

**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): August 2, 2023**

**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 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

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 August 2, 2023, ProPetro Holding Corp. (the “Company”) issued a press release announcing its results for the quarter ended June 30, 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 August 2, 2023, the Company posted an investor presentation to its website pertaining to the financial and operational results for the quarter ended June 30, 2023 and the commentary discussing financial and operating results for the second quarter 2023. The presentation and the commentary are posted on the Company's website at [ir.propetroservices.com/presentations](http://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.**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
99.1	<a href="#">Press release announcing second quarter 2023 results, dated August 2, 2023.</a>
99.2	<a href="#">Investor presentation, dated August 2, 2023.</a>
99.3	<a href="#">Commentary discussing financial and operating results for the second quarter 2023.</a>
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: August 2, 2023

PROPETRO HOLDING CORP.

/s/ David S. Schorlemer

**David S. Schorlemer**  
**Chief Financial Officer**

## ProPetro Reports Financial Results for the Second Quarter of 2023

MIDLAND, Texas, August 2, 2023, (Business Wire) – ProPetro Holding Corp. ("ProPetro" or "the Company") (NYSE: PUMP) today announced financial and operational results for the second quarter of 2023.

### Second Quarter 2023 Results and Highlights

- Total revenue increased 3% sequentially to \$435 million compared to the prior quarter.
- Highest quarterly net income in over four years of \$39 million, or \$0.34 per diluted share.
- Adjusted EBITDA<sup>(1)</sup> for the quarter decreased 5% sequentially to \$113 million or 26% of revenue.
- Net cash provided by operating activities of approximately \$114 million.
- Free Cash Flow<sup>(2)</sup> was approximately \$6 million.
- Effective frac fleet utilization increased to 15.9 fleets compared to 15.5 fleets in the prior quarter.
- Repurchased 2.3 million shares during the quarter, representing 2% of outstanding shares, for \$17.5 million at a 27% discount to the share price as of July 31, 2023.

<sup>(1)</sup> 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".

<sup>(2)</sup> 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."

### Management Comments

Sam Sledge, Chief Executive Officer, commented, "Building on the year's momentum and the dedication of the ProPetro team, we are pleased to report solid results for the second quarter. All of our service lines exhibited strong performance, particularly wireline and cementing that both had record performance, contributing to our highest quarterly net income in over four years. We're also making significant headway in our fleet modernization, a strategic priority, with the recent addition of our seventh Tier IV DGB dual-fuel hydraulic fracturing fleet. These next generation fleets are highly valued by our customers, as they not only reduce completion costs but also reduce GHG emissions by offering industry-leading diesel displacement. I'd also like to note that toward the end of the second quarter, we voluntarily opted to idle one of our frac fleets that was experiencing pricing pressure that could have put us below our financial return threshold. This should serve as an example that we are dedicated to a margin over market share asset deployment strategy."

Mr. Sledge continued, "During the quarter, our strategic initiatives continued to create momentum, notably with the successful performance of our newly acquired wireline business, Silvertip, acquired in November 2022, which substantially enhanced our earnings and cash flow. Further, the approval of our \$100 million share repurchase program by the Board in May underscored this period of positive developments and confidence in our strategy. We are proud of these accomplishments that stem from our continued focus on capital discipline and superior field performance across all of our service lines with more opportunities ahead. In the third and fourth quarter, we plan to begin our new FORCE<sup>SM</sup> Electric Frac Fleet deployments with two additional fleets expected to be deployed in the first half of 2024. The seven Tier IV dual-fuel fleets and four FORCE<sup>SM</sup> electric fleets will represent a tremendous transformation to next generation technology

---

from a diesel-only fleet just a couple of years ago. Our team is excited to deliver these differentiated services to our customers and we expect our strategy to continue to generate improved financial returns."

David Schorlemer, Chief Financial Officer, said, "The second quarter was indicative of the significant investments in our business over the last few years. During the past 18 months and through the end of this year, we will have invested nearly a billion dollars in recapitalizing our hydraulic fracturing fleet and bringing state-of-the-art technologies and completion services to ProPetro, all done while maintaining a strong balance sheet, strong liquidity, and executing on our share repurchase program. We believe efforts like these and other strategic actions create an attractive value proposition for our customers and an opportunity for our shareholders. We expect to yield continued financial returns from these investments for many years to come. The second quarter was our fourth consecutive quarter of increasing net income and as Sam mentioned our highest in over four years. Our results reflect continued strength in net cash provided by operating activities and our free cash flow was positive this quarter and is expected to accelerate in the coming quarters. Since the share repurchase program announcement and through the quarter-end, we repurchased two percent of our outstanding shares at a 27% discount to our share price as of July 31, 2023. Finally and after quarter end, we paid down our ABL Credit Facility by \$15 million reducing the balance outstanding to \$45 million. This momentum in our financial performance is only eclipsed by the significant investments we expect to benefit from going forward. We are incredibly well positioned for the future and look forward to progressing our strategy further."

#### Second Quarter 2023 Financial Summary

Revenue was \$435 million, compared to \$424 million for the first quarter of 2023. The 3% increase in revenue is attributable to increased utilization across all our service lines. Notably, the Company experienced lost revenues of approximately \$15 to \$20 million related to an idled frac fleet for over a month and almost twice the weather-related downtime as compared to the second quarter of last year.

Cost of services, excluding depreciation and amortization of approximately \$51 million relating to cost of services, increased to \$298 million from \$280 million during the first quarter of 2023. The 6% increase was attributable to the increased operational activity levels across our service lines and unabsorbed labor and related costs of an idled frac fleet in the second quarter of 2023.

General and administrative expense of \$29 million was unchanged from \$29 million in the first quarter of 2023. G&A expense excluding nonrecurring and noncash items (stock-based compensation and other items) of \$4 million, was \$25 million, or 6% of revenue.

Net income, the Company's highest net income since the first quarter of 2019, totaled \$39 million, or \$0.34 per diluted share, compared to net income of \$29 million, or \$0.25 per diluted share, for the first quarter of 2023.

Adjusted EBITDA decreased to \$113 million from \$119 million for the first quarter of 2023. The decrease in Adjusted EBITDA was primarily attributable to costs related to higher weather-related downtime and an idled frac fleet during the quarter.

---

Net cash provided by operating activities was \$114 million as compared to \$73 million in the prior quarter. Free Cash Flow was approximately \$6 million as compared to Free Cash Flow of approximately negative \$41 million in the prior quarter.

