



# Q4 2022 Earnings

March 2023

# IMPORTANT DISCLOSURES

**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, and Adjusted Net Leverage. 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.

**Industry and Market Data:** This presentation has been prepared by Ranger and includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Although Ranger believes these third-party sources are reliable as of their respective dates, Management has not independently verified the accuracy or completeness of this information. Some data are also based on the management estimates and approximations derived from internal sources and the third-party sources described above.

# Fourth Quarter and Full Year 2022 Ranger Highlights

01

## **Strong Year-over-Year Revenue Growth**

- Q4 revenue of \$154.3 million, a 25% increase year-over-year
- FY revenue of \$608.5 million, a 108% increase year-over-year

02

## **Expanding EBITDA Margins**

- Q4 Adjusted EBITDA of \$21.6 million with 14% margins
- FY Adjusted EBITDA of \$79.5 million with 13% margins

03

## **Generated Significant Free Cash Flow and Repaid Debt**

- Q4 Free Cash Flow of \$20.9 million
- FY 2022 Free Cash Flow of \$30.7 million
- Year-end 2022 Adjusted Net Debt of \$22.4 million with \$51.5 million in debt repayments during 2022

04

## **Expecting Growth Across All Segments in 2023**

- Revenue growth expected between 12% and 17%
- Adjusted EBITDA expected between \$95 and \$105 million
- Free Cash Flow conversion expected to be ~60% and between \$55 and \$70 million

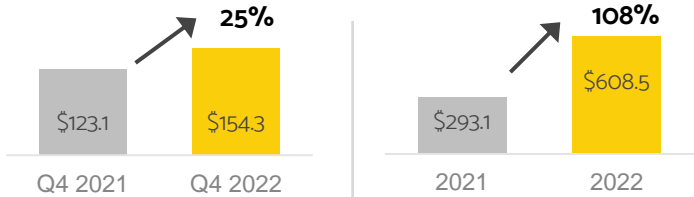
05

## **Strategic Focus on Capital Allocation in 2023**

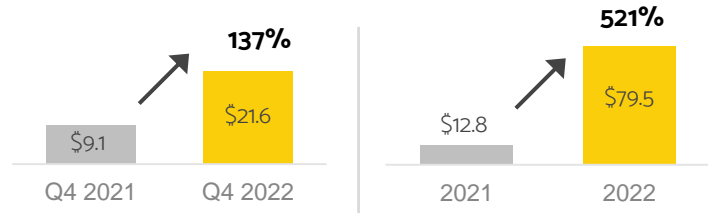
- Initiating \$35 million share repurchase program and \$0.05 quarterly dividend
- Leveraging additional free cash flow generation capabilities to pursue opportunistic M&A and accretive investment opportunities

# Q4 / FY 2022 Financial Summary

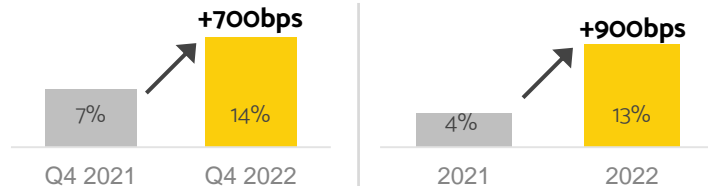
## Revenue (\$MM)



