

# Ranger Energy Services

Different with Ranger

Investor Presentation September 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, our expected results of operations, cash flows, 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 for the year ended December 31, 2022, Quarterly Reports on Form 10-Q for the periods ended March 31, 2022, June 30, 2022 and September 30, 2022 and other filings with the U.S. Securities and Exchange Commission (“SEC”). 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 and sustained inflation 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. 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.

**Additional Information:** For additional information, please see our filings with the SEC. Our filings are available on the SEC’s website, as well as on our website, [rangerenergy.com](http://rangerenergy.com), under the “Investor Center” tab.

# Ranger at a Glance

YOY Projected Adj. EBITDA Growth  
**+23%**

YOY Projected Revenue Growth  
**+10%**

2023E Free Cash Flow/Share  
**~\$2.25**



# of Employees  
**~ 2,000**

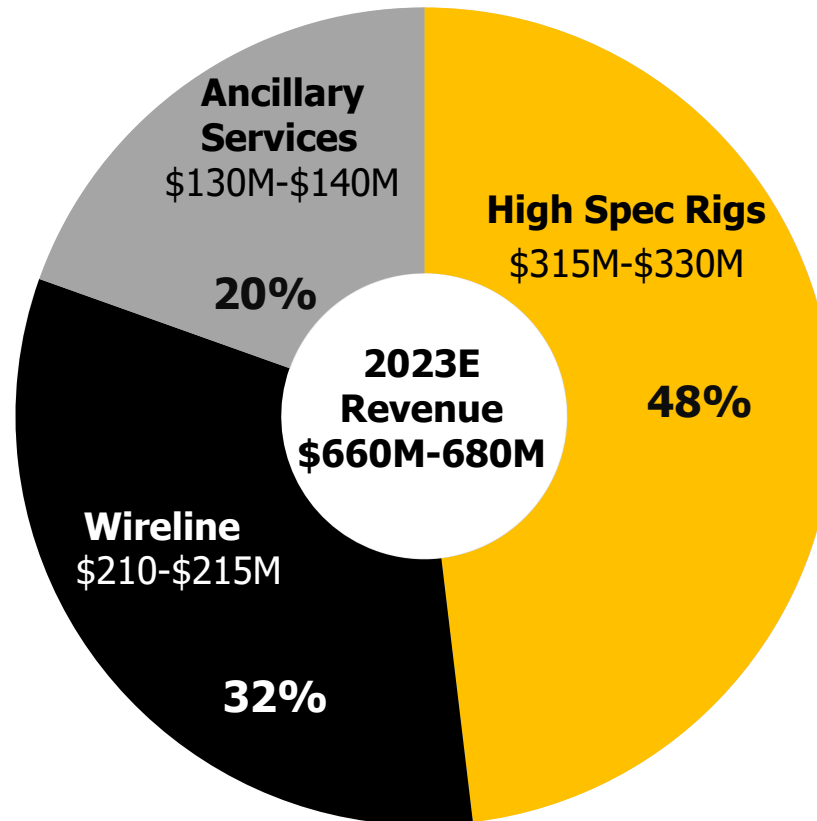


# of Locations  
**~ 25**



Operational Assets  
**~ 3,500**

## 2023E Revenue by Segment



## Investment Thesis

Ranger is a production focused service company generating sustainable, through cycle cash flows. Ranger's completion exposure allows for additional earnings in up-cycles while its production focused business provides resiliency and protection in down-cycles.

TTM ROIC  
**+12%**

Available Liquidity  
**\$69m**

TTM EBITDA Margins  
**+14%**

1. Statistics and estimates as of June 2023.  
 2. See slide 27 for a reconciliation of Non-GAAP financial measures including Adjusted EBITDA and Free Cash Flow.  
 3. 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.

# Investment Highlights & Key Takeaways

1

Ranger has grown significantly in the past 24 months and demonstrates compelling investment fundamentals with attractive free cash flow conversion and ROIC.

2

A differentiated focus on Production services leads to a consistently growing addressable market that experiences reduced cyclical volatility inherent in the industry.

3

Service lines offer a unique blend of significant market share with plenty of room to continue their growth trajectory both within current basins and across geographies.

4

Existing asset capacity is available to grow organically and strategically in the future to drive further returns and cash flows.

5

Shareholders benefit from a unique capital return framework that provides for meaningful return of capital while in pursuit of growth opportunities.

6

Industry consolidation continues and Ranger remains in aggressive pursuit of attractive, accretive transactions that will create value.

# Ranger's Growth & FCF Conversion Drives ROIC

Enabling capital returns and growth framework and annual ROIC of >10%

Providing high EBITDA conversion to Free Cash Flow through:

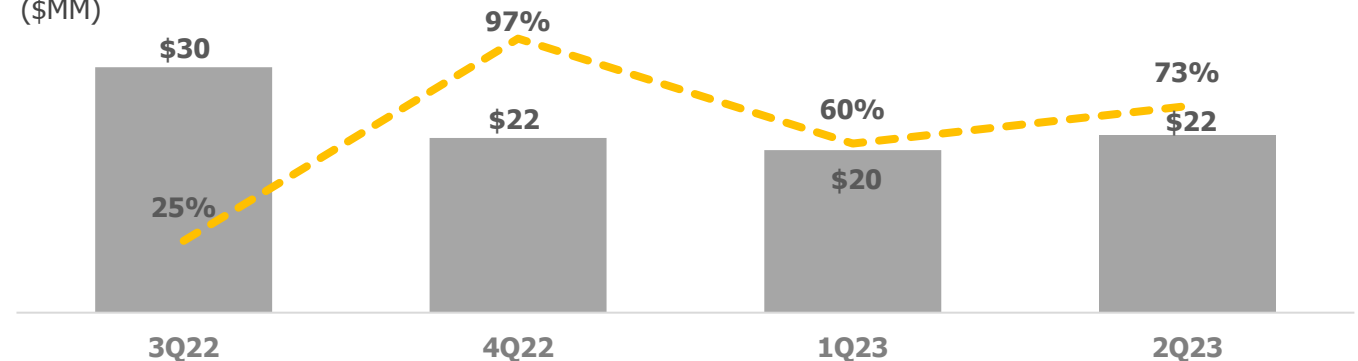
- Production cycle focus
- Differentiated service lines
- Ideal geographic positioning
- Asset capacity to deploy

Growing organization with 10% YOY growth projected despite industry headwinds

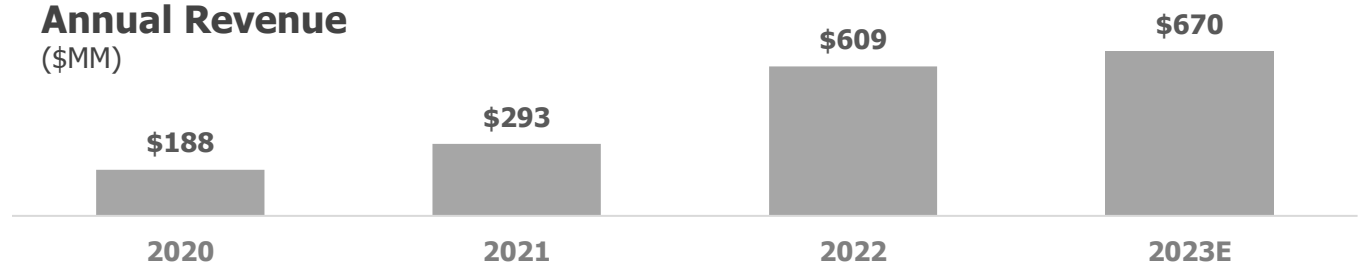
TTM Return on Invested Capital<sup>(1)</sup>



Free Cash Flow Conversion & Adjusted EBITDA<sup>(2)</sup>  
(\$MM)



Annual Revenue  
(\$MM)



