

September 2026



Investor Presentation



Forward Looking Statements & Disclosures

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 website 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.

Business Update



Drilling Services Segment

- Averaged 100 rigs in the United States through the first two months of the third quarter of 2026
- Expect to exit Q3 with 104 active rigs; additional rig reactivations expected beyond Q3 exit
- Public E&Ps are driving demand for upgraded rigs with higher structural capacity to drill deeper wells and longer laterals
- Continued positive momentum on leading edge dayrates, with favorable commercial terms on rigs with structural upgrades



Completion Services Segment

- Q3 pricing and activity are tracking in line with expectations; limited fleet availability in Q4, absent potential for normal holiday seasonality
- Completion equipment appears likely to be highly utilized to start 2027
- We are continuing our strategy to decommission Tier II diesel assets, with incremental investments favoring Emerald 100% natural gas equipment
- Lead times for new direct-drive equipment have extended to 12+ months



Drilling Products Segment

- Strong tailwinds in the United States (70% of segment revenue) on rising industry demand and growing revenue per industry rig
- International markets have been resilient through ongoing geopolitical unrest in several of our key regions
- Downhole tools have continued to grow as a share of Drilling Products revenue, driven by our Mitigator shock absorber, which protects the BHA and reduces bit damage and NPT



General Business

- Completed asset sale of idle components for 10 rigs from the US for use in Venezuela
- Expect 2026 adjusted free cash flow to more than fund our annual dividend
- 2026 Capital Expenditures, net of asset sales, expected to be approximately \$600 million

¹Adjusted EBITDA is a non-GAAP financial measure. Please see the Appendix for reconciliation to the nearest GAAP metric.

Executive Summary



High-quality U.S. Shale asset base with strong demand for top-tier assets

Premium Tier-1 drilling rigs and natural gas-powered frac assets are in high demand with limited supply



Investing to drive differentiation in our core businesses

Advancing core digital and automation technologies and efficiencies to deliver differentiated operating results



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

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



Disciplined capital allocation strategy

Returns driven capital expenditures can be scaled to meet customer demand trends; committed to annually return at least 50% of adjusted FCF to investors



Strong capital structure

No Senior Note maturities until 2029; 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

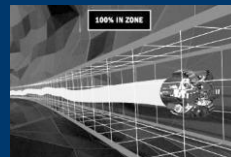
Drilling Services



APEX® Drilling Fleet



Directional Drilling



Wellbore Navigation



Electronics Manufacturing



Battery Storage Systems

137
Tier-1
Super-Spec
Drilling Rigs¹

Completion Services



Hydraulic Fracturing



Wireline Operations



Natural Gas Fueling



Cementing



eos™ Completions Platform

2.7
Million Hydraulic
Horsepower¹

Drilling Products



Torque Control Bits



High-Flow Rate Bits



Vibration-Dampening Bits



Geothermal Bits



Downhole Tools

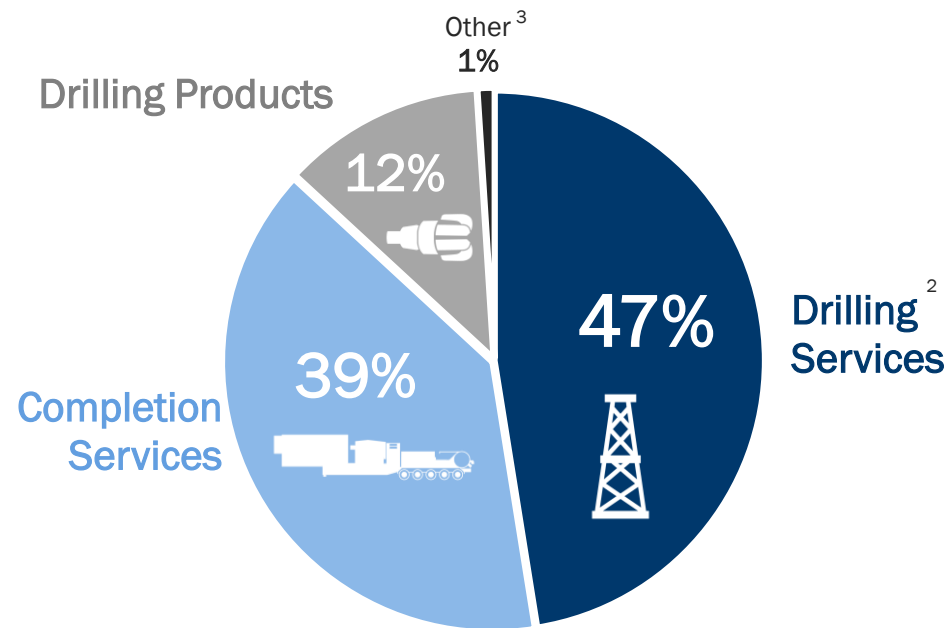
~30%
Drilling Products
Revenue from
Non-U.S.

¹Reflects deployed and idle equipment capacity during the second quarter of 2026.