## Adjusted EBITDA (\$MM)



## Adjusted EBITDA Margin



## Q4 2022 Highlights

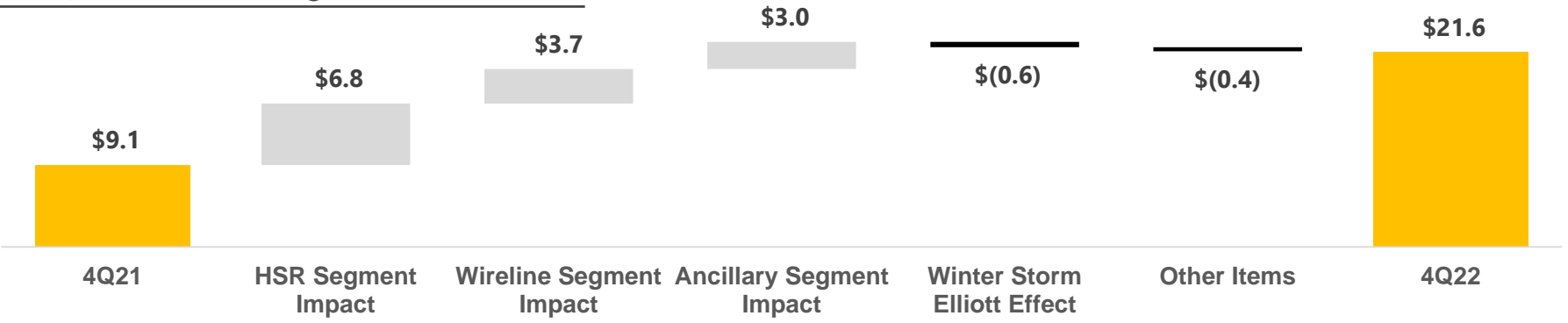
- Grew revenue and Adj EBITDA across all segments year over year in Q4
- Leveraged Free Cash Flow generation to repay \$24.5 million of debt
- Winter Storm Elliott operational downtime resulted in a cumulative negative impact of \$6 million to revenue and \$0.6 million to Adj. EBITDA
- Operating efficiencies and effective cost planning allowed Ranger to achieve EBITDA expectations despite winter storm impact

## FY 2022 Highlights

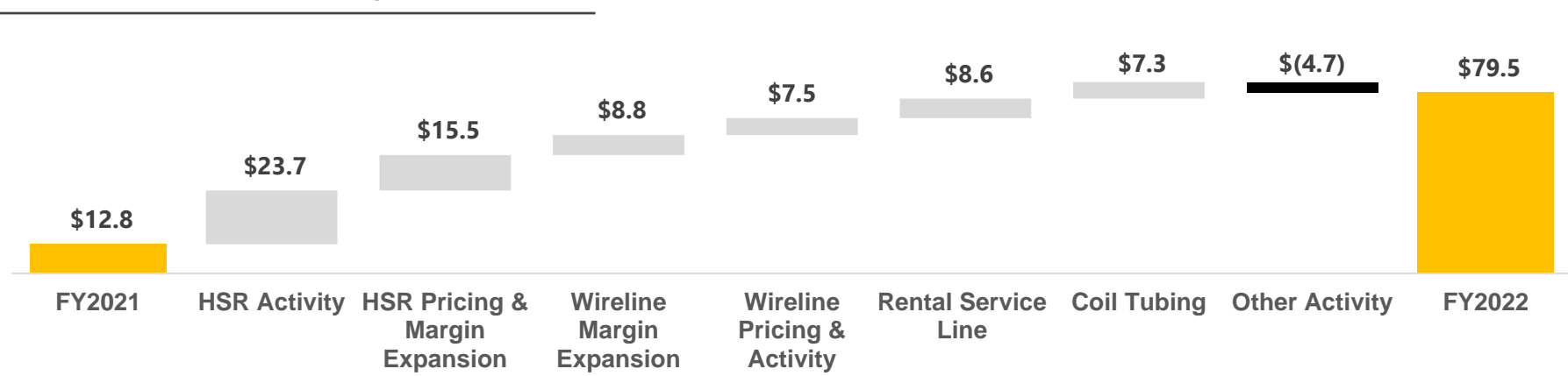
- Successful integration of 2021 acquisitions resulted in significant increases in 2022 to Revenue, Adjusted EBITDA and Margins
- All segments increased year-over-year with most significant growth in Processing Solutions and Ancillary Services which grew over 237% from the prior year
- Ranger significantly reduced leverage through the year, ending the year with \$22.4 million of Adjusted Net Debt

