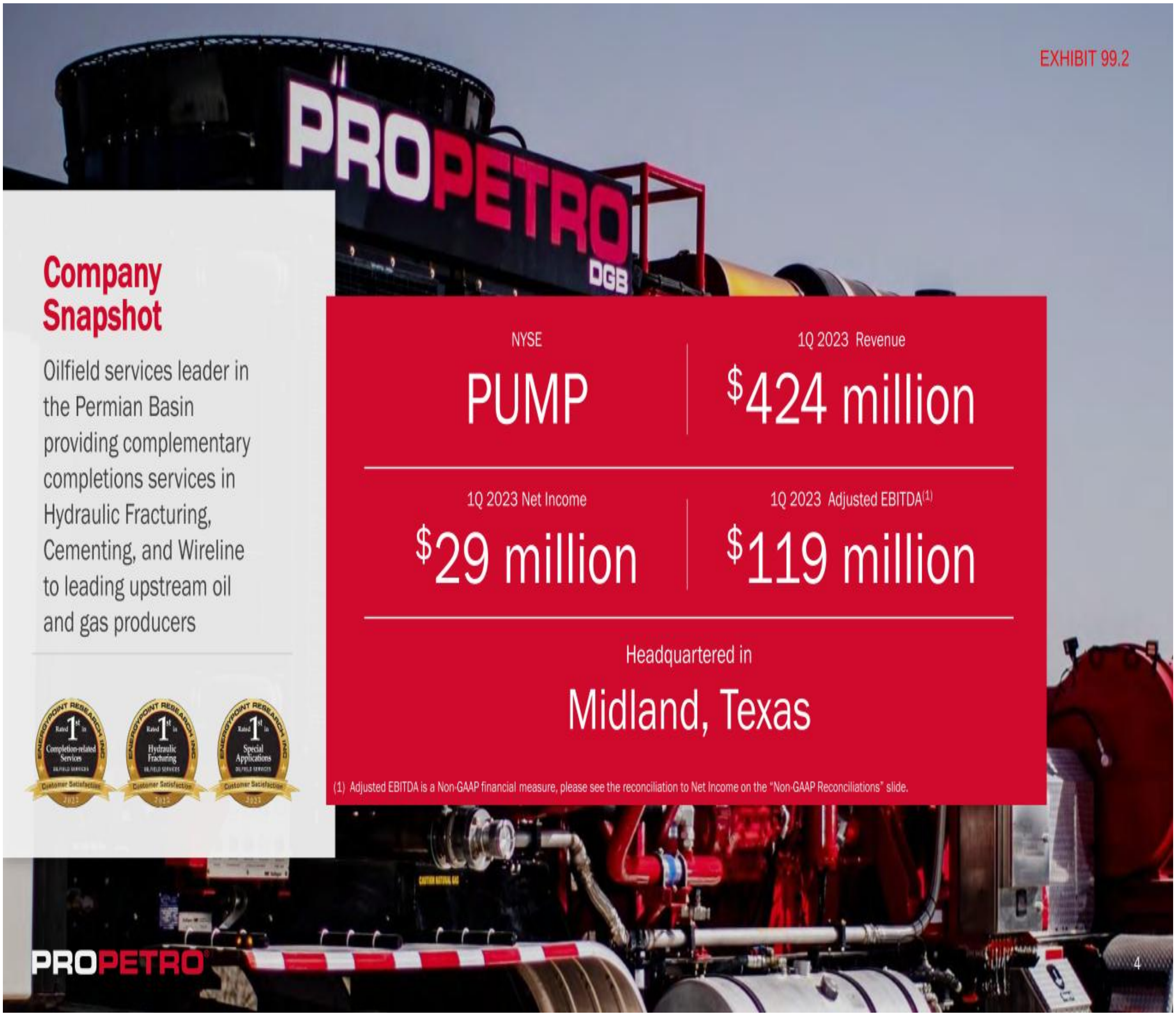
Non-GAAP Reconciliations

EXHIBIT 99.2

This presentation references "Adjusted EBITDA" and "Free Cash Flow," which are non-GAAP financial measures. We define EBITDA as net income plus (i) depreciation and amortization, (ii) interest expense and (iii) income tax expense (benefit). We define Adjusted EBITDA as EBITDA, plus (i) loss/(gain) on disposal of assets, (ii) stock-based compensation, (iii) other expense (income), (iv) other general and administrative expense (net) and (v) retention bonus and severance expense. Free cash flow (FCF) is defined as net cash provided by operating activities minus net cash used in investing activities. These non-GAAP financial measures are not intended to be an alternative to any measure calculated in accordance with GAAP. We believe the presentation of Adjusted EBITDA and Free Cash Flow provide useful information to investors in assessing our financial condition and the results of operations. Net income is the GAAP measure most directly comparable to Adjusted EBITDA. Net cash provided by operating activities is the GAAP measure most directly comparable to Free Cash Flow. Non-GAAP financial measures have important limitations as analytical tools because they exclude some, but not all, items that affect the most directly comparable GAAP financial measures. You should not consider these non-GAAP financial measures in isolation or as a substitute for an analysis of our results as reported under GAAP. Further, Adjusted EBITDA and Free Cash Flow may be defined differently by other companies in our industry, and our definitions of Adjusted EBITDA and Free Cash Flow may not be comparable to similarly titled measures of other companies, thereby diminishing their utility. Adjusted EBITDA in the periods prior to 2023 does not include the impact of expensing fluid ends.

