



# Q1 2023 Earnings

May 2023

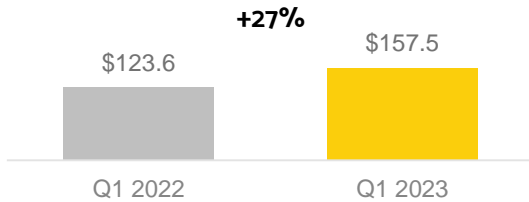
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**Forward-Looking Statements:** The information in this presentation includes “forward-looking statements.” All statements, other than statements of historical fact included in this presentation, regarding our strategy, future operations, financial position, estimated revenues and projected costs, prospects, and objectives are forward-looking statements. When used in this presentation, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on Ranger’s current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading “Risk Factors” included in Ranger’s Annual Report on Form 10-K filed with the Securities and Exchange Commission and subsequent Quarterly Reports. We caution you that forward-looking statements are subject to risks and uncertainties. These risks include, but are not limited to, the level of domestic capital spending by the oil and natural gas industry natural or man-made disasters and other external events that may disrupt our manufacturing operations, volatility of oil and natural gas prices, changes in general economic and geopolitical conditions, technological advancements in well service technologies. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. Except as otherwise required by applicable law, we disclaim any duty to update and do not intend to update any forward-looking statements. This presentation includes financial measures that are not presented in accordance with generally accepted accounting principles (“GAAP”), including EBITDA and Adjusted EBITDA, Free Cash Flow, Adjusted Net Debt. While management believes such measures are useful for investors, they do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures should not be used as a replacement for, and should not be considered in isolation from, financial measures that are in accordance with GAAP. Please see the Appendix for reconciliations of those measures to comparable GAAP measures.

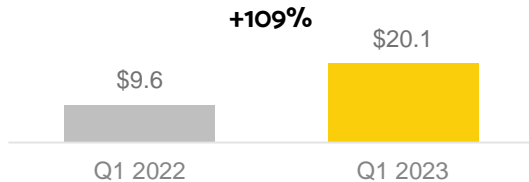
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# Q1 2023 Financial Summary

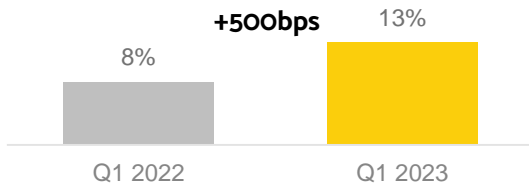
## Revenue (\$MM)



## Adjusted EBITDA (\$MM)



## Adjusted EBITDA Margin



## Q1 2023 Highlights

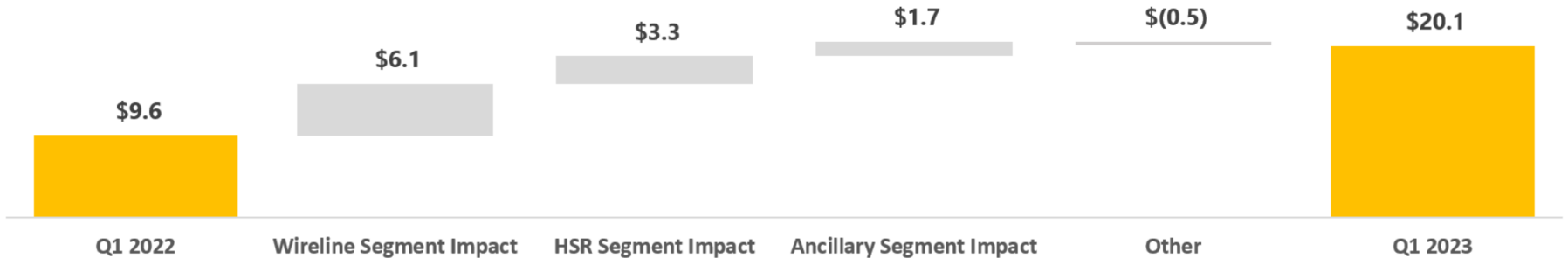
- Strong year-over-year growth across all segments
  - Revenue up 27% y/y
  - Adjusted EBITDA up 109% y/y
  - Adjusted EBITDA Margin up +500 bps y/y
- Net Income of \$6.2 million, or \$0.25 per fully diluted share, up from a net loss of \$(5.7) million, or \$(0.31) per share in Q1 2022
- Free cash flow of \$11.4 million, a significant increase over negative free cash flow of \$(13.7) million in Q1 2022
- Adjusted Net Debt of \$9.3 million, a 88% decrease from \$79.9 million in Q1 2022
- Began open market share repurchases under existing capital return program