# EBITDA Reconciliation

## Q4 Adjusted EBITDA Bridge

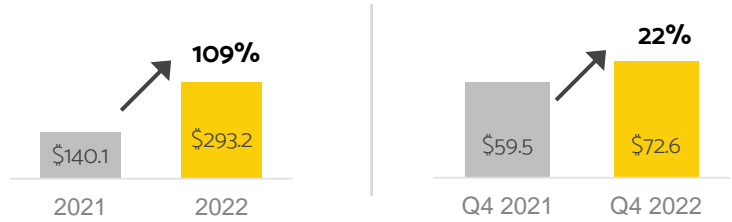


## FY2022 Adjusted EBITDA Bridge

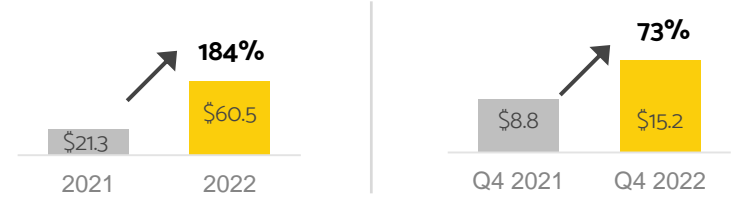


# High-Specification Rig Segment Highlights

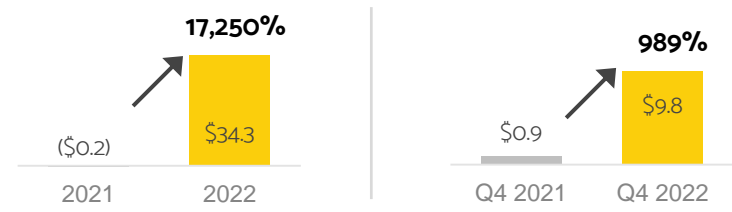
## Revenue (\$MM)



## Adjusted EBITDA (\$MM)



## Operating Income (\$MM)

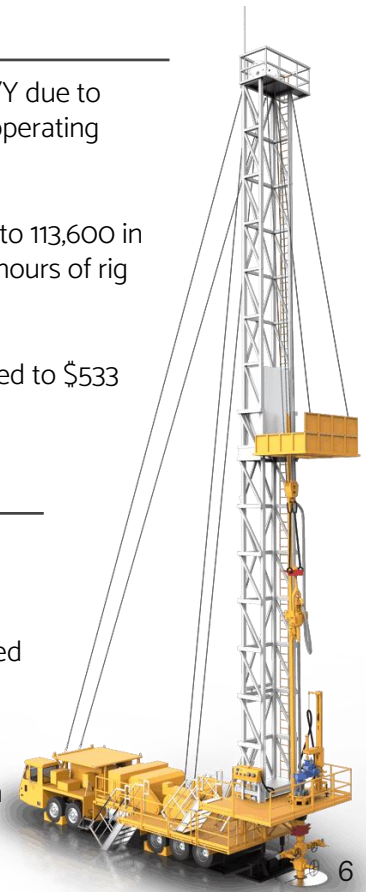


## Q4 Operational Results

- Adj. EBITDA improved \$6.4 million (+73%) Y/Y due to higher activity, better pricing and improved operating leverage
- Rig hours increased from 111,600 in Q4 2021 to 113,600 in Q4 2022. Winter Storm Elliott caused 4,300 hours of rig downtime in December
- Hourly rig rates were \$640 per hour compared to \$533 per hour in Q4 2021

## 2022 Operational Results

- Rig hours increased from 257,900 in 2021 to 469,000 in 2022
- Hourly rig rates were \$625 per hour compared to \$543 per hour in 2021, increasing by 15%
- Integration and optimization of the Basic Assets drove growth and +600bps in margin expansion



# Wireline Service Segment Highlights

## Q4 Operational Results

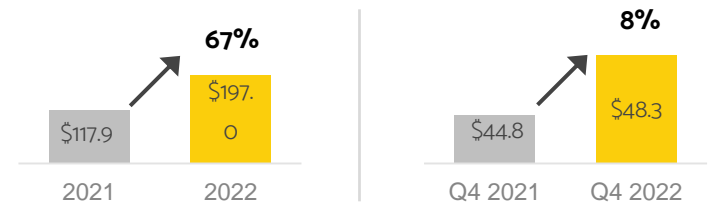
- Adj. EBITDA increased \$3.7 million due to improved pricing and cost absorption as Adj. EBITDA margins expanded materially Y/Y
- Winter Storm Elliot in December resulting in 13 unplanned weather days and negatively impacted revenues by \$3.0 million
- Completed stages decreased by 26% to 6,800 primarily due to unplanned weather days

## 2022 Operational Results

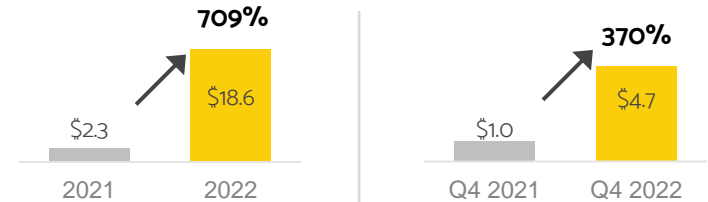
- Increased operating activity in 2022 by due to acquisition of two wireline companies in 2021 and improved cost absorption
- Expanded margins by 600 bps in 2022 over prior year



