



## Johnson Rice Energy Conference

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New Orleans

September 27, 2017

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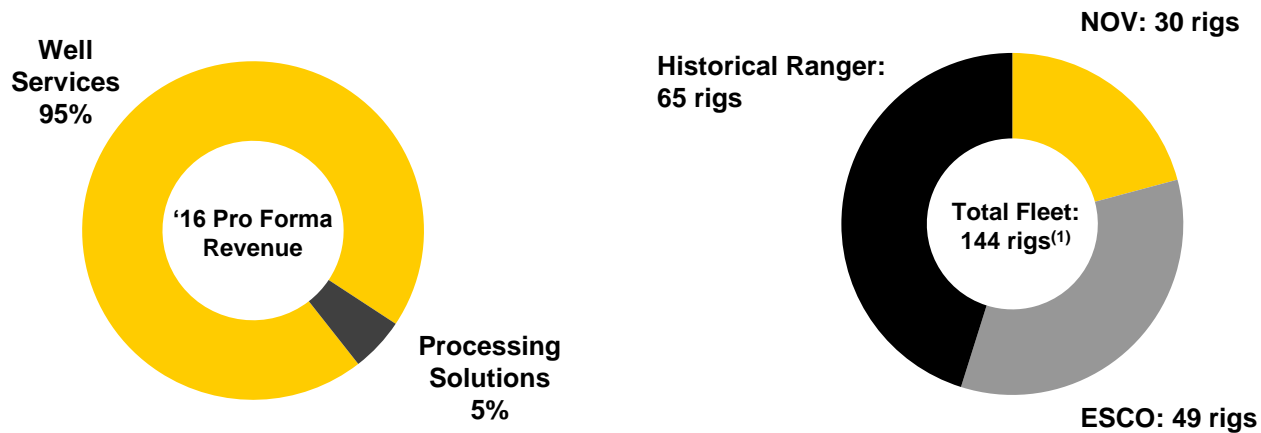
## **ESCO ACQUISITION**

Certain financial information and operating metrics in this presentation are presented after giving effect to the recently completed acquisition of well service rigs from the Energy Services Company of Bowie (“ESCO”). Such information is labeled as pro forma for closing the ESCO acquisition. Note that because ESCO’s fiscal year does not align with Ranger’s December 31 fiscal year end, revenue information presented as pro forma for the closing of the ESCO acquisition has been adjusted based on ESCO data for the twelve-month period ended October 31, 2016. We may not realize the benefits of the acquisition we expect. See “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” and the other information included in the prospectus relating to Ranger’s initial public offering of Class A common stock and its subsequent filings with the SEC.

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# Company Overview



- Ranger is focused on the high-spec service rig market: fleet designed for modern unconventional horizontal wells
  - Production-related work reduces exposure to volatile commodity price environment
  - Positioned to participate in a commodity price recovery through its completions services
- Ranger also provides support equipment, often deployed with the well service rigs
  - Generates additional revenue opportunities within existing customer base
  - Ranger offers complementary services, including wireline, snubbing, decommissioning and fluid management
- Deep relationships with blue-chip E&P customers: Ranger organically started with a take-or-pay contract

# Management Team Leverages Extensive OFS Operations and M&A Experience



- **Pete Miller, Chairman**

- Over 36 years of industry experience, with over 300 M&A transactions
- Currently serves as Executive Chairman of DistributionNOW, and was previously President and CEO of National Oilwell Varco
- Chairman of the Board of Directors of Transocean, and a Director of Chesapeake and Borets
- Additional previous work experience at Helmerich & Payne and Anadarko Drilling Company



- **Darron Anderson, President, Chief Executive Officer**

- Previous work experience as Chief Executive Officer of Express Energy Services
- Over 26 years of oil and natural gas experience in the oilfield services industry with 14 M&A transactions
- Holds a B.S. in Petroleum Engineering from University of Texas at Austin



- **Robert Shaw, Chief Financial Officer**

- Previously CFO of Southwest Oilfield Products
- Over 22 years of experience in corporate finance
- Formerly served as Vice President, Controller and Treasurer of Transocean



- **Matt Hooker, Chief Operating Officer**

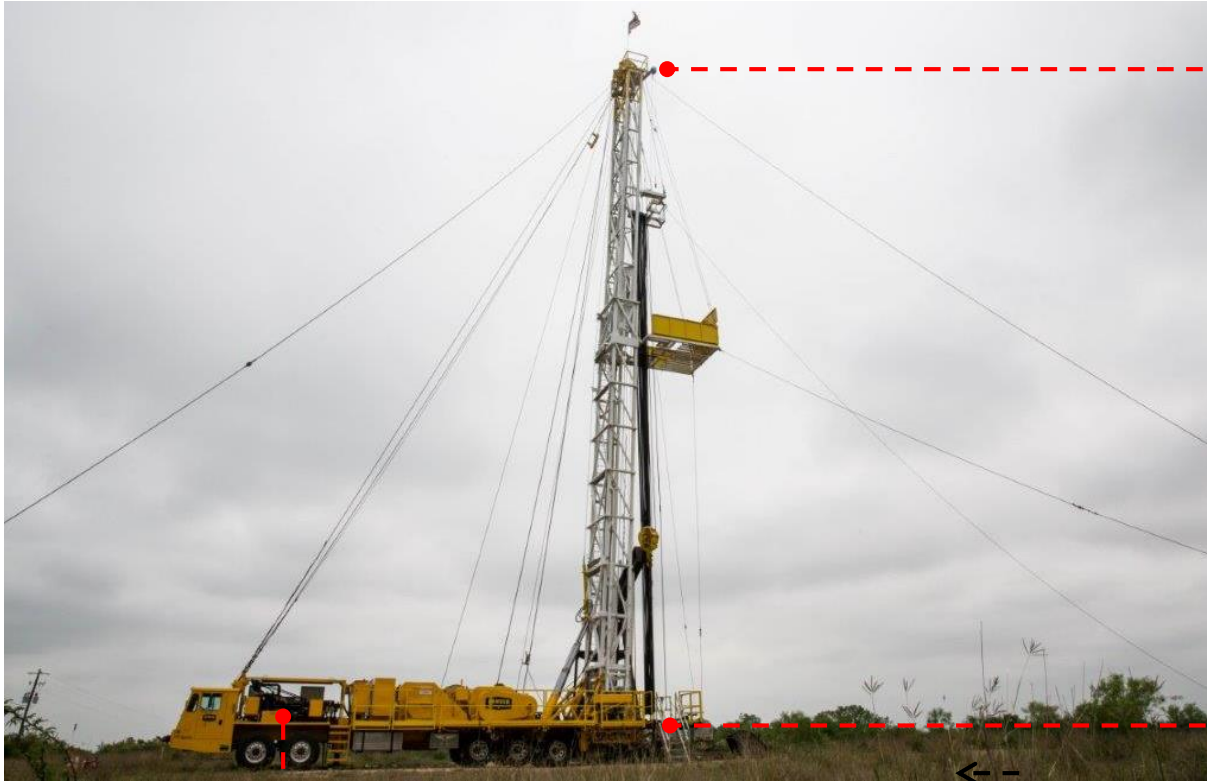
- Previously Senior Vice President of Drilling Services for Express Energy Services
- Over 26 years of oil and natural gas experience in the oilfield services industry
- Formerly served as Vice President, U.S. Operations, for Nabors Well Services