# YoY Reconciliation

## Q1 Revenue Bridge

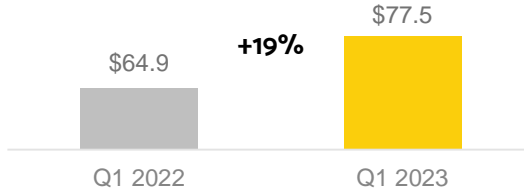


## Q1 Adjusted EBITDA Bridge

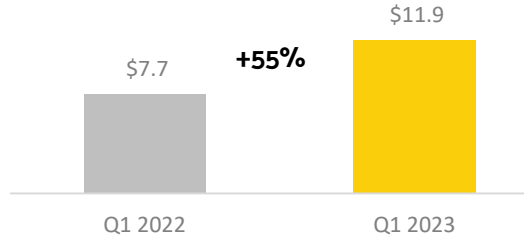


# High-Specification Rigs Segment Highlights

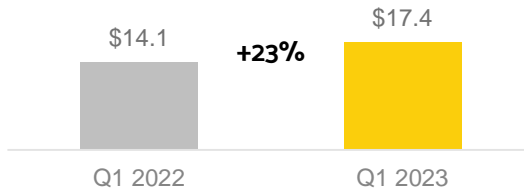
## Revenue (\$MM)



## Operating Income (\$MM)

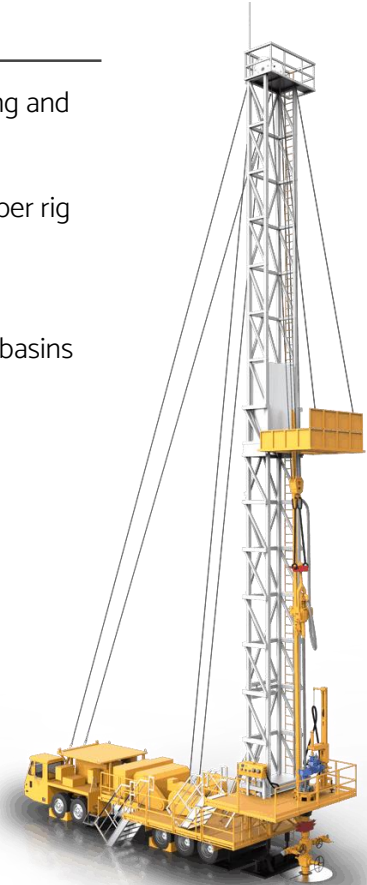


## Adjusted EBITDA (\$MM)



## Q1 Operational Results

- Adj. EBITDA improved 23% Y/Y due to better pricing and improved operating leverage
- Rig hours were steady Y/Y at 112,500, but revenue per rig hour increased by 19% from \$577 to \$689 due to reduced downtime and improved efficiency
- Successfully managed commodity pressure in gas basins by redeploying or relocating assets to oilier basins achieving strong utilizations and pricing
- Visibility to incremental growth in second and third quarter with higher utilization