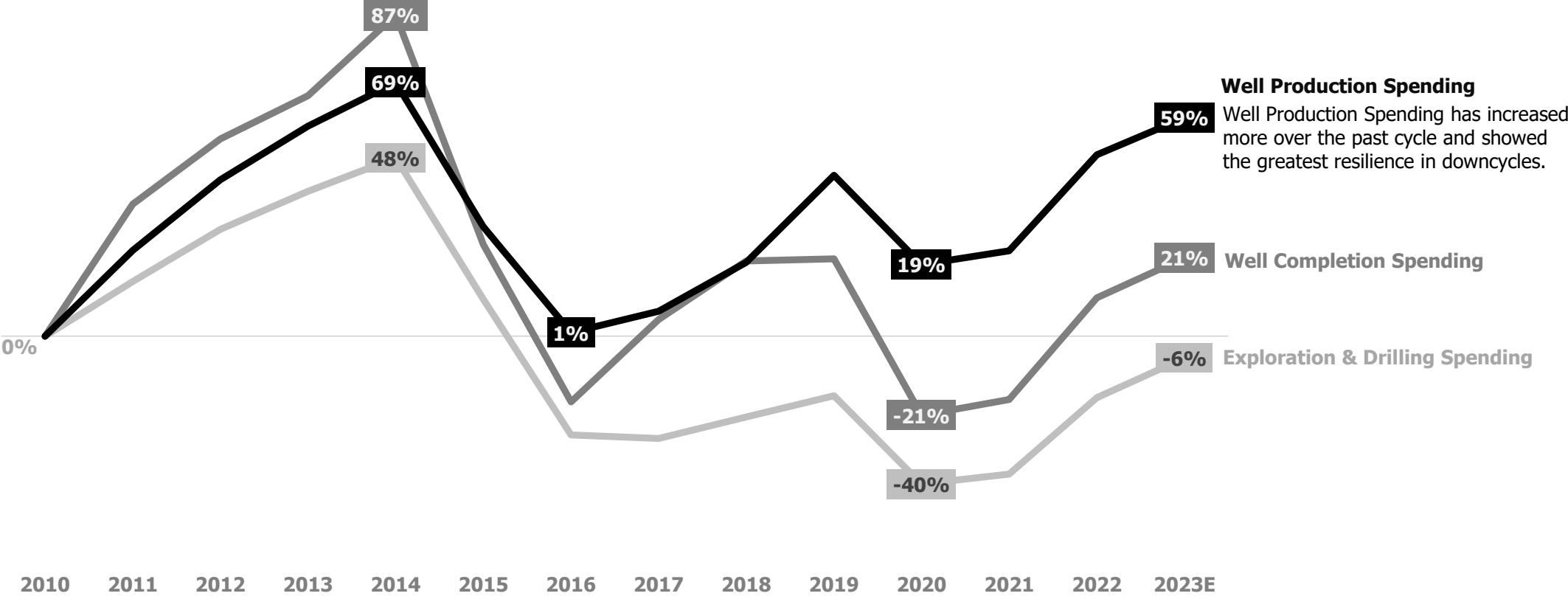
1. TTM Return on Invested Capital is defined as Trailing Twelve-Month Net Income divided by the statistical mean value of combined debt and shareholders' equity for the beginning and end of the trailing twelve-month period

2. See Appendix for a reconciliation of Non-GAAP financial measures including Adjusted EBITDA and Free Cash Flow

# Well Cycle Exposure is Unique

Ranger's Production market focus area lends itself to a consistently increasing addressable market providing for increased resiliency and reduced volatility through cycle.

**Service Market Growth Index by Cycle**



**Well Production Spending**  
Well Production Spending has increased more over the past cycle and showed the greatest resilience in downcycles.

**Well Completion Spending**

**Exploration & Drilling Spending**



1. Source: Spears & Associates



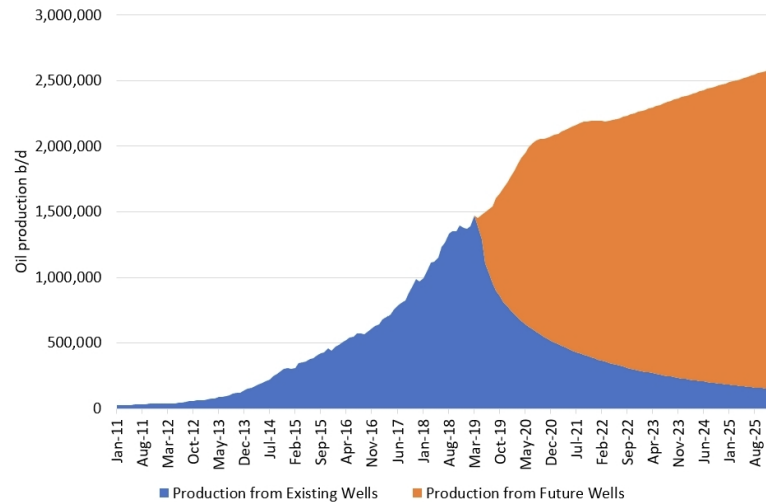
# Ever Increasing Addressable Market

Oil production decline curves spur new drilling activity creating a consistently increasing addressable market with service intensity also increasing due to new and improved extractive technologies that can be applied through workover services.

## U.S. PRODUCTION DECLINE ENSURES NEW DRILLING

Without new drilling, U.S. horizontal oil production would drop by 43% in one year.

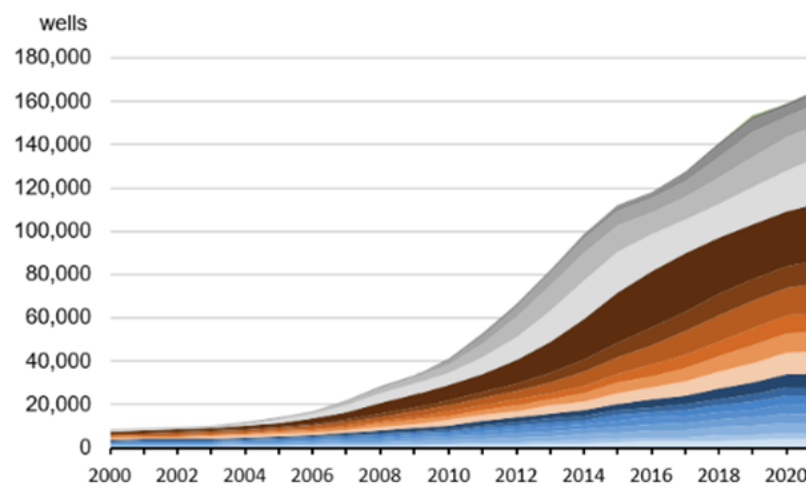
Historical and Forecast Oil Production in West Texas



## WELL SERVICE DEMAND GROWS ANNUALLY

Extended horizontal well population generally requiring High-Spec Rigs continues to grow.

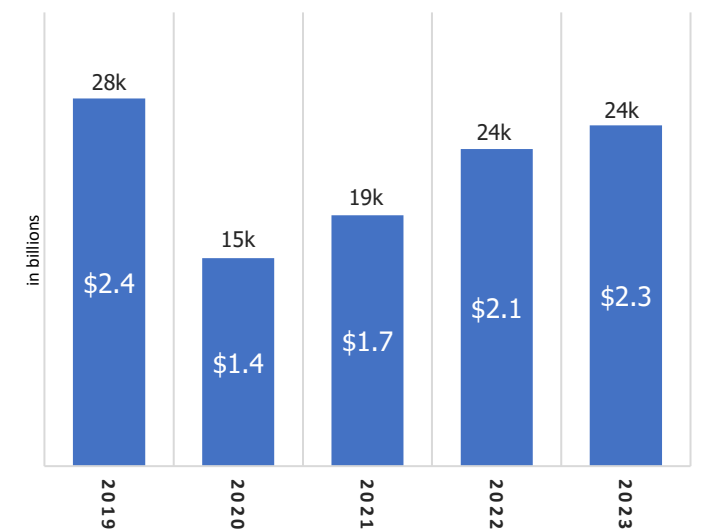
US Horizontal Well Count by Production Bracket



## ONSHORE WELL SERVICES MARKET INCREASING

With well servicing space increasing service intensity to maintain production levels.

US Onshore Well Services Spending & Well Count



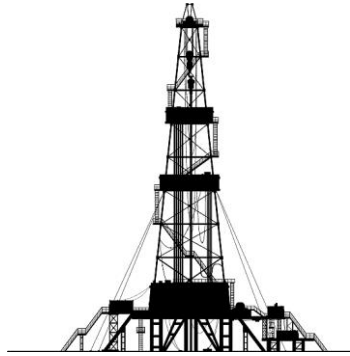
1.Source: EIA and Spears & Associates



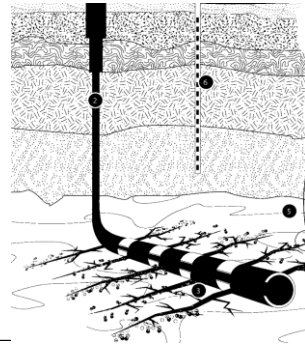
# Ranger's Primary Service Focus is Production

Secondary exposure to Completion market provides upside to commodity cyclicality and decommissioning exposure provides opportunity to pursue fast growing market.

