

February 2026



# Investor Presentation



# Forward Looking Statements & Disclosures

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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.

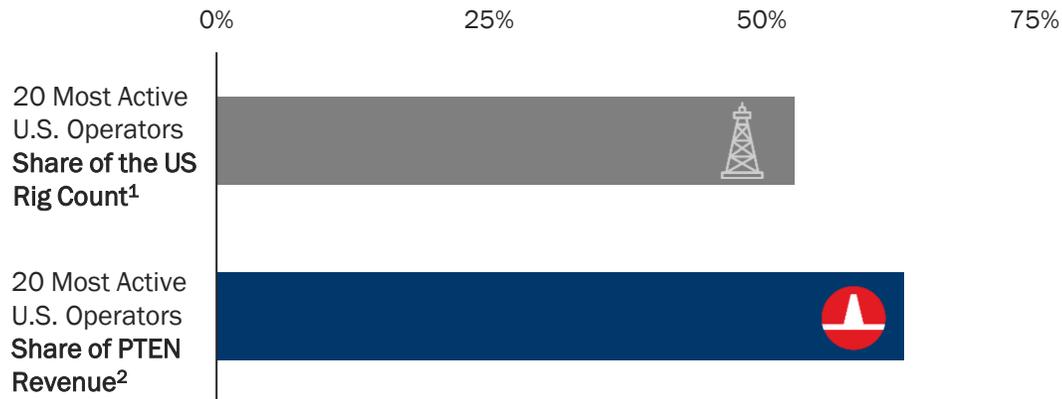
## **Reconciliation of Non-GAAP Financial Measures**

Statements made in this presentation include non-U.S. GAAP financial measures. The required reconciliations to U.S. GAAP financial measures are included on our website and/or at the end of this presentation.

# Patterson-UTI Priorities

## Commercial Strategy

Our strategy aligns us with the most active E&Ps in the Lower 48, supporting adjusted free cash flow and returns



<sup>1</sup>Rig count is based on U.S. onshore activity as of 2/20/2026. Source: Enverus  
<sup>2</sup>Based on full year 12/31/2025 total company revenue



## Financial Objectives

- Maximize adjusted FCF per share over the long-term
- Responsibly invest in technologies within our core businesses to drive differentiated performance across our markets
- Responsibly return capital to shareholders through dividends and share repurchases
- Manage for long-term financial flexibility and balance sheet strength

# Executive Summary



## Delivering best-in-class Drilling and Completions services and products

Integrated service offerings improve well delivery for customers and create value for investors



## High-quality asset base with strong utilization on top-tier assets

Tier-1 drilling rigs and natural gas-powered frac assets are preferred by customers given differentiated performance



## Investing to drive market outperformance in our core businesses

Focused on advancing technologies and efficiencies to drive improving returns in our core markets



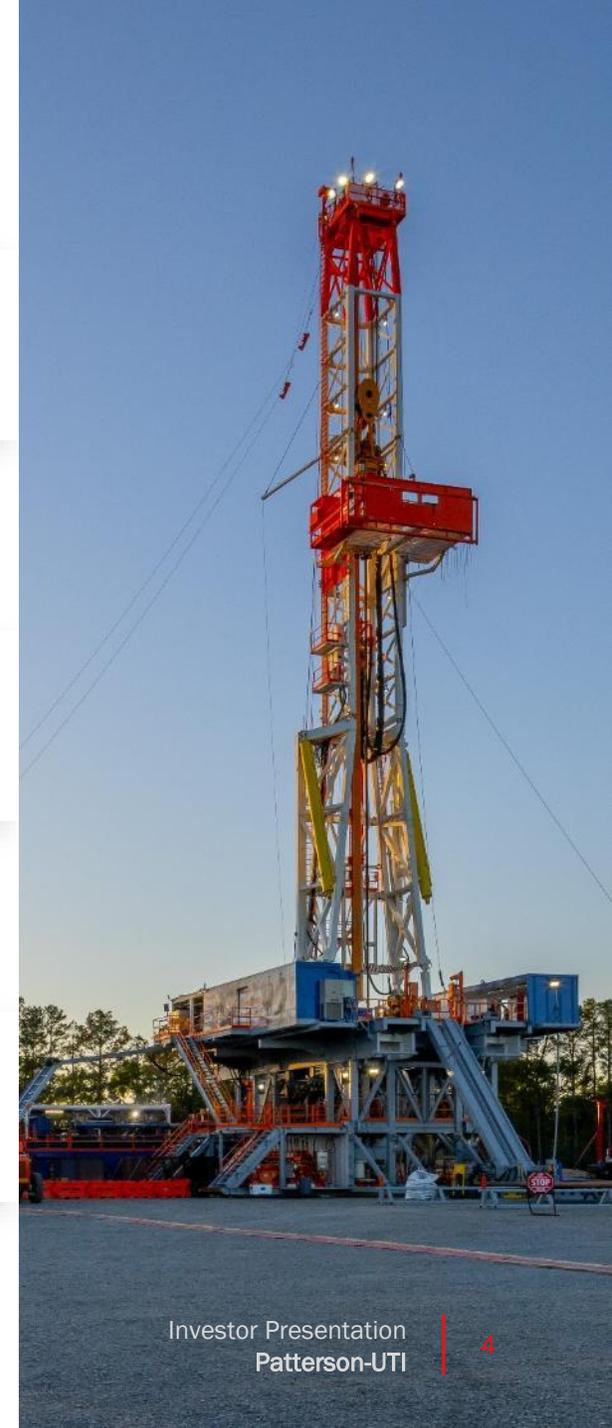
## Predictable capital allocation strategy

Capital expenditures can be scaled with activity; remain committed to return at least 50% of adjusted FCF to investors



## Strong capital structure

No Senior Note maturities until 2028; Investment Grade credit rating at all 3 major rating agencies



For purposes of the shareholder return target, the Company defines adjusted free cash flow as net cash provided by operating activities less capital expenditures plus proceeds from asset sales. The shareholder return target, including the amount and timing of any dividend payments and/or share repurchases are subject to the discretion of the Company's Board of Directors and will depend upon business conditions, results of operations, financial condition, terms of the Company's debt agreements and other factors.