#### Liquidity and Capital Spending

As of June 30, 2023, total cash was \$62 million and our borrowings under the ABL Credit Facility were \$60 million. Total liquidity at the end of the second quarter of 2023 was \$170 million including cash and \$108 million of available capacity under the ABL Credit Facility. Since the close of the second quarter we have paid down our ABL Credit Facility by \$15 million, and as of July 31, 2023, our cash balance was \$63 million and we had \$45 million of borrowings under our ABL Credit Facility and \$175 million of total liquidity.

Capital expenditures incurred during the second quarter of 2023 were \$115 million, the majority of which related to maintenance capital expenditures and the Company's previously announced Tier IV DGB dual-fuel conversions. Net cash used in investing activities during the second quarter of 2023 was \$108 million.

#### Guidance

The Company continues to expect full-year 2023 cash capital expenditures to be in the range of \$250 million to \$300 million, with a bias toward the upper end of the range.

Due to some industry pricing pressures, the Company decided to idle one of its fleets during the second quarter to strategically preserve this fleet and avoid running the equipment at sub-economic levels. The Company expects frac fleet utilization for the second half of 2023 to be between 14 to 15 fleets with 14 fleets active today.

#### Outlook

Mr. Sledge added, "Looking ahead, we are on track to deploy our first two FORCE<sup>SM</sup> electric frac fleets in 2023, with deployment of our first fleet planned for this month and the second expected to be deployed early in the fourth quarter. We believe that electric equipment will play a significant role in the future of ProPetro and are pleased to see strong demand for our FORCE<sup>SM</sup> electric frac fleets. Additionally, with our strong balance sheet, we continue to make excellent progress on our strategic initiatives, and we will continue to seek value-accretive acquisition opportunities to further enhance our cash flow profile. We will do all of this in a disciplined and opportunistic manner, prioritizing only high-return prospects that will enhance free cash flow and create incremental shareholder value."

Mr. Sledge concluded, "In the second half of 2023, we remain focused on advancing our strategy and have no intentions of slowing. Despite some near-term headwinds and fears of a broader market slowdown, we expect to achieve consistently strong financial performance and anticipate continued solid demand for our services. ProPetro is differentiated by service quality, a young, next generation equipment offering, a dedicated blue-chip customer portfolio, and operational density in the Permian. This differentiation continues to insulate us from some of the market inconsistency outside the Permian and in the spot market. As we continue to optimize our operations, transition our fleet, and pursue opportunistic transactions, while



---

maintaining a disciplined asset deployment strategy, we are confident in ProPetro's future for years to come."

#### Conference Call Information

The Company will host a conference call at 8:00 AM Central Time on Wednesday, August 2, 2023, to discuss financial and operating results for the second quarter of 2023. The call will also be webcast on ProPetro's website at [www.propetroservices.com](http://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 7479217. The Company also posted the scripted remarks on its website.

#### About ProPetro

ProPetro Holding Corp. is a Midland, Texas-based provider of premium completion 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](http://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 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

ings 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.

Investor Contacts:

David Schorlemer  
Chief Financial Officer  
[david.schorlemer@propetroservices.com](mailto:david.schorlemer@propetroservices.com)  
432-227-0864

Matt Augustine  
Director, Corporate Development and Investor Relations  
[matt.augustine@propetroservices.com](mailto:matt.augustine@propetroservices.com)  
432-848-0871

###

---

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

	Three Months Ended		
	June 30, 2023	March 31, 2023	June 30, 2022
REVENUE - Service revenue	\$ 435,249	\$ 423,570	\$ 315,083
COSTS AND EXPENSES			
Cost of services (exclusive of depreciation and amortization)	297,791	280,486	218,813
General and administrative (inclusive of stock-based compensation)	29,021	28,746	25,135
Depreciation and amortization	52,889	50,798	40,969
Impairment expense	—	—	57,454
Loss on disposal of assets	3,065	22,080	12,978
Total costs and expenses	382,766	382,110	355,349
OPERATING INCOME (LOSS)	52,483	41,460	(40,266)
OTHER (EXPENSE) INCOME:			
Interest expense	(1,180)	(667)	(669)
Other income (expense)	72	(3,704)	6
Total other (expense) income	(1,108)	(4,371)	(663)
INCOME (LOSS) BEFORE INCOME TAXES	51,375	37,089	(40,929)
INCOME TAX (EXPENSE) BENEFIT	(12,118)	(8,356)	8,069
NET INCOME (LOSS)	\$ 39,257	\$ 28,733	\$ (32,860)
NET INCOME (LOSS) PER COMMON SHARE:			
Basic	\$ 0.34	\$ 0.25	\$ (0.32)
Diluted	\$ 0.34	\$ 0.25	\$ (0.32)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	114,737	114,881	104,236
Diluted	114,796	115,331	104,236

NOTE: Certain reclassifications to loss on disposal of assets and depreciation and amortization have been made to the statement of operations and the statement of cash flows for the periods prior to 2023 to conform to the current period presentation. Adjusted EBITDA 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)

	June 30, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash, cash equivalents and restricted cash	\$ 62,113	\$ 88,862
Accounts receivable - net of allowance for credit losses of \$202 and \$419, respectively	251,104	215,925
Inventories	18,159	5,034
Prepaid expenses	8,607	8,643
Short-term investment, net	6,437	10,283
Other current assets	704	38
Total current assets	347,124	328,785
PROPERTY AND EQUIPMENT - net of accumulated depreciation	1,001,109	922,735
OPERATING LEASE RIGHT-OF-USE ASSETS	5,672	3,147
<b>OTHER NONCURRENT ASSETS:</b>		
Goodwill	23,624	23,624
Intangible assets - net of amortization	53,480	56,345
Other noncurrent assets	2,370	1,150
Total other noncurrent assets	79,474	81,119
<b>TOTAL ASSETS</b>	<b>\$ 1,433,379</b>	<b>\$ 1,335,786</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 218,147	\$ 234,299
Operating lease liabilities	1,125	854
Accrued and other current liabilities	57,022	49,027
Total current liabilities	276,294	284,180
DEFERRED INCOME TAXES	84,162	65,265
LONG-TERM DEBT	60,000	30,000
NONCURRENT OPERATING LEASE LIABILITIES	4,564	2,308
Total liabilities	425,020	381,753
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
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, 112,957,976 and 114,515,008 shares issued, respectively	113	114
Additional paid-in capital	956,856	970,519
Retained earnings (accumulated deficit)	51,390	(16,600)
Total shareholders' equity	1,008,359	954,033
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 1,433,379</b>	<b>\$ 1,335,786</b>



