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# Investor Presentation

January 2025

# 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.

# Executive Summary



## Differentiated operating capability with premier Drilling and Completions franchise

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 are well utilized and natural gas-powered frac assets are sold out given differentiated performance



## Focus on optimizing resources and maximizing margins

Aim to streamline processes to deliver the most cost-effective solutions



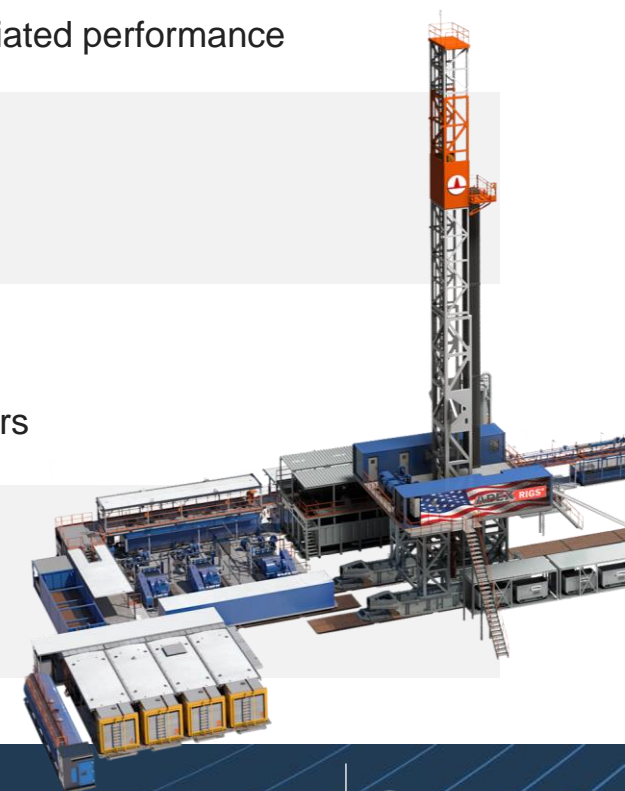
## Predictable capital allocation strategy

Expect lower capital expenditures in 2025 vs 2024; Expect to return at least 50% of FCF to investors



## Strong capital structure

Investment Grade credit rating at all 3 major rating agencies





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## Who We Are

# Patterson-UTI | Integrated Service and Product Lines

Building the 3rd Largest North American OFS Company by Revenue

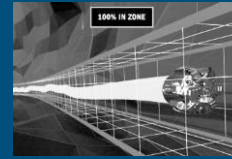
## Drilling Services



APEX® Drilling Fleet



Directional Drilling



Wellbore Navigation



Electronics Manufacturing



Drilling Technology

134

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

## Completion Services



Hydraulic Fracturing



Wireline Operations



Natural Gas Fueling



Oilfield Logistics



Cementing

3.0

Million Hydraulic  
Horsepower<sup>1</sup>

## Drilling Products



Torque Control Bits



High-Flow Rate Bits



Vibration-Dampening Bits



High Efficiency Bits



Downhole Tools

~30%

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

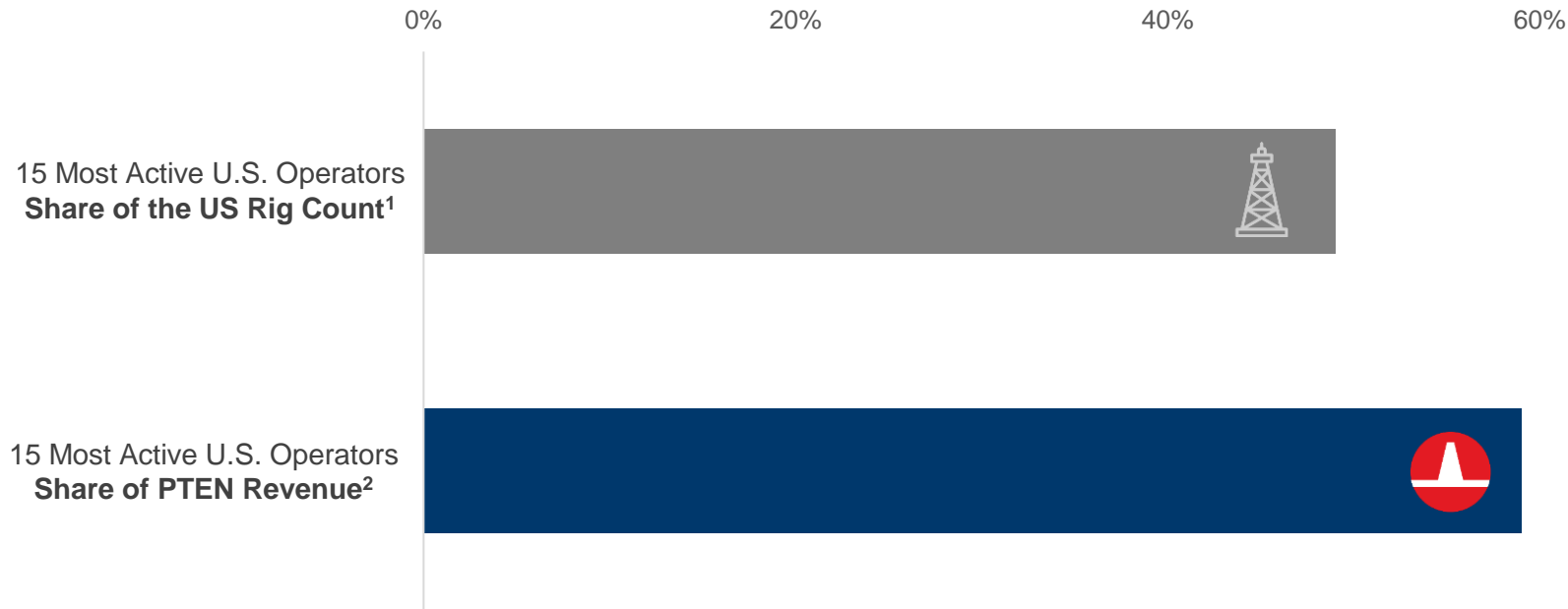
<sup>1</sup>Other business includes Patterson Petroleum and Great Plains Oilfield Rental. <sup>1</sup>Reflects deployed and idle equipment capacity during the fourth quarter of 2024.