- **Lance Perryman, Executive Vice President – Processing Solutions**

- Currently President and Chief Executive Officer of Torrent Energy Services
- Brings over 28 years of direct experience in the oil and gas midstream industry
- Formerly served as Vice President of Sales and Marketing for Zephyr Gas Services

# Pure-Play High-Spec Well Service Rig Provider



## Mast:

- Running three joints of pipe, at 90', requires mast heights greater than 102'
- Increased mast ratings (>200,000 lbs for high-spec rigs) needed to support weights associated with long horizontal completions
- All new-build rigs have mast heights >102' with ratings >200,000 lbs

## Elevating Work Floor:

- The operating floor of the service rig must be capable of meeting the requirements of modern horizontal wells
- Must be able to clear modern pressure control housing at ~20 - 30'



## Rig Horsepower:

- Higher operating HP to pull tubing string from longer wellbores
- At least 450 HP required to be ideally suited for unconventional horizontal wells

## Ancillary Equipment (not pictured):

- Higher horsepower ("HP") fluid pump to clean long lateral wellbores
- Power swivels, hydraulic catwalks and well control packages

Ranger is uniquely positioned to capitalize on current market trends

**A** Modern Well Design Necessitates High-Spec Service Rigs

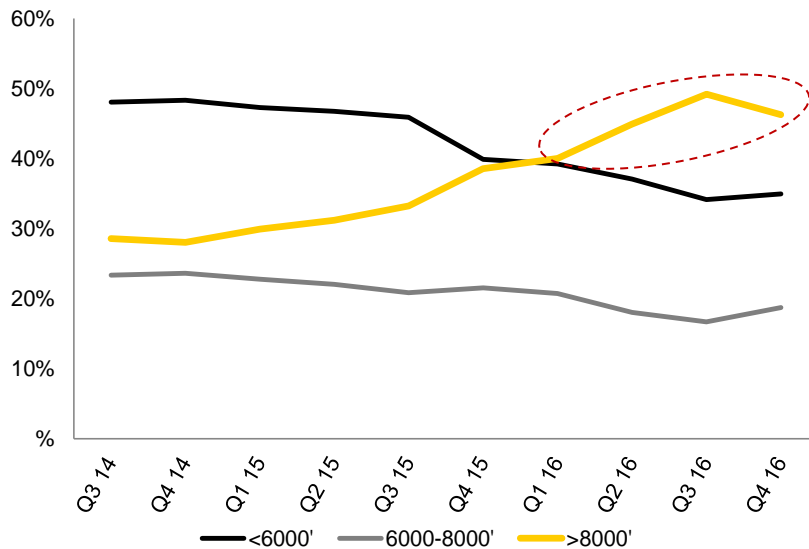
**B** Demand Growing Along with Horizontal Completion and Production Spending

# Modern Well Design Trends Require High-Spec Service Rigs

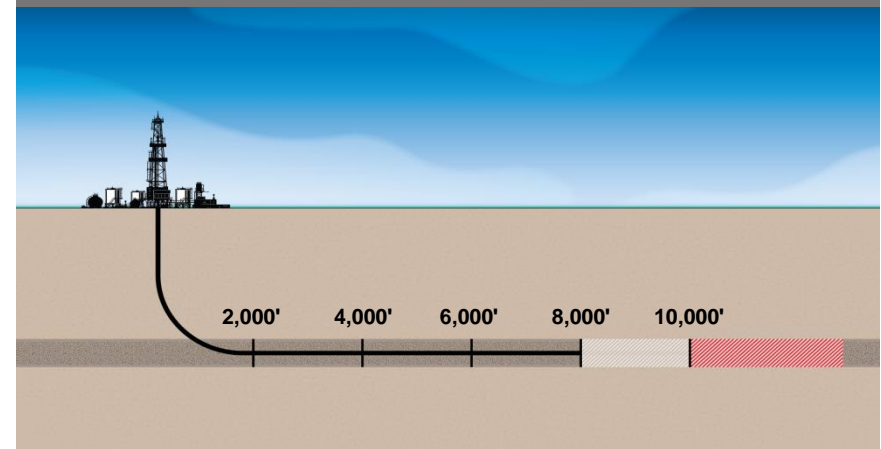


- From Q1 2010 through Q4 2016, average lateral lengths have increased by 88%, 72% and 24% in the Permian, Rockies and Bakken regions, respectively
- ~45% of horizontal well completion drill-outs were completed with well service rigs in 2016, as compared to ~25% in 2012