	Three Months Ended	
(in thousands)	March 31, 2023	December 31, 2022
Net income	$28,733	$13,041
Depreciation and amortization	50,798	34,375
Interest expense	667	565
Income tax expense	8,356	6,520
Loss on disposal of assets	22,080	26,912
Stock-based compensation	3,536	3,754
Other expense (income)	3,704	(1,835)
Other general and administrative expenses (net)	946	748
Retention bonus and severance expense	345	30
Adjusted EBITDA	$119,165	$84,110

	Three Months Ended	
(in thousands)	March 31, 2023	December 31, 2022
Net Cash provided by Operating Activities	$73,060	$125,478
Net Cash used in Investing Activities	(113,750)	(109,788)
Free Cash Flow	**$(40,690)**	**$15,690**



Company Snapshot

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

NYSE	1Q 2023 Revenue
PUMP	$424 million

1Q 2023 Net Income	1Q 2023 Adjusted EBITDA(1)
$29 million	$119 million

Headquartered in

Midland, Texas

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

PROPETRO

EXHIBIT 99.2

Our Strategy & Recent Highlights

- ✓ Delivered our best quarterly financial results (Adj. EBITDA, margin, and NI) in over three years
- ✓ 42% sequential Adjusted EBITDA growth with 400 basis points of margin improvement
- ✓ Repositioned and repriced hydraulic frac fleets to enhance financial performance
- ✓ Silvertip acquisition producing strong returns and benefitting from integration
- ✓ 6 Tier IV DGB dual-fuel frac fleets now operating

Optimize operations and industrialize our business

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

Develop and integrate innovative technologies

Pursue opportunistic strategic transactions to accelerate value creation and distribution

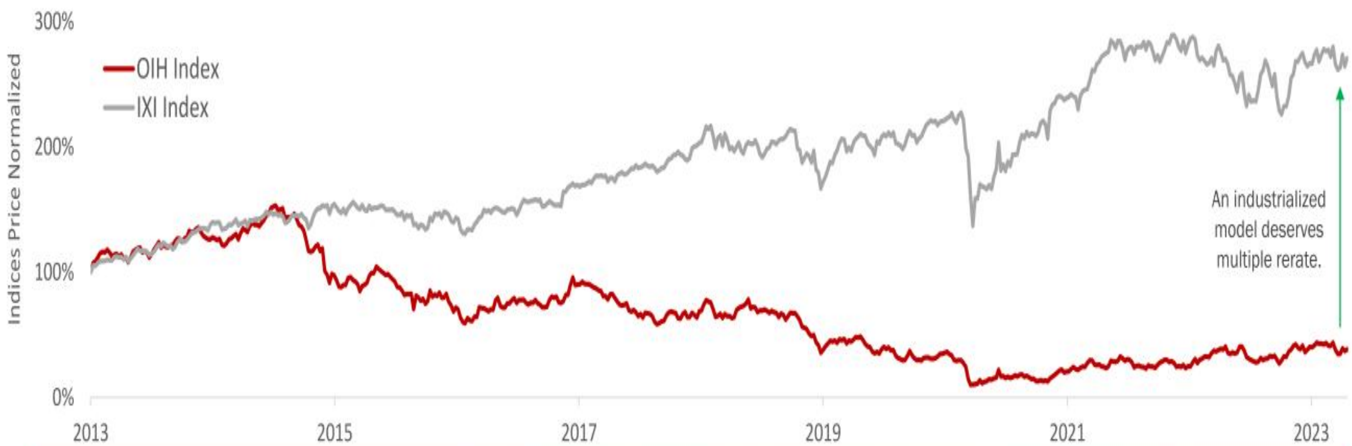
Maintain a strong balance sheet

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

Changing to an Industrialized Model: Valuation Indices Comparison

EXHIBIT 99.2

OIL SERVICES INDEX (OIH) VS. INDUSTRIAL SECTOR INDEX (IXI)



Dislocation of OFS Stocks

- × Excess and undisciplined capital availability and resulting overbuild
- × History of capital destruction under obsolete EBITDA growth model
- × Bias against hydrocarbons
- × Amplitude of industry cycles
- × Resulting flight of capital and investors

Reason for Multiple Rerate for OFS Stocks

- ✓ Capital discipline and industry consolidation
- ✓ Employment of industrial technologies and emerging contracting environment
- ✓ Premium on cash flow generation (FCFPS)
- ✓ Shortage of equipment / attrition
- ✓ Low-growth / sustainable operating model

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NOTE: OIH is the VanEck Oil Services ETF; IXI is the Industrial Select Sector Index. FCFPS defined as free cash flow per share.

Industry Evolving for a Sustainable Future

PRE-COVID PANDEMIC INDUSTRY DYNAMICS

- Booming global economy
- Higher relative refining capacity
- Limited shareholder and corporate pressure for Environmental and other ESG-related causes
- Robust capital markets and associated capital access

CURRENT INDUSTRY DYNAMICS

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

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

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

Capital markets largely avoiding oil and gas as private equity groups are chasing "transition energy" and debt markets are effectively closed

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

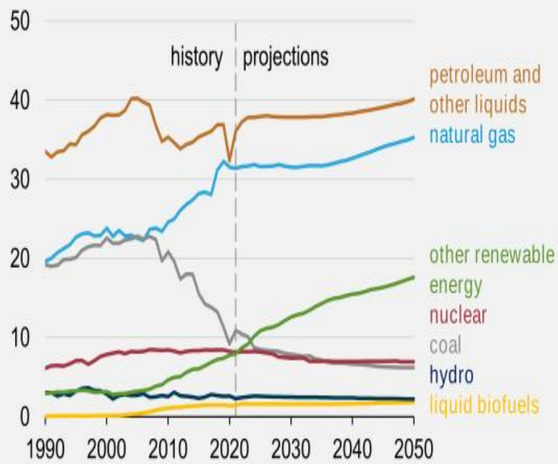
ProPetro is well-positioned to take advantage of the long-term industry dynamics through improved fundamentals, access to the attractive Permian Basin, consistent execution, and capital discipline.

Global Hydrocarbon Macro Environment

EXHIBIT 99.2

A bullish demand outlook coupled with constrained supply availability reinforces our belief that we are in a long-term up-cycle that supports incremental margins and sustainable cash flow generation for completion services. There is vast potential in the Permian Basin, and industry experts firmly believe the region has not yet reached peak production as future increases will help offset outside area declines.

