



PHX

ENERGY SERVICES CORP.

Annual General Meeting

May 7, 2025





Forward-Looking Statements

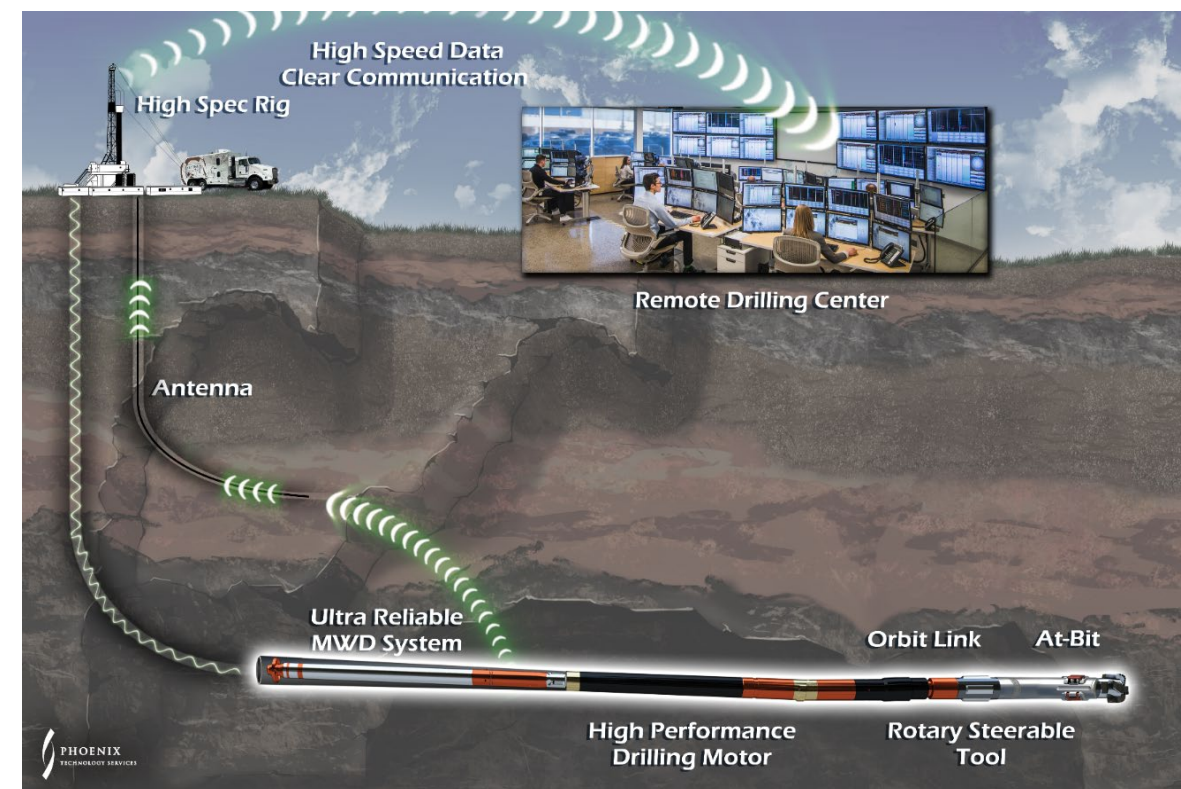
Some matters discussed in this presentation may be considered to be forward-looking statements. Such statements include declarations regarding management's intent, belief or current expectations. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties. Actual results could differ materially from those indicated by such forward-looking statements. Such risks and uncertainties include: the Corporation will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions and the accuracy of the Corporation's market outlook expectations for 2025 and in the future; that future business, regulatory and industry conditions will be within the parameters expected by the Corporation, anticipated financial performance, business prospects, impact of competition, strategies, the general stability of the economic and political environment in which the Corporation operates; the potential impact of potential new or increased tariffs that may be imposed by the US administration and any retaliatory actions that may be taken by Canada or other nations, pandemics, the Russian-Ukrainian war, Middle-East conflict and other world events on the global economy, specifically trade, manufacturing, supply chain, inflation and energy consumption, among other things and the resulting impact on the Corporation's operations and future results which remain uncertain; exchange and interest rates, and inflationary pressures including the potential for further interest rate hikes by global central banks and the impact on financing charges and foreign exchange and the anticipated global economic response to concerted interest rate hikes; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services and the adequacy of cash flow; debt and ability to obtain financing on acceptable terms to fund its planned expenditures, which are subject to change based on commodity prices; market conditions and future oil and natural gas prices; and potential timing delays. Although management considers these material factors, expectations, and assumptions to be reasonable based on information currently available to it, no assurance can be given that they will prove to be correct.