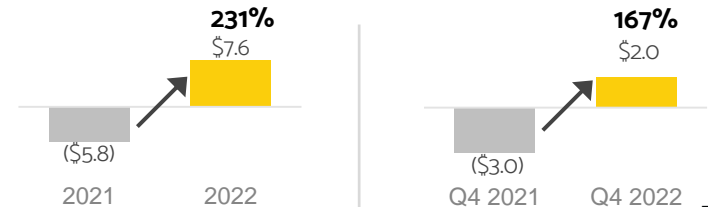
## Revenue (\$MM)



## Adjusted EBITDA (\$MM)

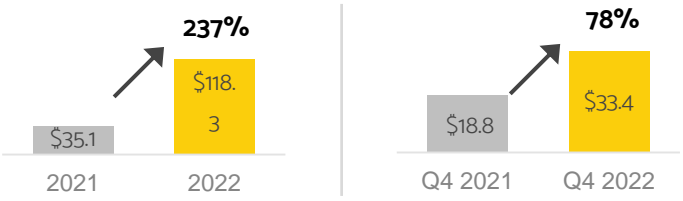


## Operating Income (\$MM)

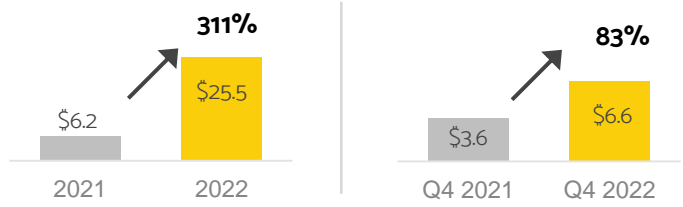


# Processing Solutions & Ancillary Services Segment Highlights

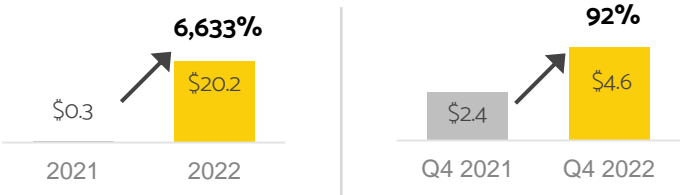
## Revenue (\$MM)



## Adjusted EBITDA (\$MM)



## Operating Income (\$MM)

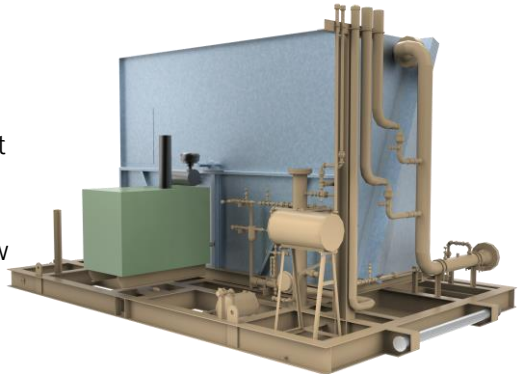


## Q4 Operational Results

- Revenues increased year-over-year across all business lines:
  - Coil tubing (+\$6.7m)
  - Rentals (+\$5.1m)
  - Plug and abandonment services (+\$2.1m)
- Segment Adjusted EBITDA increased by \$3m primarily due to revenue growth and integration of Basic Assets acquired in 2021

## 2022 Operational Results

- Revenue and EBITDA grew substantially during 2022, as the result of the Basic acquisition, higher operational activity and better cost absorption
- Coil tubing business showed strongest growth with revenues of \$36 million
- Plug and Abandonment business grew by 4x year-over-year



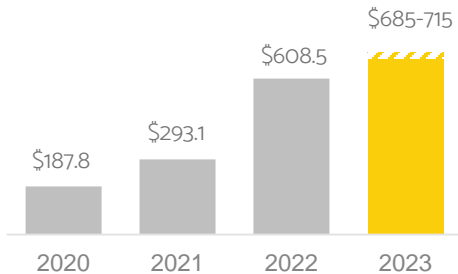
# 2023 Guidance

As of March 2023

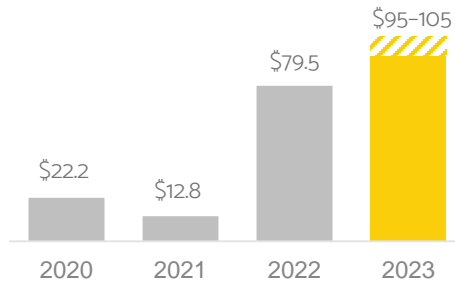
- Improving asset utilization and operating efficiency will continue growth and margin expansion
- Expect activity levels to ramp in to 2Q, with 2Q and 3Q representing the seasonally strongest quarters for 2023
- Expected Adjusted EBITDA margins in 2023 of 14-16%
- Capital expenditures and leases expected between \$25-35 million, or approximately 4% to 5% of revenue
- Anticipated free cash flow conversion of over 60%



