

Patterson-UTI Energy, Inc.

Bank of America Merrill Lynch

Global Energy Conference

November 13, 2019



Forward-Looking Statements

This material and any oral statements made in connection with this material include "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Statements made which provide the Company's or management's intentions, beliefs, expectations or predictions for the future are forward-looking statements and are inherently uncertain. The opinions, forecasts, projections or other statements other than statements of historical fact, including, without limitation, plans and objectives of management of the Company are forward-looking statements. It is important to note that actual results could differ materially from those discussed in such forward-looking statements. Important factors that could cause actual results to differ materially include the risk factors and other cautionary statements contained from time to time in the Company's SEC filings, which may be obtained by contacting the Company or the SEC. These filings are also available through the Company's web site at <http://www.patenergy.com> or through the SEC's Electronic Data Gathering and Analysis Retrieval System (EDGAR) at <http://www.sec.gov>. We undertake no obligation to publicly update or revise any forward-looking statement. Statements made in this presentation include non-U.S. GAAP financial measures. The required reconciliation to U.S. GAAP financial measures are included on our website and/or at the end of this presentation.

Patterson-UTI Energy, Inc.



Contract Drilling

Originally founded in 1978, Patterson-UTI's contract drilling business is a **leading provider of super-spec drilling rigs** with a large footprint across U.S. drilling markets.



Pressure Pumping

A **leading provider of hydraulic fracturing services** across Texas, Appalachia, and the Mid-Continent.



Directional Drilling

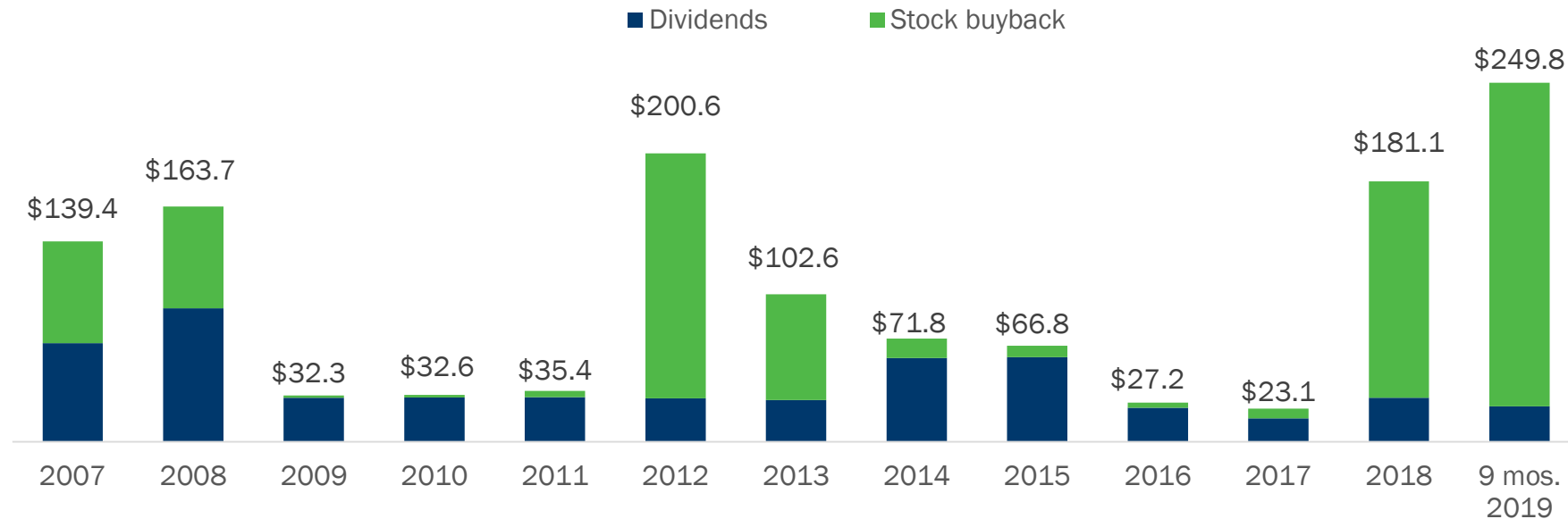
MS Directional offers a **comprehensive suite of directional drilling services** including directional drilling, downhole performance motors, and measurement while drilling ("MWD"). Superior QC provides **advanced drilling analytics** software to improve accuracy of horizontal wellbore placement.