ENERGY CONSUMPTION BY FUEL
(quadrillion British thermal units)



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

Source: EIA, March 3, 2022

GLOBAL E&P SPENDING
($ billion)

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

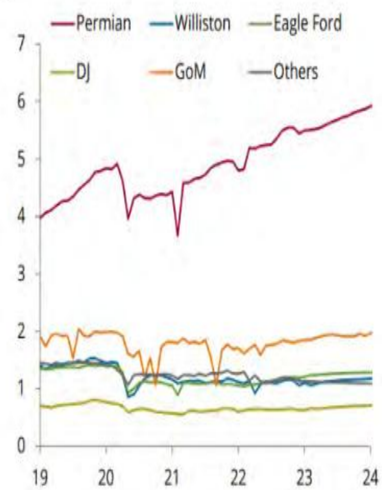
Source: Energy Aspects, February 2023

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

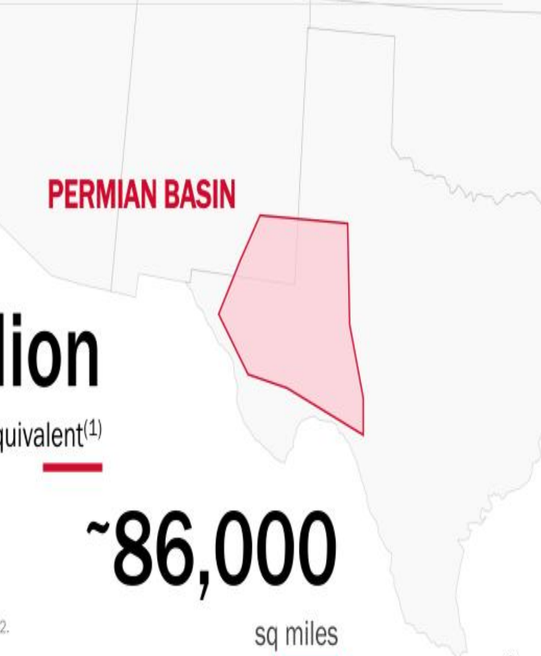
Despite relatively flat total US production growth expectations over the next several years and anticipated near-term market volatility, the Permian Basin stands to see production increases and be the sole source of growth across the US.

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

US CRUDE PRODUCTION FORECAST
(MB/D)



Source: Energy Aspects, February 2023



~60 billion

barrels of oil equivalent[(1)]

~86,000

sq miles

(1) Rystad Energy, September 2022.

Who We Are and Where We Are Going

EXHIBIT 99.2

Customer focused; Team driven	Dedicated and efficient customer base harnessing the potential of the resource-rich Permian Basin	Transitioning to a young, efficient, more capital-light fleet powered by natural gas and electricity	Relied upon by premier customers with proven results year-after-year	Disciplined capital allocation and asset deployment strategy	Reducing emissions and investing in longer-lived assets	Diversified customer base including the largest Permian operators

EXHIBIT 99.2

Proven Success in the Most Challenging Environment: Unrivaled Completions Services

COMPLETION-RELATED SERVICES

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

HYDRAULIC FRACTURING

ProPetro's premier service line delivering industry-leading performance

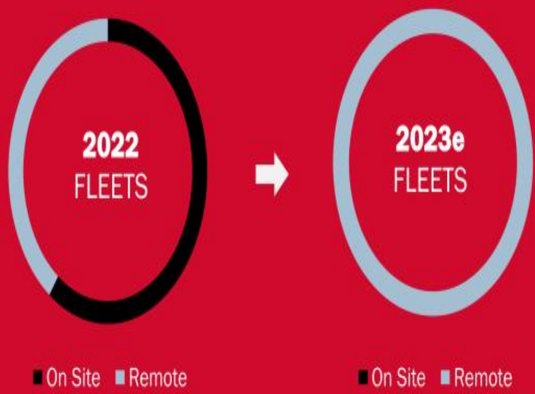
SPECIAL APPLICATIONS

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

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

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

TRANSITIONING TO FULLY-REMOTE ENGINEERING SUPPORT



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

RECENTLY DEVELOPED TACTICAL OPERATIONS CENTER

- Reduce maintenance capex
- Increase capital and logistical efficiency
- Reduce equipment in rotation

EVOLVING OPERATIONS AND ADAPTING TECHNOLOGIES TO:

Reduce on-site headcount	Drive best-practices across fleets	Enhance safety protocols
Improve efficiency	Increase long-term profitability	Increase sustainability of operations

Fleet Transition: Executing on The Strategy

EXHIBIT 99.2

RECAPITALIZATION OF OUR FLEET

- Since the start of 2022, we have transitioned approx. 45% of our frac fleet to Tier IV DGB dual-fuel that displaces - up to ~70% - diesel with cleaner-burning natural gas
- Continuing to bring youth to our fleet through our 2023 investment cycle. Expect to end 2023 with at least 7 Tier IV DGB and 4 electric frac fleets.

