

RANGER ENERGY SERVICES, INC.
SUPPLEMENTAL NON-GAAP FINANCIAL MEASURES
(UNAUDITED)

The Company utilizes certain non-GAAP financial measures that management believes to be insightful in understanding the Company's financial results. These financial measures, which include Adjusted EBITDA and Adjusted Net Debt, should not be construed as being more important than, or as an alternative for, comparable U.S. GAAP financial measures. Detailed reconciliations of these Non-GAAP financial measures to comparable U.S. GAAP financial measures have been included below and are available in the Investor Relations sections of our website at www.rangerenergy.com. Our presentation of Adjusted EBITDA and Adjusted Net Debt should not be construed as an indication that our results will be unaffected by the items excluded from the reconciliations. Our computations of these Non-GAAP financial measures may not be identical to other similarly titled measures of other companies.

Adjusted EBITDA

We believe Adjusted EBITDA is a useful performance measure because it allows for an effective evaluation of our operating performance when compared to our peers, without regard to our financing methods or capital structure. We exclude the items listed above from net income or loss in arriving at Adjusted EBITDA because these amounts can vary substantially within our industry depending upon accounting methods, book values of assets, capital structures and the method by which the assets were acquired. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are reflected in Adjusted EBITDA.

We define Adjusted EBITDA as net income or loss before net interest expense, income tax provision or benefit, depreciation and amortization, equity-based compensation, acquisition-related, severance and reorganization costs, gain or loss on disposal of assets, and certain other non-cash and certain items that we do not view as indicative of our ongoing performance.

The following tables are a reconciliation of net income or loss to Adjusted EBITDA for the three months ended September 30, 2021 and June 30, 2021, in millions:

	Three Months Ended September 30, 2021				
	High Specification Rigs	Completion and Other Services	Processing Solutions	Other	Total
	(in millions)				
Net income (loss)	\$ 0.7	\$ (1.2)	\$ (0.1)	\$ (8.5)	\$ (9.1)
Interest expense, net	—	—	—	1.2	1.2
Tax expense	—	—	—	(0.2)	(0.2)
Depreciation and amortization	4.1	3.6	0.6	0.4	8.7
EBITDA	4.8	2.4	0.5	(7.1)	0.6
Equity based compensation	—	—	—	0.3	0.3
Loss on retirement of debt	—	—	—	0.2	0.2
Severance and reorganization costs	—	—	—	0.5	0.5
Acquisition related costs	—	—	—	0.8	0.8
Legal fees and settlements	—	—	—	0.9	0.9
Adjusted EBITDA	\$ 4.8	\$ 2.4	\$ 0.5	\$ (4.4)	\$ 3.3

Three Months Ended June 30, 2021

	High Specification Rigs	Completion and Other Services	Processing Solutions	Other	Total
	(in millions)				
Net income (loss)	\$ 0.3	\$ (1.9)	\$ (0.4)	\$ (7.1)	\$ (9.1)
Interest expense, net	—	—	—	0.7	0.7
Tax expense	—	—	—	(0.1)	(0.1)
Depreciation and amortization	4.7	2.5	0.7	0.3	8.2
EBITDA	5.0	0.6	0.3	(6.2)	(0.3)
Equity based compensation	—	—	—	0.9	0.9
(Gain) loss on disposal of property and equipment	—	—	—	0.5	0.5
Severance and reorganization costs	—	—	—	0.3	0.3
Acquisition related costs	—	—	—	0.6	0.6
Adjusted EBITDA	\$ 5.0	\$ 0.6	\$ 0.3	\$ (3.9)	\$ 2.0

Net Debt and Adjusted Net Debt

We believe Net Debt and Adjusted Net Debt are useful performance measures of liquidity, financial health and provides an indication of our leverage. We define Net Debt as current and long-term debt, finance leases, other financing obligations, offset by cash and cash equivalents. We define Adjusted Net Debt as Net Debt, less a facility financing lease, to be analogous to the calculation of certain financial covenants. All debt and other obligations present the principal balances outstanding as of the respective periods.

The following tables are a reconciliation of consolidated debt and cash and cash equivalents to Net Debt and Adjusted Net Debt as of September 30, 2021 and June 30, 2021:

	September 30, 2021	June 30, 2021	Change
	(in millions)		
Debt and Other Obligations			
Credit facility	\$ 29.7	\$ 9.7	\$ 20.0
Eclipse M&E Loan	12.5	—	12.5
Secured Promissory Note	10.7	—	10.7
Installment purchases	1.1	1.0	0.1
Other financing liabilities	15.3	16.0	(0.7)
Finance lease obligations	3.6	3.9	(0.3)
Encina Master Financing Agreement	—	12.7	(12.7)
Less:			
Cash and cash equivalents	2.8	3.4	(0.6)
Net Debt	70.1	39.9	30.2
Less: Facility financing lease	12.8	12.9	(0.1)
Adjusted Net Debt	\$ 57.3	\$ 27.0	\$ 30.3