Financial Focus



- Focused on generating positive cash flow after capex
- Focused on maintaining a strong balance sheet
- Focused on returning cash to shareholders through a stable dividend, augmented by opportunistic share repurchases

Cash Returned to Shareholders (\$ in Millions) 2007 - 2019

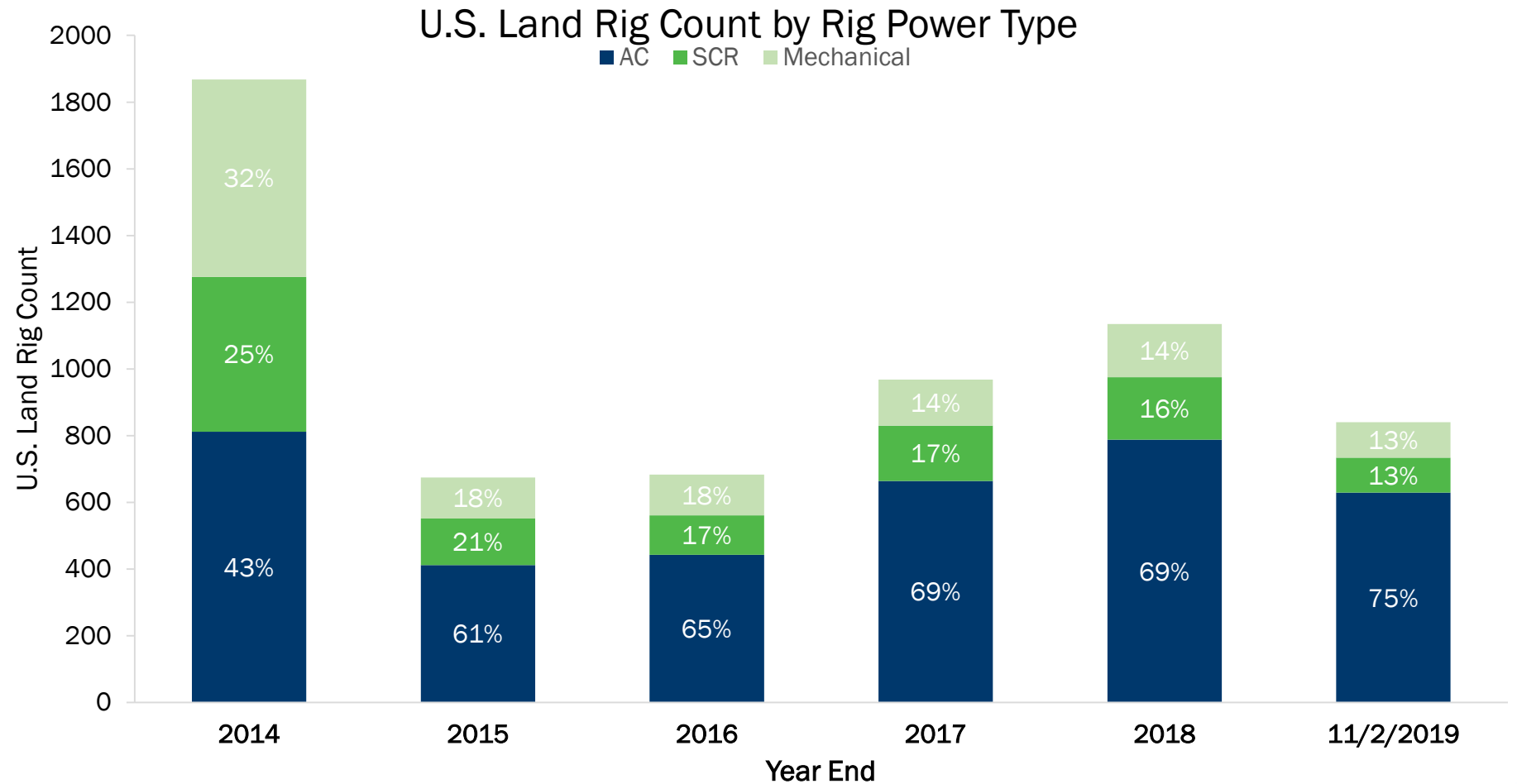




CONTRACT DRILLING



Evolution of U.S. Land Industry Rig Demand by Rig Power Type



Source: Patterson-UTI estimates

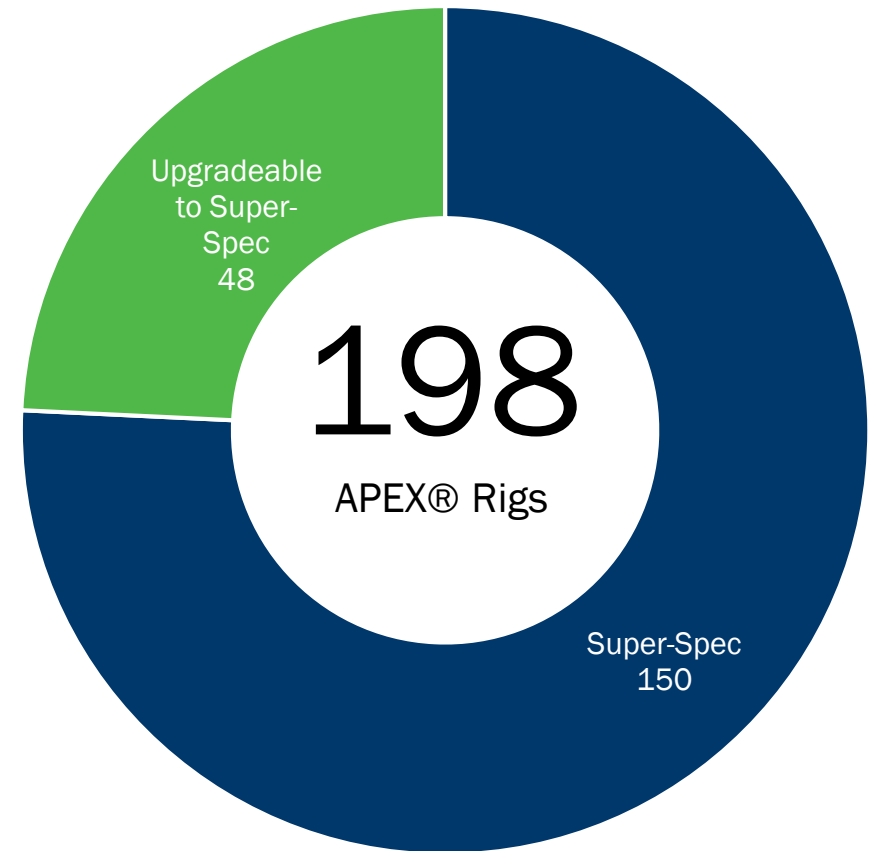
Super-Spec Rigs as a Technology Platform



Super-spec rigs will be the platform from which advancements in automation and remote operations are deployed

- PTEN is well positioned as a leader in the super-spec rig market
- Advancements in rig technology are expected to be more software driven than hardware driven
- New technology needs a new business model
 - Performance aspects of contracts are needed to reward contractors for efficiency
 - Contractors should be incentivized to invest in new technology