# Who We Are

# Patterson-UTI | Operating a Suite of Complementary Services and Products

An Integrated OFS Company

## Drilling Services



APEX® Drilling Fleet



Directional Drilling



Wellbore Navigation



Electronics Manufacturing



Battery Storage Systems

137

Tier-1  
Super-Spec  
Drilling Rigs<sup>1</sup>

## Completion Services



Hydraulic Fracturing



Wireline Operations



Natural Gas Fueling



Cementing



eost™ Completions Platform

2.7

Million Hydraulic  
Horsepower<sup>1</sup>

## Drilling Products



Torque Control Bits



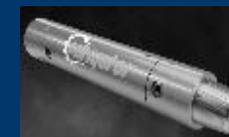
High-Flow Rate Bits



Vibration-Dampening Bits



Geothermal Bits



Downhole Tools

~30%

Drilling Products  
Revenue from  
Non-U.S.<sup>2</sup>

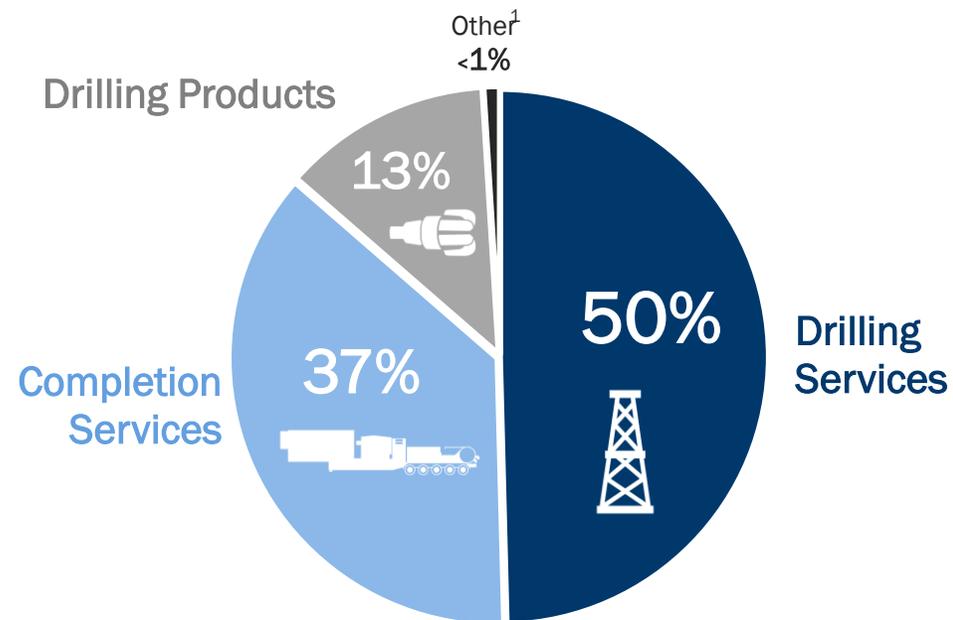
Other business includes Patterson Petroleum. <sup>1</sup>Reflects deployed and idle equipment capacity during the fourth quarter of 2025.

<sup>2</sup>Drilling Products revenue from reported non-U.S. operations from close of Ultrerra acquisition through December 31, 2025.

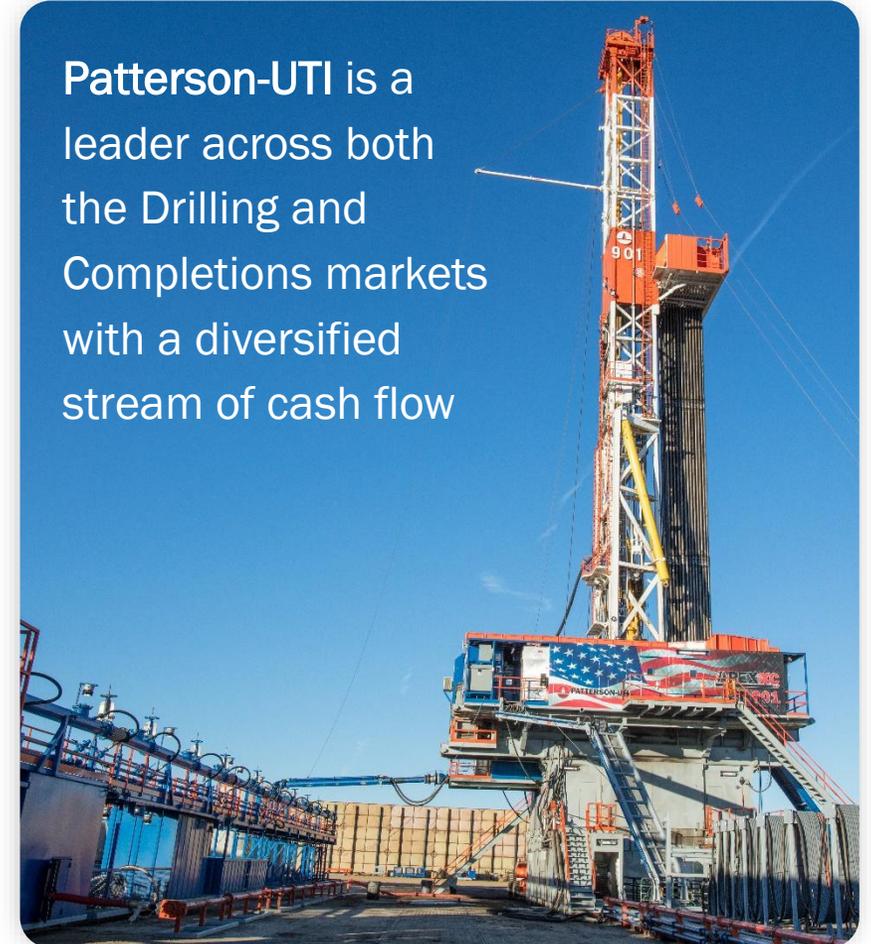
# Diversified Across Drilling and Completions Markets

Cash flow driven by drilling services and products and completions services

## Patterson-UTI Company Profile Adjusted Gross Profit as a % of Company Total 2025



Patterson-UTI is a leader across both the Drilling and Completions markets with a diversified stream of cash flow



<sup>1</sup>Other business includes Patterson Petroleum and legacy Great Plains Oilfield Rental which was divested in April 2025.

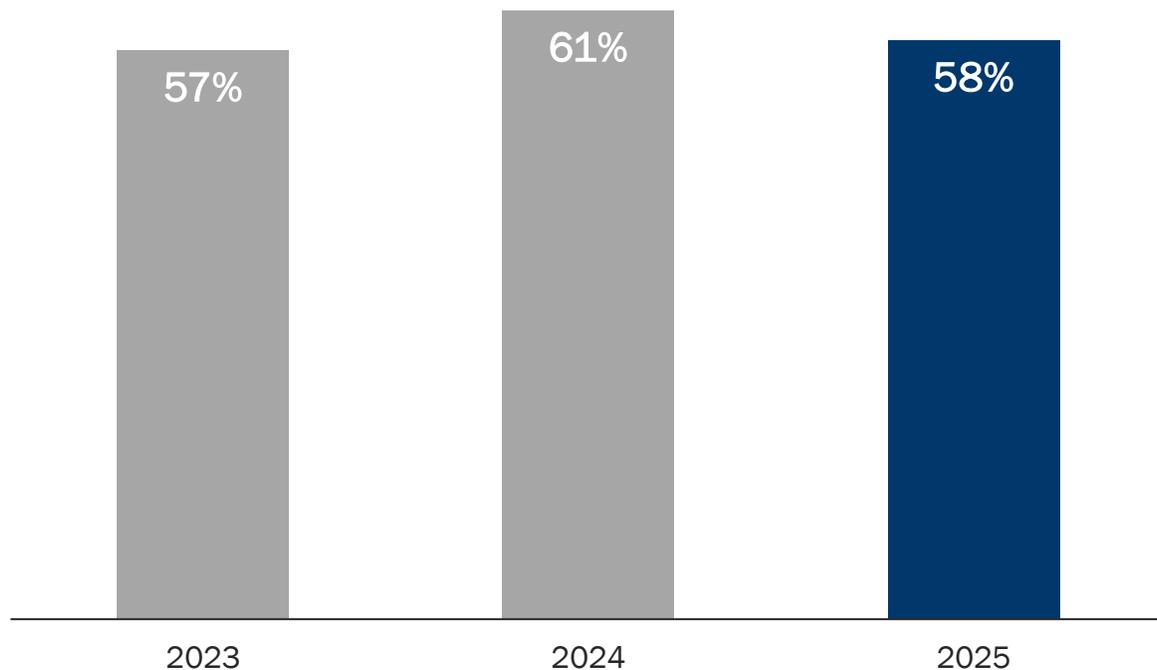


# Business Overview

# Drilling Services | Reliable Cash Conversion

Cash conversion at our Drilling Services segment remains strong even as commodity prices have weakened

