

PATTERSON-UTI ENERGY, INC.
Colombia Contract Drilling Adjusted Gross Margin
(unaudited, dollars in thousands)

	<u>2022</u>
	<u>Third</u>
	<u>Quarter</u>
Revenues	\$ 18,697
Less direct operating costs	(12,927)
Less depreciation, amortization and impairment	(1,310)
GAAP gross margin	4,460
Depreciation, amortization and impairment	1,310
Adjusted gross margin ⁽¹⁾	<u>\$ 5,770</u>

⁽¹⁾ We define “Adjusted gross margin” as revenues less direct operating costs (excluding depreciation, amortization and impairment expense). Adjusted gross margin is included as a supplemental disclosure because it is a useful indicator of our operating performance.

PATTERSON-UTI ENERGY, INC.
Non-GAAP Financial Measures
Minimum Forecasted Adjusted EBITDA
(unaudited, dollars in thousands)

The following table sets forth a reconciliation of minimum forecasted Adjusted EBITDA to forecasted net income, which is the most directly comparable measure of financial performance calculated under GAAP:

Minimum Forecasted Adjusted EBITDA:	<u>2022</u>
Net income	> \$128,000
Income tax expense	> \$0
Net interest expense	> \$42,000
Depreciation, depletion, amortization and impairment	> \$480,000
Minimum Forecasted Adjusted EBITDA	<u>> \$650,000</u>