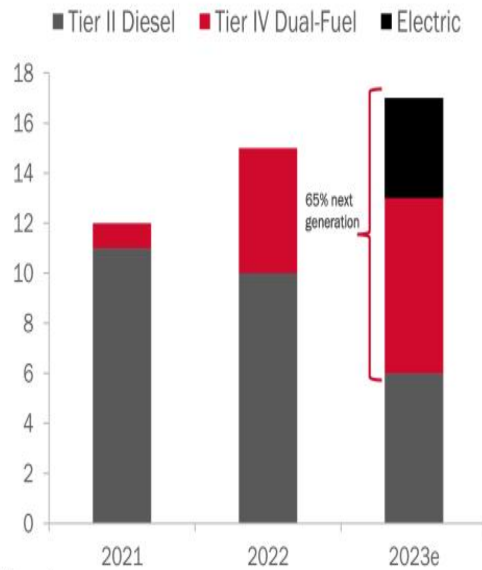
Fleet Age (2023e)

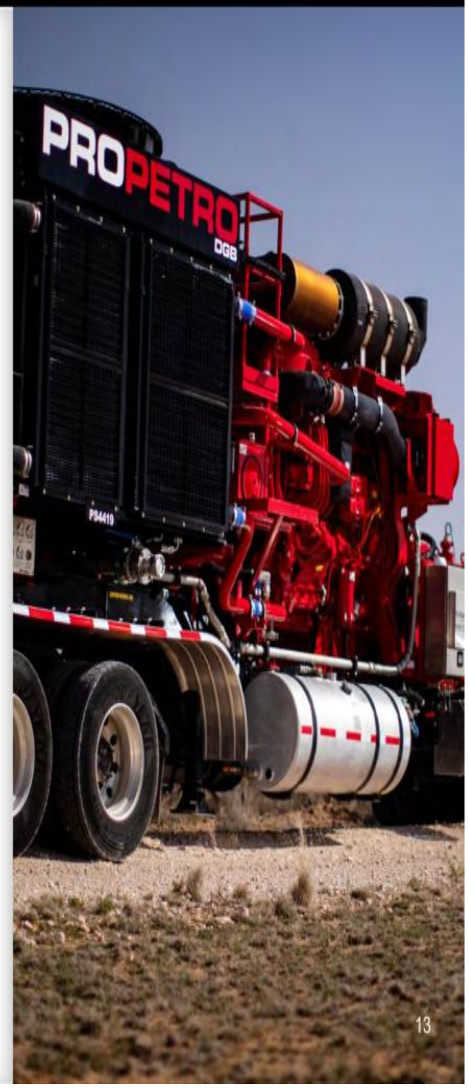
- Using natural gas to power frac fleets can result in annualized savings of $10 million to $20+ million due to the diesel/natural gas cost differences
- Customers are willing to pay a premium for fuel savings and lower emissions

EXECUTED FIRST ELECTRIC-POWERED HYDRAULIC FRACTURING FLEET CUSTOMER CONTRACT

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

Active Fleet Configuration





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

Commitment to Our People, Our Community, and Our Environment

OPTIMIZED OPERATIONS & FLEET TRANSITION

Innovation

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

Get the job done efficiently

- Minimizing idle time, spills, and avoiding duplicative work

Optimizing fuel consumption

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

COMMITTED TO AN ACCIDENT-FREE WORKPLACE

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

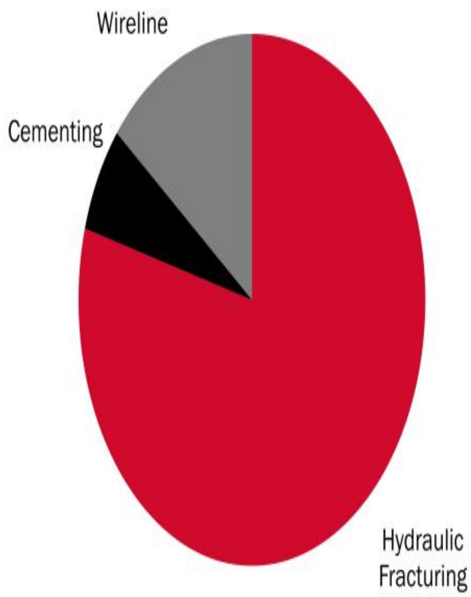
FOCUSED ON OUR TEAM

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

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

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

2023e REVENUE MIX BY SERVICE LINE



Source: 2023 management estimates.

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Financial Highlights

EXHIBIT 99.2

Strategic Execution Delivering Strong Financial Results

1Q23 showcased the benefits of our strategy with strong revenue, net income and Adjusted EBITDA increases.

(in millions except %'s and fleet counts)	TOTAL REVENUE	EFFECTIVE UTILIZATION *Frac Fleets*	NET INCOME	ADJUSTED EBITDA(1)	TOTAL LIQUIDITY(2)
1Q23	**$424**	**15.5**	**$29**	**$119**	**$149**
4Q22	$349	14.5	$13	$84	$155
	+21%	**+7%**	**+120%**	**+42%** 47% incremental margins(3); Adj. EBITDA margins sequentially higher (~400 bps)	**($6)** Investing in the transitioning of our fleet to Tier IV DGB

(1) Adjusted EBITDA is a Non-GAAP financial measure; please see the reconciliation to Net Income on the "Non-GAAP Reconciliations" slide. Adjusted EBITDA in the periods prior to 2023 does not include the impact of expensing fluid ends.
(2) Inclusive of cash and available capacity under ABL Credit Facility as of the end of the quarter.
(3) Incremental margin calculated as the change in Adjusted EBITDA divided by the change in revenues.

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Capital Allocation Framework: Strategy Meets Opportunity

OPTIMIZE OPERATIONS

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

FLEET TRANSITION

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

DISCIPLINED GROWTH

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

Designed to improve free cash flow and value-distribution…

…while maintaining a strong balance sheet.