---

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

	Six Months Ended June 30,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 67,990	\$ (21,043)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	103,687	78,973
Impairment expense	—	57,454
Deferred income tax expense	18,897	(4,321)
Amortization of deferred debt issuance costs	140	655
Stock-based compensation	7,294	14,822
Loss on disposal of assets	25,145	22,947
Unrealized loss on short-term investment	3,846	—
Changes in operating assets and liabilities:		
Accounts receivable	(35,178)	(53,878)
Other current assets	(983)	561
Inventories	(6,792)	457
Prepaid expenses	(144)	3,343
Accounts payable	(3,160)	(426)
Accrued and other current liabilities	5,769	3,764
Accrued interest	503	—
Net cash provided by operating activities	187,014	103,308
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(223,775)	(144,519)
Proceeds from sale of assets	2,044	2,951
Net cash used in investing activities	(221,731)	(141,568)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	30,000	—
Payment of debt issuance costs	(1,179)	(824)
Proceeds from exercise of equity awards	—	741
Tax withholdings paid for net settlement of equity awards	(3,383)	(3,786)
Share repurchases	(17,470)	—
Net cash provided by (used in) financing activities	7,968	(3,869)
<b>NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(26,749)</b>	<b>(42,129)</b>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - Beginning of period	88,862	111,918
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - End of period	\$ 62,113	\$ 69,789

---

## Reportable Segment Information

(in thousands)	Three Months Ended					
	June 30, 2023			March 31, 2023		
	Completion Services	All Other	Total	Completion Services	All Other	Total
Service revenue	\$ 435,249	\$ —	\$435,249	\$ 423,570	\$ —	\$423,570
Adjusted EBITDA	\$ 112,813	\$ —	\$112,813	\$ 119,165	\$ —	\$119,165
Depreciation and amortization	\$ 52,889	\$ —	\$ 52,889	\$ 50,798	\$ —	\$ 50,798
Capital expenditures	\$ 115,233	\$ —	\$115,233	\$ 97,170	\$ —	\$ 97,170

## 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 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.

---

## Reconciliation of Net Income (Loss) to Adjusted EBITDA

(in thousands)	Three Months Ended					
	June 30, 2023			March 31, 2023		
	Completion Services	All Other	Total	Completion Services	All Other	Total
Net income	\$ 39,257	\$ —	\$ 39,257	\$ 28,733	\$ —	\$ 28,733
Depreciation and amortization	52,889	—	52,889	50,798	—	50,798
Interest expense	1,180	—	1,180	667	—	667
Income tax expense	12,118	—	12,118	8,356	—	8,356
Loss on disposal of assets	3,065	—	3,065	22,080	—	22,080
Stock-based compensation	3,758	—	3,758	3,536	—	3,536
Other expense (income) <sup>(1)</sup>	(72)	—	(72)	3,704	—	3,704
Other general and administrative expense, (net) <sup>(2)</sup>	263	—	263	946	—	946
Retention bonus and severance expense	355	—	355	345	—	345
Adjusted EBITDA	<u>\$ 112,813</u>	<u>\$ —</u>	<u>\$112,813</u>	<u>\$ 119,165</u>	<u>\$ —</u>	<u>\$119,165</u>

(1) Includes unrealized loss on short-term investment of \$0.1 million and \$3.8 million for the three months ended June 30, 2023 and March 31, 2023, respectively.

(2) 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 June 30, 2023 and March 31, 2023, we received approximately \$0 and \$0.3 million, respectively, from our insurance carriers in connection with the SEC investigation and shareholder litigation.

## Reconciliation of Cash from Operating Activities to Free Cash Flow

(in thousands)	Three Months Ended	
	June 30, 2023	March 31, 2023
Cash from Operating Activities	\$ 113,954	\$ 73,060
Cash used in Investing Activities	(107,981)	(113,750)
Free Cash Flow	<u>\$ 5,973</u>	<u>\$ (40,690)</u>

---





**PROPETRO®**

EXHIBIT 99.2

# Investor Presentation Second Quarter 2023

August 2, 2023



**FORCE**

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, our fleet conversion strategy, and our share repurchase program, the projected timing, purchase price and number of shares purchased under such program, the sources of funds under the repurchase program and the impacts of the repurchase program. 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. These risks and uncertainties include the timing and amount of any repurchases made pursuant to the share repurchase program. Factors that could cause actual results to differ materially from those in the forward looking statements 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, bank 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			Three Months Ended	
	June 30, 2023	March 31, 2023		June 30, 2023	March 31, 2023
(in thousands)			(in thousands)		
Net income	\$39,257	\$28,733	Net Cash provided by Operating Activities	\$113,954	\$73,060
Depreciation and amortization	52,889	50,798	Net Cash used in Investing Activities	(107,981)	(113,750)
Interest expense	1,180	667	<b>Free Cash Flow</b>	<b>\$5,973</b>	<b>\$(40,690)</b>
Income tax expense	12,118	8,356			
Loss on disposal of assets	3,065	22,080			
Stock-based compensation	3,758	3,536			
Other (income) expense	(72)	3,704			
Other general and administrative expenses (net)	263	946			
Retention bonus and severance expense	355	345			
<b>Adjusted EBITDA</b>	<b>\$112,813</b>	<b>\$119,165</b>			



## Company Snapshot

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



NYSE

PUMP

2Q 2023 Revenue

\$435 million

2Q 2023 Net Income

\$39 million

2Q 2023 Adjusted EBITDA<sup>(1)</sup>

\$113 million

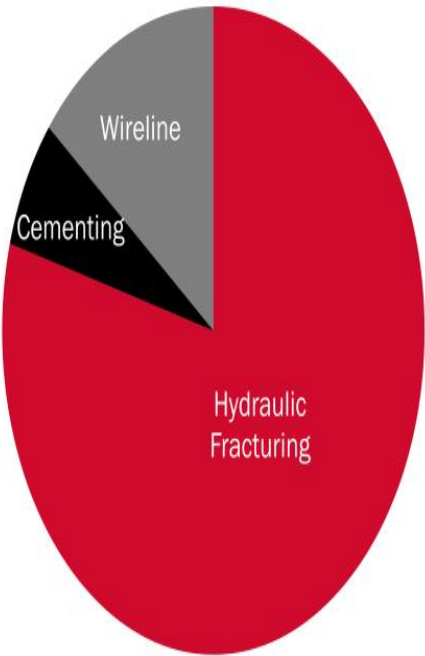
Headquartered in

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

2023e REVENUE MIX BY SERVICE LINE



Source: 2023 management estimates.