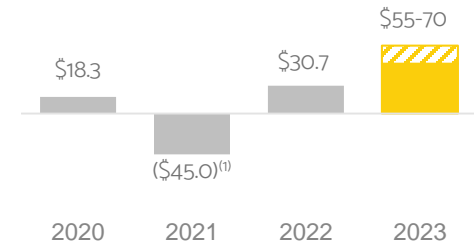
**Revenue (\$MM)**



**Adjusted EBITDA (\$MM)**



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



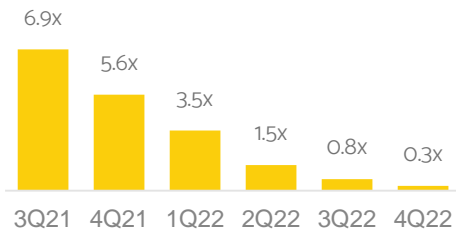
(1) Free cash flow impacted by working capital needed to support Basic asset acquisition

# Capital Allocation Priorities

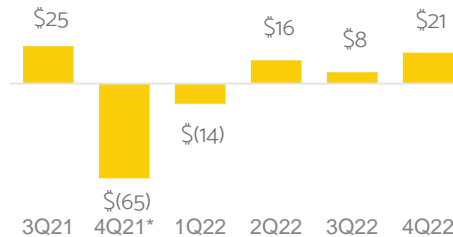
- Recent focus on deploying free cash flow to repay debt and optimize the capital structure for growth.
- After achieving net debt zero target, Ranger intends to initiate a quarterly dividend program of \$0.05 per share.
- Board has authorized \$35 million towards a share repurchase program.
- Prioritizing inorganic growth through acquisition. The Company is targeting businesses with similar strategic advantages such as lower capital intensity, in-basin scale and heavier production cycle focus.



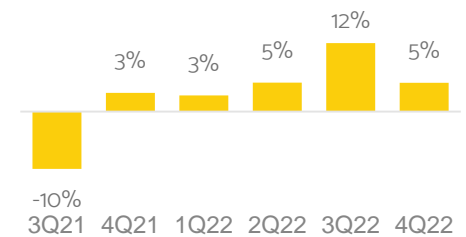
### Adjusted Net Leverage<sup>(1)</sup>



### Free Cash Flow (\$mm)<sup>(1,3)</sup>



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



1) Adjusted Net Leverage is defined as Adjusted Net Debt divided by trailing twelve month Adjusted EBITDA.

2) 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.

3) \*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 \$35m 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