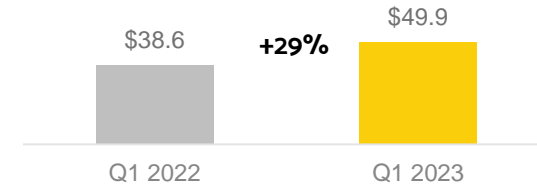
# Wireline Services Segment Highlights

## Q1 Operational Results

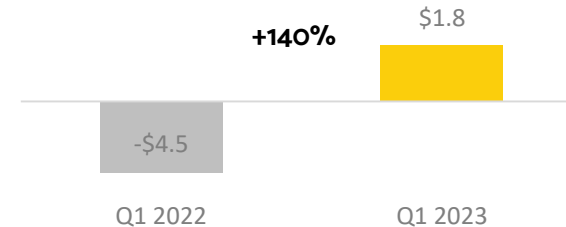
- Revenue increased 29% from \$38.6M to \$49.9M driven largely by incremental pricing and production activity releases year over year
- Adj. EBITDA increased \$6.0 million due to increased operating activity and improved pricing
- North region continuing strong track record with growth expected in second and third quarter as weather improves
- Expecting more muted growth in the South due to pricing pressure and additional equipment capacity



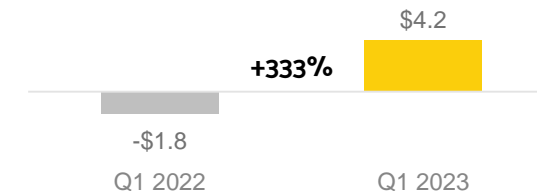
## Revenue (\$MM)



## Operating Income (\$MM)

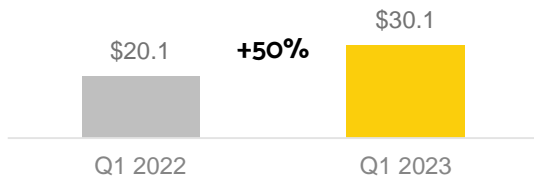


## Adjusted EBITDA (\$MM)

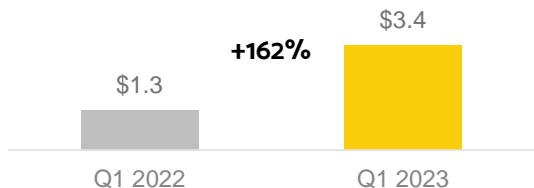


# Processing Solutions & Ancillary Services Segment Highlights

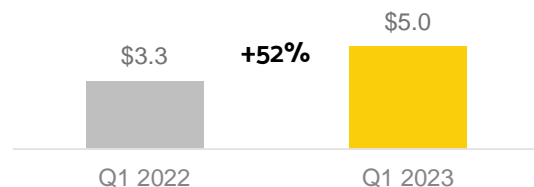
## Revenue (\$MM)



## Operating Income (\$MM)

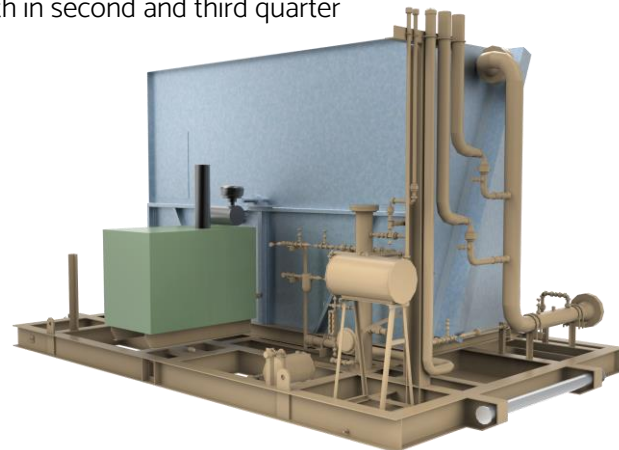


## Adjusted EBITDA (\$MM)



## Q1 Operational Results

- Revenues increased year-over-year across all business lines due to increases in operational activity:
  - Coil tubing (+\$5.2m)
  - Plug and abandonment services (+\$2.0m)
  - Rentals and fishing (+\$1.9m)
- Segment Adjusted EBITDA increased by \$1.7m primarily due to revenue and gross profit margin growth
- Anticipating additional growth in second and third quarter