**Drilling**



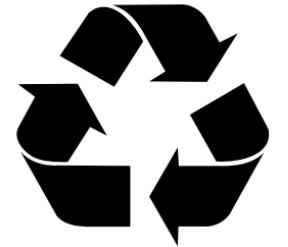
**Completion**



**Production**



**Decommissioning**



**Ranger Revenue Contribution**

None

30-40%

50-60%

<10%

**Estimated Duration**

2-3 weeks

1 week

15-20 years

1 week

**Annual Market Size**

\$15bn

\$25bn

\$10bn

\$1bn

**Volatility**

High

Medium

Low

Medium

# Service Lines Offer Different Advantages



## High Spec Rigs



### Strength of Segment

- ✓ Anchor business with largest market share in US onshore
- ✓ Holds the majority of excess asset capacity
- ✓ Most well capitalized with strongest reputation for service quality and safety

### Growth Opportunity

- ↑ Ability to continue to scale and grow market share and geographic reach

## Wireline



### Strength of Segment

- ✓ Significant market share in North region across Bakken and Powder basins
- ✓ Reputation for versatility in completing a variety of production related jobs

### Growth Opportunity

- ↑ Addressable market is significant with opportunity to grow using North region reputation

## Ancillary Services



### Strength of Segment

- ✓ Certain service lines have newer assets within in demand basins (i.e. coil tubing)
- ✓ Strong pull-through revenue opportunities from existing well services segment

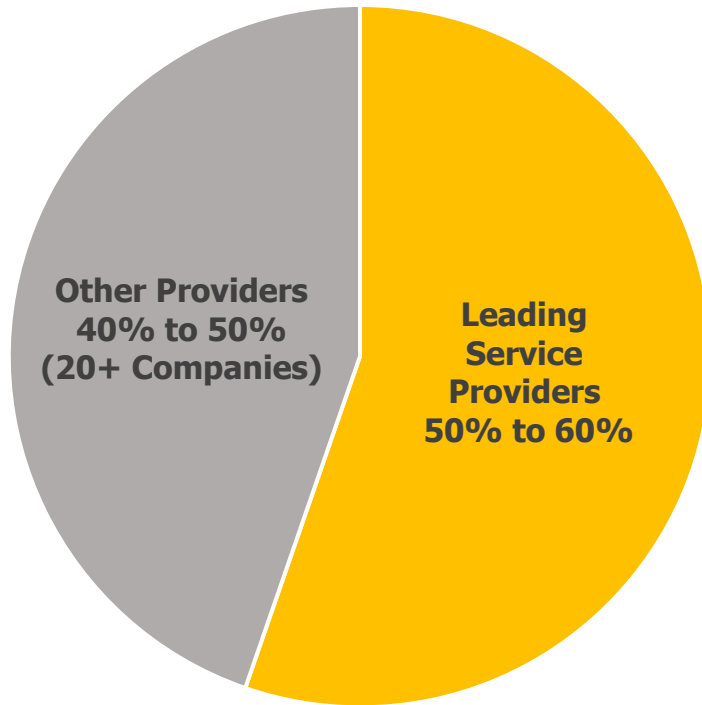
### Growth Opportunity

- ↑ Services lines are relatively small with considerable market share opportunity to pursue

# High Specs Rigs Significant Market Share

Ranger has the highest rig count in the industry with approximately 180 marketable and active rigs that have worked over the past year in a space that still has room for further consolidation.

**Well Servicing Rig Market**  
1000 – 1200 total rigs

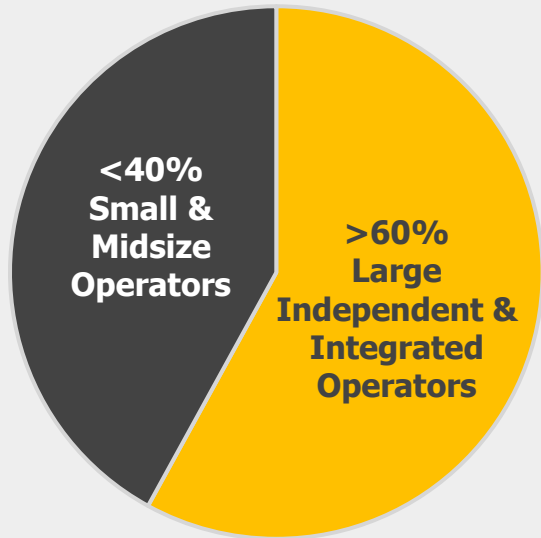


**Operational Rig Count for Large Providers**



# Reputation for Service Quality

## Revenue by Customer Type



Current discussions with several major operators who are looking to deepen Ranger relationship as they look to reduce total number of vendors and increase reliability.

## 2023 Awards / Recognition with Major Operators

- ★ 365 Day Incident Free Recognition
- ★ Rig of the Month Awards
- ★ Safety Council Representation Recognition
- ★ Stop Work Authority Recognition

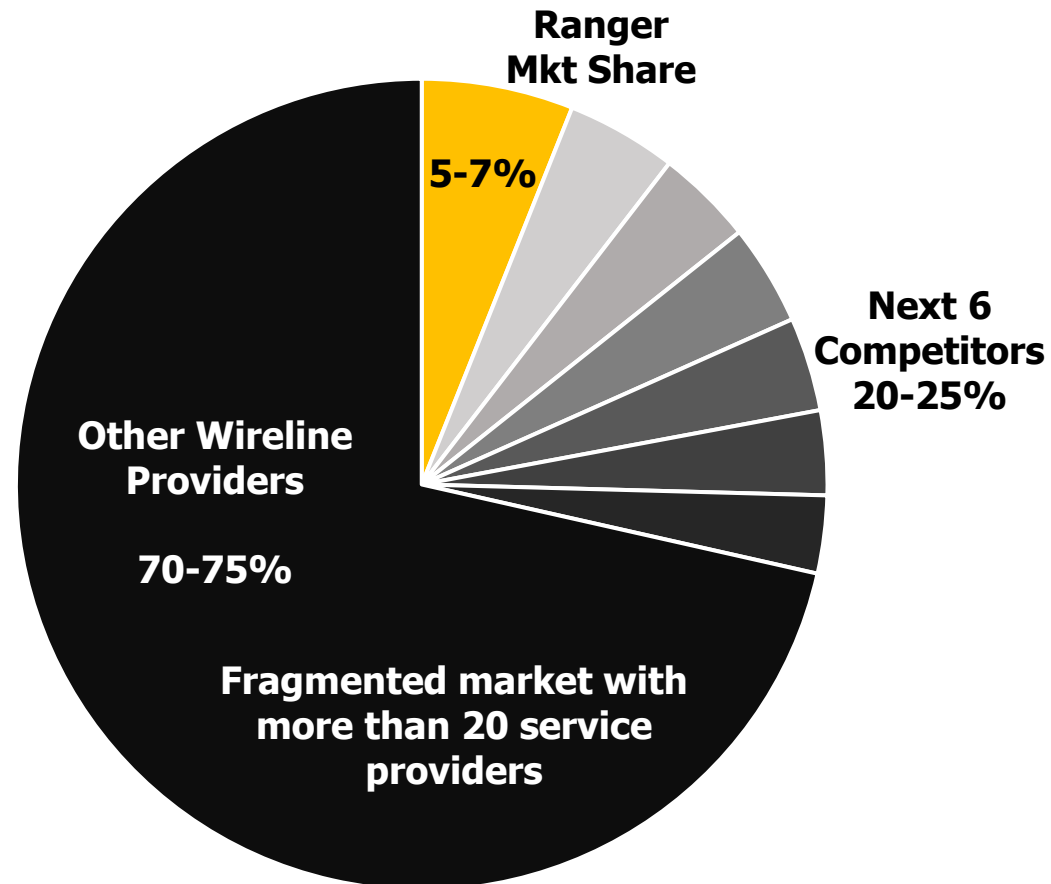
ConocoPhillips



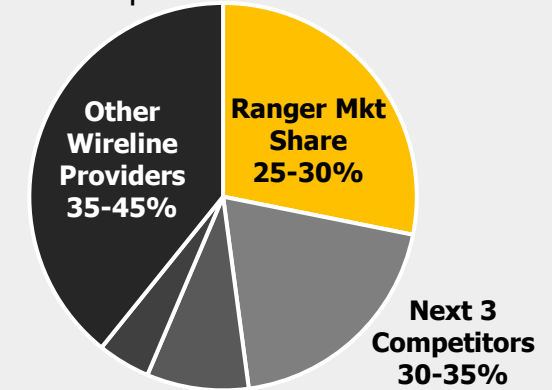
# Wireline Market Strength & Opportunity

US Wireline market remains fragmented in general; however, the Northern Region affords Ranger an anchor market position and the Production Service market is an attractive growth area.