PHX Energy- Fun Facts

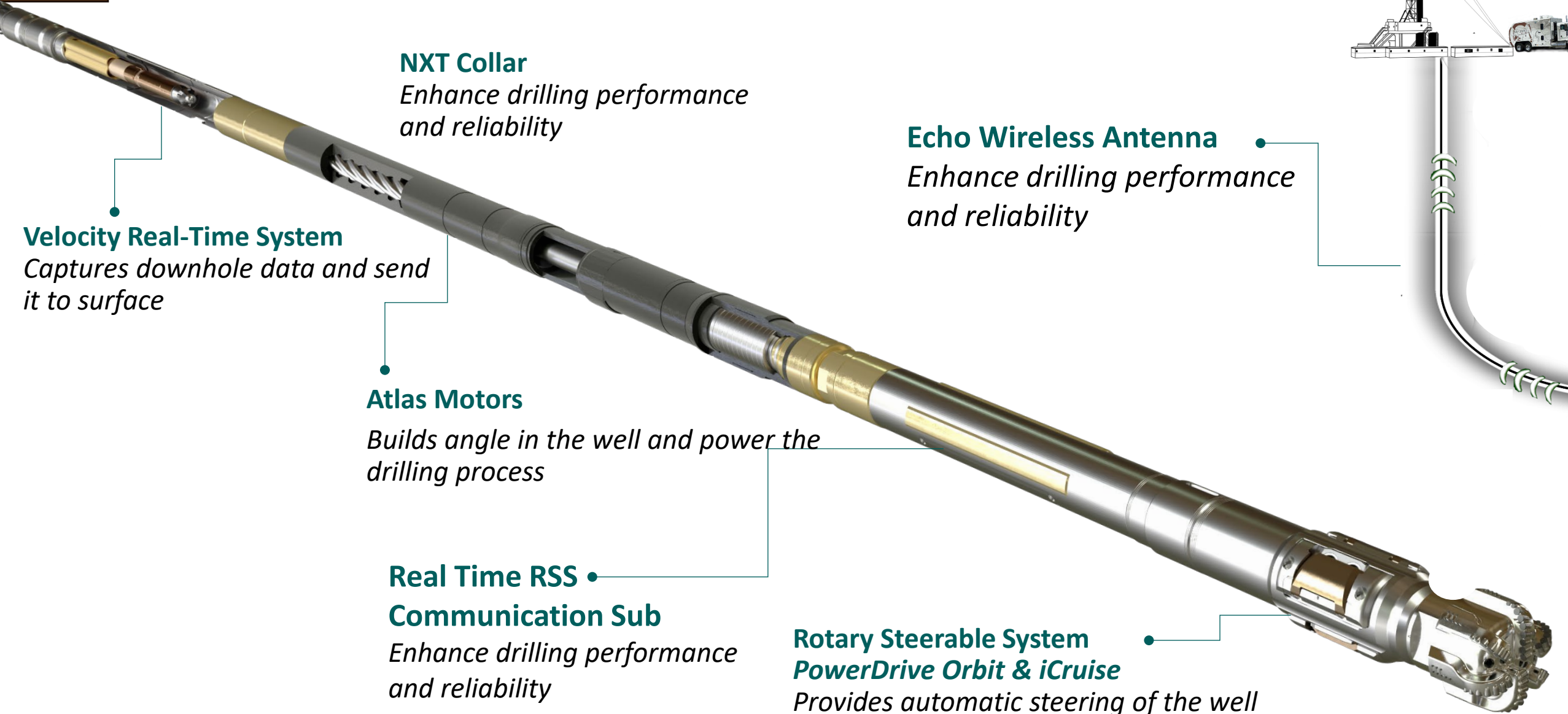
- **Founded PHX in 1995**
- **PHX is the largest independent supplier of directional drilling services in the North American land market**
- **PHX works for 18 of the top 20 energy producers in North America**
- **PHX provides the technology that allows faster drilling**
- **Past capital expenditures programs are supporting high demand for our premium technology**
- **70% of revenue is in the US, 85% of that revenue is in the Permian**
- **PHX has 920 full-time employees**
- **PHX drilled approximately 14.2 million meters of well bore in 2024 in the North America**
- **Return of Capital Strategy (ROCS) allows up to 70% of excess cash flow to be used for shareholder returns**