<sup>2</sup>Drilling Products revenue from reported non-U.S. operations from close of Ulterra acquisition through September 30, 2024.

# Market Leading Presence Among the Largest E&Ps

Roughly 60% of Patterson-UTI's revenue is generated from the 15 most active E&Ps

## Strong Revenue Share from the most active E&Ps



### Operator Alignment

- Patterson-UTI is strategically aligned with the most active E&Ps in the Lower 48, supporting free cash flow and returns



<sup>1</sup>Rig count is based on U.S. onshore activity as of 11/29/2024. Source: Enverus  
<sup>2</sup>Total company revenue is YTD October 2024



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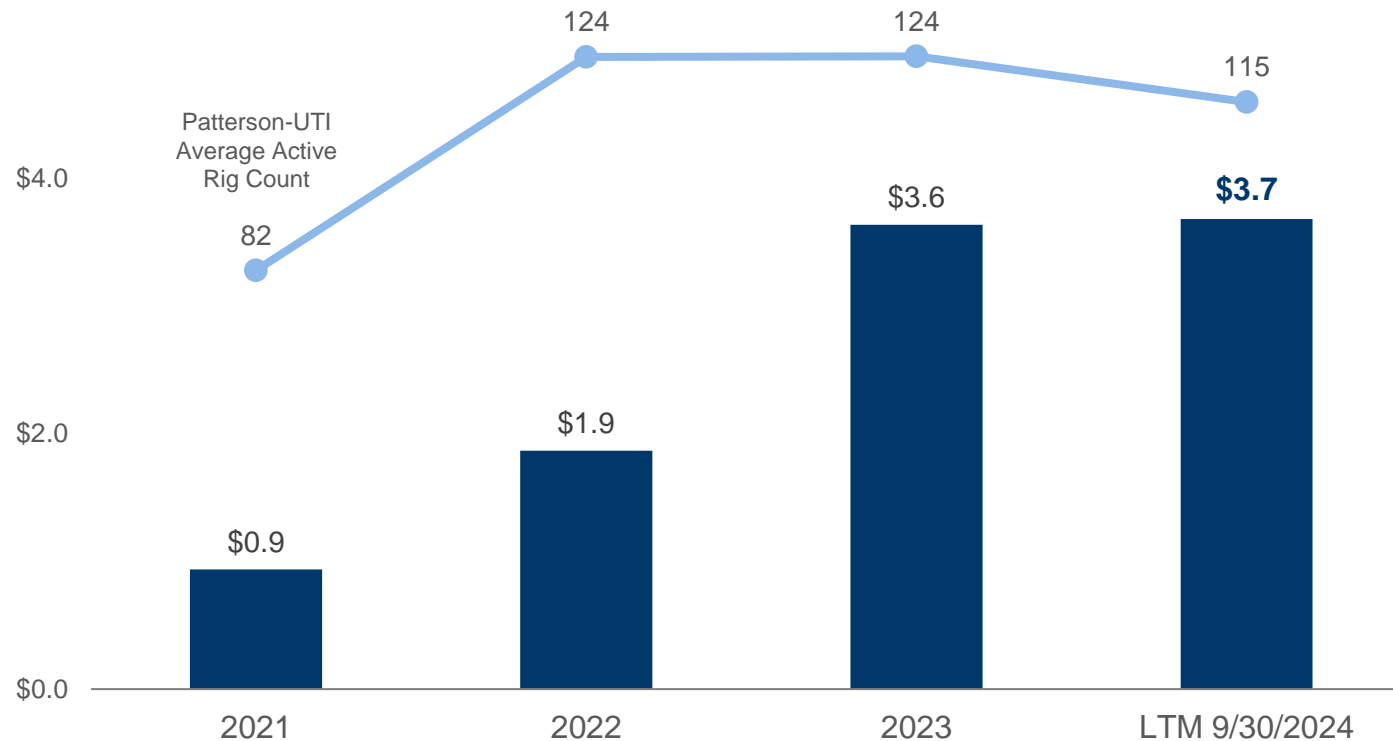
## Patterson-UTI Business Update

# Drilling Services Macro: Offering reliable cash generation

Cash generation at our Drilling Services segment serves as a strong foundation for PTEN's Free Cash Flow


## Adjusted EBITDA<sup>1</sup> minus Capital Expenditures per Active U.S. Rig

Patterson-UTI Drilling Services Segment, (\$, millions)



## Performance Drilling

- **Cash generation per active U.S. rig** has remained strong as the rig count stabilized
- **Capital Expenditures** can be scaled to align with the opportunity set, with lower maintenance and upgrade capital expected in 2025
- **Drilling Services** demand is expected to remain steady through 2025, with revenue per day for our Tier-1 rigs remaining stable in the low-to-mid \$30k per day range