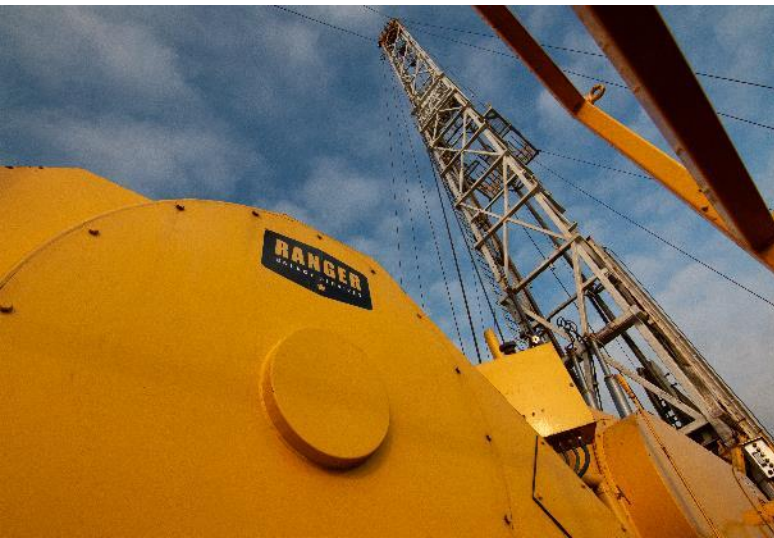
## WELL SERVICES

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



## WIRELINE 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 December 31, 2022

|  | High<br>Specification<br>Rigs | Wireline<br>Services  | Processing<br>Solutions &<br>Ancillary<br>Services | Other                   | Total                  |
|--|-------------------------------|-----------------------|--|-------------------------|------------------------|
| <b>Net income (loss)</b>                   | <b>\$9.8MM</b>                | <b>\$2.0MM</b>        | <b>\$4.6MM</b>                                     | <b>(\$8.8MM)</b>        | <b>\$7.6MM</b>         |
| Interest expense, net                      | -                             | -                     | -  | \$1.6MM                 | \$1.6MM                |
| Income tax expense                         | -                             | -                     | -  | (\$0.1MM)               | (\$0.1MM)              |
| Depreciation and amortization              | \$5.4MM                       | \$2.7MM               | \$2.0MM  | \$0.5MM                 | \$10.6MM               |
| <b>EBITDA</b>                              | <b>\$15.2MM</b>               | <b>\$4.7MM</b>        | <b>\$6.6MM</b>                                     | <b>(\$6.8MM)</b>        | <b>\$19.7MM</b>        |
| Equity based compensation                  | -                             | -                     | -  | \$1.0MM                 | \$1.0MM                |
| Gain on disposal of property and equipment | -                             | -                     | -  | (\$0.7MM)               | (\$0.7MM)              |
| Acquisition related costs                  | -                             | -                     | -  | \$1.4MM                 | \$1.4MM                |
| Legal fees and settlements                 | -                             | -                     | -  | \$0.2MM                 | \$0.2MM                |
| <b><i>Adjusted EBITDA</i></b>              | <b><i>\$15.2MM</i></b>        | <b><i>\$4.7MM</i></b> | <b><i>\$6.6MM</i></b>                              | <b><i>(\$4.9MM)</i></b> | <b><i>\$21.6MM</i></b> |

# Non-GAAP Reconciliation: Adjusted EBITDA

Three Months Ended September 30, 2022

|  | High Specification Rigs | Wireline Services | Processing Solutions & Ancillary Services | Other             | Total           |
|--|-------------------------|-------------------|---|-------------------|-----------------|
| <b>Net income (loss)</b>                   | <b>\$10.7MM</b>         | <b>\$8.6MM</b>    | <b>\$9.2MM</b>                            | <b>(\$14.9MM)</b> | <b>\$13.6MM</b> |
| Interest expense, net                      | -                       | -                 | -   | \$1.8MM           | \$1.8MM         |
| Income tax expense                         | -                       | -                 | -   | \$3.4MM           | \$3.4MM         |
| Depreciation and amortization              | \$6.3MM                 | \$2.8MM           | \$1.3MM                                   | \$0.4MM           | \$10.8MM        |
| <b>EBITDA</b>                              | <b>\$17.0MM</b>         | <b>\$11.4MM</b>   | <b>\$10.5MM</b>                           | <b>(\$9.3MM)</b>  | <b>\$29.6MM</b> |
| Impairment of fixed assets                 | -                       | -                 | -   | \$0.2MM           | \$0.2MM         |
| Equity based compensation                  | -                       | -                 | -   | \$1.1MM           | \$1.1MM         |
| Gain on disposal of property and equipment | -                       | -                 | -   | (\$1.1MM)         | (\$1.1MM)       |
| Bargain purchase gain, net of tax          | -                       | -                 | -   | (\$0.8MM)         | (\$0.8MM)       |
| Severance and reorganization costs         | -                       | -                 | -   | \$1.1MM           | \$1.1MM         |
| Legal fees and settlements                 | -                       | -                 | -   | \$0.2MM           | \$0.2MM         |
| <b>Adjusted EBITDA</b>                     | <b>\$17.0MM</b>         | <b>\$11.4MM</b>   | <b>\$10.5MM</b>                           | <b>(\$8.6MM)</b>  | <b>\$30.3MM</b> |