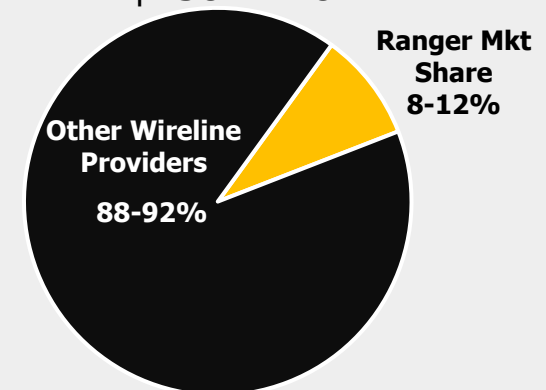
**Wireline US Onshore Market**  
~\$3.5 Billion



**Wireline Northern Region Market**  
~\$600 Million



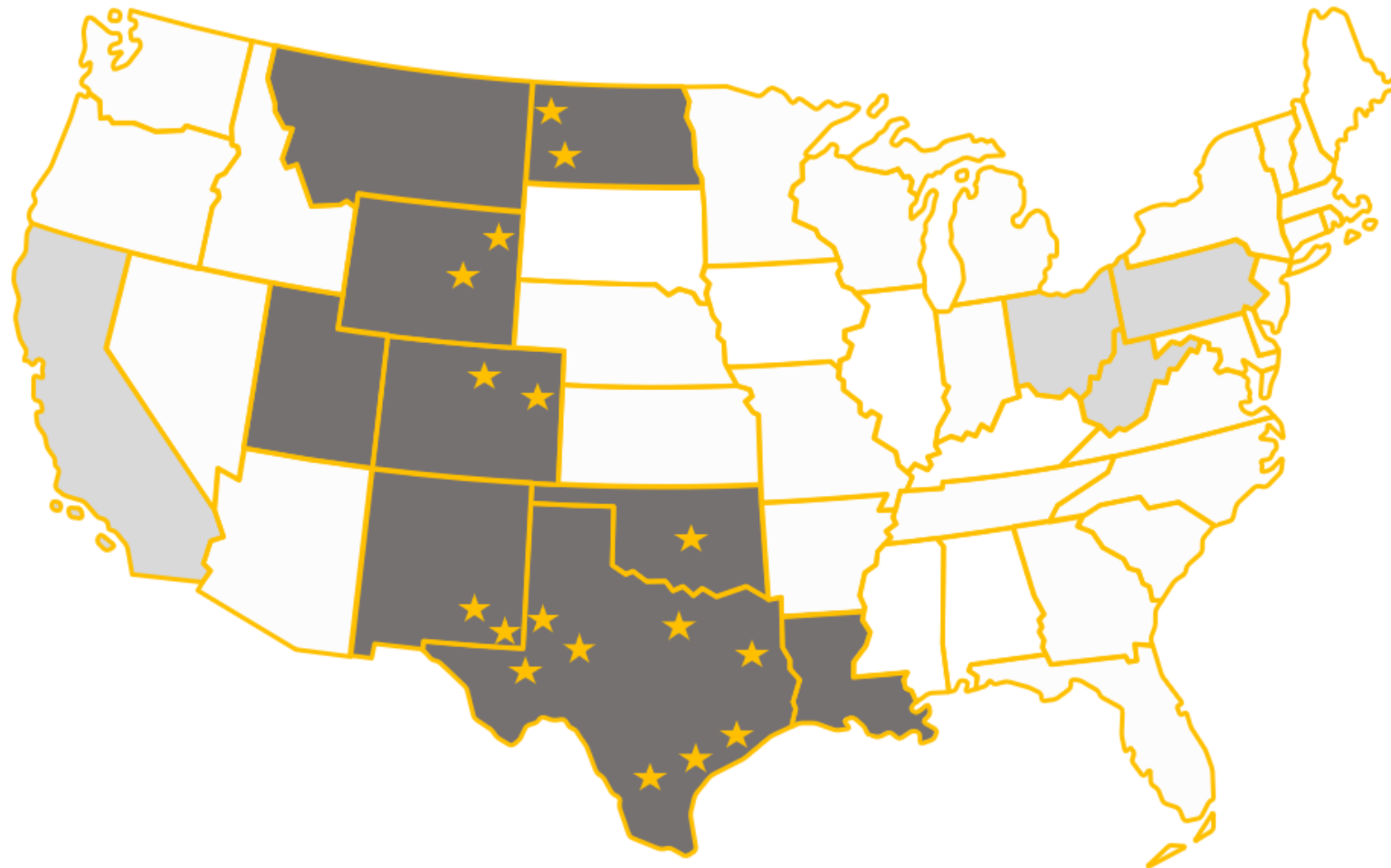
**Wireline Service Production Market**  
~\$750 Million



# Geographical Footprint



Ranger has significant market presence throughout the central United States producing basins and believes best returns come from ensuring in basin scale to minimize administrative costs and maximize operating leverage.



## Geography Focus In Action

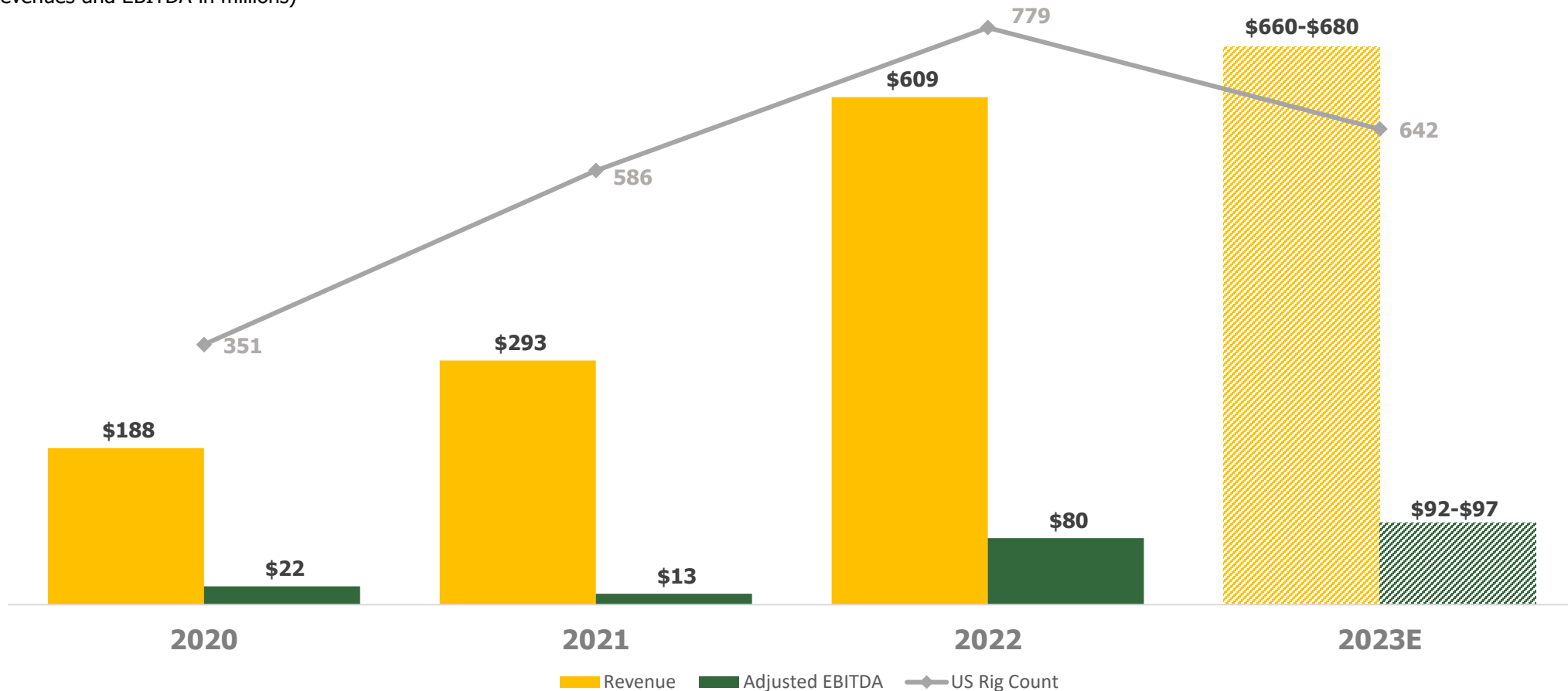
- Post-2021 Acquisitions  
**50 Locations**
- Current Facility Count  
**25 Locations**



# Differentiated Growth Potential

Ranger has experienced a 60%+ compounded annual growth since 2020 on the back of several successful acquisitions with incremental market share growth over the current year despite rig count drops.