Patterson-UTI APEX® Rig Fleet

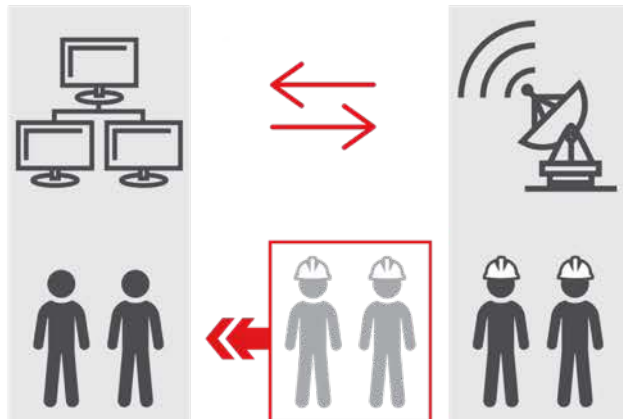


Automation and Remote Operations



REMOTE OPERATIONS

Remote operations allow a specialist to manage multiple wells at one time

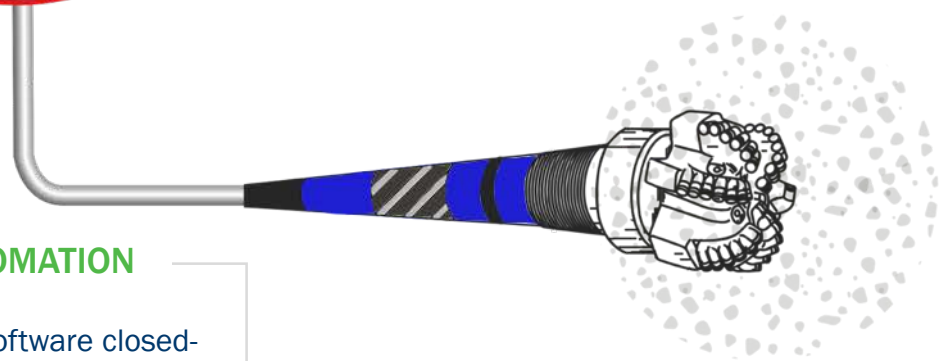


RIG AUTOMATION

Consistent, automated processes at the wellsite limit safety risks, reduce well costs, streamline logistics and increase margins

DIRECTIONAL DRILLING AUTOMATION

Controlling downhole equipment with software closed-loop automation enhances quality and efficiency



CORTEX™ Applications



CORTEX™ *Adaptive Auto-Driller:*

Adaptive control loops maximize rate of penetration (ROP) through changing formations and minimize dysfunction. Optimized to consistently replicate expert driller performance. Easy to use interface that accelerates driller learning and development.

CORTEX™ *Pipe Oscillator:*

Automated pipe oscillation while slide drilling to increase ROP and assisting directional driller in manual toolface steering.