**Cash Conversion<sup>1</sup> for Drilling Services Segment**  
Adjusted EBITDA less Capital Expenditures as a % of Adjusted EBITDA

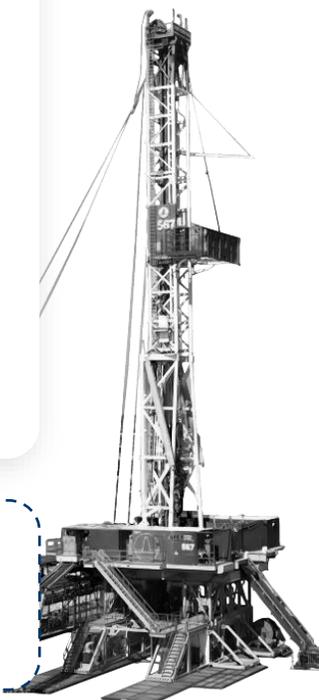


## Performance Drilling

- **Drilling Services Cash Conversion** has remained relatively steady
- **Capital Expenditures** can be scaled to align with the opportunity set, with lower capital expenditures expected in 2026
- **Drilling Services** cash conversion has remained relatively steady given high-quality assets and technology advantages



**Patterson-UTI's Drilling Services** segment is expected to deliver strong cash conversion again in 2026

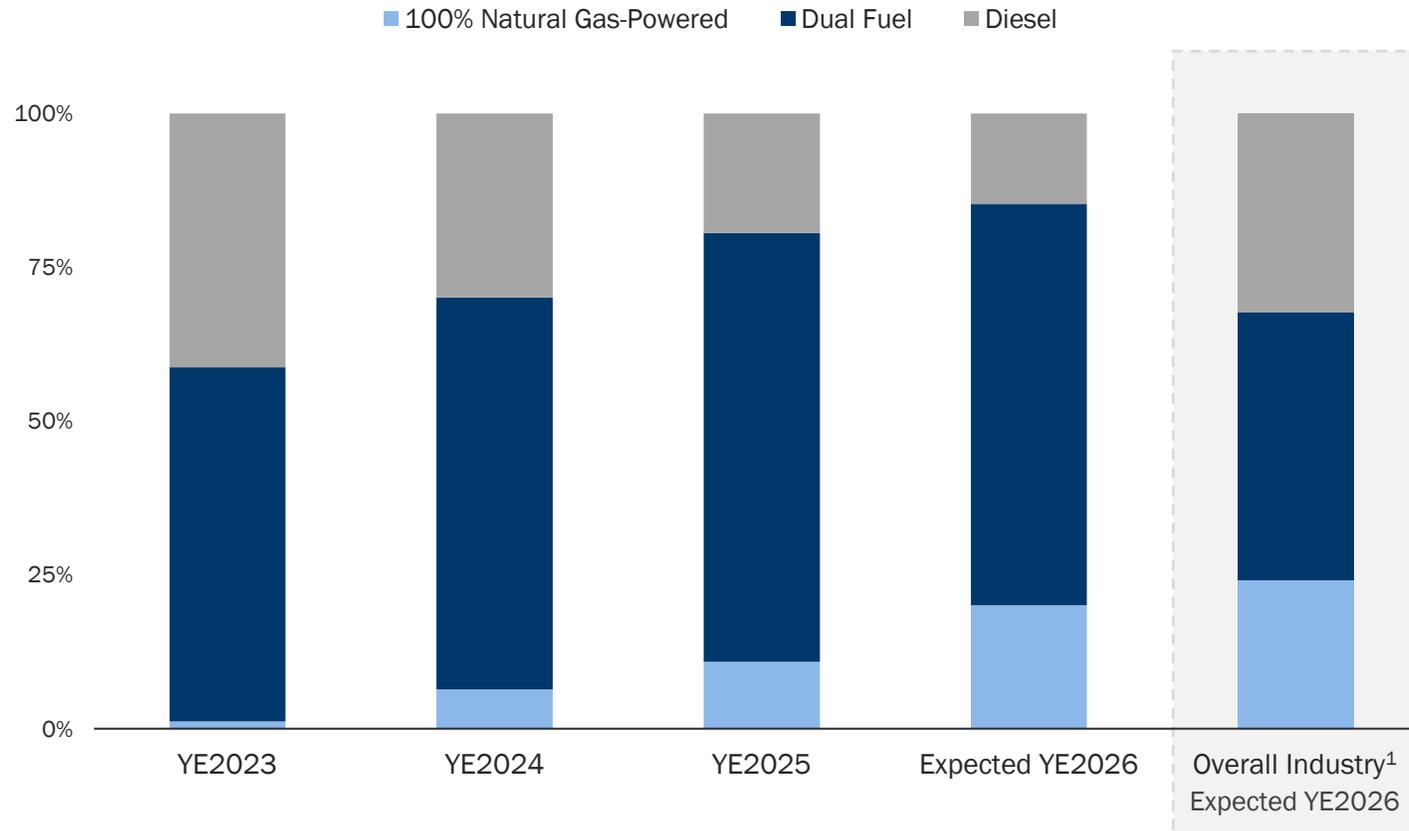


<sup>1</sup>Cash Conversion for our Drilling Services segment is defined as (Drilling Services Adjusted EBITDA less Drilling Services Capital Expenditures) as a percentage of Drilling Services Adjusted EBITDA

# Completion Services | Operating One of the Highest Quality Fleets in the Industry

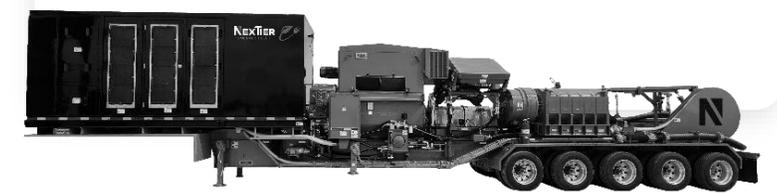
Invested in technology that will drive future completion demand

**High-Grading Our Fleet**  
Patterson-UTI Fleet in Horsepower



## Responsibly High-Grading

- **Fleet high grading** has been responsibly paced, and we expect fleet quality to improve again in 2026 even on lower capital expenditures
- **100% natural gas-powered fleets** are increasingly favored by customers as momentum shifts towards new technologies
- **Industry total horsepower** is expected to see the impact of attrition of diesel and some older Tier II dual fuel assets, and we expect to continue to retire lower return assets