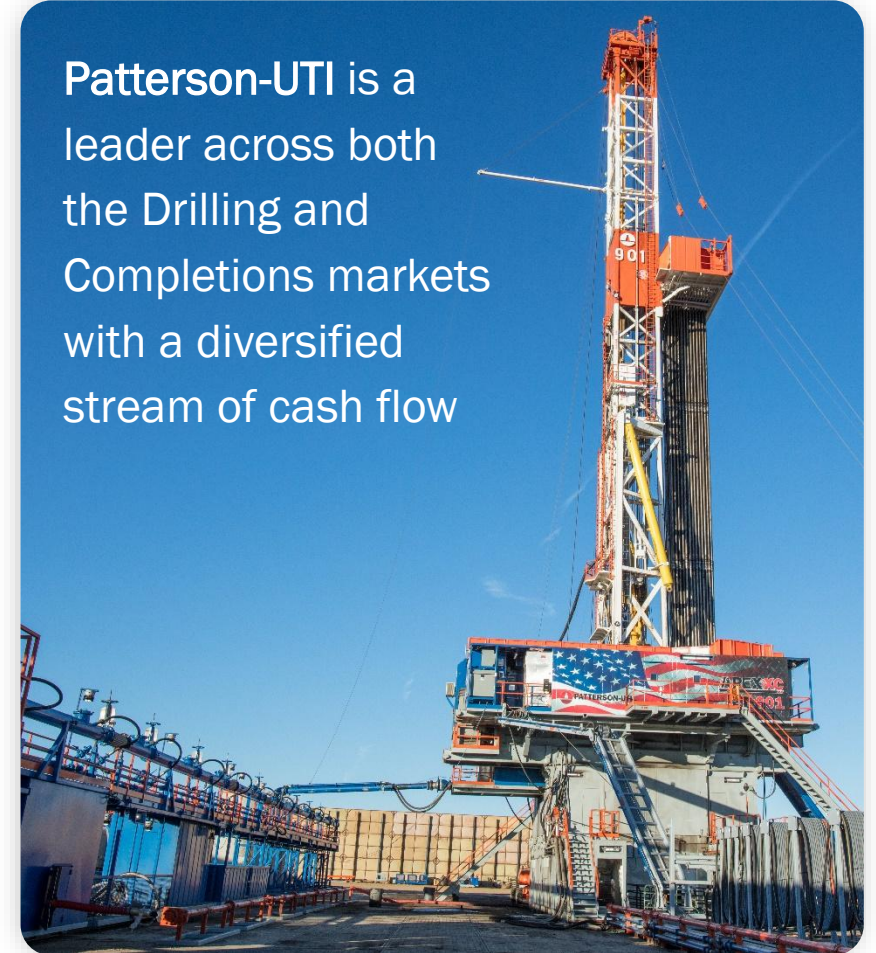
Diversified Across Drilling and Completions Markets

Cash flow driven by drilling services and products and completion services

Patterson-UTI Company Profile Adjusted Gross Profit¹ as a % of Company Total Last Twelve Months Through 2Q26



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



¹Adjusted Gross Profit is a non-GAAP financial measure. Please see the Appendix for reconciliation to the nearest GAAP metric.

²Adjusted Gross Profit for Drilling Services excludes a non-cash write-down of \$20 million associated with the decision to exit our Contract Drilling operations in Colombia.

³Other business includes Patterson Petroleum.