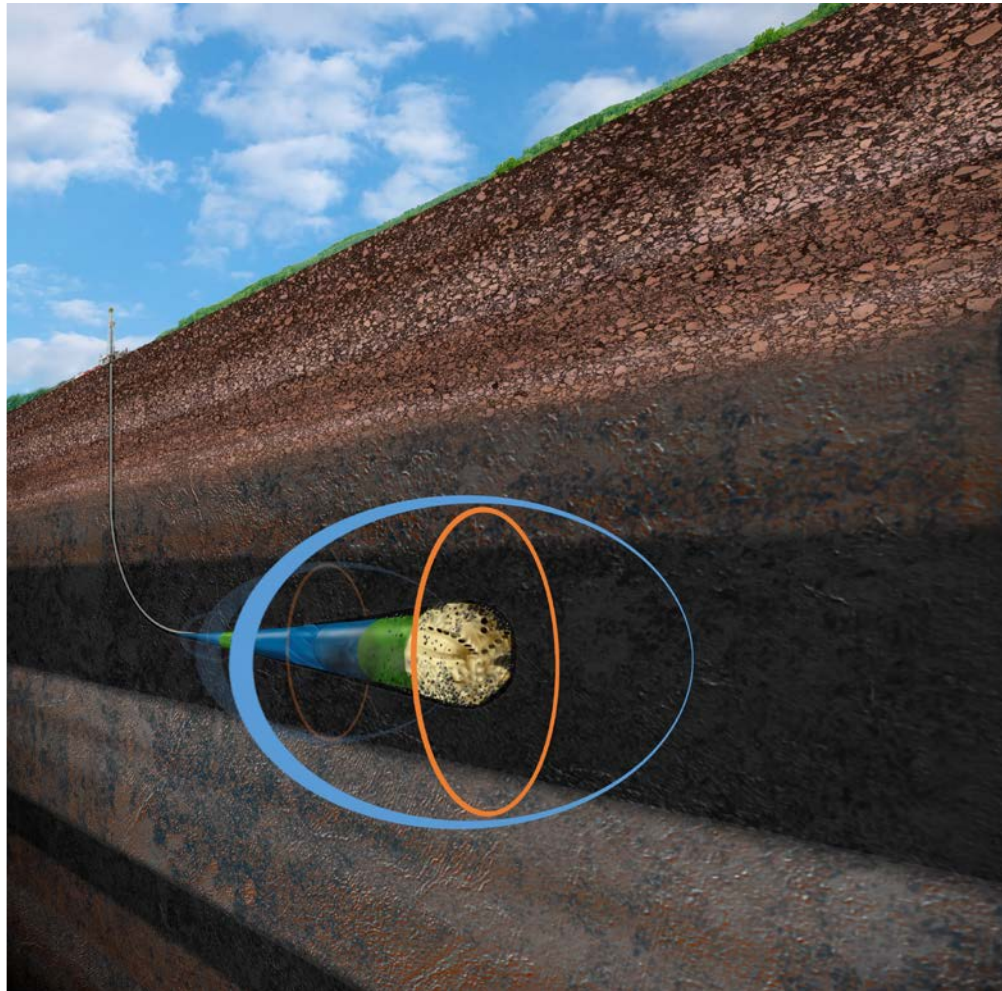


CORTEX™ *Automated Toolface Drilling Control*

Closed loop technology that automates toolface control while slide drilling, enabling the process of remote directional drilling control.