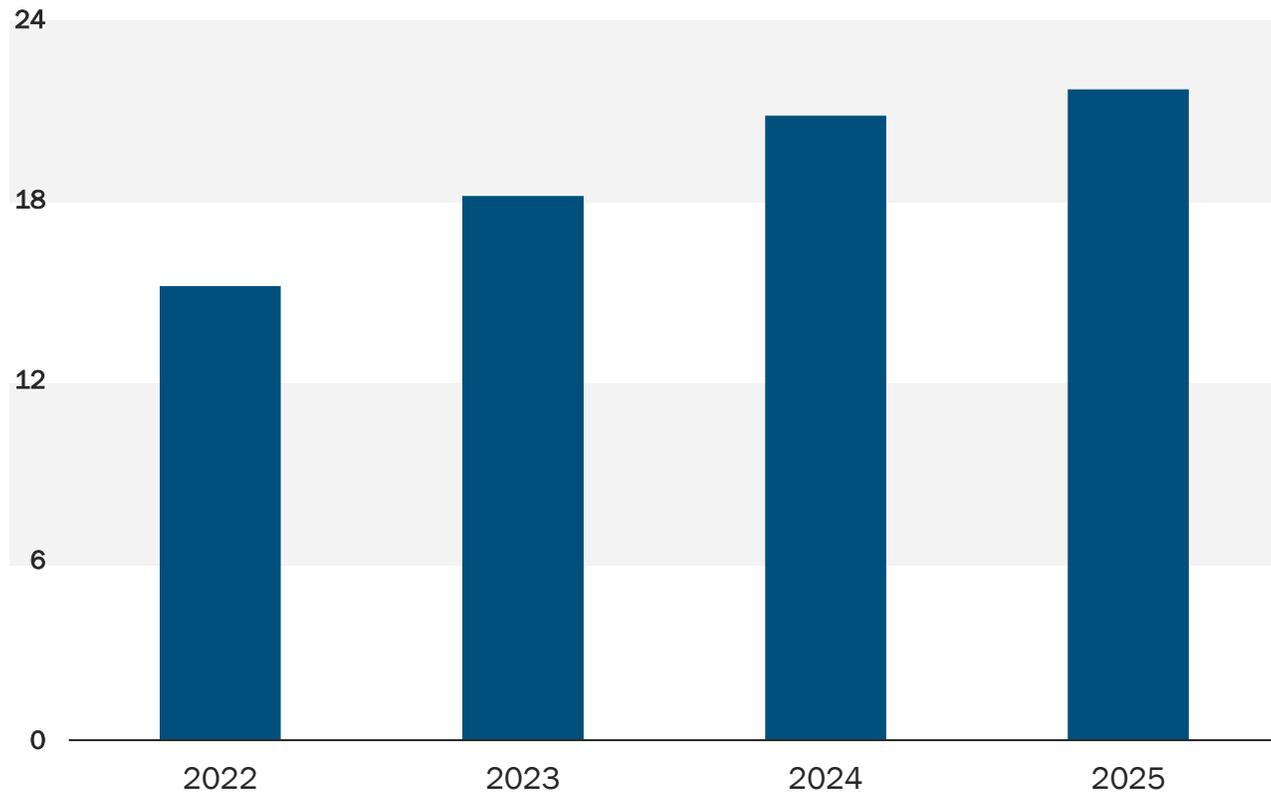
<sup>1</sup>Patterson-UTI estimates for U.S. Land.

# Completion Services | Pump Hours per Day Efficiency Nearing Structural Limits

With the average fleet now working 22 hours per day, incremental efficiency per fleet is limited

## Pump Hours per Day per Fleet

Average U.S. Land Fleet<sup>1</sup>

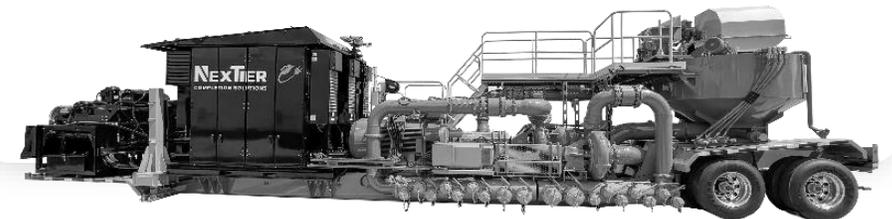


<sup>1</sup>Patterson-UTI Estimates for on-pad efficiency



## Efficiency gains slow as the industry approaches limits

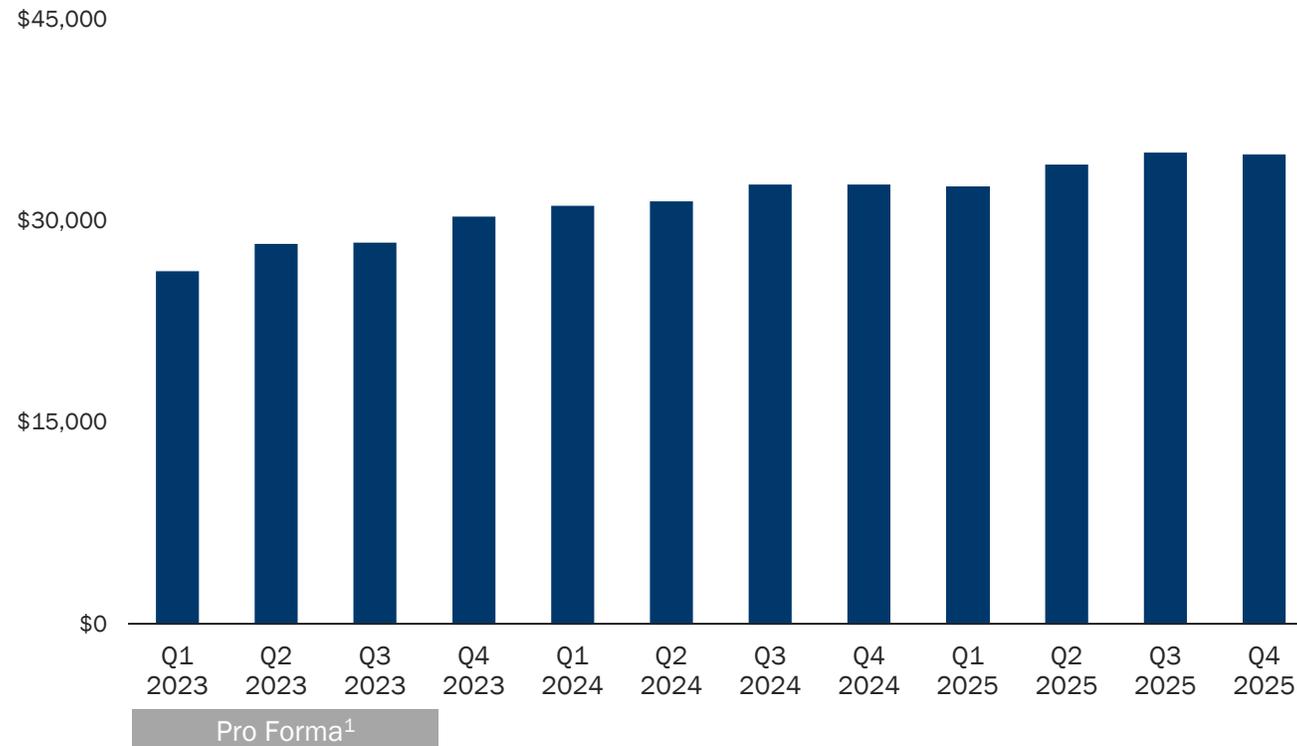
- Industry pump hours per day have risen through innovations in equipment health monitoring and higher horsepower demand on location
- Continuous pumping can help reach structural limits but requires significantly more horsepower on location relative to a more normal operation
- We expect our digital and technology investments to drive new revenue opportunities and cost improvements as we further differentiate our operations