Percentage of Quarterly Horizontal Wells by Lateral Length

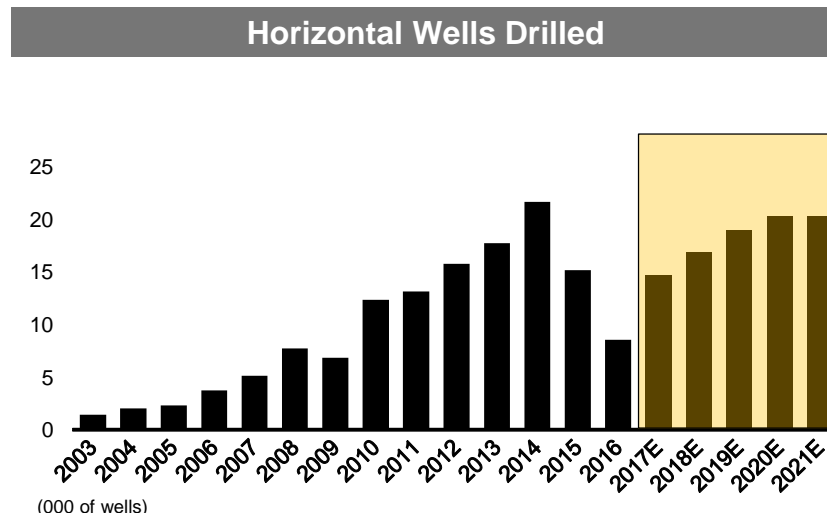
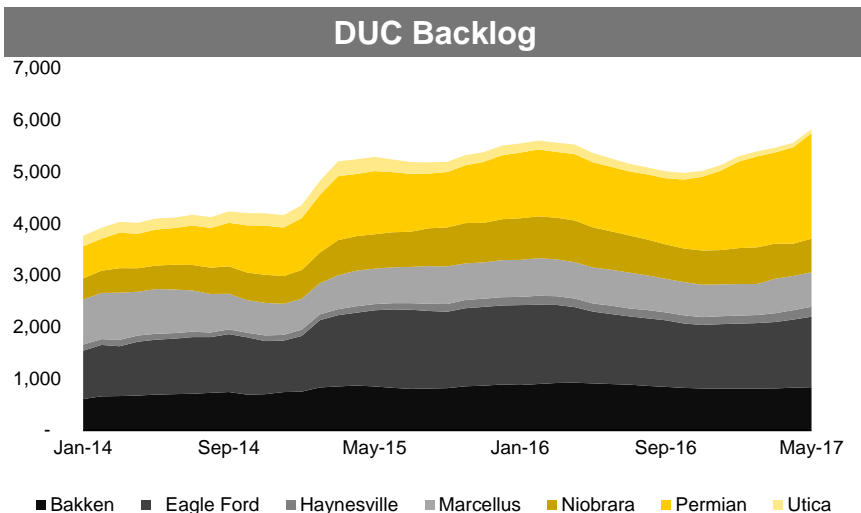


High-Spec Rig Requirements for Extended Lateral Wells



Source: Spears & Associates, Bloomberg Intelligence.

# B Completions Market

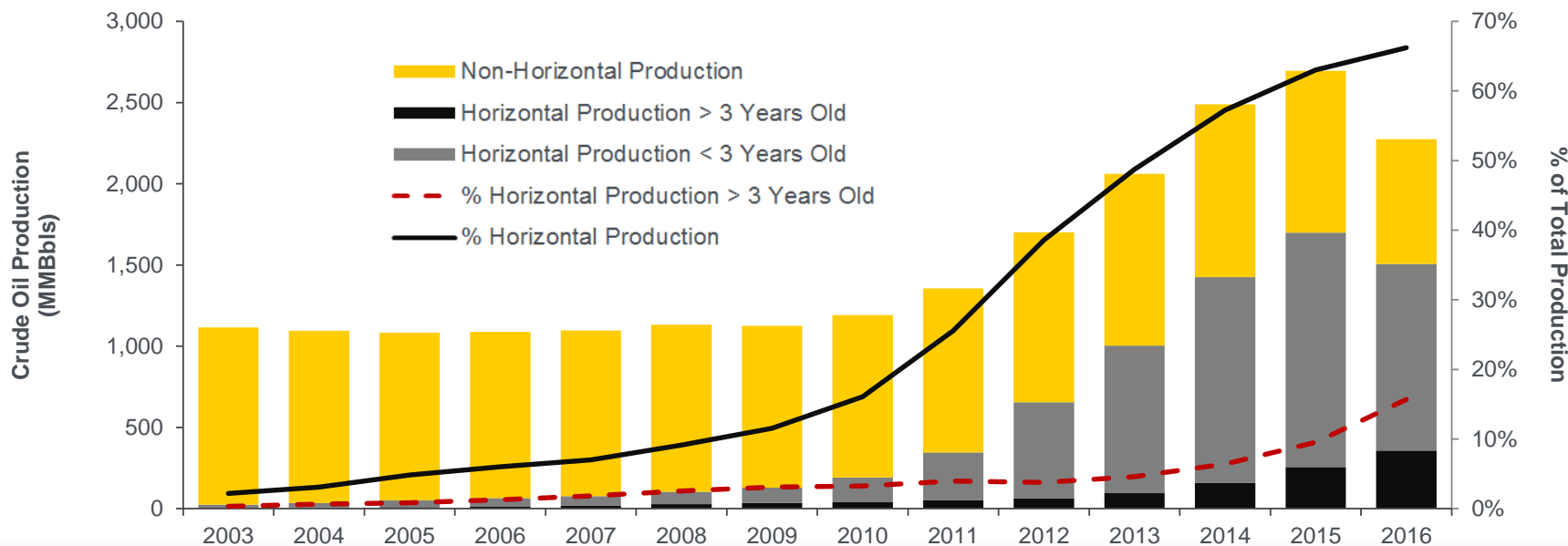


- Currently ~6,000 Drilled uncompleted (“DUC”) wells on hand present an opportunity for our completions business
  - Estimated “normal” level of DUCs is 1,500 – 2,500 wells