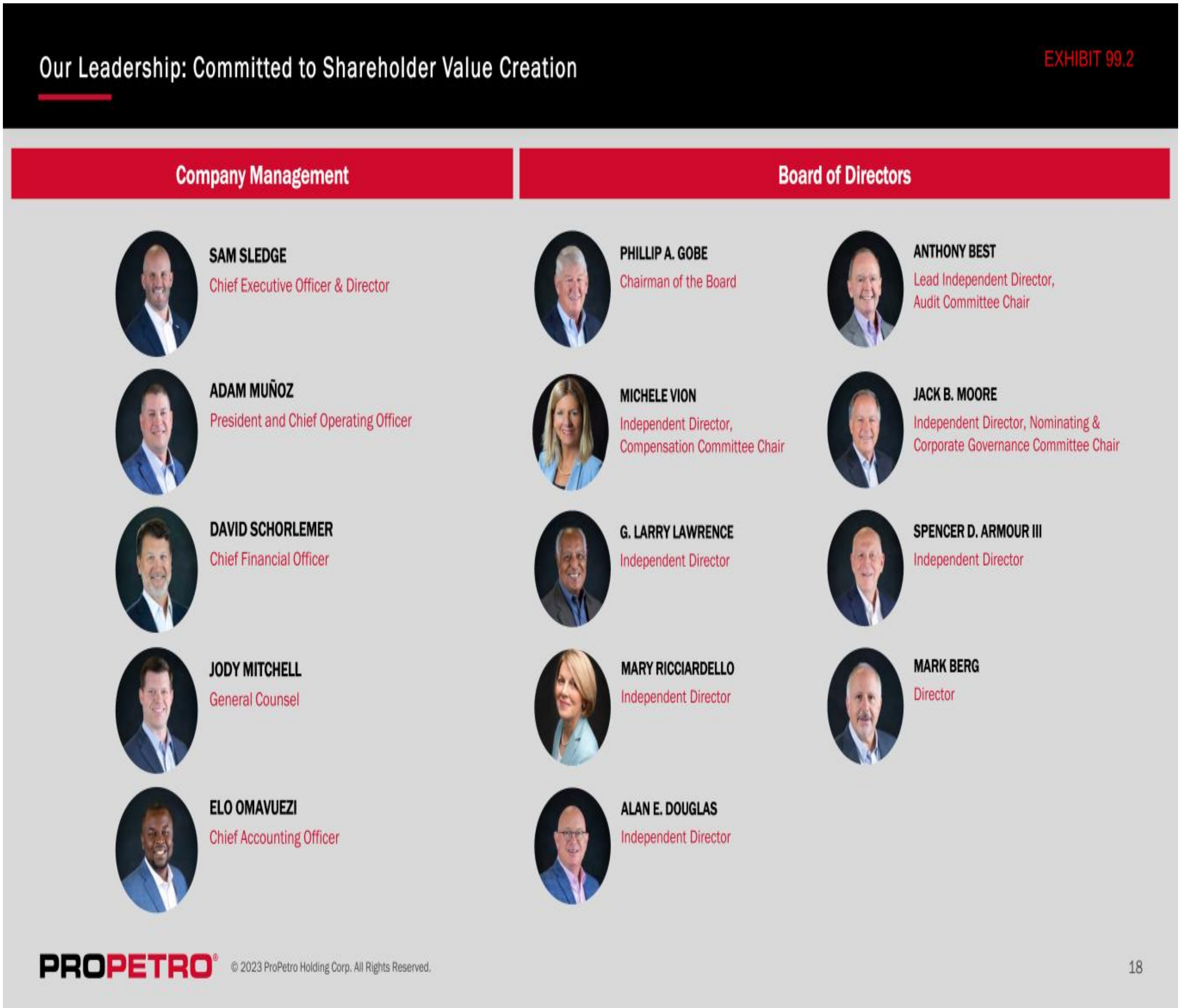
Our Leadership: Committed to Shareholder Value Creation
EXHIBIT 99.2
Company Management
Board of Directors
SAM SLEDGE
Chief Executive Officer & Director
ADAM MUÑOZ
President and Chief Operating Officer
DAVID SCHORLEMER
Chief Financial Officer
JODY MITCHELL
General Counsel
ELO OMAVUEZI
Chief Accounting Officer
PHILLIP A. GOBE
Chairman of the Board
ANTHONY BEST
Lead Independent Director,
Audit Committee Chair
MICHELE VION
Independent Director,
Compensation Committee Chair
JACK B. MOORE
Independent Director, Nominating &
Corporate Governance Committee Chair
G. LARRY LAWRENCE
Independent Director
SPENCER D. ARMOUR III
Independent Director
MARY RICCIARDELLO
Independent Director
MARK BERG
Director
ALAN E. DOUGLAS
Independent Director
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EXHIBIT 99.2