# Drilling Products | Outpacing Industry Activity

Rapid deployment of incremental design improvements create a demonstrable & sustainable advantage

Drilling Products Segment  
 Pro Forma<sup>1</sup> U.S. Revenue per U.S. Industry Rig per Month  
 U.S. Active Rigs



## Drill Bit Outperformance

- **Rapid Innovation and Customization:** Ulterra leverages proprietary software to analyze drilling data and optimize product performance, resulting in consistent market outperformance
- **Realizing Operational Synergies:** Drilling Products market share on PTEN operated rigs is up more than 10% since we closed the acquisition, with revenue per industry rig up 40% since the beginning of 2023



### More than just drill bits

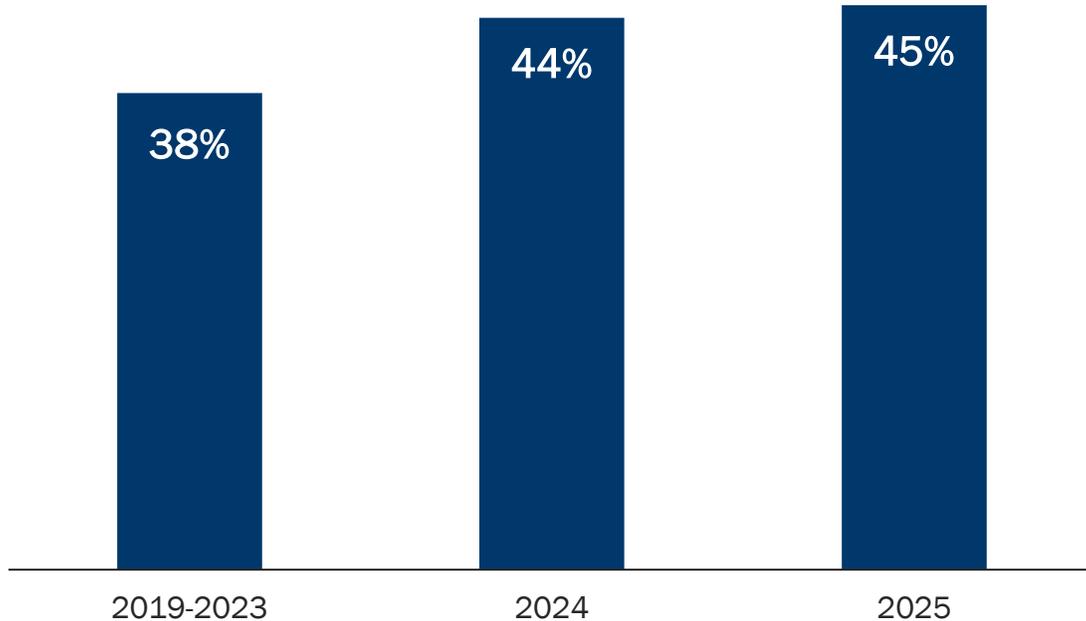
Downhole tools and new product innovation revenue continues to outpace the industry

<sup>1</sup>On August 14, 2023, we formed our drilling products segment through the acquisition of Ulterra Drilling Technologies. The table includes revenue and activity that predates the close of that acquisition, which presents the information as if the acquisition occurred on January 1, 2023. <sup>2</sup>Enverus U.S. Active Rigs

# Patterson-UTI Enterprise | Delivering Strong and Consistent Adjusted FCF Generation

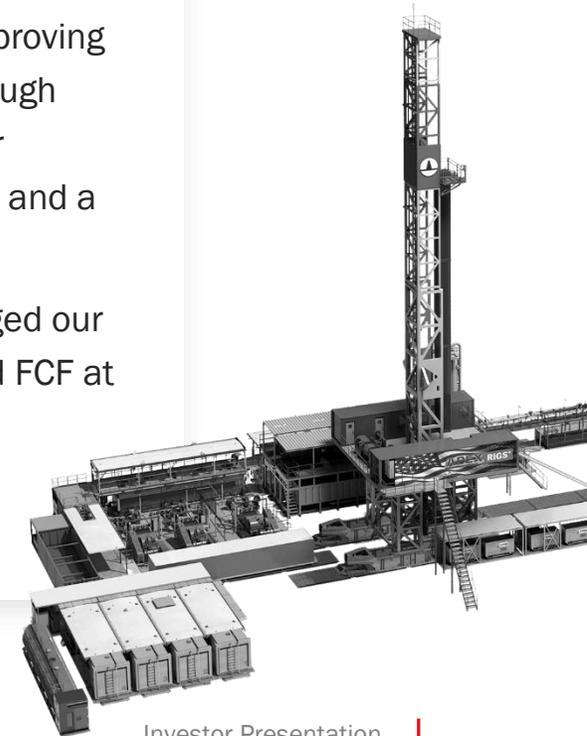
Wellsite Efficiency Delivered *with* Capital Efficiency

Adjusted Free Cash Flow Conversion  
Patterson-UTI Enterprise



Patterson-UTI has benefited in the era of improving U.S. shale capital efficiency

- A key contributor to improved U.S. shale drilling and completion efficiency—improving drilling and completion efficiency through technology investments, driving better adjusted FCF returns for our investors and a better process for our customers
- Patterson-UTI has successfully managed our capital to focus on sustained adjusted FCF at all points in the cycle



The Company defines Adjusted Free Cash Flow (“Adjusted FCF”) as net cash provided by operating activities less capital expenditures plus proceeds from asset sales. Adjusted Free Cash Flow Conversion is defined as Adjusted Free Cash Flow as a percent of Adjusted EBITDA.



**NEXTIER**  
EMERALD FLEET

**Operational Excellence**

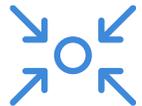


# Harnessing Data to Enable Higher Impact Drilling & Completion Operations

Patterson-UTI creates sustainable value with our end-to-end digital integration and data-driven optimization strategy



Integrate Critical Applications



Simplify workflows to increase scalability of the workforce



Streamline Digital Products



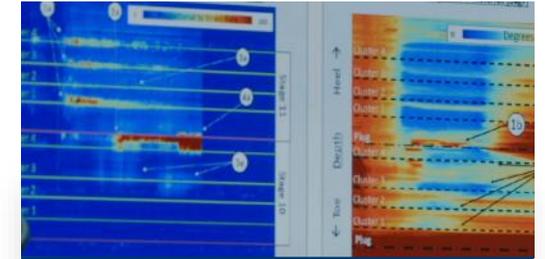
Reduce third party costs, processing, and reliance



Quality Data for Operations



Access to high quality, consistent and real-time data to run remote operations



Automation-Enabled Decisions



Edge processing for AI/ML deployments and job management



Delivering powerful digital integration throughout the Drilling & Completion operations lifecycle

# Integration Advantage: Drilling Services and Products

Patterson-UTI's **integrated** drilling platform can improve drilling days on pad, creating value for our customers and an opportunity for a performance-based returns premium for our investors.