**Consolidated Company Performance & Rig Count over Time**  
(revenues and EBITDA in millions)

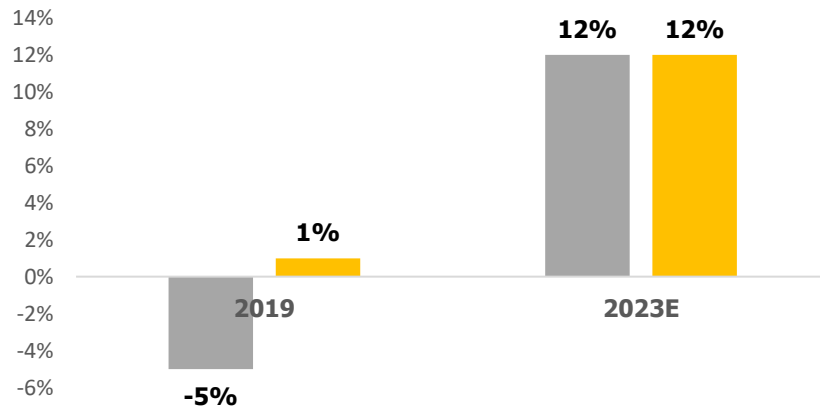




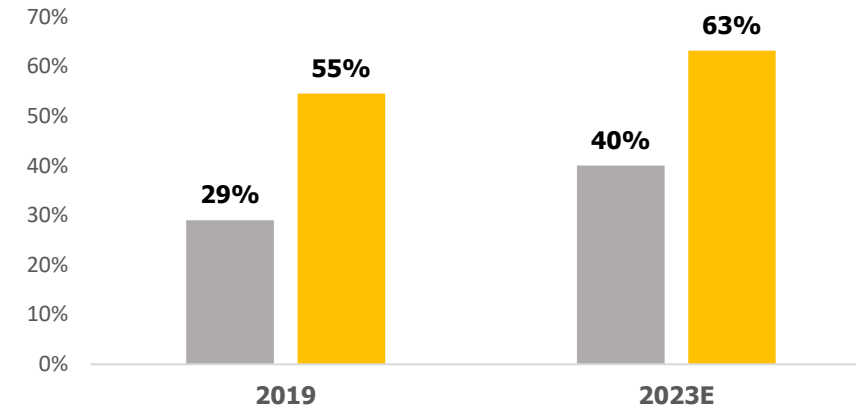
# Financial Performance versus Peers

Ranger has shown stronger relative valuation to its peer group without the volatility brought about by higher drilling and completion exposure.

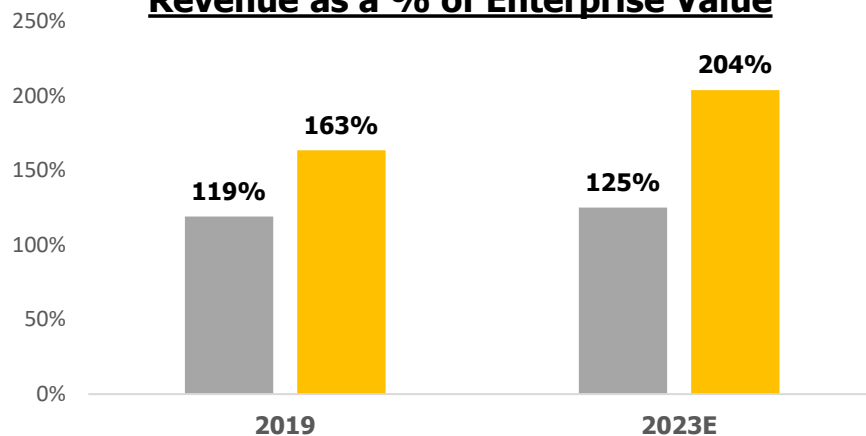
### Return on Invested Capital (ROIC)



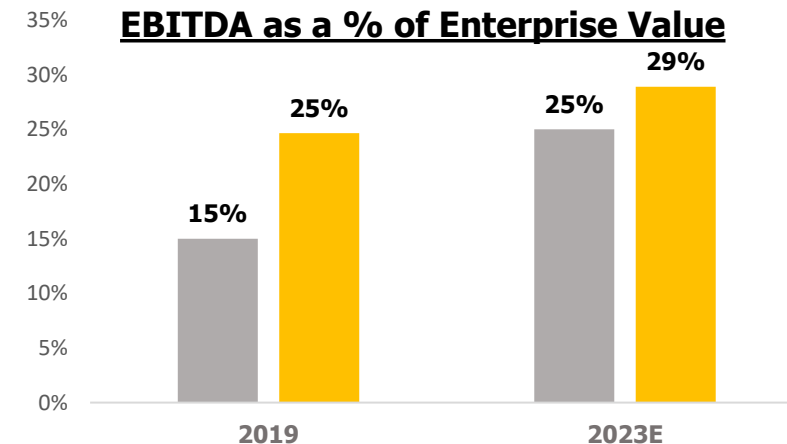
### Free Cash Flow Conversion Rate



### Revenue as a % of Enterprise Value



### EBITDA as a % of Enterprise Value



■ Peer Average ■ RNGR

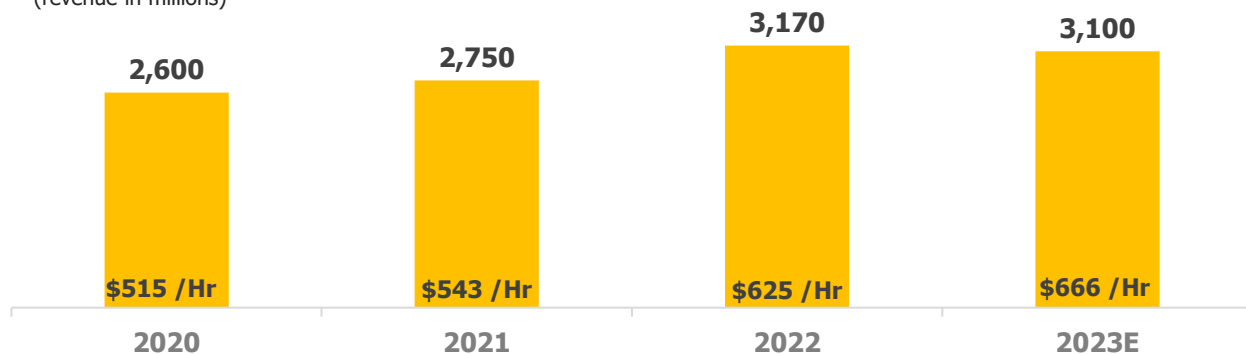
1. Peer group consistent of SOI / NINE / WTTR / KLXE / RES  
2. TTM Return on Invested Capital is defined as Trailing Twelve-Month Net Income divided by the statistical mean value of combined debt and shareholders' equity for the beginning and end of the trailing twelve-month period

# High Spec Rigs Asset Capacity Analysis

As the gas market recovers and service quality translates into incremental work, Ranger is well positioned to deploy additional rigs and believes incremental EBITDA ranges of 30%-40% are possible as those rigs are brought online