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





Technology That Makes Us Tier 1



NXT Collar
Enhance drilling performance and reliability

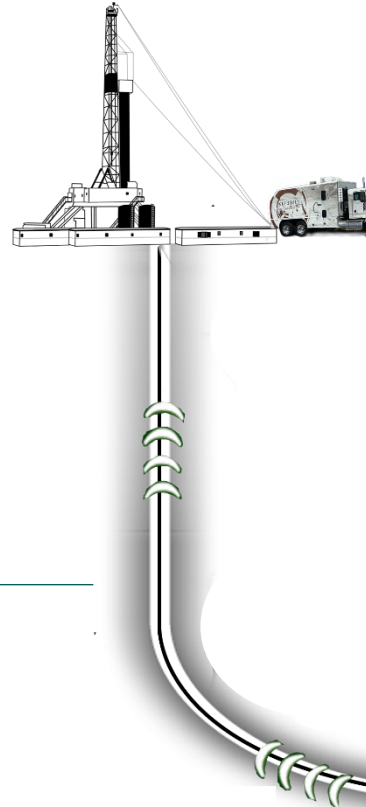
Echo Wireless Antenna
Enhance drilling performance and reliability

Velocity Real-Time System
Captures downhole data and send it to surface

Atlas Motors
Builds angle in the well and power the drilling process

**Real Time RSS
Communication Sub**
Enhance drilling performance and reliability

**Rotary Steerable System
PowerDrive Orbit & iCruise**
Provides automatic steering of the well



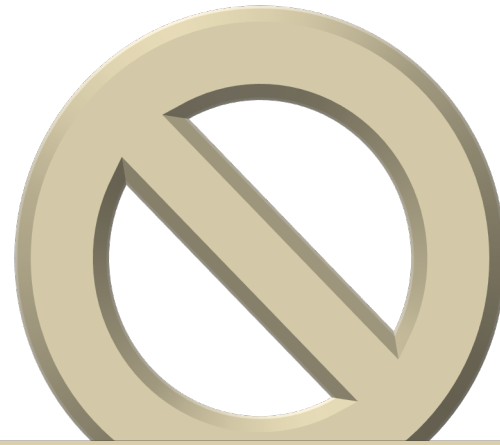


Landscape Of The Directional Market

1

Tier 1: *The Place to Be*

- Technology
 - RSS & Real Time Communications
 - Premium Motor & MWD
- Relationships
- Ability to constantly deliver faster, more reliable drilling performance
- Auditable Quality Management System
- Auditable HSE System



- There is now a significant barrier to entry to compete in Tier 1
 - Most companies do not have financial resources to purchase or develop technologies that Tier 1 requires
 - 15 years ago start up directional drilling company could grow quickly as long as you had a relationship; today that is not the case

2

Tier 2

- Relationships
- Low price wins work
- Off the shelf technology; nothing propriety
- Have to rent premium technology if needed



Q1 2025 Results

First Quarter Highlights

- All time highest quarterly revenue in our history
 - US revenue of \$136.1 million is an all-time record
 - Canadian revenue of \$57.6 million is the second highest since 2014
- RSS activity in the US and Canada bolstered the first quarter results along with growth in the motor rental division
- Profitability was aided by capital acquisitions that displaced particular equipment rentals

	Three-month periods ended March 31,			Years ended December 31,		
	2024	2023	% Chg	2024	2023	% Chg
<i>Stated in thousands of dollars except for rig counts and operating days</i>						
Operating Results						
Revenue	194,704	166,123	17	659,663	656,341	1
Adjusted EBITDA ⁽¹⁾	40,687	35,033	16	123,734	150,717	(18)
Excess Cash Flow ⁽¹⁾	18,163	7,431	144	47,569	92,813	(49)
Dividend Paid Per Share	0.20	0.20	-	0.80	0.60	33
Industry Hz & Dir Activity						
Canadian Rig Count	216	208	4	187	177	6
US Rig Count	575	610	(6)	599	687	(13)
PHX Operating Days						
Canadian Operating Days	4,052	3,858	5	13,210	11,845	12
US Operating Days	4,549	4,168	9	16,667	17,347	(4)