Digitally enabled by:



## Fully integrated throughout the drill site

**Drill Bits** | Ulterra  
*Leading provider of PDC drill bits in North America*

**Directional Services** | MS Directional  
*Directional drilling, MWD, well planning and downhole motors*

**Survey Correction** | Superior QC  
*Leader in survey management technology and wellbore placement*

**Contract Drilling** | Patterson-UTI Drilling  
*Diverse rig fleet complete with innovative software solutions*

**Rig Equipment Design and Manufacturing** | Patterson-UTI Drilling  
*Design and manufacture advanced pipe-handling equipment*

**Controls and Energy Management** | Current Power  
*Engineer electrical and automation equipment*

**Natural Gas Fueling, Well Cementing** | NexTier  
*Integrated solutions unlocked through merger*

**Power Generation** | Patterson-UTI  
*>1gW of mobile power generation capacity across our rig fleet*

# Integration Advantage: Completions Services

Patterson-UTI **integrates** industry-leading equipment and technology at scale to deliver unique completions value to the wellsite and improve performance per fleet for our investors.

Digitally enabled by:



**PTEN™ DIGITAL**  
PERFORMANCE  
CENTER



Fully integrated throughout the completions site

## **Natural Gas-Enabled Frac Fleet**

*Leading fleet of Tier 4 dual fuel and 100% natural gas equipment*

## **Wireline Plug, Perforate, and Pump Down Service**

*Integrated and digitally controlled to enable operations efficiency*

## **Proppant Storage and Handling**

*Maximum volume, precision blending*

## **Last-Mile Logistics**

*Automation-enabled to lower landed cost, leveraged by scale*

## **Power Generation**

*Powering >200k HHP of electric frac with 100% natural gas*

## **Compressed Natural Gas Fueling**

*Highest volume capability for optimal displacement*

## **Field Gas Conditioning**

*Intelligent blending to maximize fuel cost savings*

## **Engineering Solutions**

*Create better completion designs for better wells*

## **eos™ Completions Platform**

*Operations optimization in real-time*



# Capital Allocation Framework

# Capital Allocation Framework

Maximize Shareholder Value and Financial Returns

## Allocation Strategy



### Repeatable Shareholder Return Program

Commit to return at least 50% of adjusted Free Cash Flow annually to shareholders<sup>1</sup> through dividends and repurchases



### Strategic Allocation

Target strategic high-return investments that drive returns accretion for PTEN shareholders

## Winning Foundation



### Strong Balance Sheet

Investment Grade Credit Rating; Low Leverage and Strong Liquidity; No Senior Note maturities until 2028



### Organic Investing Strategy Targets Strong FCF Conversion

Invest in core markets to protect and extend our operational advantage

<sup>1</sup>For purposes of the shareholder return target, the Company defines adjusted free cash flow as net cash provided by operating activities less capital expenditures plus proceeds from asset sales. The shareholder return target, including the amount and timing of any dividend payments and/or share repurchases are subject to the discretion of the Company's Board of Directors and will depend upon business conditions, results of operations, financial condition, terms of the Company's debt agreements and other factors