 **Patterson-UTI's Drilling Services** segment is expected to deliver strong cash generation again in 2025

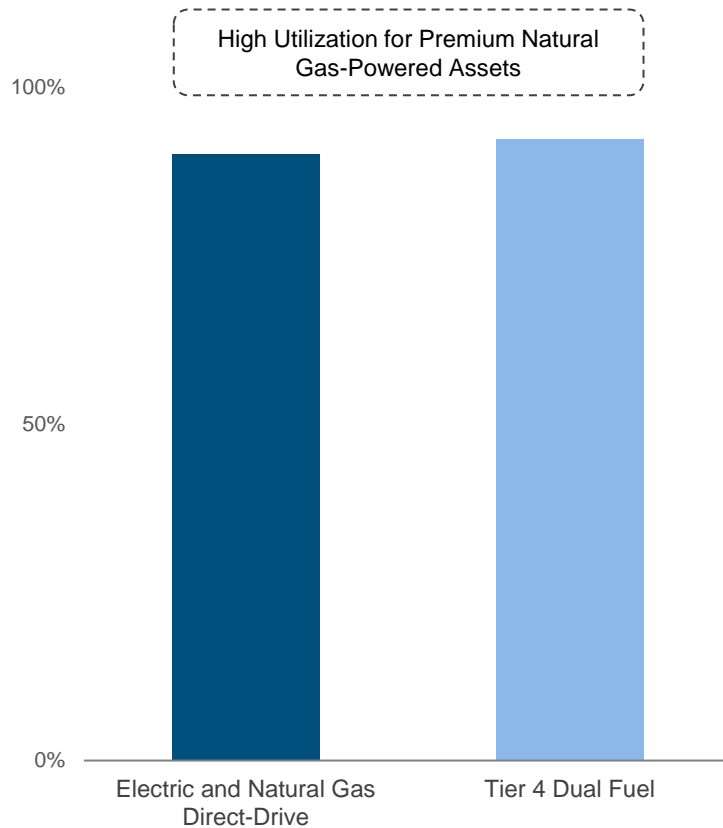
<sup>1</sup>Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") is not defined by accounting principles generally accepted in the United States of America ("GAAP"). We define Adjusted EBITDA as net income (loss) plus income tax expense, net interest expense, depreciation, depletion, amortization and impairment expense (including impairment of goodwill) and merger and integration expense. For a reconciliation of Adjusted EBITDA less Capital Expenditures, please see the tables in the appendix.

# Completion Services Macro: Industry premium asset utilization is high

Premium natural gas-powered assets are in high demand, and about 80% of our active fleet can be powered by natural gas

## Industry HHP Utilization Rate by Engine Type<sup>1</sup>

Active Industry HHP, U.S. Land, 1Q2025 Estimate



## Natural gas-powered assets are effectively sold out

- Outside of 4Q seasonality, there is very little capacity to increase activity of premium natural gas-powered assets, with high utilization even as total industry fleet count has declined
- Given current commodity prices, there is a wide cost advantage to using natural gas to power frac fleets
- 100% natural gas-powered plus Tier 4 dual fuel comprise roughly half of industry activity

## Current idle capacity is largely diesel and less efficient dual fuel

- Industry idle capacity has higher operating and capital costs with limited remaining useful life
- Patterson-UTI is no longer investing in Tier 2 diesel assets and retired and decommissioned >400k diesel HHP in 2024; we expect to continue retiring older diesel assets in 2025

NexTier's Emerald™ fleet features the latest natural gas-fueled technology, digitally-enabled for performance