**PROPETRO**® © 2023 ProPetro Holding Corp. All Rights Reserved.



# Recent Highlights & Our Strategy

EXHIBIT 99.2

- ✓ Delivered our highest quarterly Net Income of \$39 million in over four years
- ✓ Repurchased 2.3 million shares representing 2% of outstanding shares for \$17.5 million at a 27% discount to the share price as of July 31, 2023
- ✓ Paid down ABL Credit Facility by \$15 million after quarter-end
- ✓ Free Cash Flow positive and expected to accelerate in 2H23
- ✓ 7 Tier IV DGB dual-fuel frac fleets now operating
- ✓ FORCE<sup>SM</sup> electric frac fleets in deployment 2H23
- ✓ Record quarterly financial performance in cementing
- ✓ Silvertip acquisition producing strong returns



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



## Our New Next-Generation Fleet Transformation – Dual-Fuel and FORCE<sup>SM</sup> Electric

EXHIBIT 99.2

### RECAPITALIZATION OF OUR FLEET

- Since the start of 2022, we have transitioned over 45% of our frac fleet to Tier IV DGB dual-fuel that displaces up to ~70% of diesel with cleaner-burning natural gas
- Bringing youth to our fleet through our 2023 investment cycle

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

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

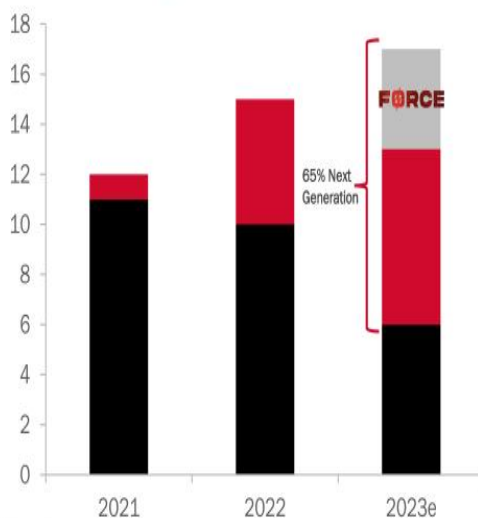
**PROPETRO**® © 2023 ProPetro Holding Corp. All Rights Reserved.

### DELIVERING SUPERIOR DIESEL DISPLACEMENT WITH DUAL-FUEL FLEETS AND DEPLOYING ELECTRIC FLEETS

- Expect to end 2023 with 7 Tier IV DGB dual-fuel and 4 FORCE<sup>SM</sup> electric frac fleets
- Two FORCE<sup>SM</sup> electric frac fleet deployments in 2H23 with two additional fleet deployments expected in 1H24
- Capital-light electric fleet lease program minimizing capital requirements

### Active Fleet Configuration

■ Tier II Diesel ■ Tier IV Dual-Fuel ■ FORCE Electric



**FORCE**

# SILVERTIP

## COMPLETION SERVICES



Provider of wireline perforating and pumpdown services in the Permian Basin



Headquarters  
**Midland, TX**



**~320**  
employees

### Wireline Services

- Owns and operates 23 wireline units, all of which have been recently refurbished

### Pumpdown Services

- Owns and operates 16 pumpdown spreads

Note: Adjusted EBITDA is a non-GAAP financial measure. The Company is unable to provide a reconciliation of the forward-looking non-GAAP financial measure, Adjusted EBITDA, to its most directly comparable GAAP financial measure, net income, as the information necessary for a quantitative reconciliation is not available to the Company without unreasonable efforts due to the inherent difficulty and impracticability of predicting certain amounts required by GAAP with a reasonable degree of accuracy.

(1) Inclusive of \$30 million cash plus equity (deducting assumed debt and other transaction fees and adjustments) divided by the volume-weighted average share price for the 15-day period ending October 27, 2022.

(2) Management forecast. Such data is illustrative and should not be relied upon as an indication of future financial performance or the operating results.

**PROPETRO**

© 2023 ProPetro Holding Corp. All Rights Reserved.

Purchase Price <sup>(1)</sup>

**\$150 million**

2023 Estimated  
Adjusted EBITDA <sup>(2)</sup>

**\$60-70 million**

Equity Consideration <sup>(1)</sup>

**10.1 million  
Shares of PUMP**

Adjusted EBITDA-to-Cash  
Flow Conversion Rate <sup>(2)</sup>

**~80%**



**Highly Complementary Completions Service Offering**



**Substantial Free Cash Flow Generation**



**Reduces Future Capital Spending**



**Complementary Cultures, Operating Philosophy & Geographic Focus**



**Horizontal Integration and Service Diversification**



## Recent Financial Highlights

EXHIBIT 99.2

### Delivering Strong Results

2Q23 showcased the resilience of our business. Despite being affected by an idled fleet and weather-induced downtime, ProPetro generated sequentially higher revenue and utilization and the highest net income in over four years.

(in millions except %'s and fleet counts)

	TOTAL REVENUE	EFFECTIVE UTILIZATION <i>Frac Fleets</i>	NET INCOME	ADJUSTED EBITDA <sup>(1)</sup>	TOTAL LIQUIDITY <sup>(2)</sup>
--	------------------	--	---------------	-----------------------------------	-----------------------------------

2Q23	\$435	15.9	\$39	\$113	\$170
------	-------	------	------	-------	-------

1Q23	\$424	15.5	\$29	\$119	\$149
------	-------	------	------	-------	-------

	+3%	+3%	+37%	(5%)	+14%
--	-----	-----	------	------	------

- Paid down ABL Credit Facility by \$15 million after quarter-end

(1) Adjusted EBITDA is a Non-GAAP financial measure; please see the reconciliation to Net Income on the "Non-GAAP Reconciliations" slide.  
(2) Inclusive of cash and available capacity under ABL Credit Facility as of the end of the quarter.

**PROPETRO®**

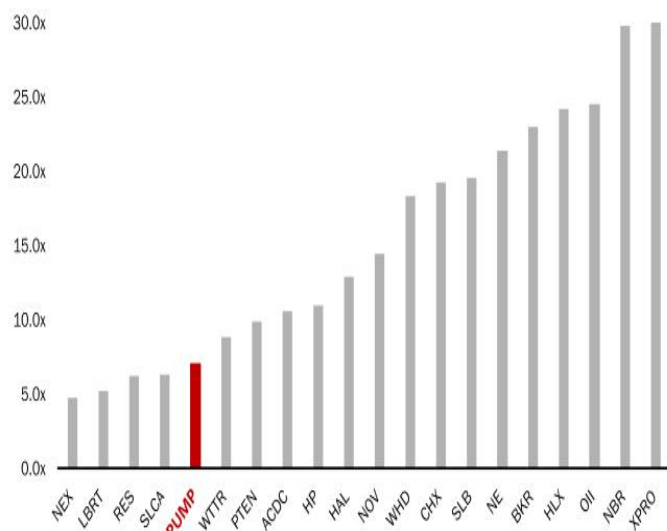
## \$100 MILLION SHARE REPURCHASE PROGRAM

- Authorization represented ~13% of our market capitalization on the date of announcement (5/17/2023)
- Repurchase highlights in 2Q23:
  - Repurchased 2.3 million shares or 2% of shares outstanding for \$17.5 million
  - Shares repurchased at a 27% discount to the share price as of July 31, 2023<sup>(1)</sup>
- Share price has increased nearly 50% since the repurchase announcement<sup>(1)</sup>
- Provides support for potential strategic transactions that may utilize equity as consideration
- Reinforces management view of expected free cash flow generation and long-term value proposition

(1) Average price of repurchased shares was \$7.63; PUMP share price of \$10.44 as of July 31, 2023.