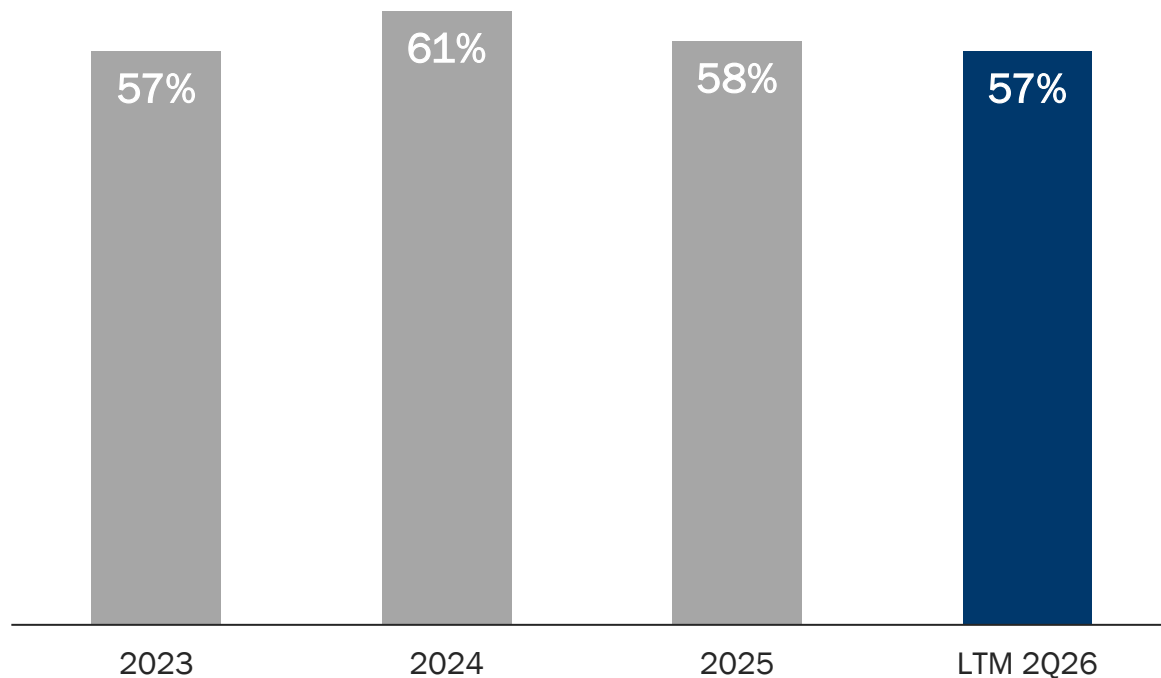


Business Overview

Drilling Services | Reliable Cash Conversion

Cash Conversion¹ for Drilling Services Segment

Patterson-UTI Drilling Services Segment

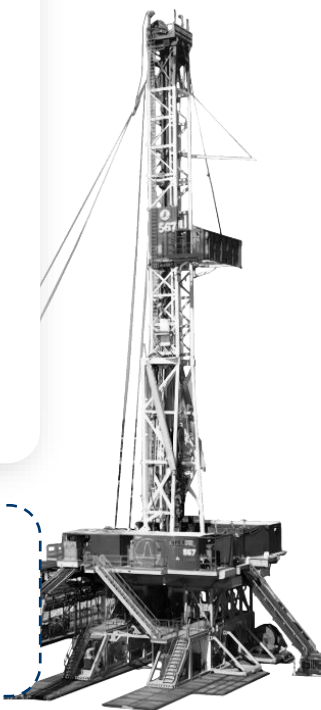


Performance Drilling

- **Drilling Services Cash Conversion¹** has remained relatively steady
- **Capital Expenditures** can be scaled to align with the opportunity set
- **Drilling Services** cash generation has remained resilient given high-quality assets and technology advantages



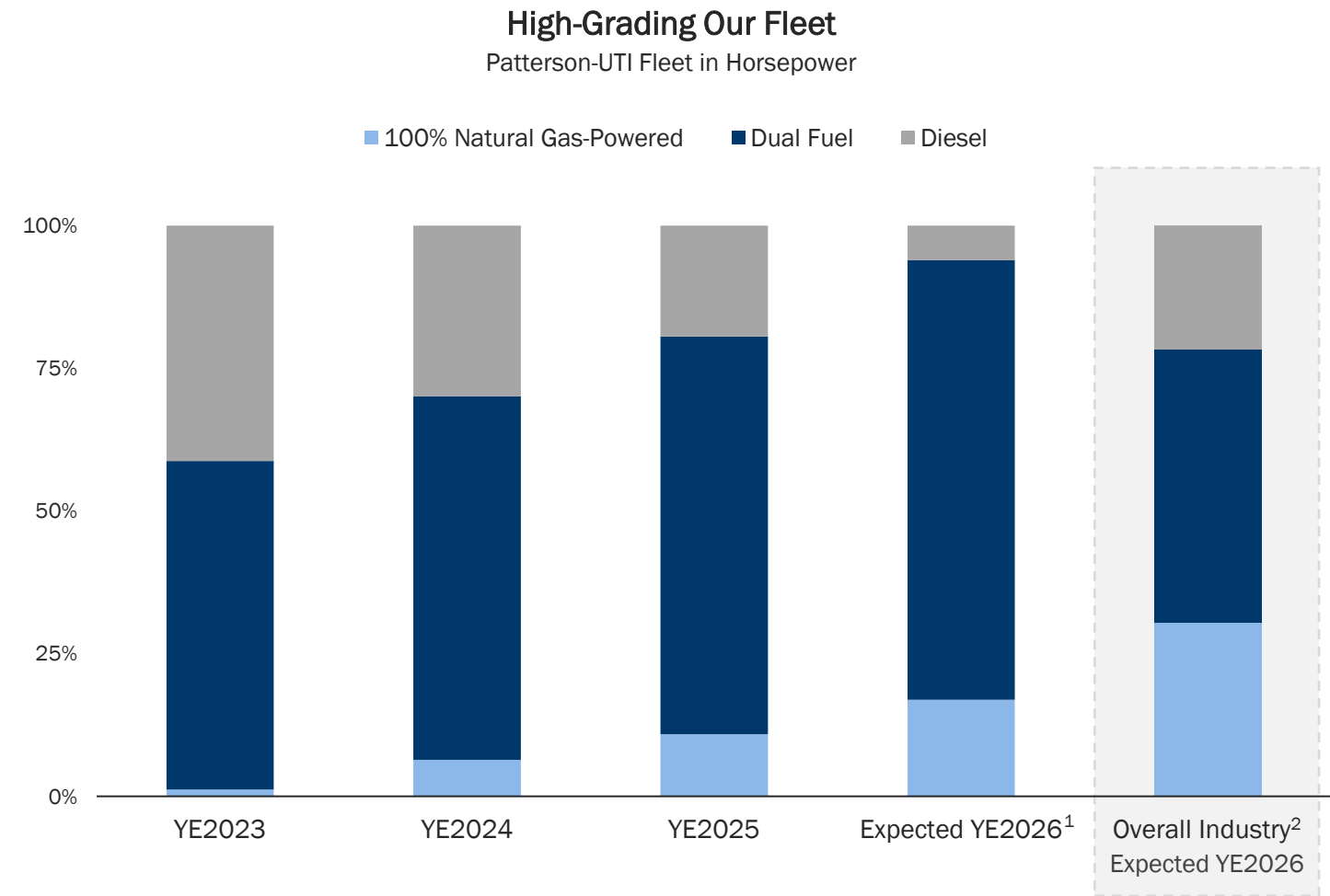
Patterson-UTI's Drilling Services investments in 2026 position the business to continue generating strong cash conversion through the cycle