100% Natural Gas Emerald™ Frac Pump

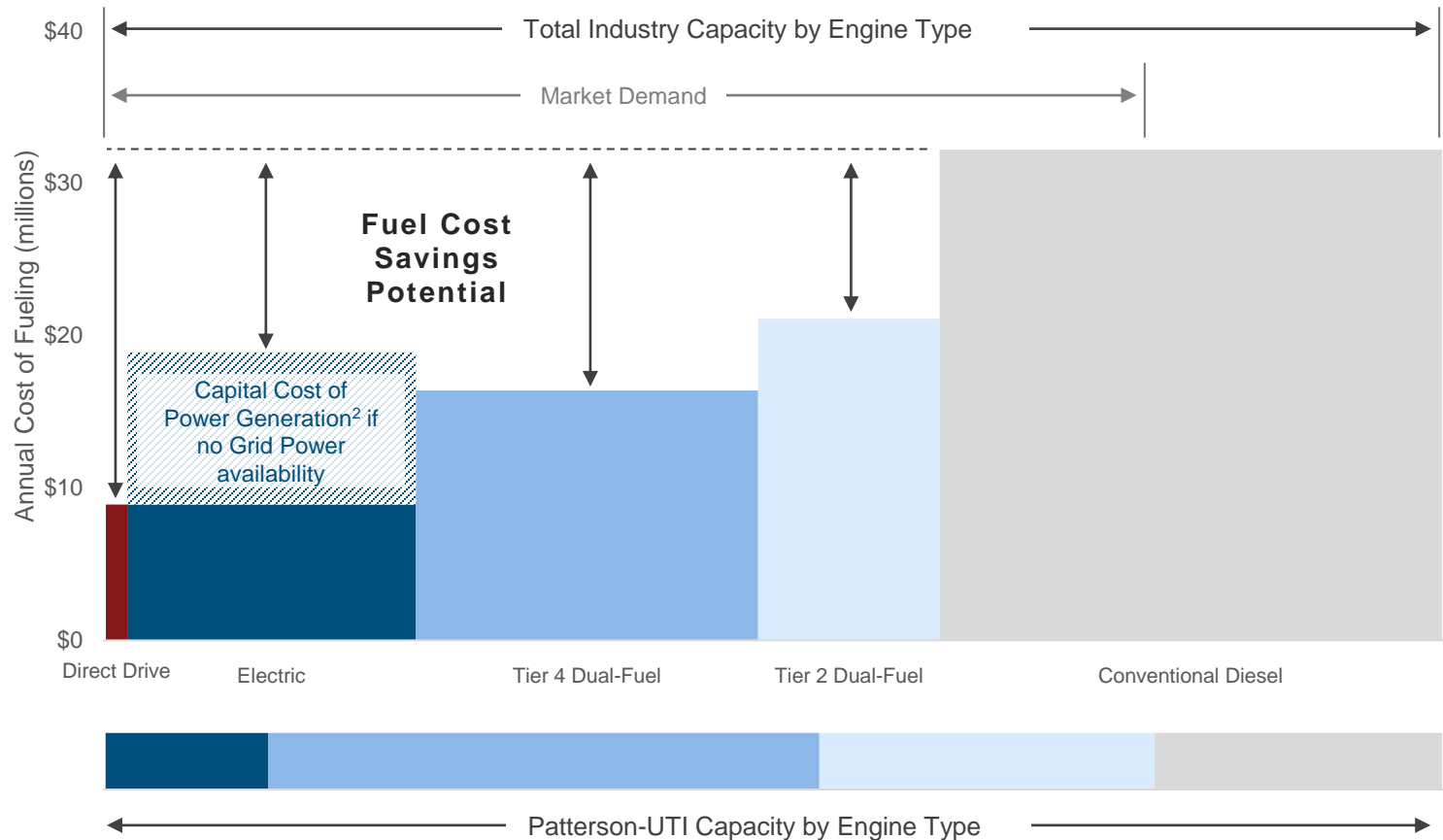
<sup>1</sup>Patterson-UTI Estimates

# Completion Services Macro: Cost advantage drives asset differentiation

Industry capital cost of power generation gives Tier 4 Dual Fuel a slight cost advantage over Electric

## 2025 Estimated U.S. Shale Industry Frac Fleet Market Bifurcation<sup>1</sup>

Fleet type vs. cost of fueling for a representative U.S. Land fleet



## ←←← Frac Market Bifurcation

- **Tier 4 Dual Fuel fleets** are a leading technology to minimize costs, balancing fuel savings without additional power generation capital investment
- **Electric fleets** offer greater natural gas substitution potential but face higher capital costs due to additional power generation equipment
- **Legacy Diesel fleets** have higher operating costs, facing significant pressure from modern natural gas-enabled solutions

🚀 **Significant fuel cost arbitrage** provides platform for sustained demand for Patterson-UTI's premium natural gas-fueled equipment

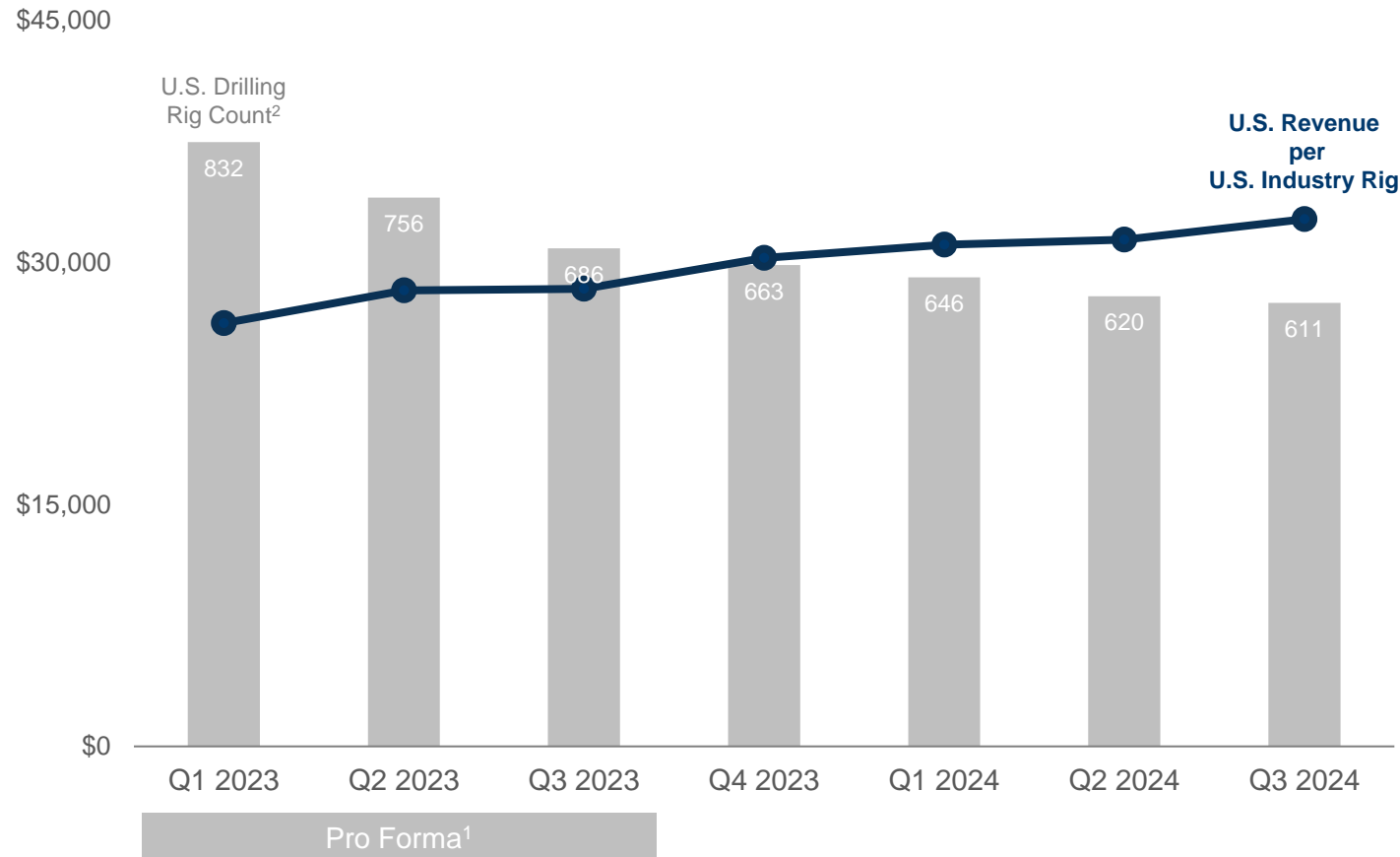
<sup>1</sup>Patterson-UTI Estimates. Annual cost of fueling assumes \$2.75 per gallon of diesel fuel and \$2.50 per mmbtu of natural gas, plus fuel logistics and handling costs, assumes 70% diesel displacement for Tier 4 Dual Fuel and 50% for Tier 2 Dual Fuel. <sup>2</sup>Capital cost of power generation assumes 35 mW of power generation for an electric frac fleet with a capital cost of \$1 million per mW with a 3.5-year payback