# B Production Market

- From 2012-2016, production from horizontal wells >3 years old grew from 4% to 16% of total U.S. output.
- Additionally, the majority of wells completed today are horizontal and require workover and well maintenance to sustain production as they age

### Onshore Lower 48 U.S. Crude Oil Production

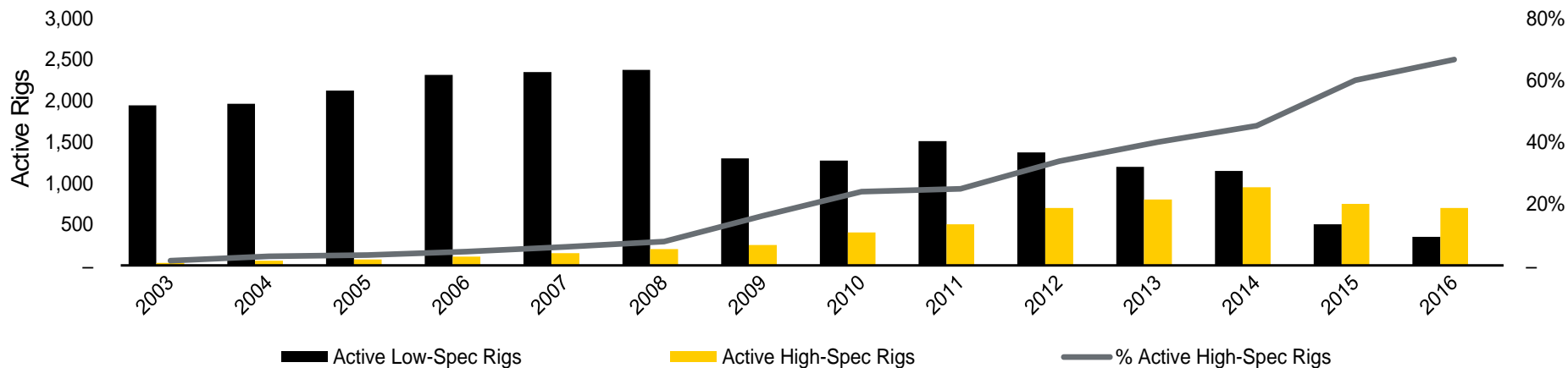


Source: EIA and HPDI/DrillingInfo.

# B High-Spec Service Rig Demand Overview

- The contribution of high-spec rigs as a percentage of total service rigs continues to increase
- Bifurcation of the market: dramatic drop in demand for low-spec rigs
- Demand for high-spec rigs is expected to grow as inventory and age of unconventional wells increases
- Limited investment in sector creates tension in meeting future demand

Increased Allocation to High-Spec Service Rig Activity<sup>(1)</sup>



Source: Coras Oilfield Research.  
 (1) High-spec rigs categorized as rigs with HP ≥ 450 and mast height ≥ 102'.

# Key Investment Highlights



**1 High-Spec Well Service Rig Provider with Growing Fleet**

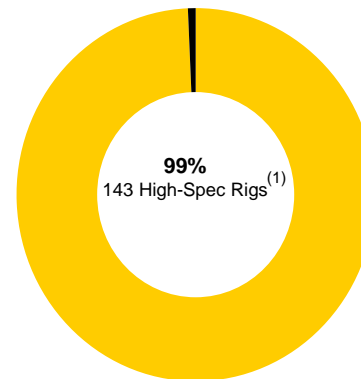
**2 Full-Cycle Well Services and Proprietary Processing Solutions**

**3 Deep Relationships with Blue-Chip E&P Customers Across Multi-Basin Footprint**

**4 Strong Balance Sheet provides Financial Flexibility to Support Growth Platform**

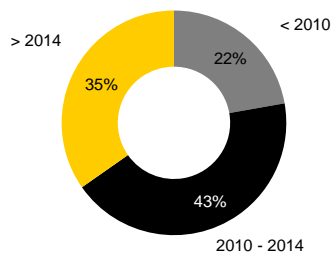
# High-Spec Well Service Rig Provider

- Ranger has a modern fleet of high-spec well service rigs<sup>(1)</sup>
  - More than one third of the fleet has been built since 2014
  - 81% of Ranger’s fleet has an operating capacity of 500 HP or more
  - Expected to add 21 new-build NOV rigs for a total of 143 high-spec rigs at year end 2017

