



PHX

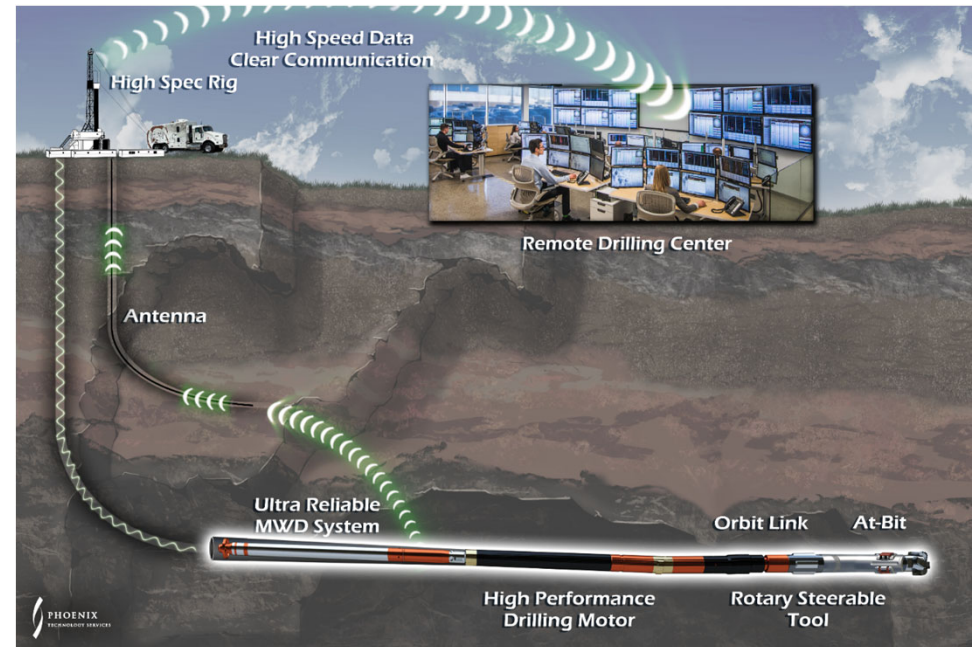
ENERGY SERVICES CORP.

**PETERS & CO. LIMITED- 31ST ANNUAL WINTER ENERGY CONFERENCE
JANUARY 17, 2024**

PHX Energy - Fun Facts

- **Founded PHX in 1995**
- **PHX is 28 years in the business**
- **PHX is the largest independent supplier of directional drilling services in the North American land market**
- **PHX works for 12 of the top 15 energy producers in North America**
- **PHX provides the technology that allows faster drilling**
- **Our fleet of premium technology operates at maximum capacity with high demand for this equipment**
- **73% of revenue is in the US, 85% of that revenue is in the Permian**
- **PHX has 875 full-time employees**
- **PHX drilled approximately 12 million meters of well bore in 2023 in the North America**

Directional drilling is the process of steering the well path towards an intended target and doing so in a manner that increases the overall efficiency and speed of the operation



It's the Name of the Game

Technology Case Study: The Impact of Faster Drilling

SAME AREA - SAME WELL PROFILE - NEW TECHNOLOGY

2017 - Permian Basin, Midland County

- 10,000ft Lateral
- Conventional technology
- **Drilling Days 8.76**

Today - Permian Basin, Midland County

- 11,282ft Lateral
- Premium RSS, MWD and Motors technology (*Atlas, Velocity, RSS*)
- **Drilling Days - 3.80**

5 DAYS SAVED

230% IMPROVEMENT

TIME IS MONEY!

PHX MAKES THIS HAPPEN



Technology Advancement Driving Growth

PROPRIETARY FIT FOR PURPOSE PHX OFFERING

Velocity

Atlas Motors

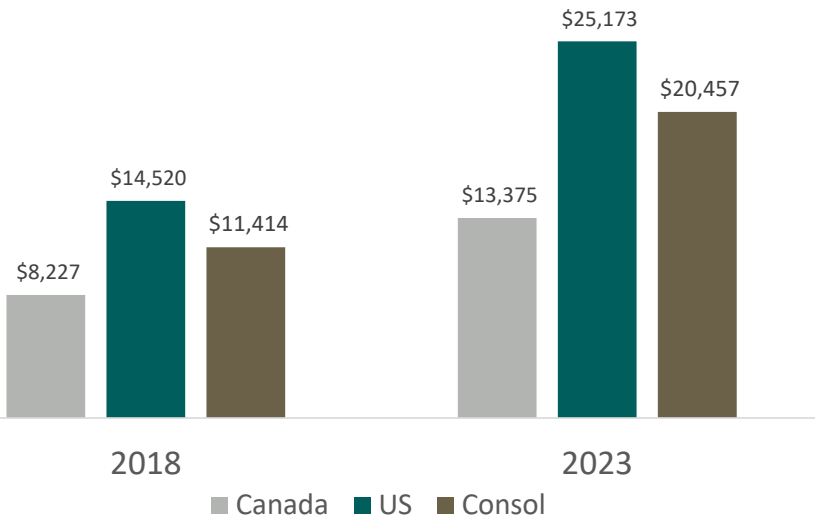
Wireless Real Time
RSS Link & At-Bit

Echo Wireless Antenna

PowerDrive Orbit RSS
iCruise RSS

Revenue Per Day*

* Refer to corresponding quarterly report for definition



Q3 2023 Results

Highest level of quarterly revenue, earnings, adjusted EBITDA, and adjusted EBITDA as a percentage of consolidated revenue.