## Average Hours & Rate per Rig<sup>(1)</sup>

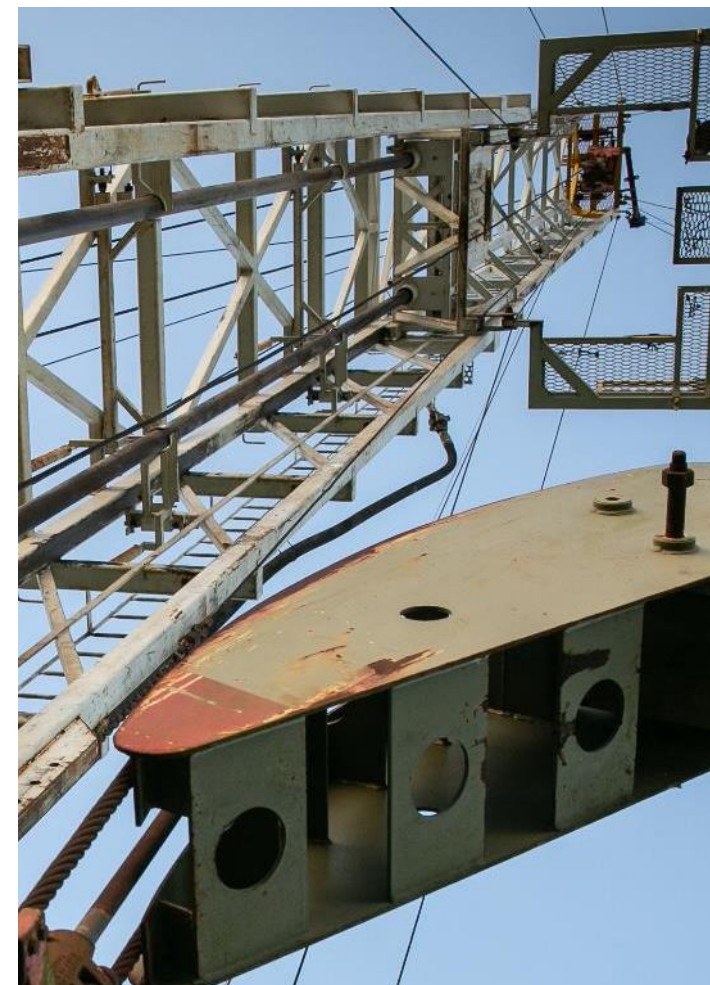
(revenue in millions)



## Annual Segment Revenue based on Rig Additions<sup>(2)</sup>

(revenue in millions)

Incremental Assets	Rig Rate Per Hour		
	\$650	\$700	\$750
+10 Rigs	\$342	\$344	\$346
+20 Rigs	\$363	\$366	\$369
+30 Rigs	\$383	\$388	\$393
+40 Rigs	\$404	\$410	\$417
+50 Rigs	\$424	\$432	\$440



Note (1): 3,150 annual hours assumed per rig

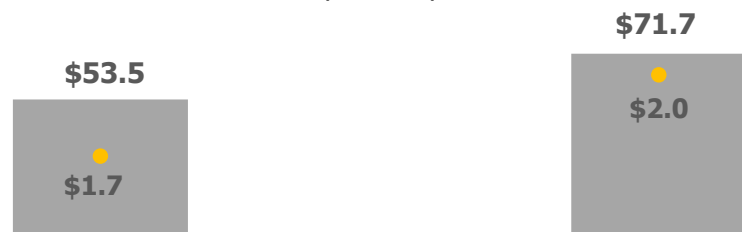
Note (2): Charts designed to illustrative projected revenue at various dayrates as incremental rigs are added to the active fleet and should not be relied upon as company guidance

# Wireline Asset Capacity Analysis

Ranger’s wireline production focused assets have returned stronger margins than those with completion exposure. With approximately 25 idle assets, including newly acquired pumps, this segment has strong incremental revenue capacity and has historically seen incremental EBITDA fall-through rates between 40% and 60%.

## Wireline Production Revenue

(in millions)



2022

2023E

■ Production & Pumpdown Revenue    ● Revenue per Asset



## Annual Production Revenue based on Additional Assets<sup>(1)</sup>

(in millions)

### Asset Utilization

		Low / Seasonal Utilization	Mid Point Utilization	High Utilization <sup>(2)</sup>
Incremental Assets	+5 Assets	\$79	\$81	\$83
	+10 Assets	\$85	\$91	\$95
	+15 Assets	\$92	\$101	\$106
	+20 Assets	\$99	\$111	\$118
	+25 Assets	\$106	\$120	\$129

Note (1): Charts designed to show revenue effect of additional asset capacity and should not be relied upon as company guidance

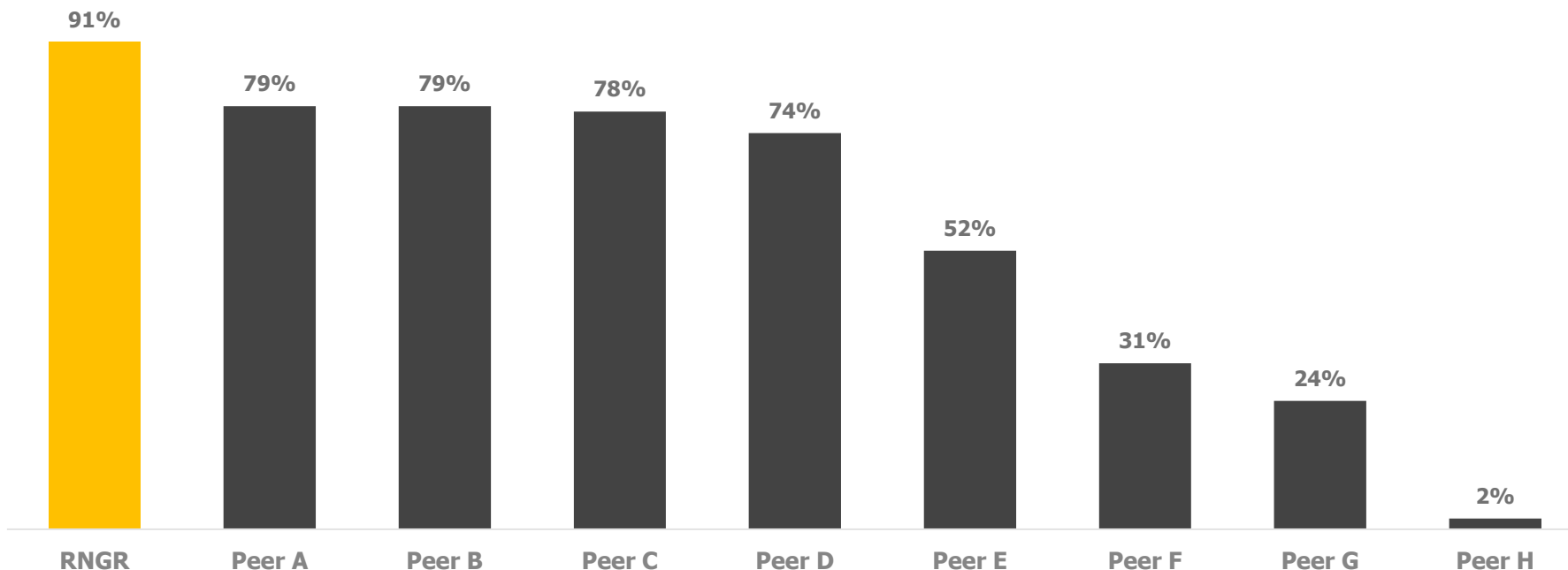
Note (2): High Utilization of production / pump down assets implies \$2.3M of revenue per asset annually

# Industry Leader in Returning Capital



## Capital Returns Commitment

Last-Twelve-Month Capital Returned to Shareholders as a Percentage of Free Cash Flow to Equity<sup>(1)</sup>



## Capital Returns Framework

Company commitment to return at least >25% of Free Cash Flow to investors backed by:

- \$35 million share repurchase authorization
- \$0.05 quarterly dividend initiated during Q3 2023

Current framework allows for significant flexibility to pursue accretive growth opportunities, both organic and inorganic, while also returning meaningful cash flows to investors

Note (1): Cash flow used in share repurchases and dividends over the last twelve months as a percent of Free Cash Flow to Equity. Free Cash Flow to Equity is defined as operating cash flow, less capital expenditures, plus/minus cash flow from asset sales, plus/minus cash flow from debt issuance/repayment.

Note (2): 508,700 shares of Class A common stock purchased in Q2 at an average of \$10.87 per share, representing 2% of shares outstanding.