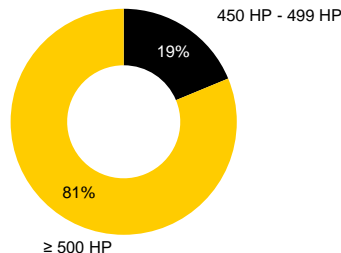


## Ranger Well Servicing Rig Fleet<sup>(1)</sup>

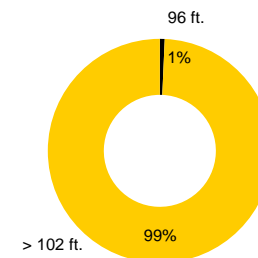
By Vintage<sup>(2)</sup>



By Horsepower



By Mast Height

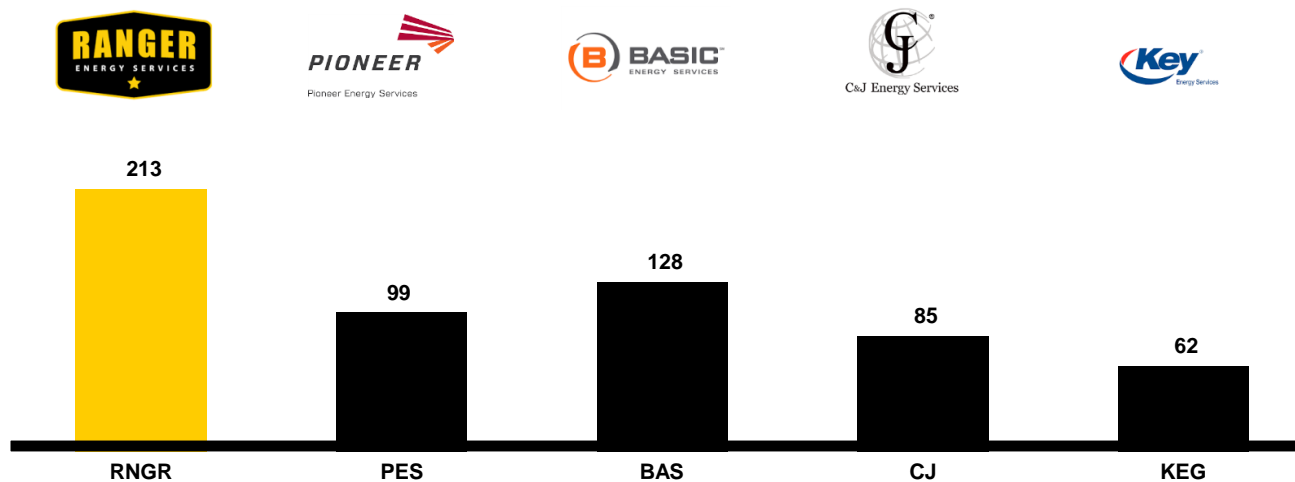


(1) Pro forma for closing of ESCO acquisition and rigs expected to be delivered in 2017, however NOV is not obligated to deliver such rigs during 2017. Excludes 8 non-marketed rigs removed from service and permanently stacked.  
 (2) Vintage < 2010 includes all rigs built before 2010; vintage 2010 – 2014 includes all rigs built from 2010 to 2014 inclusive; vintage > 2014 includes all rigs built in 2015 or later.

# High-Spec Well Service Rig Provider (Continued)



2Q'17 Service Rig Utilization (Hours/rig/month)<sup>(1)</sup>



Source: Company filings, IBES consensus, Coras Oilfield Research, Spears & Associates.

(1) 2Q'17 Ranger utilization is not pro forma for ESCO acquisition. Please refer to appendix for utilization calculation methodology. NINE does not provide sufficient data to calculate service rig utilization.



# Ranger Services Across Full Life of Well

## 1 Well Completion Support

- Completion services utilized subsequent to hydraulic fracturing but prior to placing a well into production
- Ranger benefits from increased exposure to high-margin unconventional completion drill-outs
- Ranger also provides ancillary service rentals, generating incremental associated revenues and increased profit margins

## 3 Workover

- Major well work conducted multiple times throughout life of well
  - Recompletion or re-frac of existing zones
  - Recompletion work to uphole zones
  - Major well cleanouts and casing repairs
- Include major subsurface repairs to well casings and recovery and replacement of tubing in the well bore
- 100% of Ranger’s high-spec well service rig fleet are designed to perform complex workover operations

**One-Time**  
~\$30,000 per Job  
~60 hours per Job

**Recurring**  
~\$13,000 per Job  
~30 hours per Job

**Recurring**  
~\$20,000 per Job  
~48 hours per job

**One-Time**  
~\$40,000 per Job  
“All-inclusive” of Ancillary Services

## 2 Well Maintenance

- Services conducted multiple times throughout the life of the well for routine maintenance including:
  - Removal and replacement of downhole artificial lift equipment
  - Repair of failed production tubing
  - Removal of downhole production-related by-products

## 4 Decommissioning

- Well service rigs are used to prepare non-economic oil and natural gas wells to be shut in and permanently or temporarily sealed
  - Ranger provides associated wireline and cementing
- Decommissioning work is less sensitive to commodity prices as a result of obligations imposed by state regulations

Note: Illustrative revenue per job does not include revenue from rental equipment.

# Proprietary Processing Solutions Critical Bridge



- Ranger's modular processing equipment provides critical midstream functions in basins where D&C activity has outpaced infrastructure buildout
- Ranger's proprietary equipment is designed to process natural gas to meet pipeline specifications, extract higher value NGLs, provide fuel gas for well sites and reduce emissions at the flare tip

## Modular Skid Mounted Units

- Units can process a broad range of flow rates
- Skids do not require concrete foundations, resulting in quick installation and mobility