Generated \$11.9 million of motor rental revenue and \$6.2 million of revenue from motor equipment and parts sold.

Announced a 33% increase to quarterly dividend effective for dividend payable December 31, 2023

Stated in thousands of dollars rig counts and operating days	Three-month period ended Sept 30,			Nine-month period ended Sept 30,		
	2023	2022	% Chg	2023	2022	% Chg
Operating Results						
Revenue	169,368	142,418	19	491,008	377,987	30
Adjusted EBITDA ⁽¹⁾	43,524	27,315	59	115,330	58,845	96
Excess Cash Flow ⁽¹⁾	25,724	9,121	182	70,466	6,843	n.m
Dividend Paid Per Share	0.15	0.075	100	0.48	0.20	125
Industry Hz & Dir Activity						
Canadian Rig Count	188	199	(6)	170	175	(3)
US Rig Count	632	733	(14)	692	680	2
Operating Day						
Canadian Operating Days	3,301	2,835	16	8,427	7,252	16
US Operating Days	4,050	4,653	(13)	13,234	13,405	-

⁽¹⁾ See Non-GAAP Measures section of quarterly report



Dividend Per Share
As at Sept 30, 2023




Net Debt (in millions)
As at Sept 30, 20223



Working Capital (in millions)
As at Sept 30, 2023

Third Quarter Highlights

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- US operations continued to produce strong results, maintain market share and work for 12 of the top 15 US operators despite the lower rig count
 - The primary drivers were premium technology, particularly RSS capabilities, and expansion of our Atlas rental and sales divisions.
 - Canada generated all-time record quarterly revenue and grew market share
 - Uniquely positioned as the only provider in North America that can offer two superior options for owned RSS systems with recent addition of Halliburton iCruise technology
 - Will compliment our fleet of Schlumberger PowerDrive Orbit RSS technology
 - Engineering group has commercialized supplementary technologies that work in conjunction with our RSS and Velocity fleets that are already in high demand.

Third Quarter Outlook



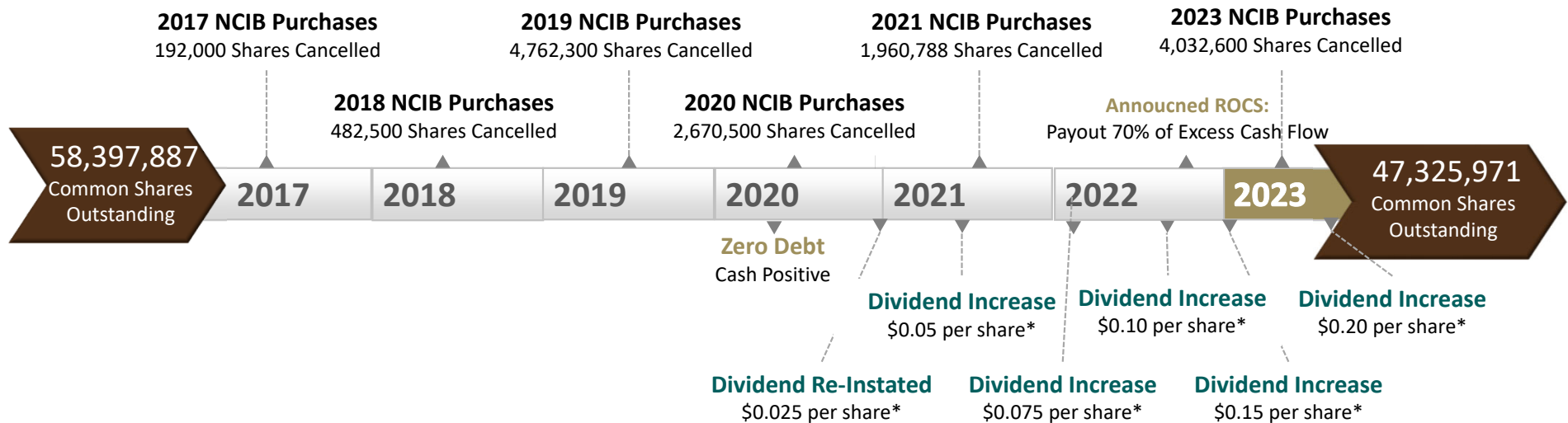
- Foresee further US growth in both RSS activity and Atlas rental and sales divisions into 2024 as new capital expenditures dedicated towards these objectives
- In Canada, expect our current activity levels to continue through to the first quarter of 2024.
 - May see incremental increases in revenue per day as a result of the commercialization of new value-added technologies and the planned fleet expansion
- Continue to expand our Atlas sales and rental businesses, which allows us to penetrate the portion of the US market not accessible through our full service offering
 - Over the next few quarters, will look to expand our infrastructure to drive further growth and plan to dedicate a portion of the Atlas motors acquired through the 2024 capital expenditures program to the rental business
- Continue to leverage our business strengths to reward our shareholders through the various mechanism of ROCS

Shareholder Returns

As at January 15, 2024

Our strategy to reward shareholders has progressed over a 6-year period and adhering to it has proven paramount

- Since March 2017, **24% of shares repurchased**
- Reinstated quarterly dividend in December 2020 and increased five times to total **\$54 million paid to shareholders** since reinstatement



* per quarter dividend per share