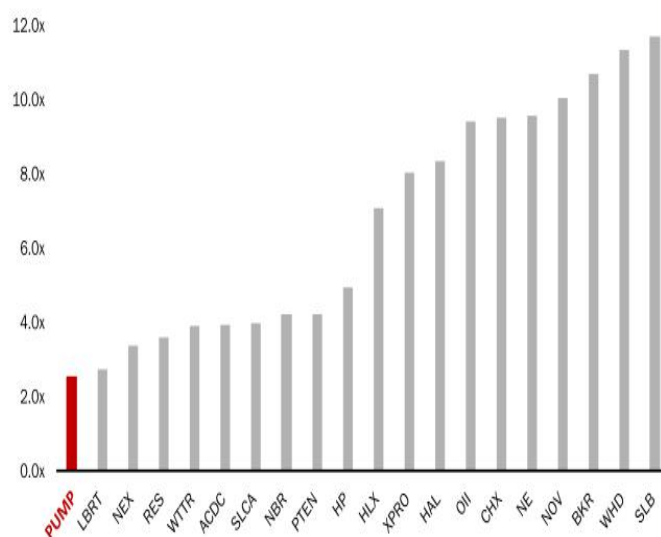


### PRICE TO 2023e EARNINGS



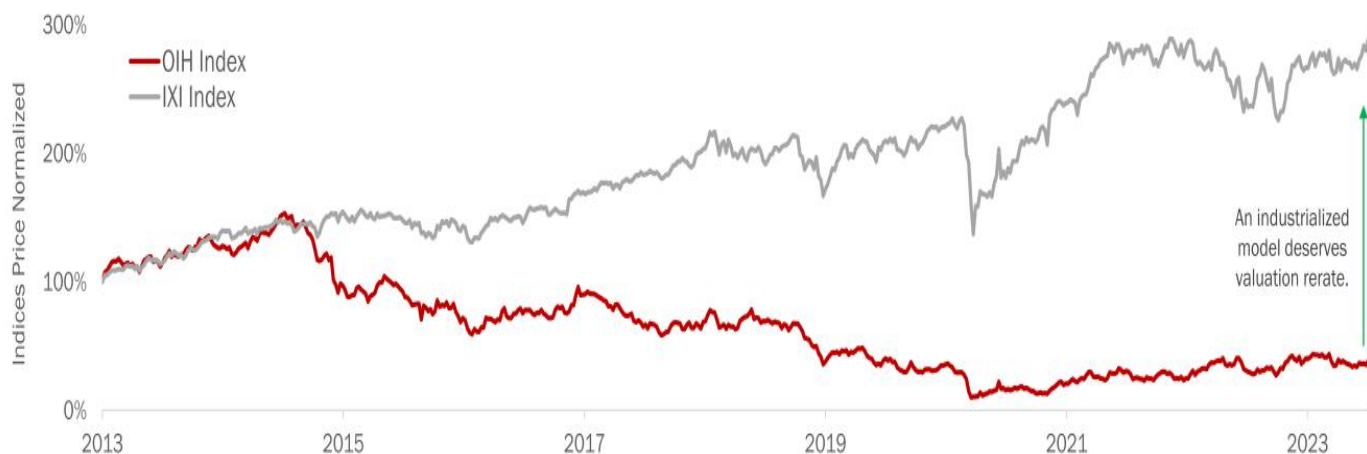
Source: Bloomberg, July 31, 2023

### ENTERPRISE VALUE TO 2023e EBITDA



ProPetro as well as our direct peers in the pressure pumping space continue to be valued at a discount relative to other oilfield service companies.

## 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

- ✓ Improved capital discipline and industry consolidation
- ✓ Increasing deployment of industrial technologies and processes and emerging contracting environment
- ✓ Greater / improved focus on cash flow generation (FCFPS)
- ✓ Shortage of equipment / attrition
- ✓ Low-growth / sustainable operating model

### 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

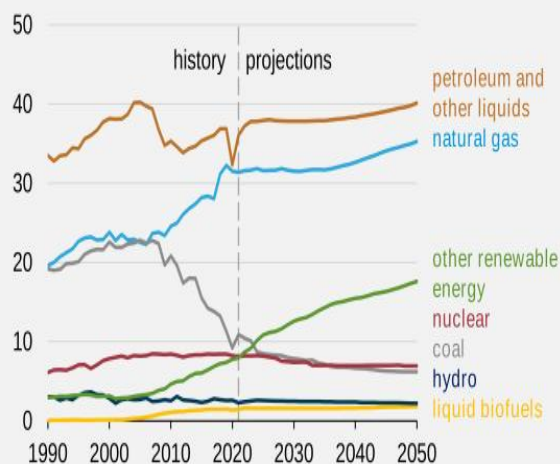
The hydrocarbon industry is here to stay even though the use of alternative energy is increasing, hydrocarbons have proven their critical value to global prosperity and energy security

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.



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.

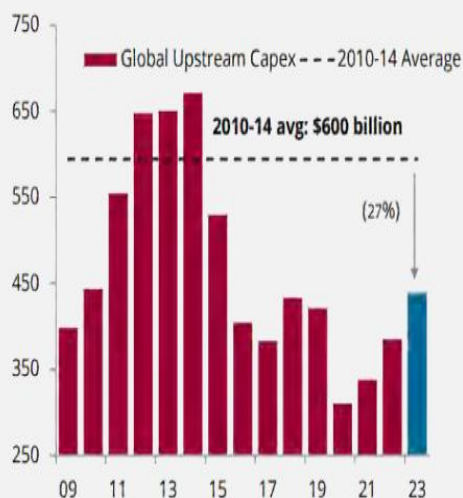
**ENERGY CONSUMPTION BY FUEL**  
(quadrillion British thermal units)



“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 27% below average spend from 2010–14 as producers have retreated.