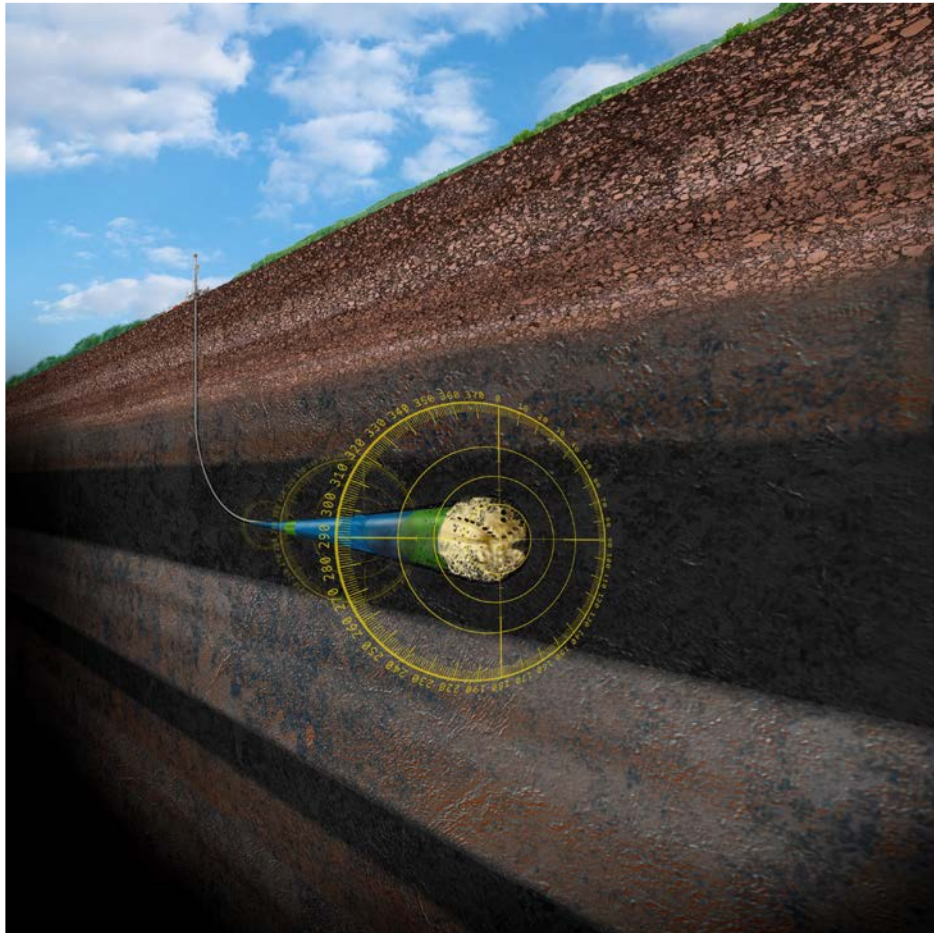
CORTEX™ *Stick-Slip Mitigation:*

Removes harmful torsional vibration allowing for increased ROP, lifespan of the drill bit, and other BHA components.



Superior QC

- Superior QC services increase the accuracy of wellbore placement to improve well-to-well spacing
- More accurate well spacing provides for:
 - Fewer frac hits
 - Less parent-child communication between wells
 - Generally better production economics
- Superior QC is a leader in terms of speed, automation, accuracy, and technical capability



Superior QC Bit Guidance

Superior QC's directional drilling control combined with Superior QC's Fault Detection, Isolation, and Recovery (FDIR) software provides for real-time corrections and accurate well placement, reducing tortuosity and maximizing exposure to targeted production zones.

CORTEX™

GENASSIST™

powered by eco cell™



GenAssist™ is an energy management software system that leverages EcoCell's™ stored energy to optimize fuel efficiency and emissions. Automatically starts/stops engines and sets optimal load to achieve best possible fuel economy and emissions levels.

- Alternative solution to 4th generator requirements
- Reduces fuel consumption
- If utilizing dual-fuel engines, GenAssist™ will maximize substitution rates, dramatically improving fuel savings
- Reduces air emissions
- Added redundancy – can power rig for startup without using cold-start engine
- Extended maintenance intervals due to reduced engine run hours
- Improved power quality and response (instant power available)
- Designed for easy integration with APEX® Rigs
- Capable of providing 1.5x more power than a genset at full load - Stores up to 500 kW-hours

PRESSURE PUMPING



Dual-Fuel Frac Spreads



More flexible fuel source as engines can burn a fuel mix comprised of up to 70% natural gas



Reduces operating costs by lowering fuel costs



Comparable torque and horsepower to an all diesel engine



Good for environmental sustainability

Dual-Fuel Frac Spreads



- Patterson-UTI began dual fuel operations in 2012 and has expanded to five dual fuel spreads
- Patterson-UTI has completed more than 12,400 dual fuel fracturing stages saving customers approximately 10 million gallons of diesel