ProPetro: The Oilfield Services Leader Built For The Future

Efficient operator with a strong balance sheet

Cutting edge technologies drive leading profitability and customer solutions

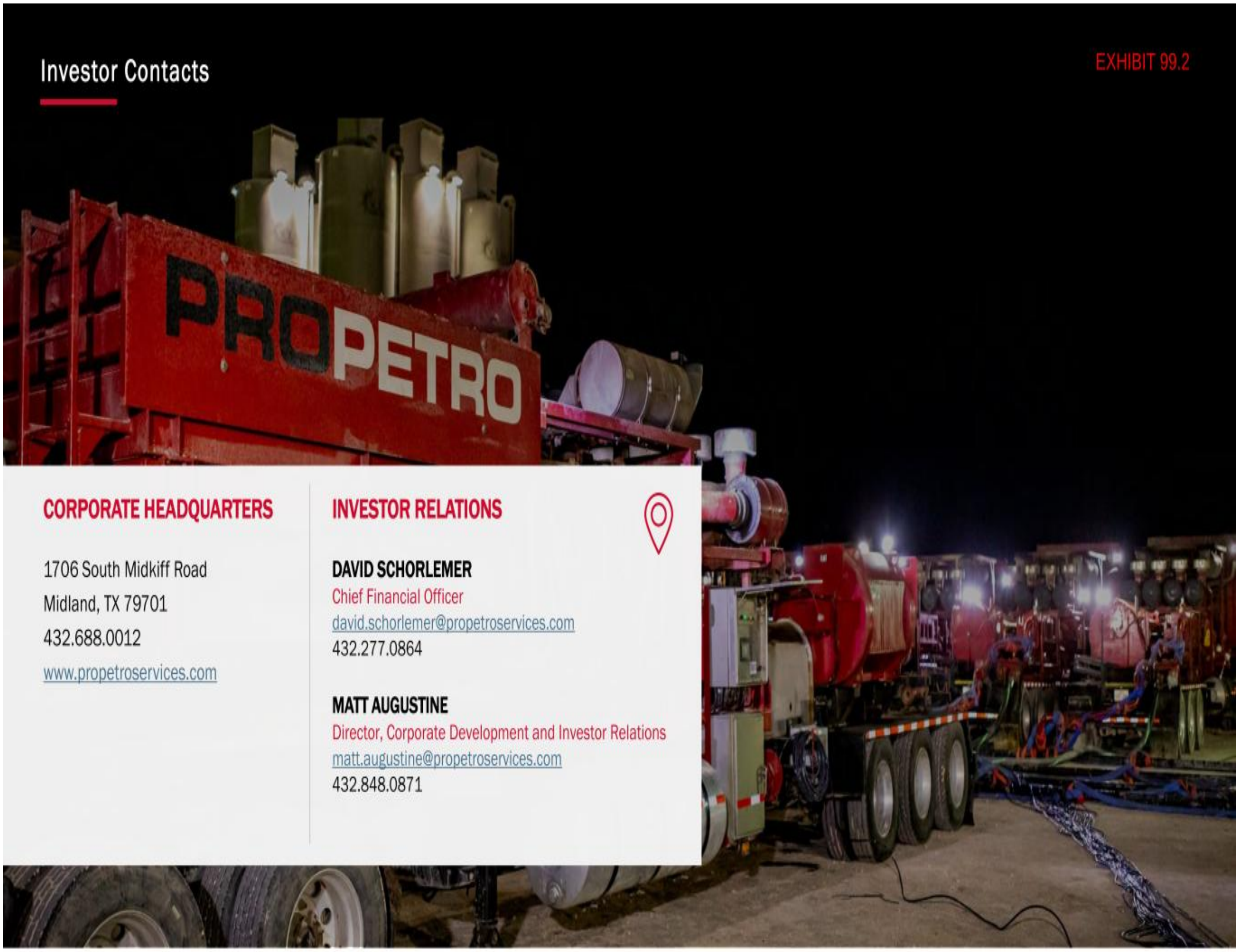
Disciplined capital allocation and asset deployment strategy

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

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

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

Investor Contacts



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First Quarter 2023 Earnings Call Scripted Remarks

May 3, 2023, 8:00 am CT

Operator Opening:

Good day, and welcome to the ProPetro Holding Corp First Quarter 2023 Conference Call. Please note, this event is being recorded. I would now like to turn the call over to Matt Augustine, Director of Corporate Development and Investor Relations for ProPetro Holding Corp. Please go ahead.

Matt Augustine - Director of Corporate Development and Investor Relations:

Thank you and good morning. We appreciate your participation in today's call. With me today is Chief Executive Officer, Sam Sledge; Chief Financial Officer, David Schorlemer; and President & Chief Operating Officer, Adam Munoz.

This morning, we released our earnings results for the first quarter of 2023. Please note that any comments we make on today's call regarding projections or our expectations for future events are forward-looking statements covered by the Private Securities Litigation Reform Act. Forward-looking statements are subject to several risks and uncertainties, many of which are beyond our control. These risks and uncertainties can cause actual results to differ materially from our current expectations. We advise listeners to review our earnings release and risk factors discussed in our filings with the SEC.

Also, during today's call we will reference certain non-GAAP financial measures. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are included in our earnings release. Finally, after our prepared remarks, we will hold a question-and-answer session.

With that, I would like to turn the call over to Sam.

Sam Sledge - Chief Executive Officer:

Thanks, Matt and good morning, everyone. The first quarter of 2023 was an exciting start to the year for ProPetro. Before David walks you through our financial results, I'd like to begin by covering some recent key accomplishments.

To start off the year, we both repriced and repositioned a substantial percentage of our active frac fleets. As we mentioned during our last earnings call just a few months ago, this was already showing through in our January numbers. We believe this more diversified blue-chip customer portfolio has set a great foundation for success in 2023 and beyond.

We continue to see great results from our acquisition of Silvertip in November 2022, which is now fully integrated and has provided significant tailwinds for our Company's earning power now fully integrated and has provided significant tailwinds for our Company's earning power. While we were confident about our acquisition of Silvertip, this move is exceeding our initial expectations, delivering more operational synergies between our two companies than we initially anticipated. This was evident in the first quarter as Silvertip delivered record revenues and profitability.

At the same time, we continue to make significant progress with the transition of our legacy diesel equipment to dual fuel and electric offerings. We took delivery of our sixth Tier IV DGB dual-fuel fleet in the first quarter and expect to have the seventh operating in the coming months. We also expect to take delivery of our first two electric fleets in the third quarter and are working to secure contracts for the second, third, and fourth e-fleets.

Additionally, while we are still in the early stages of our optimization program that we have talked about on prior calls, we have achieved several big wins, including extending the life of and therefore reducing expenses on key equipment components, while also reducing maintenance turn time. These improvements will give us the foundation to sustain and improve efficiencies into the second half of this year.

It has been a truly rewarding quarter for us here at ProPetro as we began to realize the tremendous benefits of our strategy. Over the last year, we have taken an intentional approach to building a strategy that will strengthen the resilience of our business for the long-term. While we are pleased with the progress we have made, we are not stopping here. We will continue to advance on our goal of building a company that reduces volatility and competes for years to come – to the benefit of our customers, our shareholders, our employees, and our community.

I'd like to now take a step back and discuss the broader energy and completions environment. Despite recent headwinds, including natural gas price weakness and the fear of near-term oil and gas demand uncertainty, we still believe that hydrocarbons remain in structural undersupply, especially globally, and will likely remain so for multiple years, creating a longer than normal cycle.