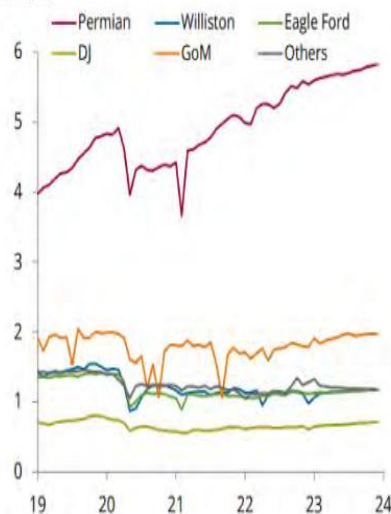
Source: Energy Aspects, May 2023

## 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, May 2023

**~60 billion**

barrels of oil equivalent<sup>(1)</sup>

**~86,000**

sq miles

(1) Rystad Energy, September 2022.

**PROPETRO**

© 2023 ProPetro Holding Corp. All Rights Reserved.



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



## Proven Success in the Most Challenging Environment: Unrivaled Premium 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

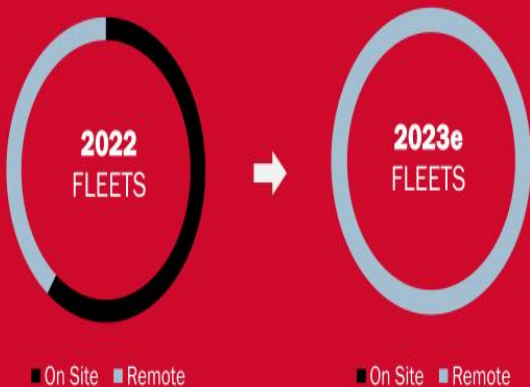
Customized treatments and complex jobs for customers that put their trust in ProPetro for reliable completions services

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

**PROPETRO**

© 2023 ProPetro Holding Corp. All Rights Reserved.

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



### 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 our **FORCE<sup>SM</sup>** electric-powered 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



### 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.

## ProPetro: The Premium Completions 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

Company Management



**SAM SLEDGE**

Chief Executive Officer & Director



**ADAM MUÑOZ**

President and Chief Operating Officer



**DAVID SCHORLEMER**

Chief Financial Officer



**JODY MITCHELL**

General Counsel



**ELO OMAVUEZI**

Chief Accounting Officer

Board of Directors



**PHILLIP A. GOBE**

Chairman of the Board



**MICHELE VION**

Independent Director,  
Compensation Committee Chair



**G. LARRY LAWRENCE**

Independent Director



**MARY RICCIARDELLO**

Independent Director



**ANTHONY BEST**

Lead Independent Director,  
Audit Committee Chair



**JACK B. MOORE**

Independent Director, Nominating &  
Corporate Governance Committee Chair



**SPENCER D. ARMOUR III**

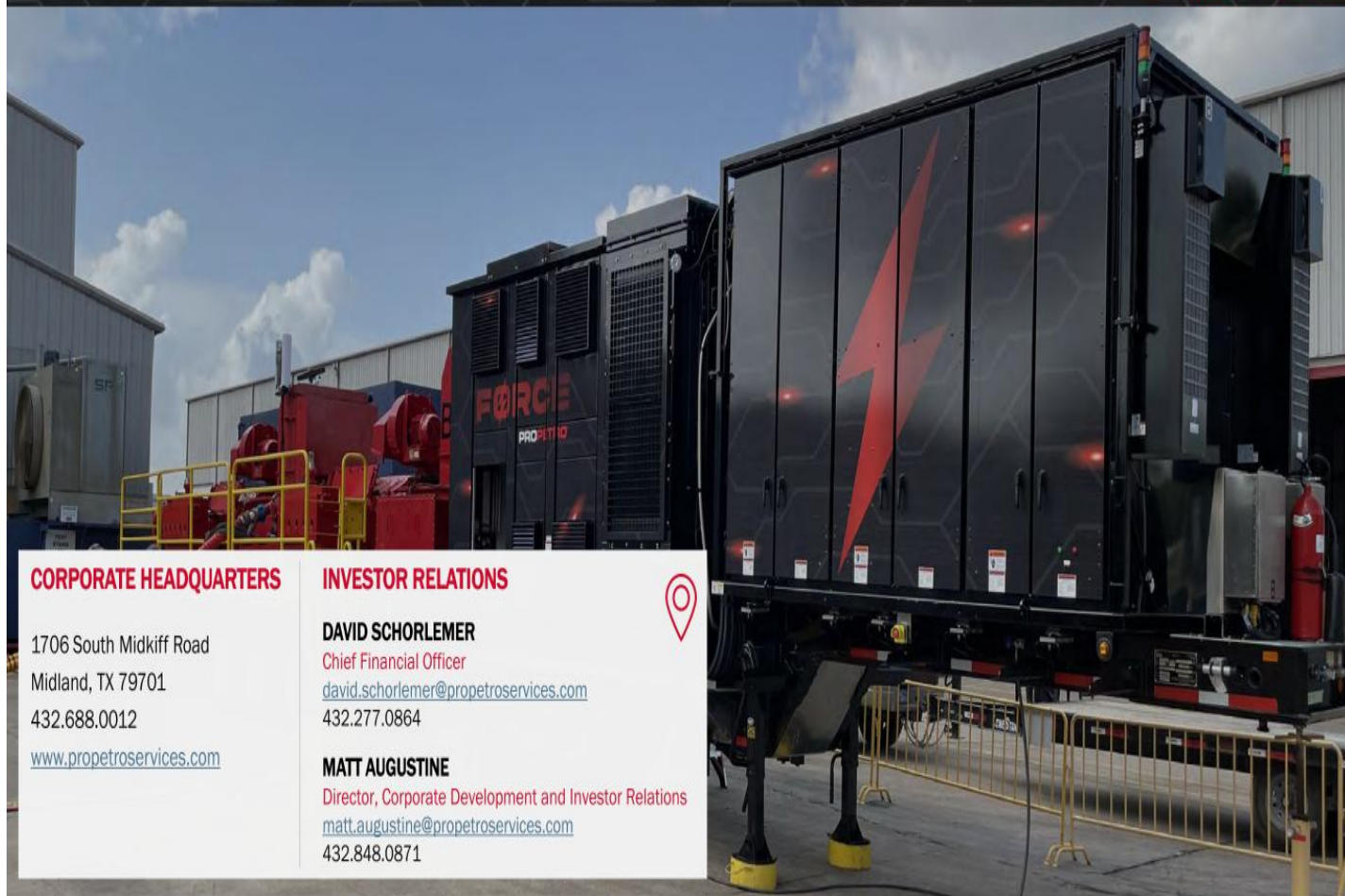
Independent Director



**MARK BERG**

Director





**CORPORATE HEADQUARTERS**

1706 South Midkiff Road  
Midland, TX 79701  
432.688.0012  
[www.propetroservices.com](http://www.propetroservices.com)

**INVESTOR RELATIONS**

**DAVID SCHORLEMER**

Chief Financial Officer

[david.schorlemer@propetroservices.com](mailto:david.schorlemer@propetroservices.com)

432.277.0864

**MATT AUGUSTINE**

Director, Corporate Development and Investor Relations

[matt.augustine@propetroservices.com](mailto:matt.augustine@propetroservices.com)

432.848.0871







## Second Quarter 2023 Earnings Call Scripted Remarks

August 2, 2023, 8:00 am CT

### Operator Opening:

Good day, and welcome to the ProPetro Holding Corp Second 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 second 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.