# Drilling Products Macro: 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 vs. U.S. Industry Rig Count

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.
- **International Growth Potential:** Drilling Products 3-year international revenue CAGR expected to be 20+% through 2024; additional growth expected in 2025

 New bits are routinely designed and manufactured **in under a month** using data-driven designs that improve drilling efficiency



<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








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**Operational Excellence**  
Efficiency Amplified by Integration

# End-to-End Digital Integration and Data-Driven Optimization

Harnessing Data to Enable Lower Cost and Higher Impact Drilling & Completion Operations

Real-Time	Post Job	Performance Improvement	Data Science & Analytics	Automation & AI
<ul style="list-style-type: none"> <li>▪ Leverage modern cloud technologies</li> <li>▪ Direct cloud ingestion via API</li> <li>▪ Quality assurance and immediate accessibility</li> <li>▪ Automate performance alerts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fit-for-purpose WITSML Store</li> <li>▪ Customer accessible data warehouse</li> <li>▪ Customized reporting</li> <li>▪ Integrated and merged data sets for all services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Utilize proprietary operations platforms to make data driven decisions</li> <li>▪ Total well optimization</li> <li>▪ Mitigate downtime and improve equipment performance</li> <li>▪ Mobile applications to connect field personnel to 24/7 operations center</li> </ul>	<ul style="list-style-type: none"> <li>▪ Add intelligence to control systems</li> <li>▪ Monitor tool and equipment health</li> <li>▪ Provide optimal actions/decisions to users and controls</li> <li>▪ Diagnose issues and identify solutions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Simplify and reduce risk in daily operational tasks</li> <li>▪ Enable repeatable execution in all basins</li> <li>▪ Increase effectiveness of predictive analytics to optimize equipment life cycle</li> <li>▪ Lower overall cost of operations</li> </ul>
				

Powerful digital integration throughout the Drilling & Completion operations lifecycle



**PTEN**<sup>™</sup>  
PERFORMANCE  
CENTER

# 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:



**PTEN™**  
PERFORMANCE  
CENTER

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 | Warrior

*Design and manufacture advanced pipe-handling equipment*

## Controls and Energy Management | Current Power

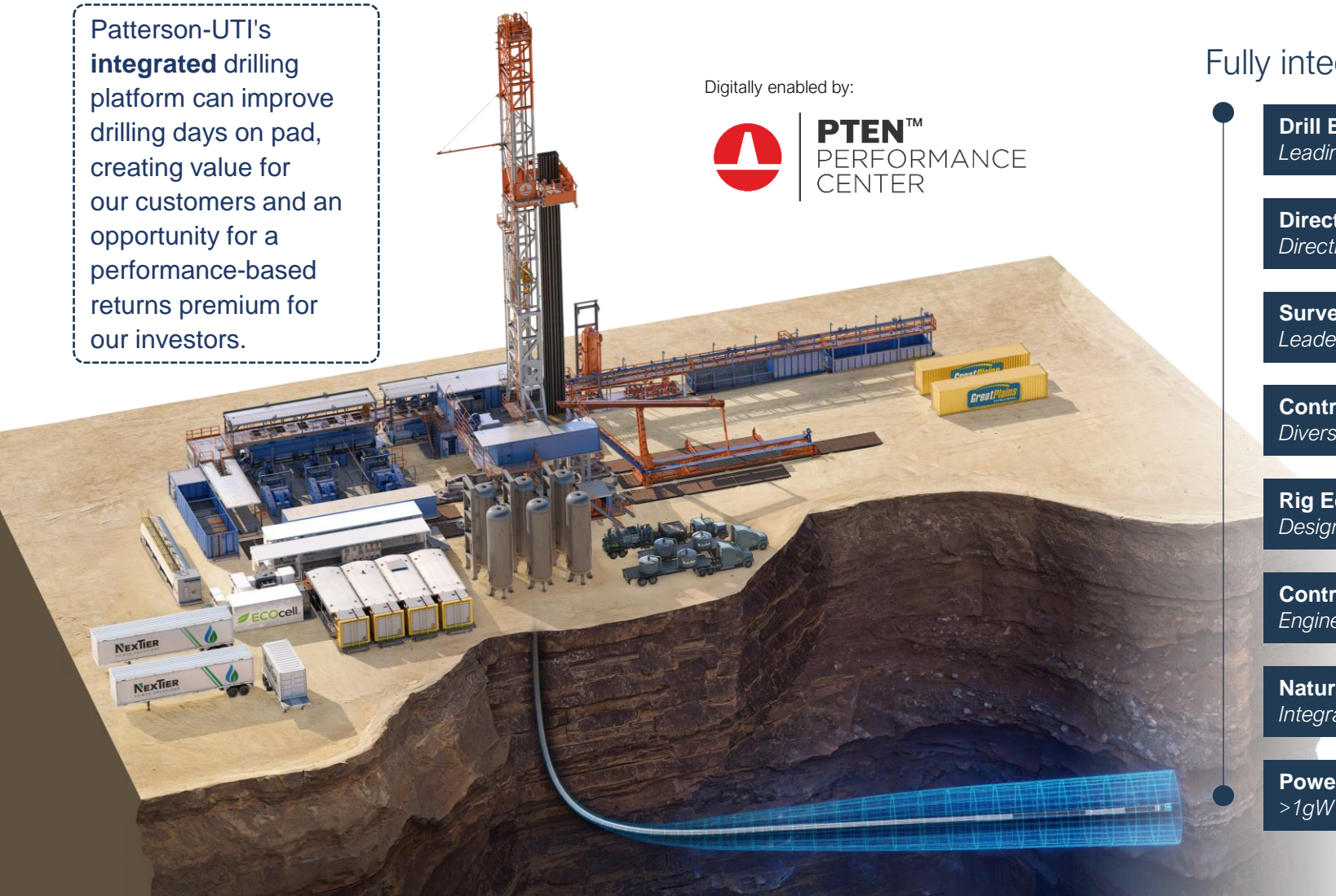
*Engineer electrical and automation equipment*