¹Cash 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. Cash Conversion and Adjusted EBITDA are non-GAAP financial measures. Please see the Appendix for reconciliation to the nearest GAAP metrics.

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

Invested in technology that will drive future completion demand

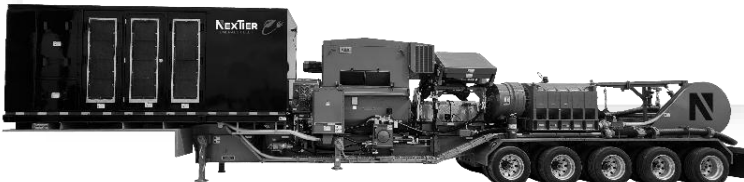


¹Includes equipment orders in progress and pending final delivery. ²Patterson-UTI estimates for U.S. Land.



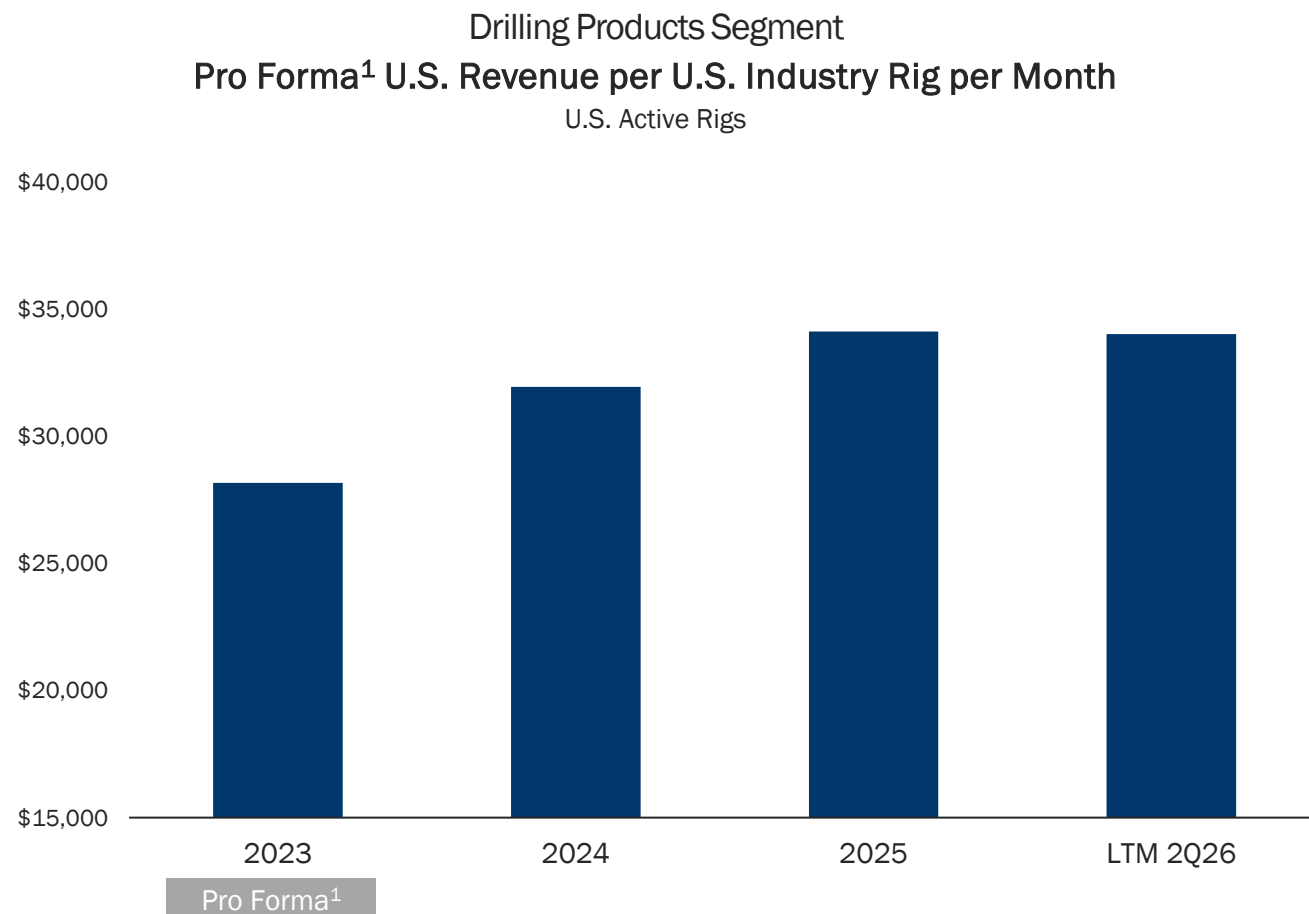
Responsibly High-Grading

- **Fleet high grading** has been responsibly paced, and we expect fleet quality to improve again in 2027
- **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



Drilling Products | Outpacing Industry Activity

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



Drill Bit Outperformance

- **Rapid Innovation and Customization:** Ulterra leverages proprietary software to analyze drilling data and optimize product design, 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

¹On 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.