This belief further underscores why the investments we've made in our assets to date are so important to our future success. By the end of this year, approximately two thirds of our frac fleet will use next generation equipment that burns natural gas as a primary fuel source, with all of this equipment under two years of age. The bifurcation of our offering coupled with our experience and success in the Permian Basin gives us a clear competitive advantage from peers and competitors of all sizes that don't share these capabilities. This allows us to meet the demand we are experiencing from customers across the Basin.

That said, the combination of ongoing equipment attrition, supply chain constraints, and more pricing and equipment discipline in the OFS space than has existed in recent history, gives us confidence in a strong market that puts a premium on a bifurcated next generation service offering moving forward. Accordingly, and in conjunction with our fleet transition strategy, we offering moving forward. Accordingly, and in conjunction with our fleet transition strategy, we are actively taking steps to protect and improve efficiencies across the business.

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EXHIBIT 99.3

First Quarter 2023 Earnings Call Scripted Remarks

May 3, 2023, 8:00 am CT

As you've heard us say before, we are focused on the industrialization of our business, and we are confident that leaning into this shift in operating mindset will propel us forward as we adapt to the fundamental needs of the service space. This industrialization will manifest through many different operating methods, several of which are already happening today therefore providing the next set of opportunities for our industry to push efficiencies even higher. The future result of this industrialization will be lower operating costs for service companies and their customers, making the Permian Basin and American energy even more competitive than it already is.

Of course, none of this would be possible without our talented ProPetro team, who continue to deliver tremendous results for our company time and time again. A major thanks to our team for all of the continued hard work and dedication. With that, I'll turn the call over to David to discuss our first quarter results. David.

David Schorlemer - Chief Financial Officer:

Thanks, Sam and good morning, everyone. Before I dive in, I would also like to emphasize the appreciation of our team members' hard work and commitment to ProPetro. The work our team is doing in the field and throughout our support services is enabling the pursuit of our strategic priorities. We believe our first quarter financial performance, the best in over three years for Adjusted EBITDA, margin and Net Income, is a catalyst to improved cash flow generation through the remainder of this year and into the future and is evidence of our new strategy at work. Now, let's move on to our first quarter financial results.

During the first quarter of 2023, we generated $424 million of revenue, a 21% increase from the $349 million generated in the fourth quarter of 2022. This increase was largely attributable to increased utilization, improved net pricing across our service lines, the full quarter effect of Silvertip's revenue contribution, and the frac fleet repositioning effort we undertook in the fourth quarter of 2022.

Our effective frac fleet utilization of 15.5 fleets for the first quarter of 2023 was at the top end of our prior guidance of 14.5 to 15.5 fleets. We expect steady fleet utilization through the second quarter of 2023 and, as Sam mentioned, our frac fleet remains effectively sold-out and strategically positioned in committed completions programs with efficient customers who value and appreciate our industry-leading field performance. Our guidance for second quarter frac fleet utilization is 15 to 16 fleets with steady activity in our wireline and cementing businesses as well. Additionally, and in accordance with the Company's fleet transition and replacement strategy that does not expand net capacity in the market, we plan to retire approximately

First Quarter 2023 Earnings Call Scripted Remarks

May 3, 2023, 8:00 am CT

140,000 hydraulic horsepower of Tier II conventional diesel frac equipment during 2023. These retirements will be scrapped and will not return to service.

Before we discuss costs and earnings I would like to note that effective January 1, 2023, the Company began to record utilization of fluid ends as an operating expense rather than capital expenditure. This change to fluid ends expensing was made after an analysis of the useful life for these components and was implemented prospectively. Numbers that we discuss or present for periods prior to 2023 do not include the impact of expensing fluid ends.

Moving on, cost of services, excluding depreciation and amortization, for the first quarter of 2023 was $280 million versus $243 million in the fourth quarter of 2022 with the increase driven by a higher level of activity across our service lines and the full quarter effect of Silvertip.

First quarter general and administrative expense was $29 million compared to $27 million in the prior quarter. G&A expense excluding nonrecurring and noncash items including stock-based compensation of $4 million, and other items totaling $1 million, including insurance reimbursements, legal settlements, transaction expenses, retention bonuses and severance expenses was $24 million, or 5.6% of revenue as compared to 6.4% of revenue in the prior quarter.

Depreciation and amortization was $51 million in the first quarter and we expect D&A to be in this range going forward. The increase in depreciation is related to changes in the depreciable lives of certain of our assets. Loss on disposal was $22 million for the quarter of which $8 million was attributable to the fire and resulting equipment damage we reported earlier in the quarter along with equipment decommissioning and other normal course disposals. Loss on disposal will not include impact from fluid end costs which will now be expensed in Cost of Services as mentioned earlier.

The Company posted net income of $29 million or $0.25 cents per diluted share, the Company's highest in over three years, compared to net income of $13 million or $0.12 cents per diluted share in the prior quarter.

Adjusted EBITDA performance was also very strong with margins expanding sequentially by approximately 400 basis points with Adjusted EBITDA of $119 million or just over 28% of revenue, again the Company's highest Adjusted EBITDA and margin in over three years. Adjusted EBITDA increased 42% sequentially compared to $84 million in the fourth quarter and incremental Adjusted EBITDA margins were nearly 50% showing our powerful earnings potential when executing a disciplined asset deployment strategy.

To reiterate what Sam talked about earlier, our results this quarter reflect the focus on our strategic pillars including optimizing our business, our fleet and capital-light equipment transition, and the returns from our recent Silvertip acquisition. Additionally, this strategic focus coupled with our disciplined repricing efforts led to enhanced margins driving strong profitability.

During the quarter, we incurred $97 million of capital expenditures. Actual Cash Used in Investing Activities, as shown on the statement of cash flows, for capital expenditures net of proceeds in the first quarter was $114 million with free cash flow of negative $41 million. This figure differs from our incurred capex number due to differences in timing of receipts and disbursements.