## 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 profitability per fleet for our investors.

Digitally enabled by:



**PTEN™**  
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 >150k HHP of electric frac with 100% natural gas*

## Compressed Natural Gas Fueling

*Highest volume capability for optimum displacement*

## Field Gas Conditioning

*Intelligent blending to maximize fuel cost savings*

## Engineering Solutions

*Create better completion designs for better wells*



# Integration Advantage: Power Services

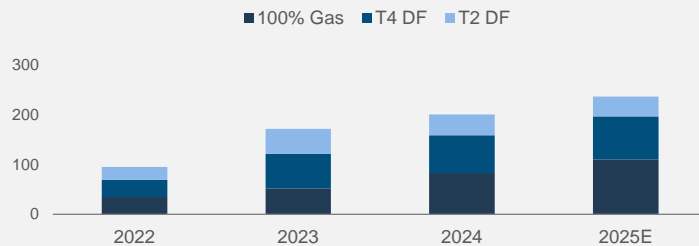
Mobile energy is a core competency of the company, positioning PTEN to benefit from the next generation of the oilfield

## Natural Gas Fueling



### Industry Growth in Natural Gas Fuel Demand

Completions Market, U.S. Land Natural Gas-Enabled Fleets, Mmbtu (millions)



### Positioned for Growth Alongside Growing Demand for Natural Gas Fueling

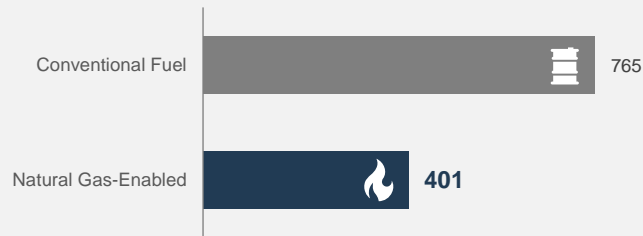
- **Industry-Leading Scale and Reliability:** Largest integrated natural gas fueling provider, delivering >180,000 DGE daily with >99% uptime
- **Comprehensive Fleet Coverage:** 130+ CNG trailers and iFGS field gas solutions supporting up to ~2M HHP in gas solutions for both integrated and third-party service

## Power Generation



### Patterson-UTI Mobile Power Generation Experience

Megawatts



### Long History of Supporting the Electrification of the Oilfield

- **Proven Power Generation Expertise:** Over 1 gW of mobile power generated historically, with more than 30% natural gas-enabled capacity
- **Diverse Market Applications:** Supporting power needs across drilling rigs (~4 mW per rig) and electric completions fleets (~35 mW per electric frac fleet)

## Electronic Power Systems and Controls



PORTABLE UTILITY SUBSTATIONS



Advanced Electrification Infrastructure

MULTI-SOURCE POWER STATIONS



BATTERY ENERGY STORAGE SYSTEMS



### Providing Innovative Power & Automation Solutions for Efficient, Sustainable Operations

- **Harnessing Utility Power:** High-line substation skids and EcoCell® battery systems integrate utility power with on-site operations, delivering reliable and flexible energy solutions
- **Advanced Power Management:** GridAssist® seamlessly integrates utility power, batteries, and generators to optimize energy delivery and efficiency



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## Capital Allocation Framework

# Capital Allocation Framework

Maximize Shareholder Value and Financial Returns

## Allocation Strategy



### Repeatable Shareholder Return Program

Expect to return at least 50% of 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



## Maximize Long-Term Free Cash Flow

## Winning Foundation



### Strong Balance Sheet

Investment Grade Credit Rating; Low Leverage and Strong Liquidity



### Organic Investing Strategy Targets Strong FCF Conversion

Invest to protect and extend our operational advantage

<sup>1</sup>For purposes of the shareholder return target, the Company defines free cash flow as net cash provided by operating activities less capital expenditures. 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. FCF conversion is defined as FCF as a percent of adjusted EBITDA