Note (3): Peers include, CHX, HAL, KLXE, LBRT, NEX, OIS, RES, WTTR

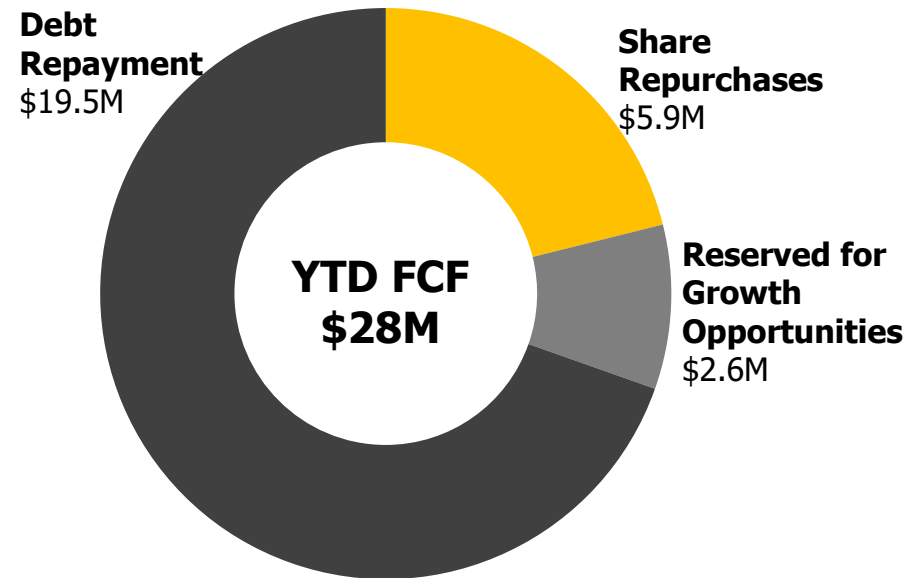


# Strategic Cash Flow Allocation

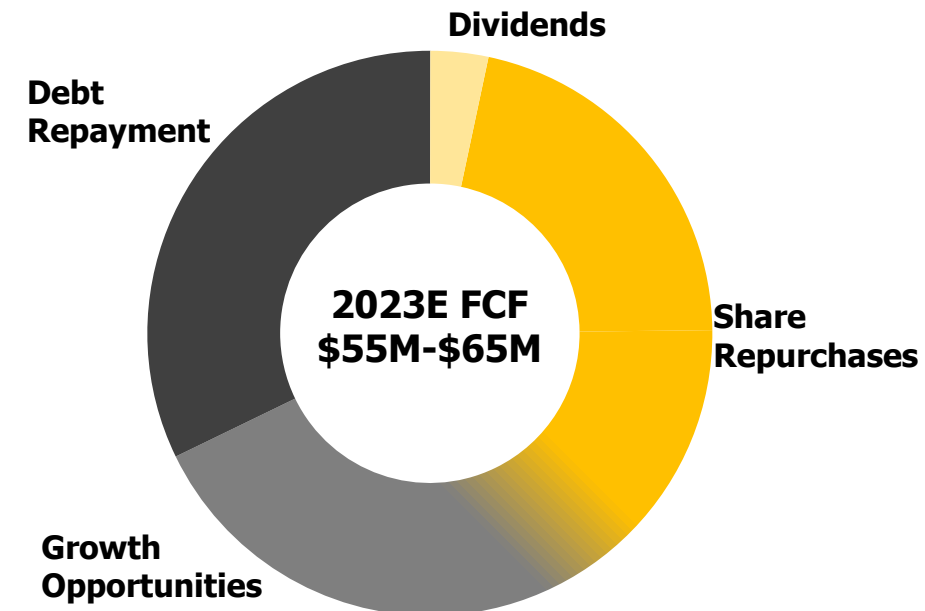
## Executing Within Our Framework in 2023

- Repurchased \$5.9 million, or 508,700 shares
- ~\$29 million of remaining repurchase authorization, or 20% of current float
- Achieved net-debt zero in 2Q23 and will initiate \$0.05 quarterly dividend in Q3 2023
- Allocated \$9M of capital to the purchase of accretive pumping assets to further growth plans

## Year to Date Cash Flow Summary



## 2023E Cash Flow Deployment Plan



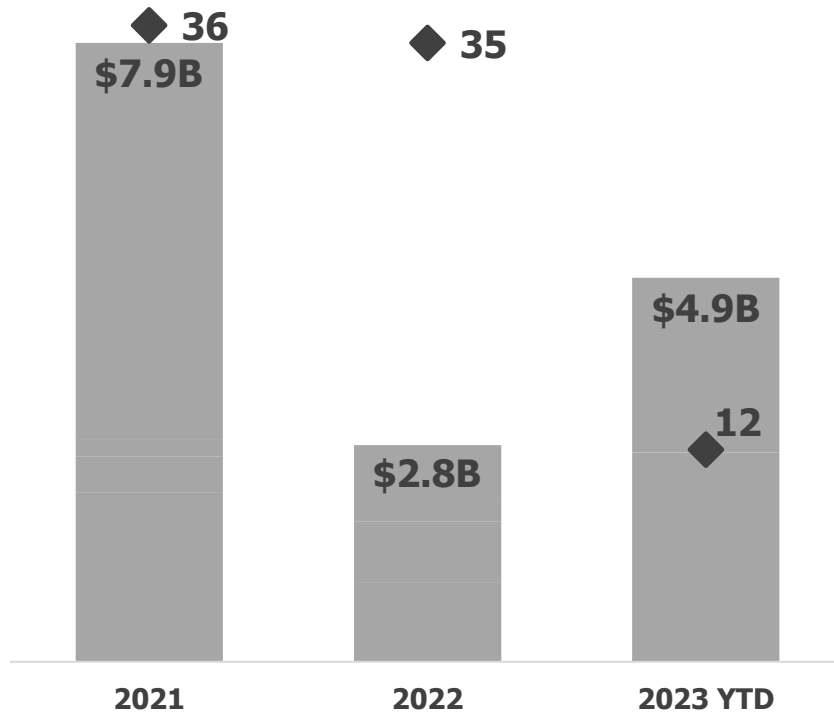
# OFS Consolidation Brings Scale & Higher Margins



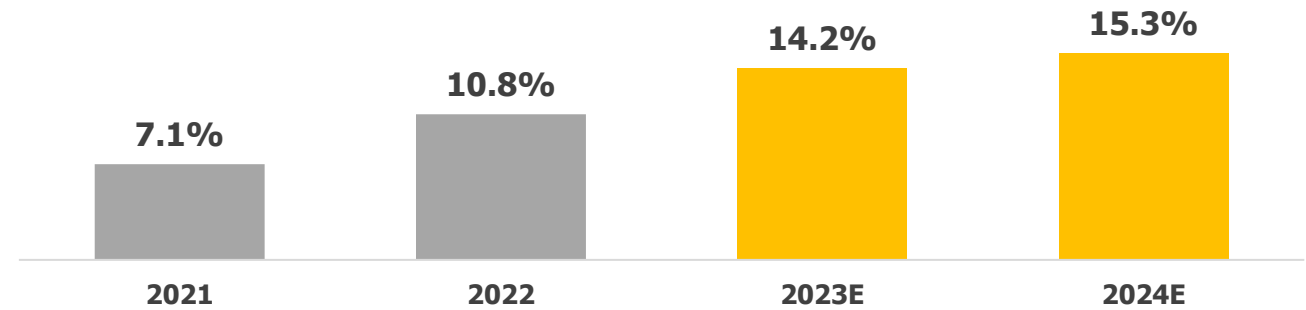
The past few years has seen an acceleration in consolidation activities across the industry with Ranger benefitting significantly from participating in this consolidation. Alongside this consolidation, the industry has seen greater capital discipline and more rational pricing with resulting significant improvement in margins.