# Investment Grade Capital Structure

## Financially Positioned for Through-Cycle Resilience

LOW LEVERAGE

**<1 X**

Net Debt as of 12/31/2025 to  
LTM adjusted EBITDA

CASH BALANCE

**\$421 M**

Cash Position as of 12/31/2025

TOTAL LIQUIDITY

**\$916 M**

Includes cash and revolver as of  
12/31/2025

INTEREST COVERAGE

**14 X**

LTM adjusted EBITDA to  
Net Interest Expense

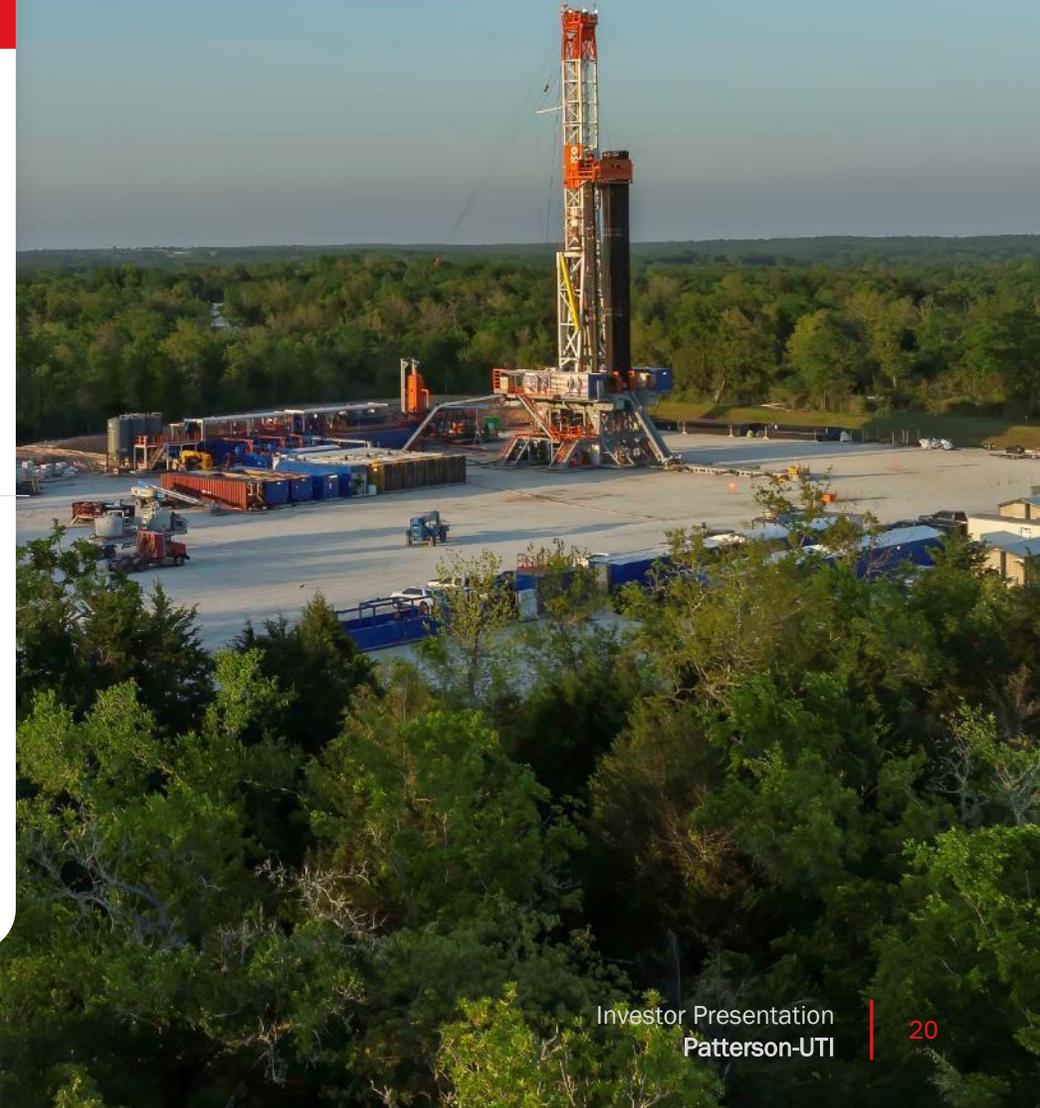
NEAREST  
SENIOR NOTE MATURITY

**2028**

CREDIT RATING

**Investment  
Grade**

Moody's, S&P, and Fitch



# Deliver a Repeatable Shareholder Return Program



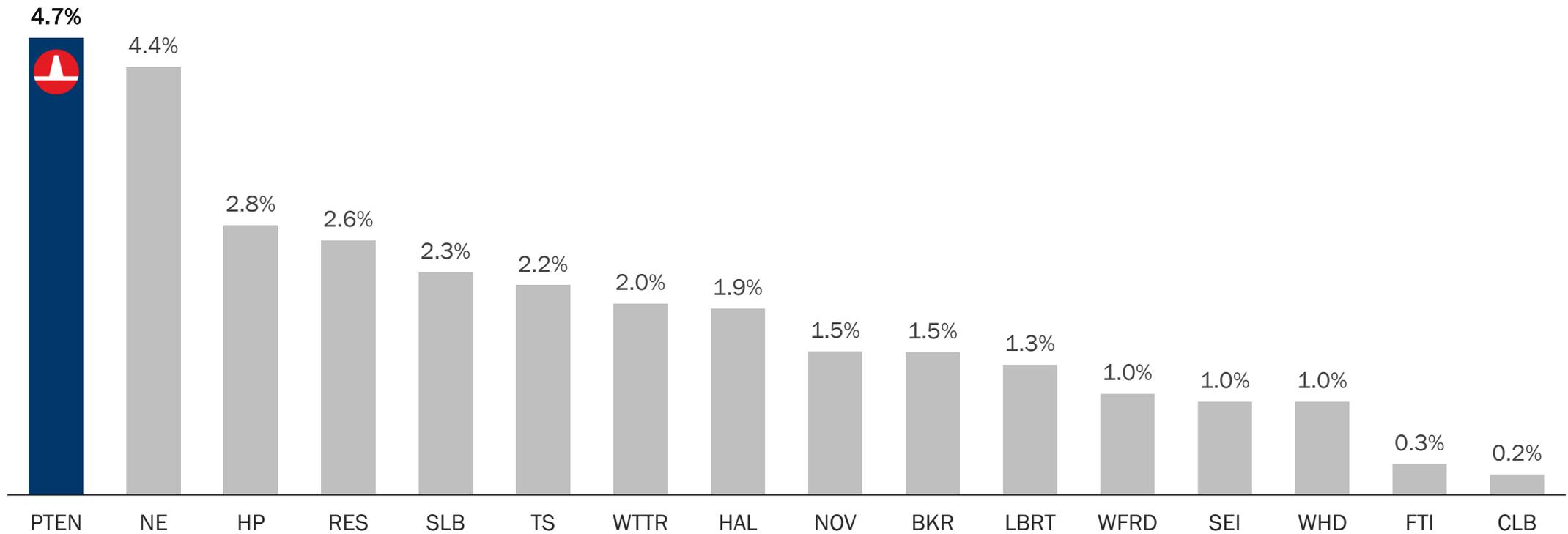
Since the beginning of **2024**, we have returned **roughly two-thirds** of our adjusted FCF to investors through dividends and share repurchases

- Patterson-UTI commits to return **at least 50%** of its adjusted FCF to shareholders **annually through the cycle**
- PTEN raised our dividend 25% to **\$0.10 per share per quarter** during the first quarter of 2026
- We plan to **remain flexible** with our method of distribution over time to maximize shareholder value

# Competitive Dividend Yield in the OFS Sector

## Dividend Yield

Based on Annualized Dividend<sup>1</sup>

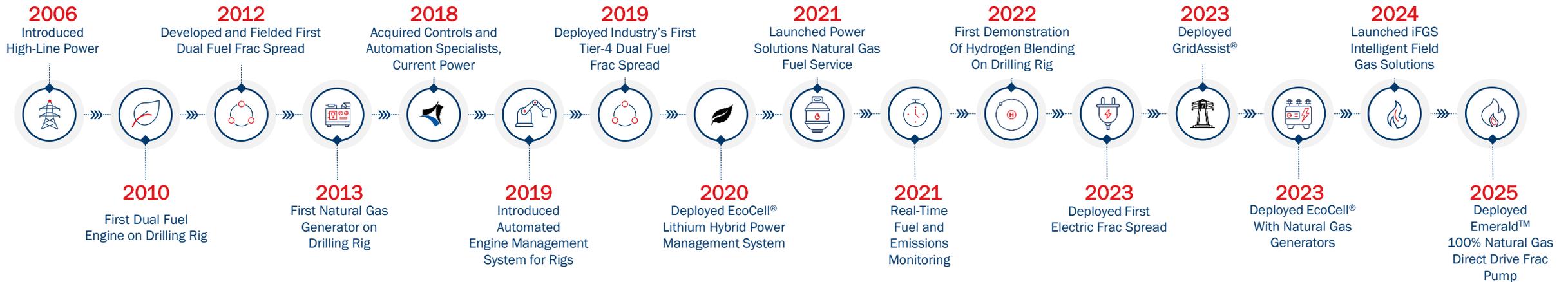


<sup>1</sup>Data sourced from Bloomberg as of 02/19/2026, includes a select group of dividend paying stocks in the oilfield services sector.

# Sustainability as a Strategy

Patterson-UTI has demonstrated a resilient commitment to long-term sustainability

## Our Timeline of Innovation in Sustainability



**Our Vision:** *To safely and responsibly help provide the world with oil and gas for the products that make people's lives better in a sustainable and profitable manner*



Find out more in our Sustainability Report at:  
<https://esg.patenergy.com/>



# Reconciliation of Non-GAAP Financial Measures

## Adjusted Gross Profit

(dollars in thousands)

	<u>Drilling Services</u>	<u>Completion Services</u>	<u>Drilling Products</u>	<u>Other</u>
<b>For the Twelve Months Ended December 31, 2025</b>				
Revenues	\$ 1,557,642	\$ 2,892,247	\$ 343,707	\$ 33,028
Less direct operating costs	(977,234)	(2,461,539)	(196,130)	(21,599)
Less depreciation, amortization and impairment	<u>(366,763)</u>	<u>(463,599)</u>	<u>(88,301)</u>	<u>(13,226)</u>
GAAP gross profit	213,645	(32,891)	59,276	(1,797)
Depreciation, amortization and impairment	<u>366,763</u>	<u>463,599</u>	<u>88,301</u>	<u>13,226</u>
Adjusted Gross Profit <sup>1</sup>	<u>\$ 580,408</u>	<u>\$ 430,708</u>	<u>\$ 147,577</u>	<u>\$ 11,429</u>

(1) We define "Adjusted Gross Profit" as revenues less direct operating costs (excluding depreciation, depletion, amortization and impairment expense, which does not include impairment of goodwill). Adjusted Gross Profit is included as a supplemental disclosure because it is a useful indicator of our operating performance.

# Reconciliation of Non-GAAP Financial Measures

## Cash Conversion, Drilling Services

(dollars in thousands)

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization <sup>1</sup>	Twelve Months Ended December 31, 2025	Twelve Months Ended December 31, 2024	Twelve Months Ended December 31, 2023
Net income (loss)	\$ 197,036	\$ 204,319	\$ 422,002
Depreciation, depletion, amortization and impairment	366,763	477,398	364,312
Legal accruals and settlements	2,415	-	-
Adjusted EBITDA	<u>\$ 566,214</u>	<u>\$ 681,717</u>	<u>\$ 786,314</u>
	Twelve Months Ended December 31, 2025	Twelve Months Ended December 31, 2024	Twelve Months Ended December 31, 2023
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization <sup>1</sup>	\$ 566,214	\$ 681,717	\$ 786,314
Less capital expenditures	(236,517)	(264,667)	(334,780)
Adjusted free cash flow	<u>\$ 329,697</u>	<u>\$ 417,050</u>	<u>\$ 451,534</u>
Cash Conversion <sup>2</sup>	58%	61%	57%

(1) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") is not defined by accounting principles generally accepted in the United States of America ("GAAP"). We define Adjusted EBITDA as net income (loss) plus income tax expense, net interest expense, depreciation, depletion, amortization and impairment expense (including impairment of goodwill), legal accruals and settlements and merger and integration expense. We present Adjusted EBITDA as a supplemental disclosure 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 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 GAAP measure of net income (loss). Our computations of Adjusted EBITDA may not be the same as similarly titled measures of other companies.