# Non-GAAP Reconciliation: Adjusted EBITDA

Year-Ended December 31, 2022

|  | High<br>Specification<br>Rigs | Wireline<br>Services | Processing<br>Solutions &<br>Ancillary<br>Services | Other             | Total           |
|--|-------------------------------|----------------------|--|-------------------|-----------------|
| <b>Net income (loss)</b>                   | <b>\$34.3MM</b>               | <b>\$7.6MM</b>       | <b>\$20.2MM</b>                                    | <b>(\$47.0MM)</b> | <b>\$15.1MM</b> |
| Interest expense, net                      | -                             | -                    | -  | \$7.3MM           | \$7.3MM         |
| Income tax expense                         | -                             | -                    | -  | \$0.9MM           | \$0.9MM         |
| Depreciation and amortization              | \$26.2MM                      | \$11.0MM             | \$5.3MM  | \$1.9MM           | \$44.4MM        |
| <b>EBITDA</b>                              | <b>\$60.5MM</b>               | <b>\$18.6MM</b>      | <b>\$25.5MM</b>                                    | <b>(\$36.9MM)</b> | <b>\$67.7MM</b> |
| Impairment of fixed assets                 | -                             | -                    | -  | \$1.3MM           | \$1.3MM         |
| Equity based compensation                  | -                             | -                    | -  | \$3.8MM           | \$3.8MM         |
| Gain on disposal of property and equipment | -                             | -                    | -  | (\$0.7MM)         | (\$0.7MM)       |
| Bargain purchase gain, net of tax          | -                             | -                    | -  | (\$3.6MM)         | (\$3.6MM)       |
| Severance and reorganization costs         | -                             | -                    | -  | \$1.6MM           | \$1.6MM         |
| Acquisition related costs                  | -                             | -                    | -  | \$7.9MM           | \$7.9MM         |
| Legal fees and settlements                 | -                             | -                    | -  | \$1.5MM           | \$1.5MM         |
| <b>Adjusted EBITDA</b>                     | <b>\$60.5MM</b>               | <b>\$18.6MM</b>      | <b>\$25.5MM</b>                                    | <b>(\$25.1MM)</b> | <b>\$79.5MM</b> |

# Non-GAAP Reconciliation: Adjusted EBITDA

Three Months Ended December 31, 2021

|  | High<br>Specification<br>Rigs | Wireline<br>Services | Processing<br>Solutions &<br>Ancillary<br>Services | Other             | Total           |
|--|-------------------------------|----------------------|--|-------------------|-----------------|
| <b>Net income (loss)</b>                   | <b>\$38.1MM</b>               | <b>(\$3.0MM)</b>     | <b>\$2.4MM</b>                                     | <b>(\$13.1MM)</b> | <b>\$24.4MM</b> |
| Interest expense, net                      | -                             | -                    | -  | \$2.3MM           | \$2.3MM         |
| Income tax expense                         | -                             | -                    | -  | (\$6.3MM)         | (\$6.3MM)       |
| Depreciation and amortization              | \$7.9MM                       | \$2.6MM              | \$1.2MM  | \$0.2MM           | \$11.9MM        |
| <b>EBITDA</b>                              | <b>\$46.0MM</b>               | <b>(\$0.4MM)</b>     | <b>\$3.6MM</b>                                     | <b>(\$16.9MM)</b> | <b>\$32.3MM</b> |
| Equity based compensation                  | -                             | -                    | -  | \$1.1MM           | \$1.1MM         |
| Gain on disposal of property and equipment | -                             | -                    | -  | (\$1.2MM)         | (\$1.2MM)       |
| Bargain purchase gain, net of tax          | (\$37.2MM)                    | -                    | -  | -                 | (\$37.2MM)      |
| Severance and reorganization costs         | -                             | -                    | -  | \$0.2MM           | \$0.2MM         |
| Acquisition related costs                  | -                             | -                    | -  | \$7.2MM           | \$7.2MM         |
| TRA termination expense                    | -                             | -                    | -  | \$3.8MM           | \$3.8MM         |
| Allowance for AR write-off                 | -                             | -                    | -  | \$1.5MM           | \$1.5MM         |
| Inventory reclassification                 | -                             | \$1.4MM              | -  | -                 | \$1.4MM         |
| <b>Adjusted EBITDA</b>                     | <b>\$8.8MM</b>                | <b>\$1.0MM</b>       | <b>\$3.6MM</b>                                     | <b>(\$4.3MM)</b>  | <b>\$9.1MM</b>  |