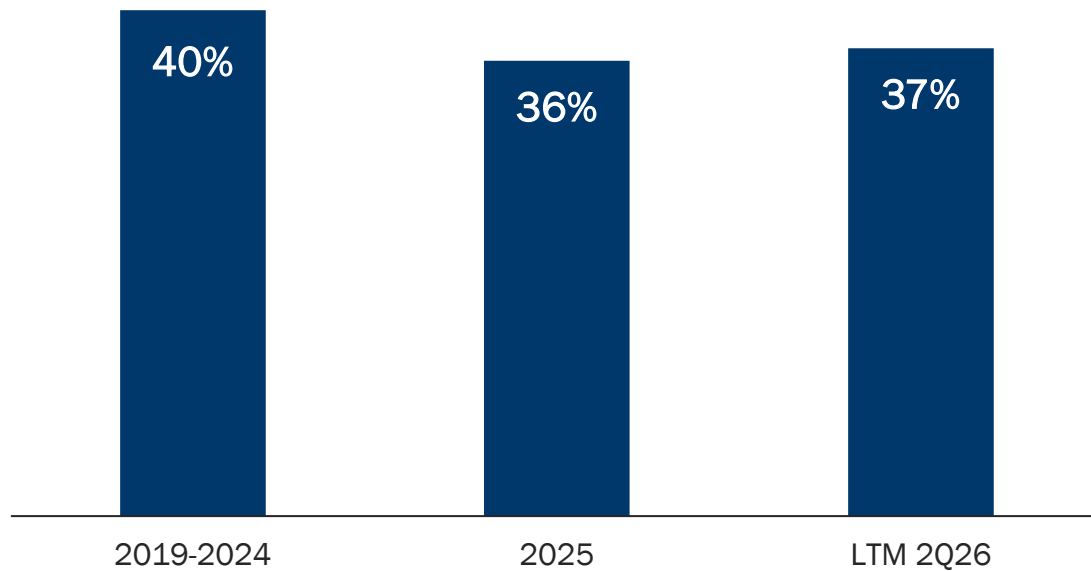
²Enverus U.S. Active Rigs

Patterson-UTI Enterprise | Delivering Strong and Consistent Cash Conversion

Wellsite Efficiency Delivered *with* Capital Efficiency

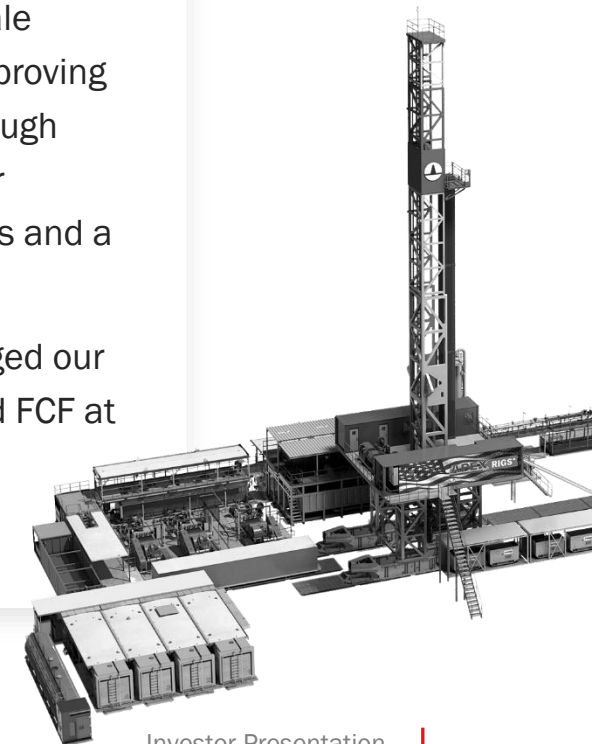
Unlevered Cash Conversion¹

Patterson-UTI Consolidated



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 FCF² 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



¹The Company defines Unlevered Free Cash Flow as adjusted EBITDA less capital expenditures. Unlevered Cash Conversion is defined as Unlevered Free Cash Flow as a percent of adjusted EBITDA. Unlevered Free Cash Flow and Unlevered Cash Conversion are non-GAAP financial measures. Please see the Appendix for reconciliation to the nearest GAAP metric.

²For 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.