Building on our strong momentum, ProPetro again delivered solid results in the second quarter. David will walk you through our financial results in a few minutes, but first I'd like to go over a few highlights from the quarter and take stock of where we are, halfway through the year.

---

## Second Quarter 2023 Earnings Call Scripted Remarks

August 2, 2023, 8:00 am CT

As we've discussed many times, modernizing our fleet has been an important strategic priority, and this quarter, we were pleased to deploy our seventh Tier IV DGB dual-fuel hydraulic fracturing fleet. As expected, given our diversified, blue-chip customer base, demand for our dual-fuel portfolio remains very strong and more insulated from any near term bobbles in the market.

Additionally, in the third and fourth quarter, we begin our new FORCE<sup>SM</sup> electric frac fleet deployments. We plan to deploy our first fleet in August, and the second fleet early in the fourth quarter. We are also still on track to deploy two additional FORCE<sup>SM</sup> fleets in the first half of 2024. With the ongoing, high demand for this equipment, we plan to begin operating these fleets as soon as we receive them.

As you all know, we acquired Silvertip in November 2022 therefore making our entry into wireline services, and are pleased to have seamlessly integrated the company since that time. The Silvertip acquisition continues to be a significant tailwind for ProPetro's earnings and free cash flow profile. ProPetro has developed a strong track record of identifying, acquiring and successfully integrating high-quality assets, and as we continue to make excellent progress on our strategic initiatives, we will continue to seek value-accretive acquisition opportunities to further enhance our growth. As always, we will be disciplined and opportunistic in deploying capital, prioritizing only high-return opportunities that will enhance free cash flow and create shareholder value.

Consistent with our overarching focus on delivering strong returns for investors, in addition to reviewing value-enhancing acquisition opportunities, our Board and our management team also prioritizes the return of capital to ProPetro shareholders. During the second quarter, we were pleased to announce a \$100 million share repurchase program. The program gave authorization to repurchase approximately 13% of the Company's market capitalization, based on the value of the shares at the time of the announcement in mid-May. The share repurchase program is directly aligned with our strategy to drive free cash flow growth and create value for our shareholders. Through this program, we plan to capitalize on dislocations between the Company's public equity valuation and what we believe is its intrinsic value.

During the second quarter the Company repurchased approximately 2.3 million shares, for \$17.5 million at a 27% discount to the current share price as of July 31, 2023, representing two percent of total outstanding shares.





## Second Quarter 2023 Earnings Call Scripted Remarks

August 2, 2023, 8:00 am CT

I would now like to address the market environment and recent headwinds, and provide some detail on how we're navigating through the choppiness.

Undisciplined pricing concessions at the expense of keeping fleets utilized, especially from some of our distant peers exposed to the spot market, did have an impact on the overall frac market.

Due to some of these circumstances, we elected to sideline one fleet during the quarter. This was an easy decision for us given the low pricing we would have had to put forward to keep the fleet operating, and we are now able to strategically preserve these assets and not run the equipment at sub-economic levels. I want to reiterate that we are committed to only running our fleets at economic levels that earn a full cycle cash on cash return.

I do want to note that because of our disciplined approach and our bifurcated offering, we have been able to effectively offset much of the pricing pressures in various ways including directly handling or contracting more of the materials and services on location. We believe that ProPetro is best positioned to efficiently handle materials and services on location and will continue to pursue more of that market.

Even in the face of the headwinds I just mentioned, we remain confident in our ability to continue to deliver strong financial results.

Looking into the future, we remain bullish on ProPetro's potential for growth and value creation over the next several years. We believe we are still in the early stages of a sustainable up-cycle that will be supported by the industrialization of the frac space, which is more resilient and disciplined than previous cycles. And we believe ProPetro is well positioned to succeed in this new chapter for our industry.

We do expect the second half of the year will be only slightly down from the operational levels we saw in the first half. Therefore, we believe current rig count is approaching the bottom – and it's possible we're already at the bottom.

Importantly, despite some challenges across the industry, we are not slowing down.

ProPetro offers differentiation in our service quality, service equipment, customer portfolio and operational density in the Permian. We believe in this bifurcation internally and also hear this

directly from our customers. This differentiation continues to insulate us from some of the market inconsistency outside the Permian and in the spot market.

## Second Quarter 2023 Earnings Call Scripted Remarks

August 2, 2023, 8:00 am CT

We are confident that our continued capital discipline and improved free cash flow profile will allow us to maintain a strong balance sheet as we move forward while also executing opportunistically on our share repurchase program. As always, we remain focused on executing our strategy, which has proven successful throughout various economic cycles, to deliver superior returns for shareholders.

Finally, I'd like to take a moment to thank our incredible ProPetro team. It's their continued dedication and hard work that helps us achieve consistently solid results quarter after quarter.

Now I'll turn the call over to David to discuss our second quarter financial results. David.

**David Schorlemer - Chief Financial Officer:**

Thanks, Sam and good morning, everyone.

We have some great news to discuss today regarding our financial performance and progress in our strategic initiatives. While executing our share repurchases, we also paid down \$15 million in debt and continued to maintain strong liquidity.

Since announcing the share repurchase program, ProPetro's share price has increased nearly 50% as of July 31st. Coupled with our strategy execution, we've been working hard to enhance transparency, and thanks in part to our strong investor engagement program, we believe our story is beginning to resonate with the financial community. Increasingly, investors and analysts are telling us that they recognize ProPetro's compelling value and potential. This is evidenced by our leading relative share price performance over the last three months.

Moving on to our second quarter financial results. We generated \$435 million of revenue, a 2.8% increase over the first quarter of this year. Notably, we experienced nearly two times the amount of weather days during the quarter, relative to last year, due to severe lightning in the Permian Basin, and we also idled one fleet for over a month due to inadequate pricing. These impacts resulted in lost revenue of approximately \$15 to \$20 million with the most significant impacts during May and June. Adjusted EBITDA decreased 5% sequentially to \$113 million largely due to unabsorbed costs related to the increased weather days and the idled fleet and our decision to retain the crew for continuity going forward.