# Investment Grade Capital Structure

## Financially Positioned for Through-Cycle Resilience

LOW LEVERAGE

**<1 X**

Net Debt as of 9/30/2024 to LTM  
Adjusted EBITDA

CASH BALANCE

**\$115 M**

Cash Position as of 9/30/2024

TOTAL LIQUIDITY

**\$728 M**

Includes cash and revolver as  
of 9/30/2024

INTEREST COVERAGE

**>15 X**

Q3 adjusted EBITDA to  
Interest Expense

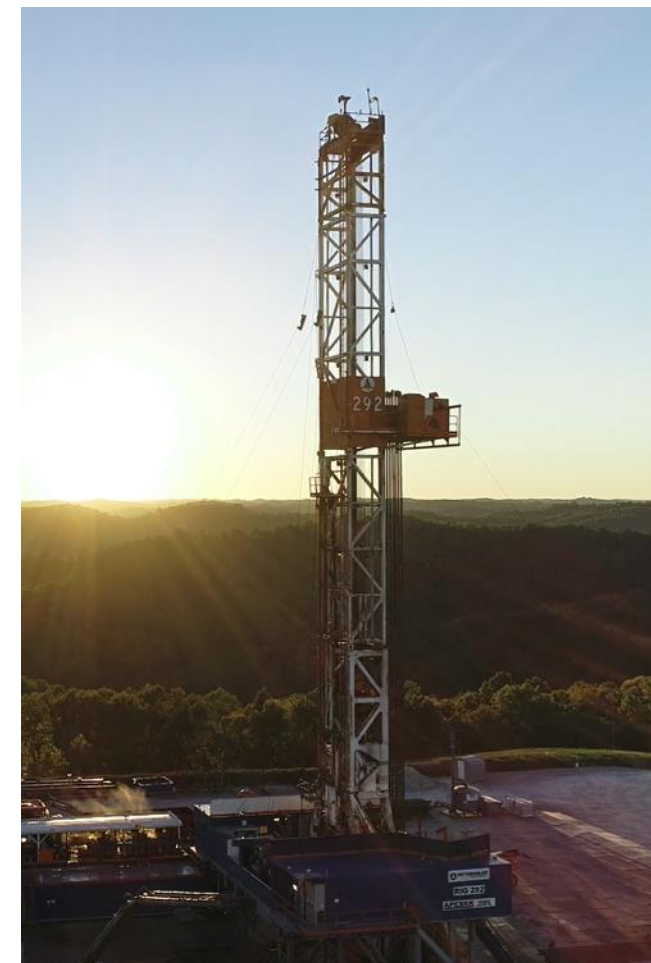
NEAREST  
SENIOR NOTE MATURITY

**2028**

CREDIT RATING

**Investment  
Grade**

Moody's, S&P, and Fitch



# Deliver a Repeatable Shareholder Return Program



Patterson-UTI targets returning **at least 50%** of its Free Cash Flow to shareholders **annually through the cycle**



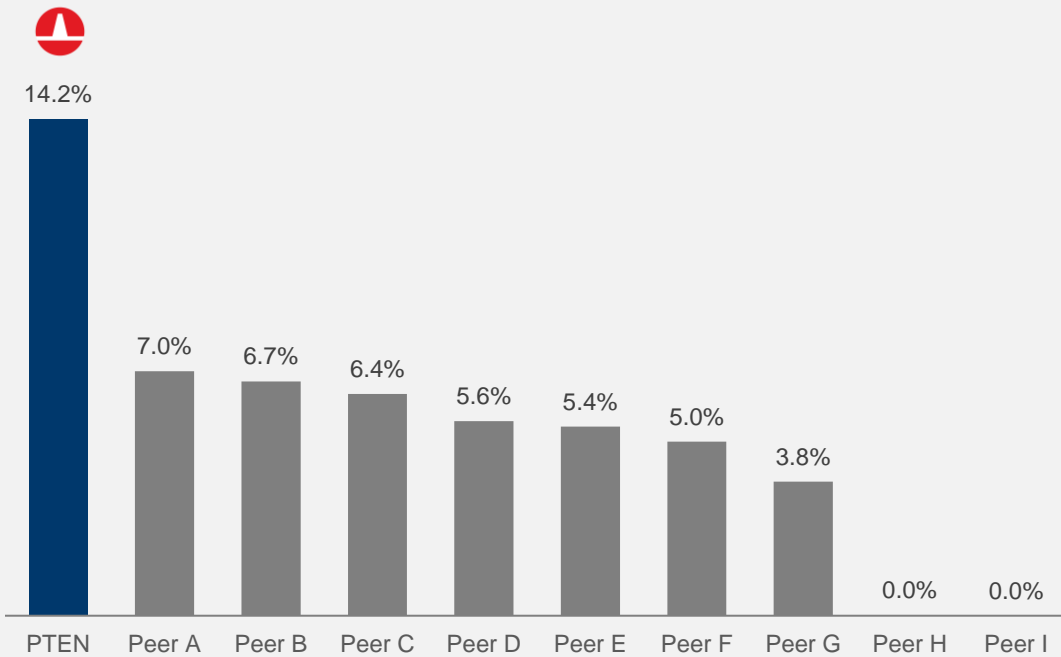
- For 2024 we exceeded our shareholder return target of 50% of our free cash flow – returning more than \$400 million to shareholders
- PTEN has paid an **\$0.08 per share quarterly dividend** for nine consecutive quarters
- We plan to **remain flexible** with our method of distribution over time to maximize shareholder value