NEXTTIER
EMERALD FLEET

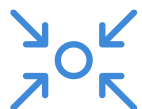
Operational Excellence

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



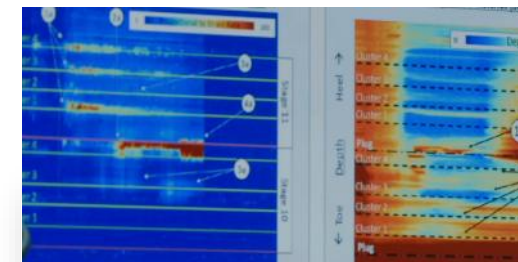
Reduce third party costs, processing, and reliance



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



PTEN™ DIGITAL
PERFORMANCE
CENTER

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:



PTEN™ DIGITAL
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
Tier-1 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 for operational and cost synergies

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

Integration Advantage: Completion 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 operational efficiency

Proppant Storage and Handling

Maximum volume, precision blending

Last-Mile Logistics

Automation-enabled to lower landed cost, leveraged by scale

Power Generation

Powering 250k 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™ Digital 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 shareholders¹ 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 2029



Organic Investing Strategy Targets Strong FCF Conversion

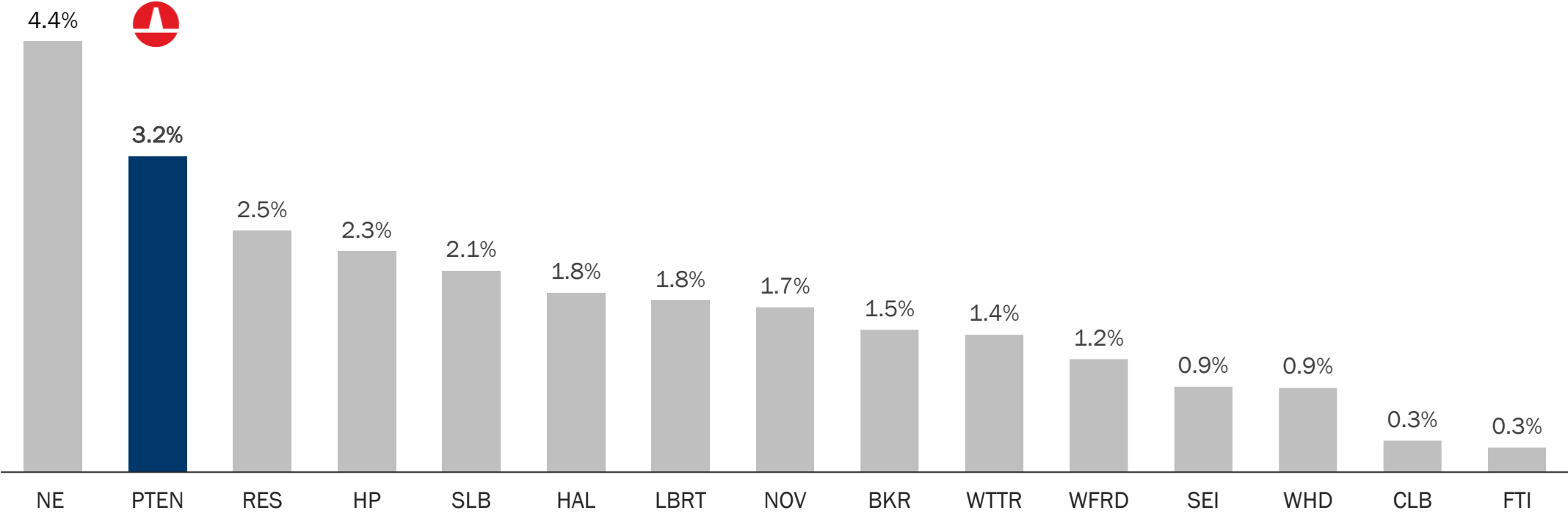
Invest in core markets to protect and extend our operational advantage

¹For 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

Competitive Dividend Yield in the OFS Sector

Dividend Yield

Based on Annualized Dividend¹



¹Data sourced from Bloomberg as of 09/04/2026, includes a select group of dividend-paying stocks in the oilfield services sector.

Investment Grade Capital Structure

Financially Positioned for Through-Cycle Resilience

LOW LEVERAGE

~1 X

Net Debt¹ as of 6/30/2026 to
LTM Adjusted EBITDA¹

CASH BALANCE

\$203 M

Cash Position as of 6/30/2026

TOTAL LIQUIDITY

\$701 M

Includes cash and revolver as of
6/30/2026

INTEREST COVERAGE

14 X

LTM Adjusted EBITDA¹ to
Net Interest Expense

NEAREST SENIOR NOTE MATURITY

2029

CREDIT RATING

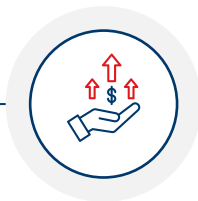
**Investment
Grade**

Moody's, S&P, and Fitch



¹Net Debt and Adjusted EBITDA are non-GAAP financial measures. Please see the Appendix for reconciliation to the nearest GAAP metrics.