## Second Quarter 2023 Earnings Call Scripted Remarks

August 2, 2023, 8:00 am CT

In spite of those impacts in the quarter, our effective frac fleet utilization of 15.9 fleets was on the high end of our prior guidance of 15 to 16 fleets. Consistent with our disciplined asset deployment, or margin over market share strategy, we will not run our equipment at sub-economic levels. Therefore, our second half 2023 guidance for frac fleet utilization is slightly down to 14 to 15 fleets.

As we have previously mentioned, and in line with our fleet transition and replacement strategy that does not expand net capacity in the market, we retired an additional 30,000 hydraulic horsepower of Tier II conventional diesel frac equipment in the second quarter. So far this year we have retired 100,000 horsepower of Tier II equipment with more retirements expected in the coming quarters.

Moving on, cost of services, excluding depreciation and amortization, for the second quarter of 2023 was \$298 million versus \$280 million in the first quarter with the increase primarily driven by a higher level of activity across our service lines.

Second quarter general and administrative expense of \$29 million was flat as compared to the prior quarter. G&A expense excluding management adjustments was \$25 million, or 5.7% of revenue. Management adjustments include \$4 million of nonrecurring and noncash items including stock-based compensation and other items.

Depreciation and amortization was \$53 million in the second quarter and we continue to expect D&A to be in this range going forward.

The Company achieved net income of \$39 million or \$0.34 cents per diluted share compared to net income of \$29 million or \$0.25 cents per diluted share in the prior quarter. This is the highest quarterly net income reported by the Company since the first quarter of 2019 and our fourth consecutive quarter of increasingly positive net income.

During the quarter, we incurred \$115 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 second quarter was \$108 million with free cash flow of \$6 million. This figure



## Second Quarter 2023 Earnings Call Scripted Remarks

August 2, 2023, 8:00 am CT

differs from our incurred capex number due to differences in timing of equipment receipts and cash disbursements.

We are reaffirming our previously provided capex range for 2023, which we expect to be between \$250 and \$300 million, with a bias toward the upper end of the range due to our Tier IV DGB and FORCE<sup>SM</sup> electric fleet deployments this year. Additionally, as quarterly capex decreases in the second half of the year, we expect this to contribute to accelerating free cash flow over the coming quarters to be utilized for further debt reduction, opportunistic share repurchases, and other strategic opportunities.

Moving on to our capital structure. Our balance sheet and liquidity position remain strong to support execution of our strategy. As of June 30, 2023, total cash was \$62 million and our borrowings under the ABL Credit Facility were \$60 million. Total liquidity at the end of the second quarter of 2023 was \$170 million including cash and \$108 million of available capacity under the ABL. As mentioned, since the close of the second quarter we paid down our credit facility by \$15 million, and as of July 31, 2023, our cash balance was \$63 million and we had \$45 million of borrowings under our ABL with \$175 million of total liquidity.

As I noted during our first quarter call, ProPetro's balance sheet is strong and we remain committed to disciplined capital deployment for the long-term. This strength and capital discipline enabled us to develop and install certain commercial architecture that will benefit the Company for years to come, namely, our capital-light long-term lease agreement for our FORCE<sup>SM</sup> electric-powered frac fleets. This lease agreement reduces our capital requirements and improves our operating cost profile while enabling ProPetro to accelerate the transformation of our fleet to emissions-friendly assets that are in high demand in the market.

Lastly, and this is incredibly important to understand about ProPetro, over the last 18 months and through the end of this year, we will have invested nearly a billion dollars in recapitalizing our fleet and bringing state of the art technologies and completions services to ProPetro. By the end of this year, we will have transformed our fleet to become the youngest and one of the most valued fleets in the industry. Attend a few industry or investor conferences and you'll hear our customers talk about the ProPetro difference. It's real and we have the accolades to prove it.

This differentiation in strategy has delivered a tremendous value proposition for our customers and an opportunity for our shareholders. And, the indicators of our successful strategy are already clearly visible: continued earnings strength, a transformed fleet of highly desirable assets

already strong vision, continued earnings strength, a transformed roster of highly desirable assets  
and services, positive free cash flow, debt reduction, share repurchases, share price



## Second Quarter 2023 Earnings Call Scripted Remarks

August 2, 2023, 8:00 am CT

outperformance, and strengthening liquidity. With this significant investment as a foundation, essentially a down payment on our future success, we expect to yield continued strong financial returns for many years to come.

Let me now turn the call back to Sam for some closing remarks.

**Sam Sledge - Chief Executive Officer:**

Thank you, David.

Before we turn it over to Q&A, I'd like to touch again on ProPetro's differentiated offering. We are proud to offer industry-leading service quality, service equipment with next-generation capabilities that will be two thirds of our fleet by early 2024, a robust customer portfolio and operational density in the Permian.

While we continue to face market pressures in some areas, our best-in-class commercial architecture and superior execution in the field are distinct competitive advantages for ProPetro. As demonstrated, our sophisticated pricing model supports our asset deployment decisions and we will remain disciplined by not sacrificing our fleet at the expense of pricing concessions. Furthermore, we are not going to stress our operating system with fleets operating at sub-economic levels. Instead, we are focused on navigating the near-term in a disciplined manner with long term value in focus. As a result, we believe this will set us up for outsized upside in 2024 and beyond.

Here at ProPetro, we are relentlessly focused on the execution of our strategy and, as I stated earlier, we have no plans of letting up. We recognize the fundamental change needed in the servicing space to focus on industrialization. We also expect that the continued optimization of our operations and industrialization of our business will unlock continued free cash flow growth. In addition, we will continue to transition our fleet in a capital-light manner and pursue opportunistic strategic transactions that accelerate value for our shareholders, while also not expanding capacity in the marketplace. We are confident that we can achieve all of this while generating enhanced shareholder returns through our capital discipline and strategic approach.

Finally, I'd like to once again thank the entire ProPetro team for their outstanding and safe performance this quarter and enabling our management team to move forward confidently with this strategy.

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



## Second Quarter 2023 Earnings Call Scripted Remarks

August 2, 2023, 8:00 am CT

### Closing Remarks by Sam Sledge - Chief Executive Officer:

Thank you for joining us on today's call. 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 currently

## Second Quarter 2023 Earnings Call Scripted Remarks

August 2, 2023, 8:00 am CT

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.

### Investor Contacts:

David Schorlemer

Chief Financial Officer

[david.schorlemer@propetroservices.com](mailto:david.schorlemer@propetroservices.com)

432-227-0864

Matt Augustine

Director, Corporate Development and Investor Relations

[matt.augustine@propetroservices.com](mailto:matt.augustine@propetroservices.com)

432-848-0871