# Peer Leading Combination of Shareholder Returns with De-Leveraging

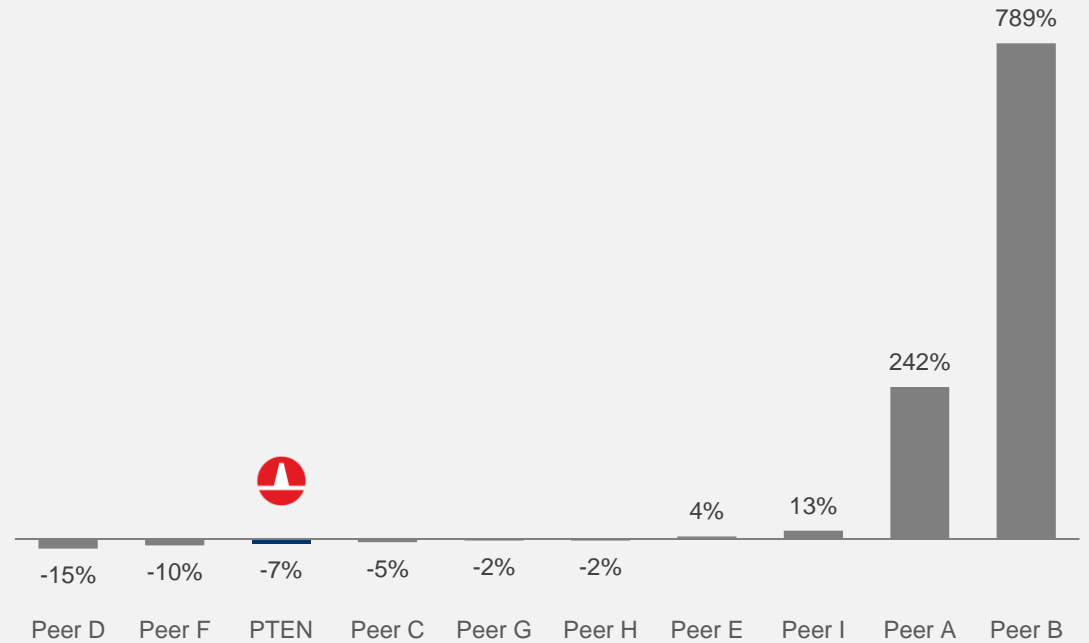
Last 12 Months through 9/30/2024

## Shareholder Returns as a % of Current Market Cap

Includes Dividends and Share Repurchases



## % Change in Net Debt, Capital Leases, and Operating Leases

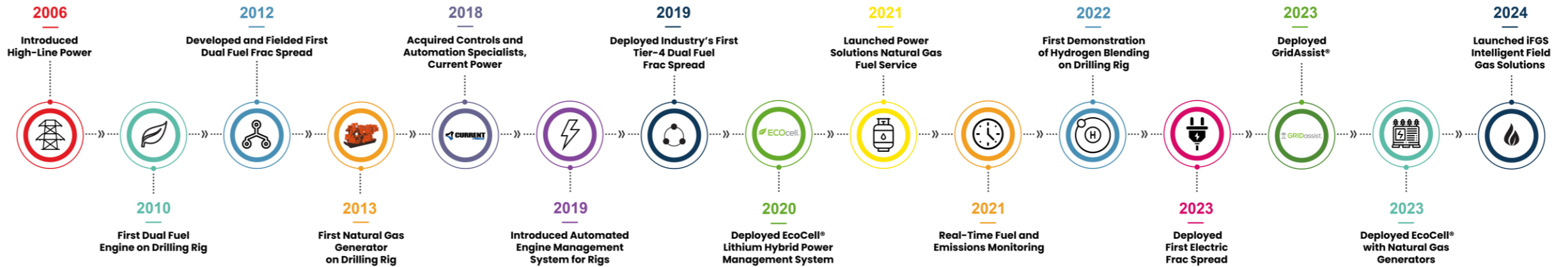


<sup>1</sup>Peer group includes OFS comps ACDC, BKR, HAL, HP, LBRT, NBR, PDS, PUMP, and SLB. Peer data sourced from company SEC filings, Market Cap data sourced from Bloomberg as of 1/3/2025.

# 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 peoples' 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

## Leverage Ratio

(unaudited, dollars in thousands)

<b>Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization<sup>1</sup></b>	<b>Nine Months Ended September 30, 2024</b>	<b>Three Months Ended December 31, 2023</b>
Net income (loss)	(915,007)	61,938
Income tax expense	7,526	31,332
Net interest expense	49,437	17,142
Depreciation, depletion, amortization and impairment	917,274	278,787
Impairment of goodwill	885,240	-
Merger and integration expense	29,577	19,949
<b>Adjusted EBITDA</b>	<b>974,047</b>	<b>409,148</b>
Last Twelve Months Adjusted EBITDA	1,383,195	
	<b>September 30, 2024</b>	
Debt (excluding deferred financing costs and discounts)	1,312,274	
Less cash	115,482	
<b>Net debt</b>	<b>1,196,792</b>	

### Ratio calculation:

Debt-to-Adjusted EBITDA	0.95x
Net Debt-to-Adjusted EBITDA	0.87x

- (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) 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 EBITDA less Capital Expenditures, Drilling Services

(unaudited, dollars in thousands)

	<u>Nine Months Ended September 30, 2024</u>	<u>Three Months Ended December 31, 2023</u>	<u>Last Twelve Months Ended September 30, 2024</u>	<u>Twelve Months Ended December 31, 2023</u>	<u>Twelve Months Ended December 31, 2022</u>	<u>Twelve Months Ended December 31, 2021</u>
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization <sup>1</sup>	523,553	184,631	708,184	786,314	503,923	195,349
Less capital expenditures	<u>210,346</u>	<u>73,625</u>	<u>283,971</u>	<u>334,780</u>	<u>272,521</u>	<u>118,496</u>
	<u>313,207</u>	<u>111,006</u>	<u>424,213</u>	<u>451,534</u>	<u>231,402</u>	<u>76,853</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) 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.