We are reaffirming our previously provided capex guidance as we pursue our strategy of developing a more capital-light asset profile coupled with the winding down of our substantial reinvestment cycle and our ongoing fleet conversion program. We continue to anticipate our 2023 cash capex to be between $250 and $300 million, weighted towards the front half of this year. In turn, we expect this to contribute to meaningful free cash flow in the second half of 2023. Our capital investment plan along with continued excellence in the field are driving the bifurcation Sam discussed earlier and laying the groundwork for years of ongoing leading performance at ProPetro. By making these investments in equipment reliability and next generation fleet technology, our customers value our assets and services more to deliver for their completions programs.

Regarding our capital structure, while we experienced some working capital expansion during the quarter, our balance sheet and liquidity position remain strong to support execution of our strategy. As of March 31, 2023, total cash was $45 million and our borrowings under the ABL Credit Facility were $30 million. Total liquidity at the end of the first quarter of 2023 was $149 million including cash and $104 million of available capacity under the ABL credit facility. As of May 1, 2023, our cash balance was $82 million and we had $60 million of borrowings under our ABL and $166 million of total liquidity. We expect our liquidity to continue to improve along with our enhanced profitability and lower capital spend as we move into the second half of this year.

Looking ahead, the strength of our balance sheet and our commitment to capital discipline has enabled us to develop and install certain commercial architecture that will benefit the Company for years to come. This includes a capital-light long-term lease agreement accelerating our fleet transition strategy to electric and natural gas-powered equipment coupled with long-term customer contracts that share capital costs for these value-enhancing assets. Additionally, we continue to pursue a strategy to identify, evaluate, execute, and integrate accretive transactions and strategic partnerships. The acquisition last year and subsequent successful integration of Silvertip are evidence of this capability. Together, these attributes will strengthen our strategic capabilities and accelerate our free cash flow performance.

With that, I will turn it back to Sam.

With that, I will turn it back to Sam.

First Quarter 2023 Earnings Call Scripted Remarks

May 3, 2023, 8:00 am CT

Sam Sledge - Chief Executive Officer:

Thank you, David.

With a strong first quarter behind us, we remain highly focused on executing our strategy, and I can assure you that we are just getting started. We will continue to transition our fleet, although at a slower pace, to electric and natural gas burning equipment. This allows us to continue to play and compete at the top end of the bifurcated frac market.

At the same time, we are evaluating accretive M&A opportunities to strengthen our position as a leading completions-focused oilfield services company.

As we've said before, we are continuing to effectively manage head winds of potential near-term uncertainty and volatility including weaker natural gas prices and industry-wide challenges brought on by the broader macroeconomic environment. Importantly, at the same time, we remain optimistic that the more disciplined approach of the entire oilfield services sector will allow us to create a more industrialized and predictable space that can better sustain through economic cycles and volatility.

We are confident that ProPetro is well positioned to take advantage of this ongoing industry evolution in the Permian Basin, and we continue to take the necessary steps to achieve this industrialization within our business, especially through moves like our e-fleet transition. Supported by our bifurcated and disciplined approach that I mentioned earlier, our strategy is what separates us from our peers, and we look forward to executing on the tremendous opportunities we see for ProPetro in the near- and long-term.

At ProPetro, we also take great pride in our role as a key contributor to the American energy system. Our company and our community in the Permian Basin is dedicated to producing safe and dependable fossil fuels that power the world. As we grow and invest in our communities, we continue to build upon a deep appreciation for the critical role our industry plays in supporting national security and economic growth.

We believe it is important for others in the oil and gas value chain to join us in promoting the vital role our industry plays in everyday life. Fossil fuels have been integral to human progress and innovation, and thanks to the ongoing advancements in our industry, they will continue to be essential to meeting the world's energy needs for the foreseeable future.

As we move forward, we are committed to advocating for our industry and educating others about its critical contributions to society. By working together to promote the importance of our industry, we can ensure a bright and sustainable future for our local communities, our country and for the world.

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Lastly, I'd like to once again thank the entire ProPetro team for their continued hard work and commitment to safety and performance, continuing to give our leadership team the confidence to move forward with our strategy. Let's keep pushing!

With that, operator we can now open the line for questions.

Closing Remarks by Sam Sledge - Chief Executive Officer:

Thank you for joining us on today's call. We are proud to play a part in an innovative energy industry where oil and gas remain critical to everyday life across the globe. We hope you join us for our next quarterly earnings call. Have a great day.

End of Call

Forward-Looking Statements:

Except for historical information contained herein, the statements and information in these scripted remarks and the information in the news release describing our earnings results as described above are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include the words "may," "could," "plan," "project," "budget," "predict," "pursue," "target," "seek," "objective," "believe," "expect," "anticipate," "intend," "estimate," and other expressions that are predictions of, or indicate, future events and trends and that do not relate to historical matters identify forward-looking statements. Our forward-looking statements include, among other matters, statements about the supply of and demand for hydrocarbons, our business strategy, industry, future profitability, expected fleet utilization, sustainability efforts, the future performance of newly improved technology, expected capital expenditures, the impact of such expenditures on our performance and capital programs and our fleet conversion strategy. A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable.

Although forward-looking statements reflect our good faith beliefs at the time they are made, forward-looking statements are subject to a number of risks and uncertainties that may cause actual events and results to differ materially from the forward-looking statements. Such risks and uncertainties include the volatility of oil prices, the operational disruption and market volatility resulting from the COVID-19 pandemic, the global macroeconomic uncertainty related to the Russia-Ukraine war, general economic conditions, including the impact of continued inflation, central bank policy actions, bank failures, and the risk of a global recession, and other factors 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 (the "SEC"). In addition, the Company may be subject to

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currently unforeseen risks that may have a materially adverse impact on it, including matters related to shareholder litigation. 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 SEC from time to time that disclose risks and uncertainties that may affect the Company's business. The forward-looking statements in these scripted remarks are made as of the date hereof. 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.

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