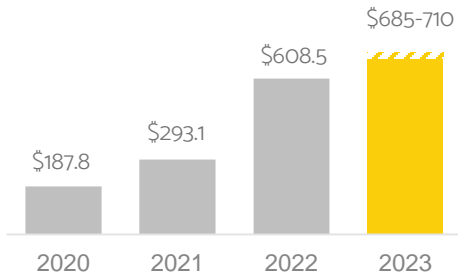


# 2023 Guidance – Q1 Update

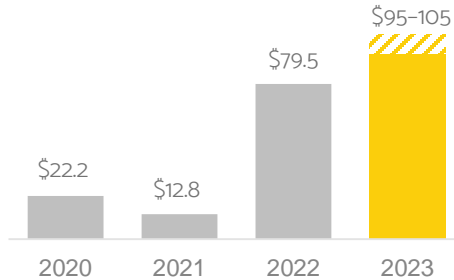
- Asset utilization and operating efficiency will push growth and margin expansion
- Activity levels expected to ramp in 2Q and 3Q expected the seasonally strongest quarters
- Adjusted EBITDA margins in 2023 of 13-15%
- Capital expenditures and leases expected between \$25-35 million, or approximately 4% of revenue
- Anticipated free cash flow conversion of over 60%



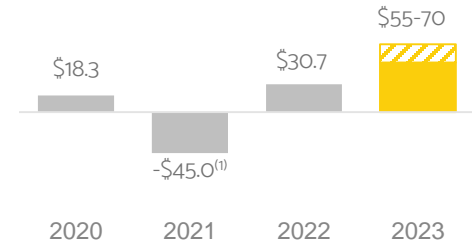
**Revenue (\$MM)**



**Adjusted EBITDA (\$MM)**



**Free Cash Flow (\$MM)**



(1) Free cash flow impacted by working capital needed to support Basic Asset Acquisition

# Capital Allocation Priorities

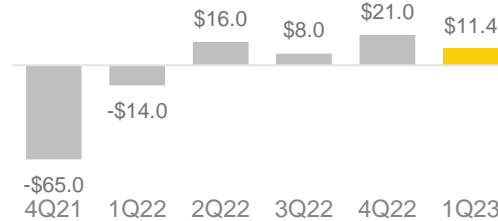
- Continued focus on deploying free cash flow to repay debt and optimize the capital structure for growth
- Ranger intends to initiate a quarterly dividend program of \$0.05 per share after achieving net debt zero target
- Board authorized \$35 million towards a share repurchase program which was initiated in Q1 2023
- Targeting inorganic growth through acquisition with priority to businesses with strategic lower capital intensity, in-basin scale and heavier production cycle focus



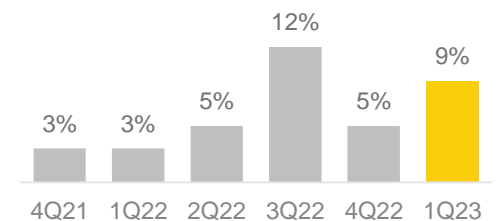
**Adjusted Net Debt (\$MM)<sup>(1)</sup>**



**Free Cash Flow (\$MM)<sup>(1,3)</sup>**



**TTM Return on Invested Capital<sup>(2)</sup>**



- See slide 13 for a reconciliation of Non-GAAP financial measures including Adjusted EBITDA, Free Cash Flow and Adjusted Net Debt.
- TTM Return on Invested Capital is defined as Trailing Twelve-Month Net Income divided by the statistical mean value of combined debt and shareholders' equity for the beginning and end of the trailing twelve-month period.
- Free cash flow in 4Q21 was negatively impacted by working capital needed to support Basic Asset Acquisition.