# Non-GAAP Reconciliation: Adjusted EBITDA

Year-Ended December 31, 2021

|  | High Specification Rigs | Wireline Services | Processing Solutions & Ancillary Services | Other             | Total            |
|--|-------------------------|-------------------|---|-------------------|------------------|
| <b>Net income (loss)</b>                   | <b>\$37.0MM</b>         | <b>(\$5.8MM)</b>  | <b>\$0.3MM</b>                            | <b>(\$33.6MM)</b> | <b>(\$2.1MM)</b> |
| Interest expense, net                      | -                       | -                 | -   | \$5.0MM           | \$5.0MM          |
| Income tax expense                         | -                       | -                 | -   | (\$6.2MM)         | (\$6.2MM)        |
| Depreciation and amortization              | \$21.5MM                | \$8.1MM           | \$5.9MM                                   | \$1.3MM           | \$36.8MM         |
| <b>EBITDA</b>                              | <b>\$58.5MM</b>         | <b>\$2.3MM</b>    | <b>\$6.2MM</b>                            | <b>(\$33.5MM)</b> | <b>\$33.5MM</b>  |
| Equity based compensation                  | -                       | -                 | -   | \$3.2MM           | \$3.2MM          |
| Gain on disposal of property and equipment | -                       | -                 | -   | (\$1.1MM)         | (\$1.1MM)        |
| Bargain purchase gain, net of tax          | (\$37.2MM)              | -                 | -   | -                 | (\$37.2MM)       |
| Severance and reorganization costs         | -                       | -                 | -   | (\$0.4MM)         | (\$0.4MM)        |
| Acquisition related costs                  | -                       | -                 | -   | \$8.6MM           | \$8.6MM          |
| Legal fees and settlements                 | -                       | -                 | -   | \$0.9MM           | \$0.9MM          |
| TRA termination expense                    | -                       | -                 | -   | \$3.8MM           | \$3.8MM          |
| Allowance for AR write-off                 | -                       | -                 | -   | \$1.5MM           | \$1.5MM          |
| <b>Adjusted EBITDA</b>                     | <b>\$21.3MM</b>         | <b>\$2.3MM</b>    | <b>\$6.2MM</b>                            | <b>(\$17.0MM)</b> | <b>\$12.8MM</b>  |

# Non-GAAP Reconciliation: Adjusted Net Debt

|                                   | December 31, 2022 | September 30, 2022 | Change            |
|-----------------------------------|-------------------|--------------------|-------------------|
| <b>Debt and Other Obligations</b> |                   |                    |                   |
| Credit facility                   | \$1.4MM           | \$24.9MM           | (\$23.5MM)        |
| Eclipse Term Loan A               | \$10.4MM          | \$11.0MM           | (\$0.6MM)         |
| Secured Promissory Note           | \$6.1MM           | \$7.0MM            | (\$0.9MM)         |
| Installment purchases             | \$0.5MM           | \$0.6MM            | (\$0.1MM)         |
| Other financing liabilities       | \$12.3MM          | \$12.6MM           | (\$0.3MM)         |
| Finance lease obligations         | \$7.5MM           | \$6.6MM            | \$0.9MM           |
| Less: Cash and cash equivalents   | \$3.7MM           | \$5.2MM            | (\$1.5MM)         |
| <b>Net Debt</b>                   | <b>\$34.5MM</b>   | <b>\$57.5MM</b>    | <b>(\$23.0MM)</b> |
| Less: Facility financing lease    | \$12.1MM          | \$12.3MM           | (\$0.2MM)         |
| <b>Adjusted Net Debt</b>          | <b>\$22.4MM</b>   | <b>\$45.2MM</b>    | <b>(\$22.8MM)</b> |

# Non-GAAP Reconciliation: Free Cash Flow

|   | Three Months Ended     |                          | Year Ended             |                          |
|---|------------------------|--------------------------|------------------------|--------------------------|
|   | December 31,<br>2022   | December 31,<br>2021     | December 31,<br>2022   | December 31,<br>2021     |
| Net cash provided by operating activities | \$26.0MM               | (\$62.8MM)               | \$44.5MM               | (\$39.4MM)               |
| Purchase of property and equipment        | (\$5.1MM)              | (\$1.7MM)                | (\$13.8MM)             | (\$5.6MM)                |
| <b><i>Free cash flow</i></b>              | <b><i>\$20.9MM</i></b> | <b><i>(\$64.5MM)</i></b> | <b><i>\$30.7MM</i></b> | <b><i>(\$45.0MM)</i></b> |