Annual Dividend Per Share
As at March 31, 2025



Net Debt⁽¹⁾ (in millions)
As at March 31, 2025



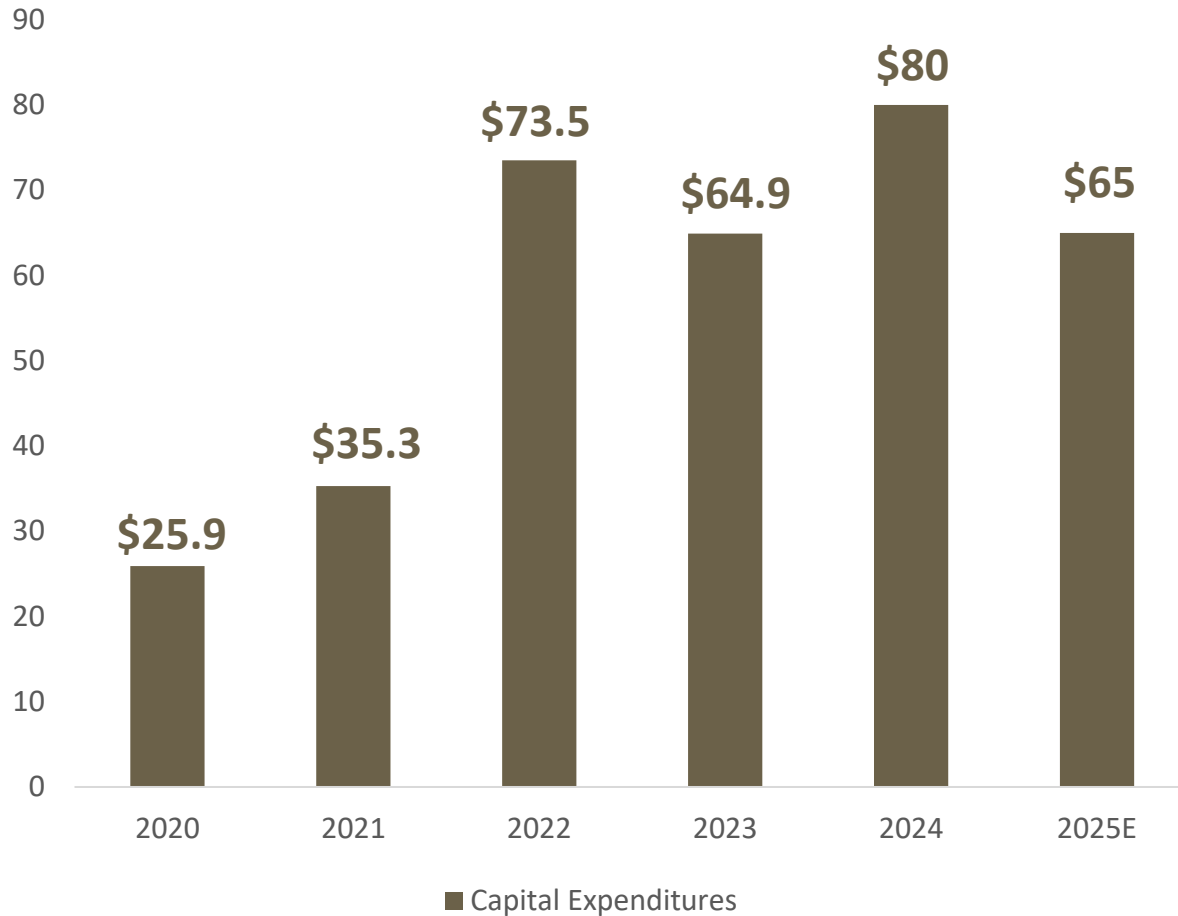
Working Capital⁽¹⁾ (in million)
As at March 31, 2025