# Investment Thesis

## Maximizing Returns Through Improved Asset Utilization

- Significant opportunity for continued profitability growth through improved asset utilization, supported by opportunity for organic market share growth in existing markets
- Attractive free cash flow generation creates multiple value creation opportunities:
  - **Shareholder Returns:** Sustainable quarterly dividend program, supplemented by \$35 million share repurchase program
  - **Self-Funded M&A:** Allows for pursuit of opportunistic M&A to create value through consolidation within existing end-markets and businesses

## Dynamic Business Model with Production-Focused Exposure and Completion Upside

- Exposure to oil and gas producers across all major basins allows for strategic deployment and flexibility of asset utilization in response to changes in activity.
- Capital efficiency further maximizes operating leverage to drive above-industry returns through the cycle.
- Current E&P activity expected to remain consistent through 2023, with continued growth in 2024 and 2025 and a supportive long-term commodity price outlook.

# APPENDIX: SUPPLEMENTAL INFORMATION





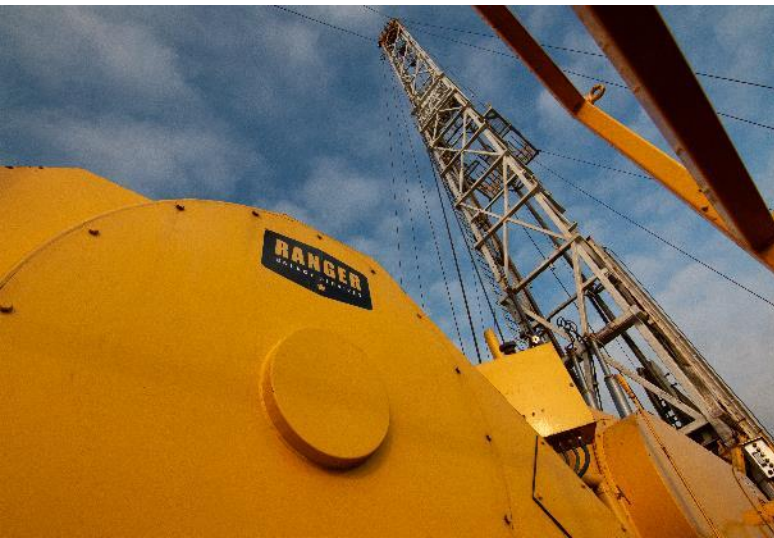
## WELL SERVICES

- High-Spec Service Rigs
- Rig-Assist Snubbing
- Coiled Tubing
- Rental and Fishing
- Plug and Abandonment



## WIRELINER SERVICES

- Plug and Perf
- Pump-Down Services
- Cement and Casing Evaluation
- Intervention Services
- Pumping Services



## ANCILLARY SERVICES

- Fishing and Rentals
- Plug & Abandonment
- Natural Gas Processing & Conditioning

# RANGER BUSINESS OVERVIEW

# Non-GAAP Reconciliation: Adjusted EBITDA

Three Months Ended March 31, 2023

	High Specification Rigs	Wireline Services	Processing Solutions & Ancillary Services	Other	Total
<b>Net income (loss)</b>	<b>\$11.9MM</b>	<b>\$1.8MM</b>	<b>\$3.4MM</b>	<b>(\$10.9MM)</b>	<b>\$6.2MM</b>
Interest expense, net	-	-	-	\$1.2MM	\$1.2MM
Income tax expense	-	-	-	\$1.8MM	\$1.8MM
Depreciation and amortization	\$5.5MM	\$2.4MM	\$1.6MM	\$0.5MM	\$10.0MM
<b>EBITDA</b>	<b>\$17.4MM</b>	<b>\$4.2MM</b>	<b>\$5.0MM</b>	<b>(\$7.4MM)</b>	<b>\$19.2MM</b>
Equity based compensation	-	-	-	\$1.1MM	\$1.1MM
Gain on disposal of property and equipment	-	-	-	(\$1.0MM)	(\$1.0MM)
Severance and reorganization costs	-	-	-	\$0.2MM	\$0.2MM
Legal fees and settlements	-	-	-	\$0.6MM	\$0.6MM
<b>Adjusted EBITDA</b>	<b>\$17.4MM</b>	<b>\$4.2MM</b>	<b>\$5.0MM</b>	<b>(\$6.5MM)</b>	<b>\$20.1MM</b>