## Standardized Design

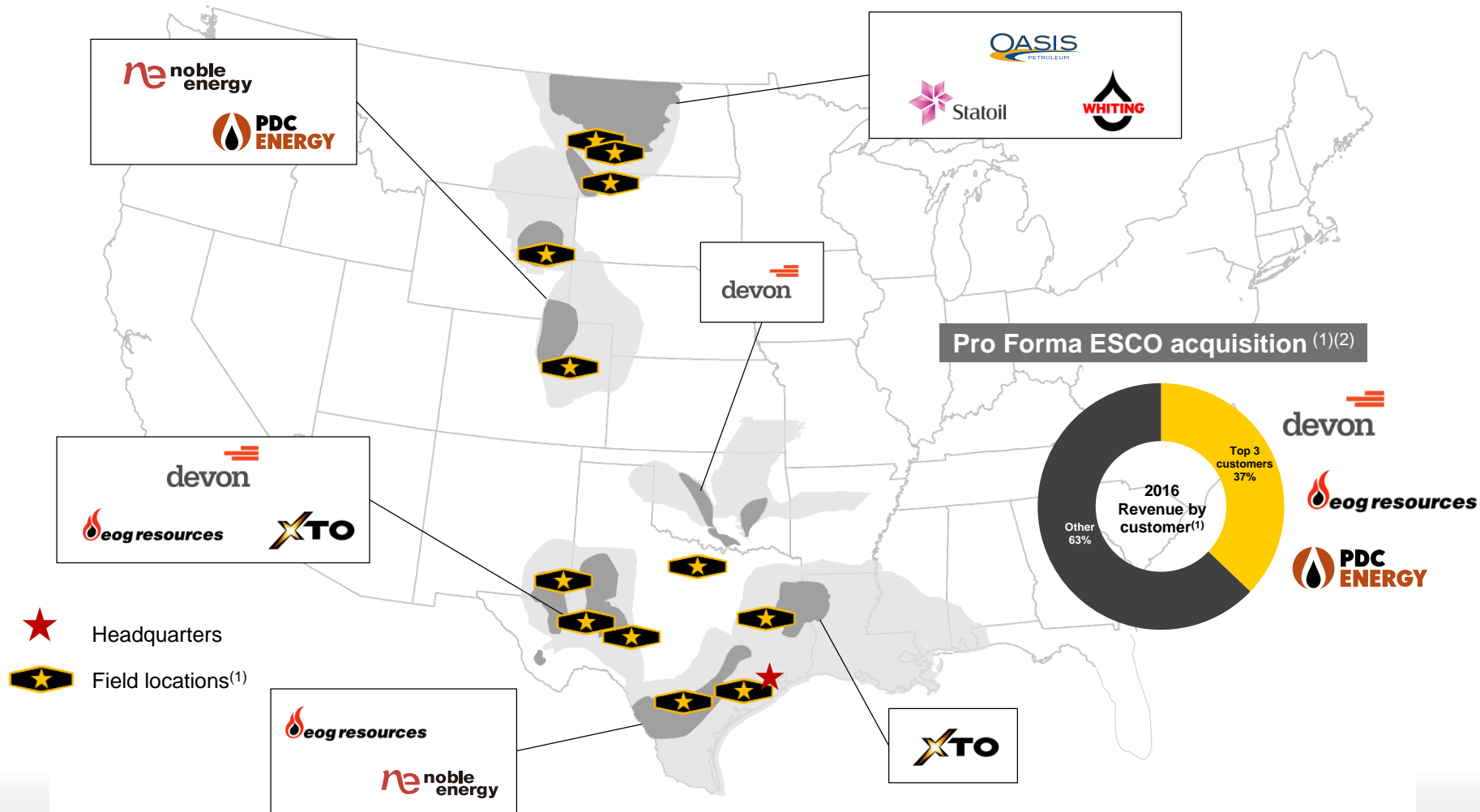
- Safe, easy to operate and maintain
- Streamlined components maximize efficiency and runtime

## Factory Built, Not Field Assembled

- Controlled environment results in superior construction
- Modular, pre-packaged units are delivered ready to install, increasing productivity and reducing safety risks



# 3 Blue-Chip Customer Base



(1) Combined, consolidated revenues pro forma for closing of ESCO acquisition.  
 (2) Ranger Stand alone 2016 revenue breakdown: Top 3 customers (EOG Resources, PDC Energy, Noble Energy) accounted for 45% of revenue, Other accounted for 55% of revenue

## 1 Committed to maintaining a conservative balance sheet with low leverage

- No bank debt post-IPO with \$7M seller note
- Increases ability to re-invest in the business throughout the cycle

## 2 Preserve sufficient liquidity to operate the business and execute growth objectives

- High level of liquidity with a new \$50M bank ABL facility and cash on hand

## 3 Focus on high returns and strong cash flow generation

- Improve returns by building service offerings around our core rigs
- Maintenance costs are mostly expensed

## 4 Disciplined capital allocation strategy focused on organic growth and accretive M&A

- Grow business organically and via acquisition through strategic service offerings around the rigs

# Sources, Uses, Pro Forma Capitalization



## Sources and Uses

(\$ in millions)

<b>Sources</b>	
Gross Proceeds from this Offering	\$85.0
Cash on Hand <sup>(1)</sup>	9.9
<b>Total Sources</b>	<b>\$94.9</b>
<b>Uses</b>	
Repayment of Long-Term Debt	\$10.4
Payment of Cash Bonuses to Certain Employees	0.7
Fund Cash Portion of Consideration for ESCO Acquisition <sup>(1)</sup>	47.7
Fees <sup>(2)</sup>	10.5
Retained Cash	25.6
<b>Total Uses</b>	<b>\$94.9</b>

## Pro Forma Capitalization

(\$ in millions)

	As of 3/31/17	Transaction Adjustments	As Adjusted 3/31/17
<b>Cash and Cash Equivalents<sup>(1)</sup></b>	<b>\$2.0</b>	<b>\$24.7</b>	<b>\$26.7</b>
<b>Long-Term Debt (Including Current Portion)</b>			
Related Party Debt <sup>(1)(3)</sup>	\$11.1	(\$11.1)	–
Bank Term Loan <sup>(1)(3)</sup>	6.4	(6.4)	–
Bank Revolving Credit Facility <sup>(4)</sup>	5.0	(5.0)	–
Seller Notes <sup>(5)</sup>	–	7.0	7.0
<b>Total Long-Term Debt</b>	<b>\$22.5</b>	<b>(\$15.5)</b>	<b>\$7.0</b>
Net Parent Investment / Shareholder's Equity	110.8	(1.4)	109.4
Non-Controlling Interests	–	98.3	98.3
Total Net Parent Investment / Shareholder's Equity	110.8	96.9	207.7
<b>Total Capitalization</b>	<b>\$133.3</b>	<b>\$81.4</b>	<b>\$214.7</b>

- Strong balance sheet post-IPO
- Remaining cash of \$27M to be used for general corporate purposes, which may include funding rig additions
- High level of liquidity with new bank facility
- Sponsors converted \$21M of debt into equity

(1) Ranger received \$9.9M cash proceeds under Ranger Bridge Loan since 3/31/17, made cash payments of \$2.5M on 5/30/17 as a deposit for ESCO acquisition, and cash payments of \$0.9M since 3/31/17 for the repayment of amounts outstanding under the Ranger Note and the First Torrent Note.