Patterson-UTI Delivers a Repeatable Shareholder Return Program



Since the beginning of 2024, we have returned more than 85% of our adjusted FCF¹ to investors through dividends and share repurchases

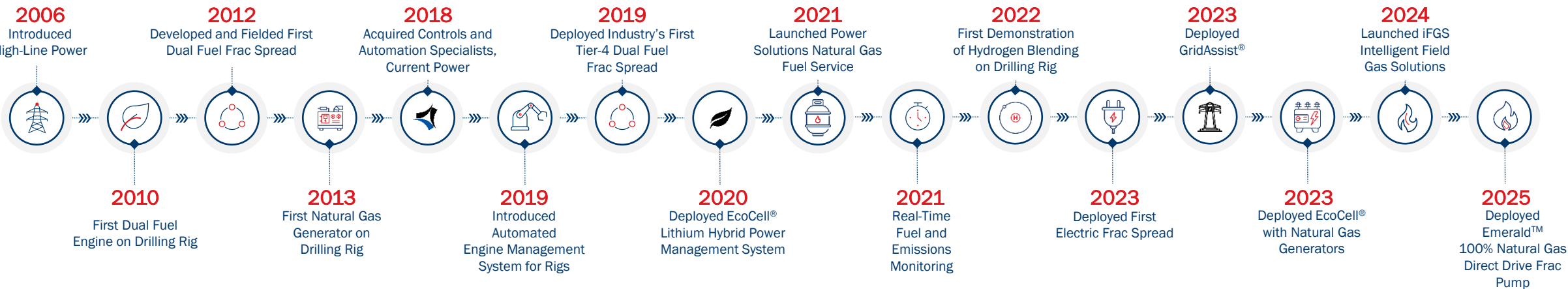
- We commit to return **at least 50%** of our adjusted FCF to shareholders **annually through the cycle**
- We raised our dividend 25% to **\$0.10 per share per quarter** during the first quarter of 2026
- We plan to **remain flexible** with our method of distribution over time to maximize shareholder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

¹For 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.

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)

	Drilling Services	Completion Services	Drilling Products	Other
For the Twelve Months Ended June 30, 2026				
Revenues	\$ 1,466,195	\$ 2,840,063	\$ 340,784	\$ 25,023
Less direct operating costs	(952,313)	(2,396,977)	(200,973)	(11,946)
Less depreciation, amortization and impairment	(338,578)	(448,309)	(82,165)	(6,260)
GAAP gross profit	175,304	(5,223)	57,646	6,817
Depreciation, amortization and impairment	338,578	448,309	82,165	6,260
Adjusted gross profit ¹	513,882	443,086	139,811	13,077
Colombia contract drilling exit costs	20,011	-	-	-
Adjusted gross profit excluding Colombia contract drilling exit costs ²	<u>\$ 533,893</u>	<u>\$ 443,086</u>	<u>\$ 139,811</u>	<u>\$ 13,077</u>
 % of Company Total	 47%	 39%	 12%	 1%

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

(2) Colombia contract drilling exit costs represent inventory and other asset write-downs recorded in direct operating expenses within the consolidated statements of operations. These costs were excluded as they relate to our decision to exit our Colombia contract drilling operations and are not considered representative of ongoing operating performance.

Reconciliation of Non-GAAP Financial Measures

Cash Conversion, Drilling Services

(dollars in thousands)

	Six Months Ended June 30, 2026	Twelve Months Ended June 30, 2026	Six Months Ended June 30, 2025	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 ¹	\$ 256,485	\$ 512,749	\$ 309,950	\$ 566,214	\$ 681,717	\$ 786,314
Less capital expenditures	(114,569)	(222,454)	(128,632)	(236,517)	(264,667)	(334,780)
	<u>\$ 141,916</u>	<u>\$ 290,295</u>	<u>\$ 181,318</u>	<u>\$ 329,697</u>	<u>\$ 417,050</u>	<u>\$ 451,534</u>
Cash Conversion ²	55%	57%	58%	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 (benefit), net interest expense, depreciation, depletion, amortization and impairment expense, exit costs, noncontrolling investment write-down, legal accruals and settlements, 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 (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 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)

(dollars in thousands)

					Twelve Months Ended December 31,					
	Twelve Months Ended June 30, 2026	Six Months Ended June 30, 2026	Twelve Months Ended December 31, 2025	Six Months Ended June 30, 2025	2024	2023	2022	2021	2020	2019
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization¹										
Net income (loss)	\$ (89,398)	\$ (43,751)	\$ (93,054)	\$ (47,407)	\$ (966,399)	\$ 245,952	\$ 154,658	\$ (657,079)	\$ (803,692)	\$ (425,703)
Income tax expense (benefit)	(24,764)	(12,243)	(9,937)	2,584	9,453	61,152	13,204	(62,702)	(127,326)	(104,675)
Net interest expense	63,469	32,216	63,859	32,606	66,234	46,748	39,896	41,756	39,516	69,191
Depreciation, depletion, amortization and impairment	882,715	436,175	940,264	493,724	1,171,873	731,416	483,945	849,178	670,910	1,003,873
Colombia contract drilling exit costs ²	20,011	20,011	-	-	-	-	-	-	-	-
Noncontrolling investment write-down ³	4,520	4,520	-	-	-	-	-	-	-	-
Legal accruals and settlements ⁴	20,000	-	15,415	(4,585)	(17,792)	-	-	-	(4,185)	-
Impairment of goodwill	-	-	-	-	885,240	-	-	-	395,060	17,800
Merger and integration expense	96	-	1,016	920	33,037	98,077	2,069	12,060	-	-
Adjusted EBITDA	<u>\$ 876,649</u>	<u>\$ 436,928</u>	<u>\$ 917,563</u>	<u>\$ 477,842</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 (benefit), net interest expense, depreciation, depletion, amortization and impairment expense, exit costs, noncontrolling investment write-down, legal accruals and settlements, 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 (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 GAAP measure of net income (loss). Our computations of Adjusted EBITDA may not be the same as similarly titled measures of other companies.
- (2) Colombia contract drilling exit costs represent inventory and other asset write-downs recorded in direct operating expenses within the consolidated statements of operations. These costs were excluded from Adjusted EBITDA as they relate to our decision to exit our Colombia contract drilling operations and are not considered representative of ongoing operating performance.
- (3) Noncontrolling investment write-down represents an impairment charge of certain minority equity investments. The charge was excluded from Adjusted EBITDA as it represents a non-operating item.
- (4) Legal accruals and settlements represent net expenses (income) arising from certain significant legal matters, including settlement activity and reserve adjustments related to prior-year claims. Unlike routine legal costs incurred in the ordinary course of business, these infrequent items are excluded from Adjusted EBITDA because management does not consider them representative of our current period operating performance.