Blender Remote Control & Automation

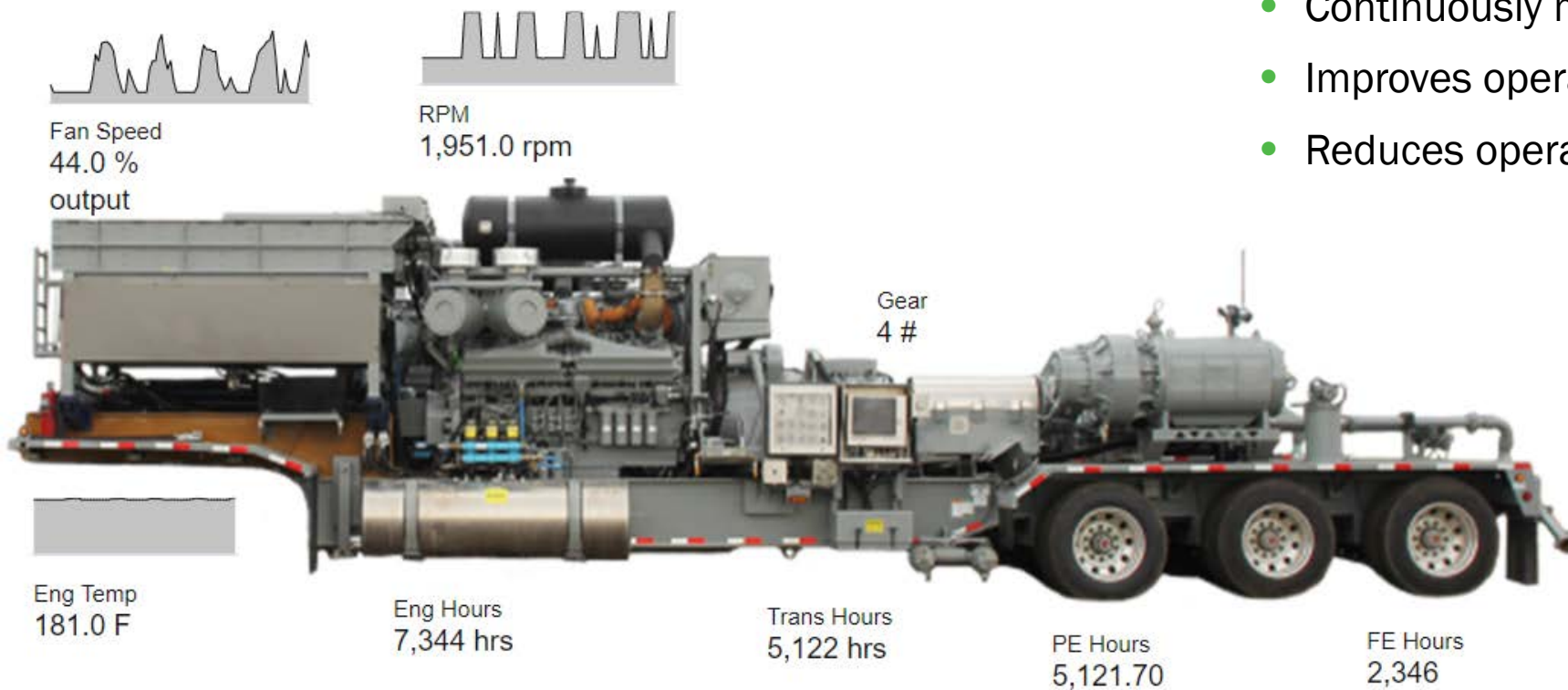


- Developing new control systems to allow the blender to be remotely operated from the data van
- Increased data collection capability will improve predictive analytics modeling helping to improve blender up time and reduce maintenance costs
- Remote operations with automation will lead to more efficient and consistent operations

Using AI with Digital Twin Technology

Predictive analytics utilizing AI and digital twin technology

- Continuously monitors PTEN's frac trailers
- Improves operational performance
- Reduces operating costs





FINANCIAL FOCUS



Strong Financial Position



Substantial Liquidity

\$165 million cash as of September 30, 2019
\$600 million revolver through March 2024



21.6% Net Debt/Total Capital at September 30, 2019 *

\$150 million term loan matures June 2022 *
\$300 million Series B notes mature June 2022 *
\$525 million 3.95% senior notes due 2028



Investment Grade Credit Rating

Moody's – Baa2
Standard & Poor's - BBB

* On November 7, 2019 the Company priced a registered underwritten public offering of \$350 million aggregate principal amount of 5.15% Senior Notes due 2029. The Company intends to use the net proceeds from the offering to repay in full the Company's 4.27% Series B Notes due June 2022, to repay a portion of the amounts outstanding under its term loan agreement and for general corporate purposes.



- **New \$350 million senior notes**
 - Public offering priced on November 7, 2019 and expected to close on November 15, 2019
 - Investment grade terms
 - Matures November 15, 2029

- **Plan to use proceeds from senior notes offering to repay \$300 million Series B notes due June 2022 and reduce a portion of outstanding amount under term loan due June 2022**
 - Reduces nearest term debt maturity in 2022 to approximately \$100 million
 - Other term debt maturities will be \$525 million in 2028 and \$350 million in 2029



PATTERSON-UTI
ENERGY INC.