(2) Fees include 6.5% gross spread and \$5.0M of estimated offering related costs.

(3) The First Torrent Note was repaid and terminated on 7/11/17. In connection with consummation of this offering, Ranger intends to fully repay and terminate the Ranger Note and Ranger Bridge Loan (and will issue Class A Shares and Ranger Units as consideration for the Ranger Bridge Loan).

(4) In connection with the consummation of this offering, Ranger intends to fully repay and terminate the Ranger Line of Credit, and enter into a new \$50.0M Credit Facility.

(5) "As adjusted" amount represents current and non-current portion of secured seller notes totaling \$7.0M as part of the consideration for the ESCO acquisition.

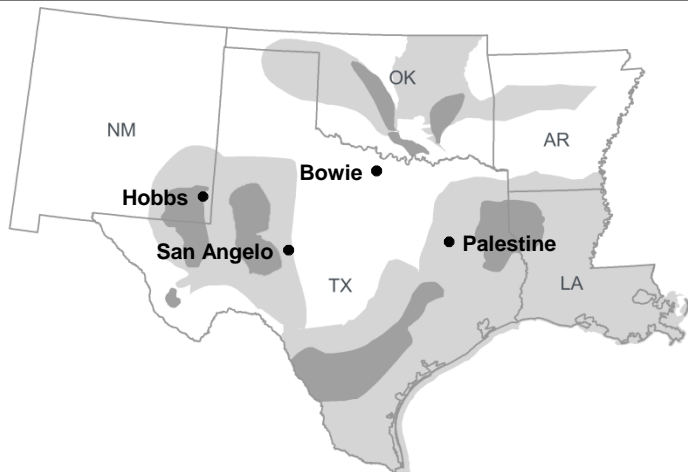
\* Assumes an initial public offering price of \$17.00 per share of Class A Common Stock

# 4 ESCO Acquisition Overview

## Adding Scale to Ranger's High-Spec Service Rig Fleet

- ESCO's service rig fleet includes 49 high-spec service rigs, ranging in horsepower from 475 – 630 HHP with mast heights between 104' – 112'
- Provides meaningful geographic diversification for Ranger's fleet
  - Triples Permian Basin fleet, increasing exposure to the largest well service market in North America
  - Establishes operations with meaningful scale in Haynesville and SCOOP/STACK, further diversifying hydrocarbon exposure by increasing gas-directed activity in the fleet
- Expands Ranger's strong customer base
  - Adds Devon as a key customer with a large acreage position in the SCOOP/STACK
  - Expands Ranger's relationship with XTO in Haynesville

## ESCO's Footprint



Note: ESCO acquisition closed concurrent with the IPO.

## Service Rig Fleet Specification

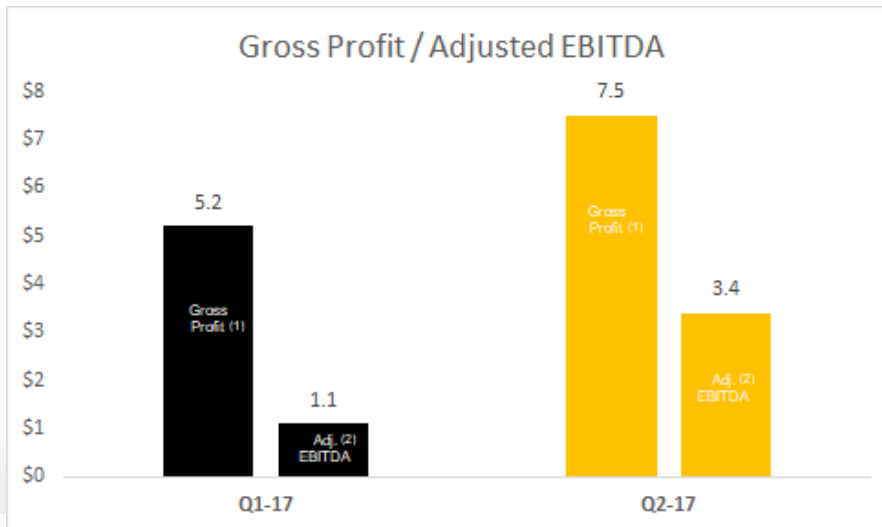
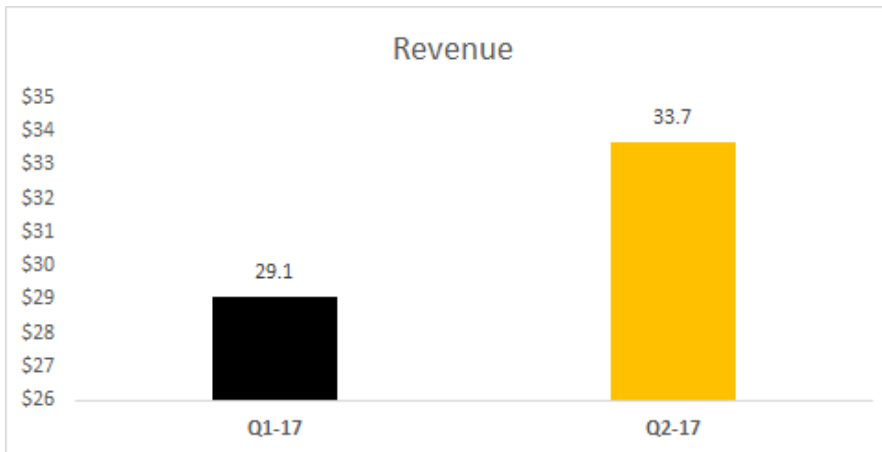
	# of Rigs	Avg Age	Avg HP	Avg Derrick (lbs)	Avg Mast (ft.)
Mustang	15	2007	550	275,000	104
National Oilwell	14	2011	584	282,143	109
Stewart & Stevenson	10	2010	550	250,000	109
Taylor	10	2008	485	240,000	104
<b>Total</b>	<b>49</b>	<b>2009</b>	<b>546</b>	<b>264,796</b>	<b>106</b>