# Non-GAAP Reconciliation: Adjusted EBITDA

Three Months Ended March 31, 2022

	High Specification Rigs	Wireline Services	Processing Solutions & Ancillary Services	Other	Total
<b>Net income (loss)</b>	<b>\$7.7MM</b>	<b>(\$4.5MM)</b>	<b>\$1.3MM</b>	<b>(\$10.2MM)</b>	<b>(\$5.7MM)</b>
Interest expense, net	-	-	-	\$2.1MM	\$2.1MM
Income tax benefit	-	-	-	(\$1.6MM)	(\$1.6MM)
Depreciation and amortization	\$6.4MM	\$2.7MM	\$2.0MM	\$0.5MM	\$11.6MM
<b>EBITDA</b>	<b>\$14.1MM</b>	<b>(\$1.8MM)</b>	<b>\$3.3MM</b>	<b>(\$9.2MM)</b>	<b>\$6.4MM</b>
Equity based compensation	-	-	-	\$0.8MM	\$0.8MM
Gain on disposal of property and equipment	-	-	-	(\$1.0MM)	(\$1.0MM)
Acquisition related costs	-	-	-	\$3.2MM	\$3.2MM
Legal fees and settlements	-	-	-	\$0.2MM	\$0.2MM
<b>Adjusted EBITDA</b>	<b>\$14.1MM</b>	<b>(\$1.8MM)</b>	<b>\$3.3MM</b>	<b>(\$6.0MM)</b>	<b>\$9.6MM</b>

# Non-GAAP Reconciliation: Adjusted Net Debt

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
<b>Debt and Other Obligations</b>						
Credit facility	-	\$1.4MM	\$24.9MM	\$33.9MM	\$44.8MM	\$27.0MM
Eclipse Term Loan A	\$9.8MM	\$10.4MM	\$11.0MM	\$11.7MM	\$12.0MM	\$12.5MM
Eclipse Term Loan B	-	-	-	\$2.8MM	\$10.7MM	\$12.4MM
Secured Promissory Note	\$5.6MM	\$6.1MM	\$7.0MM	\$7.7MM	\$8.3MM	\$10.4MM
Installment purchases	\$0.4MM	\$0.5MM	\$0.6MM	\$0.7MM	\$0.9MM	\$1.0MM
Other financing liabilities	\$12.1MM	\$12.3MM	\$12.6MM	\$12.8MM	\$12.6MM	\$12.7MM
Finance lease obligations	\$7.8MM	\$7.5MM	\$6.6MM	\$6.2MM	\$7.0MM	\$8.5MM
Less: Cash and cash equivalents	\$14.4MM	\$3.7MM	\$5.2MM	\$5.1MM	\$3.8MM	\$0.6MM
<b>Net Debt</b>	<b>\$21.3MM</b>	<b>\$34.5MM</b>	<b>\$57.5MM</b>	<b>\$70.7MM</b>	<b>\$92.5MM</b>	<b>\$83.9MM</b>
Less: Facility financing lease	\$12.0MM	\$12.1MM	\$12.3MM	\$12.4MM	\$12.6MM	\$12.7MM
<b>Adjusted Net Debt</b>	<b>\$9.3MM</b>	<b>\$22.4MM</b>	<b>\$45.2MM</b>	<b>\$58.3MM</b>	<b>\$79.9MM</b>	<b>\$71.2MM</b>

# Non-GAAP Reconciliation: Free Cash Flows

	Three Months Ended	
	March 31, 2023	March 31, 2022
Net cash provided by operating activities	\$17.4MM	(\$12.1MM)
Purchase of property and equipment	(\$5.4MM)	(\$1.6MM)
<b><i>Free cash flow</i></b>	<b><i>\$12.0MM</i></b>	<b><i>(\$13.7MM)</i></b>