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



Capital Expenditures

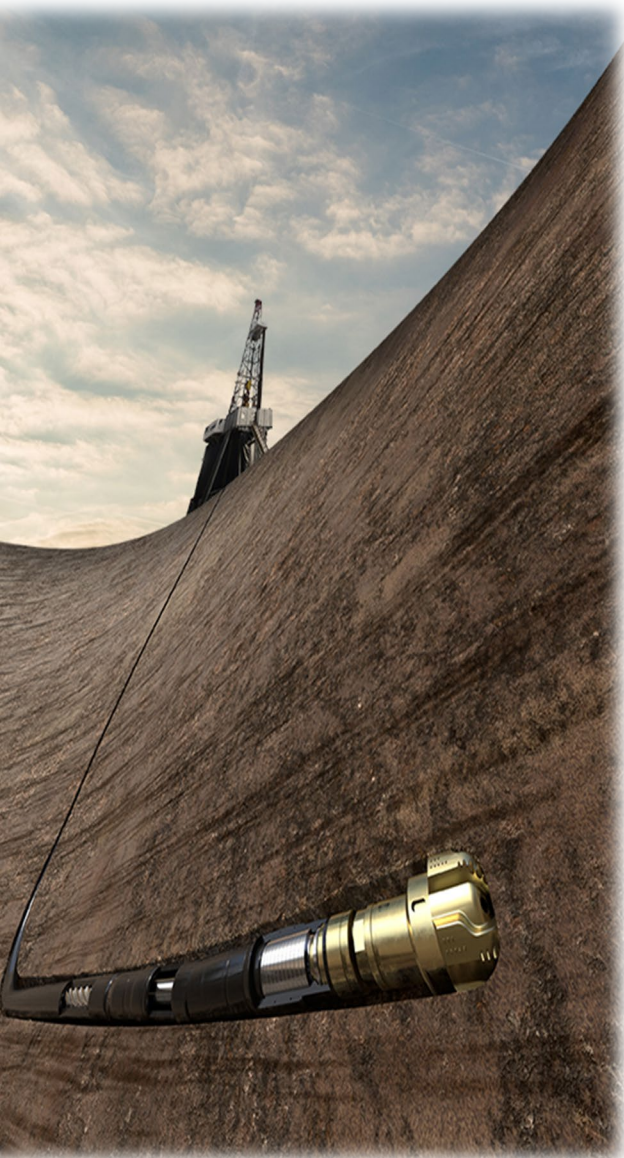
Millions of dollars



- In May, the Board approved a \$10 million increase to anticipated 2025 capital expenditures budget
- Intend to dedicate majority the growth capital expenditures on expanding RSS fleet, including Real-Time RSS Communications.
- Enviable position where we have proactively place orders for the majority of our revised \$65 million budget, without jeopardizing our financial stability



Outlook



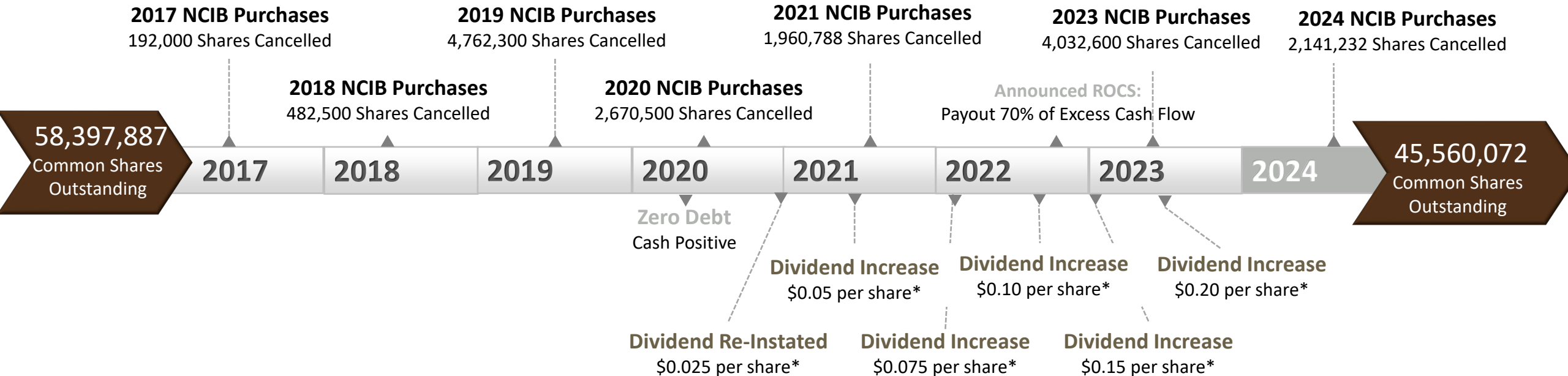
- Strong start to the year in both the US and Canada and we believe this momentum will continue in the upcoming quarters
 - Trade policies, including tariffs and OPEC+ strategies could impact oil prices and therefore our activity levels
- Our premium technologies and the ability to deliver operational efficiencies, will drive growth in a steady 2025 market and shelter us if a slower industry environment materializes
- We anticipate strong demand for RSS and we are advantageously positioned in this higher margin business
- Remain focused on creating shareholder returns and preserving our balance sheet strength



Shareholder Returns

Our strategy to reward shareholders has progressed over a 8-year period and adhering to it has proven paramount

- Since June 2017, **28% of shares outstanding repurchased** under current and previous NCIB programs
- Reinstated quarterly dividend in December 2020 and increased five times to total **\$98.3 million paid to shareholders** since reinstatement



* per quarter dividend per share



Leadership Succession



John Hooks
Founder &
Executive Board Chair



Mike Buker
President &
Chief Executive Officer



Cameron Ritchie
Chief Financial Officer &
Sr. Vice President Finance



Craig Brown
Chief Technology Officer



Jeff Shafer
Chief Operating Officer



Garrett Wright
Vice President
US Operations



David Raines
Vice President
US Sales & Marketing



Questions?