## Oilfield Services M&A Transaction Volume

Total transaction value by quarter and annual number of deals



## Oilfield Services Operating Margin



# Consolidation in Action



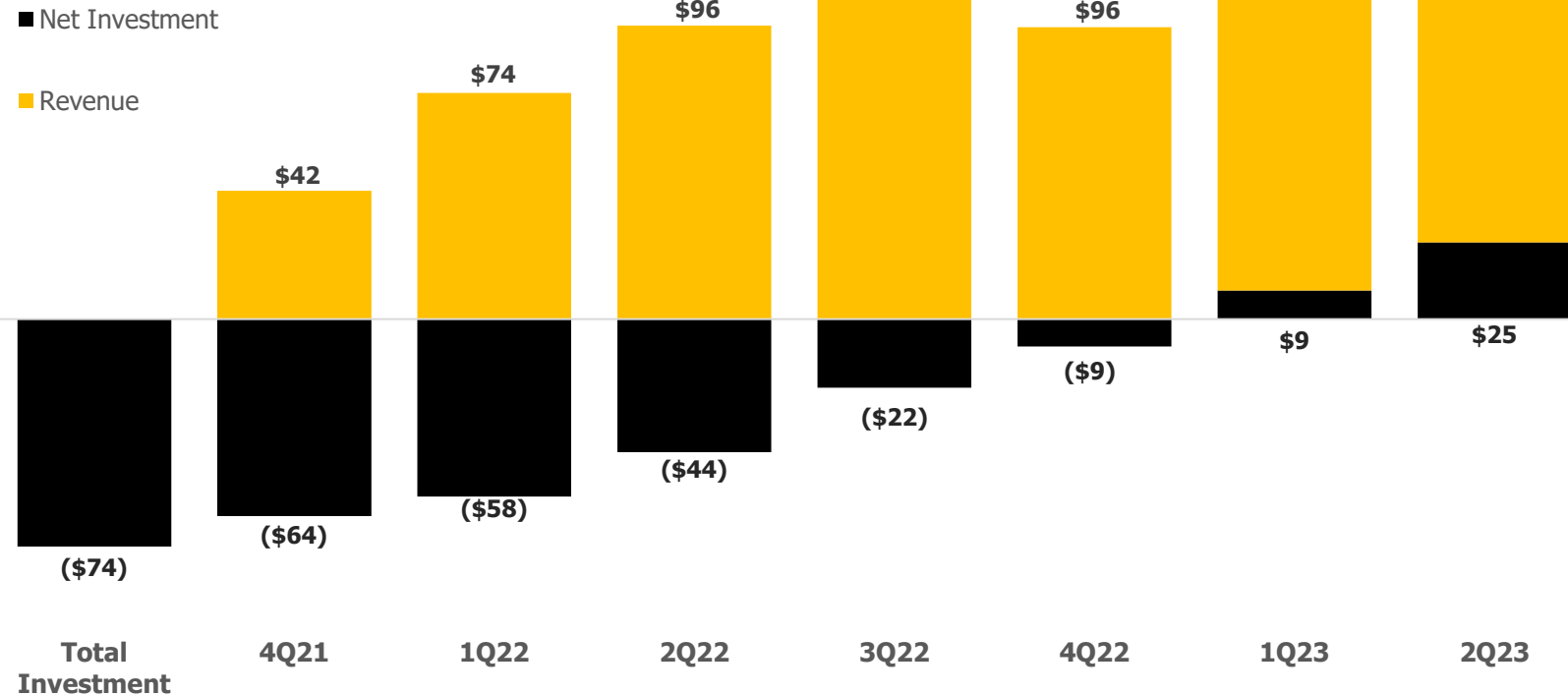
Ranger has been a leader in consolidating and rationalizing the sector more than doubling the size of the organization during 2021 through three acquisitions that have proven highly accretive with strong returns.

## 2021 Acquisitions

Ranger purchased three companies during 2021 with a total investment of \$74.4M. Those investments achieved payback in just over one year and are generating approximately \$15M of EBITDA per quarter.

## 2021 Acquisitions Performance

(in millions)

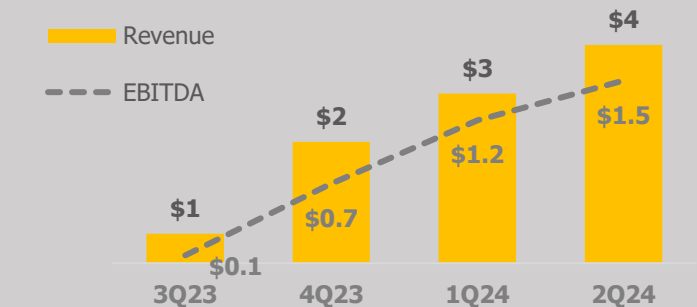


## 2023 Growth Philosophy

Ranger Management continues to pursue accretive growth opportunities inorganically and believes smaller, tuck-in acquisitions provide for enhanced revenue with strong incrementals as illustrated with the recent pumping assets acquired which are expected to generate over \$5M in EBITDA per year.

## 2023 Pumping Assets Expectation

(in millions)



Source: Internal business forecast

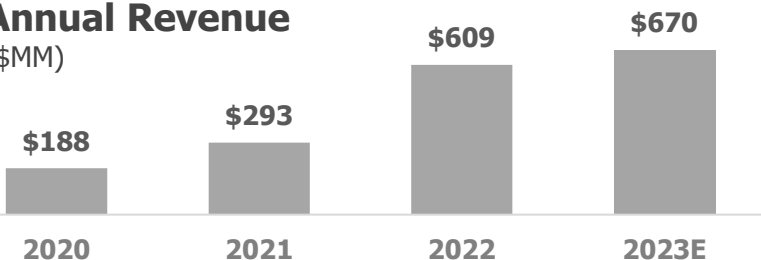


# Growing with Ranger in the Future

On the back of a business model lending itself to high cash free flow conversion, Ranger's strategy will continue its differentiated path of both organic and inorganic growth as well as meaningful returns to shareholders relying on its:

## Annual Revenue

(\$MM)



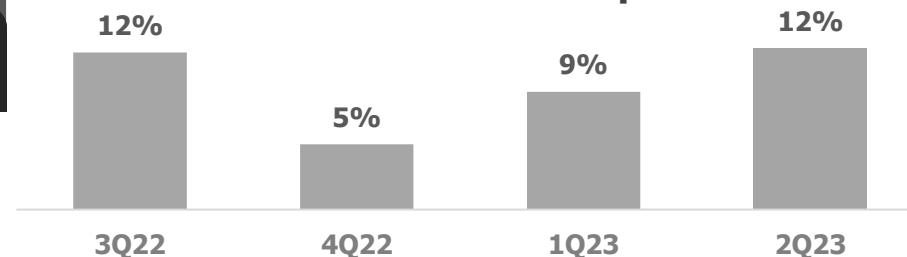
Fortress balance sheet that affords flexibility in pursuit of accretive acquisitions with a track record of success at integrating assets

Concentrated geographic footprint that offers improved margins and opportunity for further growth in other basins.

Service lines that have significant market presence with an opportunity to grow off an established base and additional asset capacity available to deploy

Unique Production Well Lifecycle exposure that lends itself to an ever increasing addressable market and less volatility than other oilfield services companies

## TTM Return on Invested Capital<sup>(1)</sup>



1. 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



**LEADS  
THE WAY**



# APPENDIX

# Non-GAAP Reconciliation: Adjusted EBITDA (\$MM)

Three Months Ended June 30, 2023

	High Specification Rigs	Wireline Services	Processing Solutions & Ancillary Services	Other	Total
<b>Net income (loss)</b>	\$ 11.5	\$ 2.8	\$ 4.2	\$ (12.4)	\$ 6.1
Interest expense, net	-	-	-	0.9	0.9
Income tax expense	-	-	-	2.0	2.0
Depreciation and amortization	4.1	2.9	1.4	0.3	8.7
<b>EBITDA</b>	<b>15.6</b>	<b>5.7</b>	<b>5.6</b>	<b>(9.2)</b>	<b>17.7</b>
Equity based compensation	-	-	-	1.2	1.2
Loss on retirement of debt	-	-	-	2.4	2.4
Gain on disposal of property and equipment	-	-	-	(0.5)	(0.5)
Severance and reorganization costs	-	-	-	0.2	0.2
Acquisition related costs	-	-	-	0.9	0.9
<b>Adjusted EBITDA</b>	<b>\$ 15.6</b>	<b>\$ 5.7</b>	<b>\$ 5.6</b>	<b>\$ (5.0)</b>	<b>\$ 21.9</b>

# Non-GAAP Reconciliation: Adjusted EBITDA (\$MM)

Three Months Ended March 31, 2023

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

# Non-GAAP Reconciliation: Adjusted EBITDA (\$MM)

Three Months Ended December 31, 2022

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

# Non-GAAP Reconciliation: Adjusted EBITDA (\$MM)

Three Months Ended September 30, 2022

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

# Non-GAAP Reconciliation: Free Cash Flow (\$MM)

	Three Months Ended			
	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
Net cash provided by operating activities	\$10.7	\$26.0	\$17.4	\$40.9
Purchase of property and equipment	(\$3.0)	(\$5.1)	(\$5.4)	(\$12.9)
<i>Free cash flow</i>	<i>\$7.7</i>	<i>\$20.9</i>	<i>\$12.0</i>	<i>\$28.0</i>