- ESCO acquisition adds rental assets including catwalks and power swivels that complement Ranger's rental offerings

# Q1 / Q2 - Financial Comparison



## Quarterly Financial Comparison



## Quarterly Financial Highlights

- Revenue increased 15% from Q1 to Q2
  - Combination of increase in hours per month per rig of 10% to 213
  - Other non-rig revenue
- Gross Margin increased to 22% from 18% in Q1
- EBITDA increased through increase in gross profit and leveraging ongoing SG&A costs

(1) See Appendix for reconciliation of revenues to Gross Profit  
(2) See Appendix for reconciliation of net loss to Adjusted EBITDA

# 2017 Q1 / Q2 - Financial Results



## Ranger Energy Services Condensed I/S

	Three Months Ended	
	30-Jun-17	31-Mar-17
Revenues		
Well Services	\$ 31.7	\$ 27.3
Processing Solutions	2.0	1.8
Total Revenues	<u>33.7</u>	<u>29.1</u>
Operating Expenses		
Cost of Services		
Well Services	25.5	23.2
Processing Solutions	0.7	0.7
Total cost of services	<u>26.2</u>	<u>23.9</u>
Gross Profit	<u>7.5</u>	<u>5.2</u>
General and administrative	8.4	7.3
Depreciation and amortization	4.0	3.6
Total operating expenses	<u>38.6</u>	<u>34.8</u>
Operating loss	(4.9)	(5.7)
Other expenses		
Interest expense, net	(1.1)	(0.5)
Total other expenses	<u>(1.1)</u>	<u>(0.5)</u>
Net loss	<u>\$ (6.0)</u>	<u>\$ (6.2)</u>

## Quarterly Financial Highlights

- Revenue growth driven by increased rig utilization and non rig revenue
  - Rig utilization as measured by average monthly hours per rig increased to 213 from 194.
- Closed Q2 with 73 rigs, with the average number of rigs flat at 67.
- Gross margin improvement partially offset by higher general and administrative costs stemming from IPO preparation.
- Improved operating performance was offset by higher non-cash interest expense.



# Appendix

# 2017 Q2 – Adjusted EBITDA Reconciliation



## Ranger Energy Services Adjusted EBITDA

	Three Months Ended June 30, 2017			Three Months Ended March 31, 2017			Change \$		
	Well Services	Processing Solutions	Total	Well Services	Processing Solutions	Total	Well Services	Processing Solutions	Total
Net income (loss)	\$ (6.2)	\$ 0.2	\$ (6.0)	\$ (6.3)	\$ 0.1	\$ (6.2)	\$ 0.1	\$ 0.1	\$ 0.2
Interest expense, net	1.1	—	1.1	0.5	—	0.5	0.6	—	0.6
Income tax provision (benefit)	—	—	—	—	—	—	—	—	—
Depreciation and amortization	3.8	0.3	4.1	3.3	0.3	3.6	0.5	—	0.5
Equity based compensation	0.4	—	0.4	0.3	0.1	0.4	0.1	(0.1)	—
Acquisition related and severance costs	2.4	—	2.4	1.1	—	1.1	1.3	—	1.3
Costs incurred for IPO related services	1.4	—	1.4	1.7	—	1.7	(0.3)	—	(0.3)
<b>Adjusted EBITDA</b>	<b>\$ 2.9</b>	<b>\$ 0.5</b>	<b>\$ 3.4</b>	<b>\$ 0.6</b>	<b>\$ 0.5</b>	<b>\$ 1.1</b>	<b>\$ 2.3</b>	<b>—</b>	<b>\$ 2.3</b>

## Adjusted EBITDA Summary

- Adjusted EBITDA increased primarily due to:
  - \$0.5M increase in D&A
  - \$1.3 million increase in acquisition related costs.
  - Improved operating performance in both segments

# 2017 Q2 – Gross Profit Reconciliation



## Ranger Energy Services Gross Profit

	Three Months Ended June 30, 2017			Three Months Ended March 31, 2017			Change \$		
	Well Services	Processing Solutions	Total	Well Services	Processing Solutions	Total	Well Services	Processing Solutions	Total
	Revenue	\$ 31.7	\$ 2.0	\$ 33.7	\$ 27.3	\$ 1.8	\$ 29.1	\$ 4.4	\$ 0.2
Operating Expenses	25.5	0.7	26.2	23.2	0.7	23.9	2.3	-	2.3
<b>Gross Profit</b>	<b>\$ 6.2</b>	<b>\$ 1.3</b>	<b>\$ 7.5</b>	<b>\$ 4.1</b>	<b>\$ 1.1</b>	<b>\$ 5.2</b>	<b>\$ 2.1</b>	<b>\$ 0.2</b>	<b>\$ 2.3</b>



- We measure rig utilization by total monthly rig hours worked in a particular period per rig in service, which we refer to as our average hours per rig
  - Mid-month convention: A rig placed into service during a month (meaning that we have taken delivery of the rig) is assumed to be operating for one-half of such month

## Utilization Formula<sup>(1)</sup>

Approximate aggregate operating well service rig hours worked in period

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Aggregate number of well service rigs operating during such period  
(aggregated on a monthly basis)

(1) Our calculation of rig utilization may not be comparable to similar calculations for our peers, either within this presentation or in their other public disclosures. There can be no assurances as to the rig utilization of our peers if they used the same methodology as us. As used in this presentation, utilization for Ranger's peers is calculated by dividing aggregate operating well service rig hours worked in period by the average number of rigs multiplied by number of months in the period, as reported numbers are not aggregated on a monthly basis.



**Ranger Leads the Way**

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