Reconciliation of Non-GAAP Financial Measures

Unlevered Cash Conversion

(dollars in thousands)

	Twelve Months Ended December 31,										
	Twelve Months Ended June 30, 2026	Six Months Ended June 30, 2026	Twelve Months Ended December 31, 2025	Six Months Ended June 30, 2025	2019-2024	2024	2023	2022	2021	2020	2019
Adjusted EBITDA	\$ 876,649	\$ 436,928	\$ 917,563	\$ 477,842	\$ 3,972,745	\$ 1,181,646	\$ 1,183,345	\$ 693,772	\$ 183,213	\$ 170,283	\$ 560,486
Less capital expenditures	\$ (555,544)	\$ (272,552)	\$ (589,029)	\$ (306,037)	\$ (2,390,186)	\$ (678,386)	\$ (615,690)	\$ (436,797)	\$ (166,320)	\$ (145,481)	\$ (347,512)
	<u>\$ 321,105</u>	<u>\$ 164,376</u>	<u>\$ 328,534</u>	<u>\$ 171,805</u>	<u>\$ 1,582,559</u>	<u>\$ 503,260</u>	<u>\$ 567,655</u>	<u>\$ 256,975</u>	<u>\$ 16,893</u>	<u>\$ 24,802</u>	<u>\$ 212,974</u>
Unlevered Cash Conversion ⁽¹⁾	37%	38%	36%	36%	40%	43%	48%	37%	9%	15%	38%

(1) We define Unlevered Free Cash Flow as adjusted EBITDA less capital expenditures. Unlevered Cash Conversion is defined as Unlevered Free Cash Flow as a percent of Adjusted EBITDA. We present Unlevered Cash Conversion 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 Unlevered Free Cash Flow may not be the same as similarly titled measures of other companies. Adjusted Unlevered Free Cash Flow is not intended to represent our residual cash flow available for discretionary expenditures. Unlevered 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)

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ¹	Six Months Ended June 30, 2026	Twelve Months Ended December 31, 2025	Six Months Ended June 30, 2025
Net income (loss)	\$ (43,751)	\$ (93,054)	\$ (47,407)
Income tax expense (benefit)	(12,243)	(9,937)	2,584
Net interest expense	32,216	63,859	32,606
Depreciation, depletion, amortization and impairment	436,175	940,264	493,724
Colombia contract drilling exit costs ²	20,011	-	-
Noncontrolling investment write-down ³	4,520	-	-
Legal accruals and settlements ⁴	-	15,415	(4,585)
Merger and integration expense	-	1,016	920
Adjusted EBITDA	\$ 436,928	\$ 917,563	\$ 477,842
Last Twelve Months Adjusted EBITDA	\$ 876,649		
Last Twelve Months Net Interest Expense	\$ 63,469		
	June 30, 2026		
Debt (excluding deferred financing costs and discounts)	\$ 1,244,895		
Lease liabilities	51,408		
Total Debt	1,296,303		
Less cash	(203,169)		
Net Debt⁵	\$ 1,093,134		

Ratio calculation:

Debt-to-Adjusted EBITDA	1.42x
Net Debt-to-Adjusted EBITDA	1.25x
Adjusted EBITDA-to-Interest Coverage	13.81x

- (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, exit costs, noncontrolling investment write-down, legal accruals and settlements, 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.
- (2) Colombia contract drilling exit costs represent inventory and other asset write-downs recorded in direct operating expenses within the consolidated statements of operations. These costs were excluded from Adjusted EBITDA as they relate to our decision to exit our Colombia contract drilling operations and are not considered representative of ongoing operating performance.
- (3) Noncontrolling investment write-down represents an impairment charge of certain minority equity investments. The charge was excluded from Adjusted EBITDA as it represents a non-operating item.
- (4) Legal accruals and settlements represent net expenses (income) arising from certain significant legal matters, including settlement activity and reserve adjustments related to prior-year claims. Unlike routine legal costs incurred in the ordinary course of business, these infrequent items are excluded from Adjusted EBITDA because management does not consider them representative of our current period operating performance.
- (5) 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 financial 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.