(2) We define Cash Conversion for our Drilling Services segment as Drilling Services Adjusted EBITDA less Drilling Services capital expenditures, expressed as a percentage of Drilling Services Adjusted EBITDA. We present Cash Conversion as a supplemental measure because we believe it is a meaningful indicator of the segment's ability to convert earnings into cash after reinvesting in the business. This measure is useful to investors and management in evaluating the efficiency of capital deployment and the segment's capacity to generate cash flow that may be available for financing activities or other corporate purposes. Our calculation of Cash Conversion may not be comparable to similarly titled measures used by other companies. Cash Conversion is a non-GAAP financial measure and should be considered in addition to, not as a substitute for or superior to, measures prepared in accordance with GAAP.

# Reconciliation of Non-GAAP Financial Measures

## Adjusted EBITDA

(dollars in thousands)

	Twelve Months Ended						
	December 31,						
	2025	2024	2023	2022	2021	2020	2019
<b>Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization<sup>1</sup></b>							
Net income (loss)	\$ (93,054)	\$ (966,399)	\$ 245,952	\$ 154,658	\$ (657,079)	\$ (803,692)	\$ (425,703)
Income tax expense (benefit)	(9,937)	9,453	61,152	13,204	(62,702)	(127,326)	(104,675)
Net interest expense	63,859	66,234	46,748	39,896	41,756	39,516	69,191
Depreciation, depletion, amortization and impairment	940,264	1,171,873	731,416	483,945	849,178	670,910	1,003,873
Legal accruals and settlements	15,415	(17,792)	-	-	-	(4,185)	-
Impairment of goodwill	-	885,240	-	-	-	395,060	17,800
Merger and integration expense	1,016	33,037	98,077	2,069	12,060	-	-
Adjusted EBITDA	<u>\$ 917,563</u>	<u>\$ 1,181,646</u>	<u>\$ 1,183,345</u>	<u>\$ 693,772</u>	<u>\$ 183,213</u>	<u>\$ 170,283</u>	<u>\$ 560,486</u>

- (1) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") is not defined by accounting principles generally accepted in the United States of America ("GAAP"). We define Adjusted EBITDA as net income (loss) plus income tax expense, net interest expense, depreciation, depletion, amortization and impairment expense (including impairment of goodwill), legal accruals and settlements and merger and integration expense. We present Adjusted EBITDA as a supplemental disclosure 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 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 GAAP measure of net income (loss). Our computations of Adjusted EBITDA may not be the same as similarly titled measures of other companies.

# Reconciliation of Non-GAAP Financial Measures

## Adjusted Free Cash Flow

(dollars in thousands)

	Twelve Months Ended						
	December 31,						
	2025	2024	2023	2022	2021	2020	2019
<b>Adjusted Free Cash Flow<sup>1</sup></b>							
Net cash provided by operating activities	\$ 961,219	\$ 1,175,536	\$ 1,005,914	\$ 566,188	\$ 95,496	\$ 278,858	\$ 696,203
Less capital expenditures	(589,029)	(678,386)	(615,690)	(436,797)	(166,320)	(145,481)	(347,512)
Plus proceeds from disposal of assets, including insurance recoveries	44,117	25,832	26,473	26,074	23,339	20,929	45,761
Adjusted Free Cash Flow	<u>\$ 416,307</u>	<u>\$ 522,982</u>	<u>\$ 416,697</u>	<u>\$ 155,465</u>	<u>\$ (47,485)</u>	<u>\$ 154,306</u>	<u>\$ 394,452</u>
Adjusted EBITDA	\$ 917,563	\$ 1,181,646	\$ 1,183,345	\$ 693,772	\$ 183,213	\$ 170,283	\$ 560,486
Adjusted Free Cash Flow Conversion <sup>1</sup>	45%	44%	35%	22%	-26%	91%	70%

(1) We define Adjusted Free Cash Flow as net cash provided by operating activities less capital expenditures, plus proceeds from disposal of assets. We define Adjusted Free Cash Flow Conversion as Adjusted Free Cash Flow, expressed as a percentage of Adjusted EBITDA. We present Adjusted Free Cash Flow as a supplemental disclosure because we believe that it is an important liquidity measure and that it is useful to investors and management as a measure of the company's ability to generate cash flow, after reinvesting in the company, that could be available for financing cash flows, such as dividend payments, share repurchases and/or repurchases of long-term indebtedness. Our computations of Adjusted Free Cash Flow may not be the same as similarly titled measures of other companies. Adjusted Free Cash Flow is not intended to represent our residual cash flow available for discretionary expenditures. Adjusted Free Cash Flow is a non-GAAP financial measure that should be considered in addition to, not as a substitute for or superior to, cash flows from operations reported in accordance with GAAP.

# Reconciliation of Non-GAAP Financial Measures

## Leverage Ratio

(dollars in thousands)

<b>Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization<sup>1</sup></b>	<b>Twelve Months Ended December 31, 2025</b>	
Net income (loss)	\$	(93,054)
Income tax expense (benefit)		(9,937)
Net interest expense		63,859
Depreciation, depletion, amortization and impairment		940,264
Legal accruals and settlements		15,415
Merger and integration expense		1,016
<b>Adjusted EBITDA</b>	<b>\$</b>	<b>917,563</b>
Last Twelve Months Adjusted EBITDA	\$	917,563
	<b>December 31, 2025</b>	
Debt (excluding deferred financing costs and discounts)	\$	1,227,400
Lease liabilities		59,432
<b>Total Debt</b>		<b>1,286,832</b>
Less cash		420,642
<b>Net debt<sup>2</sup></b>	<b>\$</b>	<b>866,190</b>

### Ratio calculation:

Debt-to-Adjusted EBITDA	1.40x
Net Debt-to-Adjusted EBITDA	0.94x
Adjusted EBITDA-to-Interest Coverage	14.37x

(1) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") is not defined by accounting principles generally accepted in the United States of America ("GAAP"). We define Adjusted EBITDA as net income (loss) plus income tax expense, net interest expense, depreciation, depletion, amortization and impairment expense (including impairment of goodwill), legal accruals and settlements and merger and integration expense. We present Adjusted EBITDA as a supplemental disclosure 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 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 GAAP measure of net income (loss). Our computations of Adjusted EBITDA may not be the same as similarly titled measures of other companies.

(2) We define Net Debt as total debt, which excludes deferred financing costs and discounts and includes operating and finance lease liabilities, less cash and cash equivalents. This non-GAAP measure has inherent limitations and should not be considered in isolation or as a substitute for amounts reported in accordance with GAAP. We present both total debt and net debt because we believe these measures provide management and investors with additional useful information to assess our liquidity position. Our method of calculating Net Debt may differ from similarly titled measures used by other companies.