ENVIRONMENTAL AND SOCIAL RESPONSIBILITY



Patterson-UTI Core Values



- **Safety and Environment**
 - We believe that the safety of our employees and the protection of our environment is a cornerstone
- **Operational Excellence**
 - We deliver high-quality, value-added services and focus on innovative solutions in all aspects of our work
- **Honesty and Integrity**
 - We will act with honesty and integrity in everything we do
- **Respectful Workplace**
 - We are committed to providing a working environment that is inclusive, respectful, and supportive
- **Development of our People**
 - We are committed to the growth and development of every employee
- **Profitable Business**
 - We are committed to delivering superior returns



- **Air Quality**
 - We utilize natural gas engines, dual-fuel equipment and other technologies that reduce our air emissions
- **Water Quality**
 - We strive to conduct our drilling and completion activities in a manner that protects the quality of ground and surface water
- **Land Use**
 - We employ spill prevention plans and use additional protective measures in environmentally sensitive areas



Our people are our most important asset and our greatest strength

- Health and Safety
 - Our goal is to provide an incident-free work environment. The safety of our employees and others is our highest priority
- Diversity and Inclusion
 - We are committed to fostering a work environment where all people feel valued and respected
 - We embrace our diversity of people, thoughts and talents, and combine these strengths to pursue extraordinary results for PTEN, our employees and our stockholders

Non-U.S. GAAP Financial Measures

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended June 30,
	2019	2018	2019	2018	2019
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA): (1)					
Net loss	\$ (261,719)	\$ (75,042)	\$ (339,780)	\$ (120,172)	\$ (49,447)
Income tax benefit	(64,513)	(16,517)	(81,245)	(24,617)	(10,128)
Net interest expense	19,046	11,559	42,540	34,068	11,542
Depreciation, depletion, amortization and impairment	400,764	281,652	823,862	703,928	208,688
Impairment of goodwill	17,800	—	17,800	—	—
Adjusted EBITDA	<u>\$ 111,378</u>	<u>\$ 201,652</u>	<u>\$ 463,177</u>	<u>\$ 593,207</u>	<u>\$ 160,655</u>
Total Revenue	\$ 598,452	\$ 867,478	\$ 1,978,388	\$ 2,531,060	\$ 675,765
Adjusted EBITDA Margin (Adjusted EBITDA / Total Revenue)	18.6%	23.2%	23.4%	23.4%	23.8%
Adjusted EBITDA by operating segment:					
Contract drilling	\$ 126,591	\$ 137,275	\$ 423,021	\$ 381,776	\$ 144,896
Pressure pumping	29,177	75,499	112,321	235,909	41,777
Directional drilling	(11,983)	3,268	(1,703)	13,453	5,580
Other operations	(11,165)	5,684	(441)	15,961	4,140
Corporate	(21,242)	(20,074)	(70,021)	(53,892)	(35,738)
Consolidated Adjusted EBITDA	<u>\$ 111,378</u>	<u>\$ 201,652</u>	<u>\$ 463,177</u>	<u>\$ 593,207</u>	<u>\$ 160,655</u>

(1) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") is not defined by U.S. GAAP. We define Adjusted EBITDA as net income (loss) plus net interest expense, income tax expense (benefit) and depreciation, depletion, amortization and impairment expense (including impairment of goodwill). We present Adjusted EBITDA because we believe it provides to both management and investors additional information with respect to the performance of our fundamental business activities and a comparison of the results of our operations from period to period and against our peers without regard to our financing methods or capital structure. We exclude the items listed above from net income (loss) in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be construed as an alternative to the U.S. GAAP measure of net income (loss). Our computations of Adjusted EBITDA may not be the same as similarly titled measures of other companies. Set forth below is a reconciliation of the non-U.S. GAAP financial measure of Adjusted EBITDA to the U.S. GAAP financial measure of net income (loss).

