



# ***Investor Presentation***



**DO IT SAFELY, DO IT RIGHT, DO IT PROFITABLY**

January 2025

# READER ADVISORY

## About the Company

Calfrac Well Services Ltd. ("Calfrac" or the "Company") provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells with continuing operations focused throughout North America and Argentina. During the first quarter of 2022, management committed to a plan to sell its Russian division, resulting in the associated assets and liabilities being classified as held for sale and presented in the Company's financial statements as discontinued operations. The focus of this Presentation is on the Company's continuing operations in North America and Argentina. See Note 3 of the Company's interim financial statements for the three and nine months ended September 30, 2024, for additional information regarding the Company's discontinued operations, which are available on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

## Caution to Readers

The information contained in this Presentation does not purport to be all-inclusive or to contain all information that prospective investors and other stakeholders may require. Readers are encouraged to conduct their own analysis and review of Calfrac and of the information contained in this Presentation. Although Calfrac has attempted to include information which it believes to be relevant for the purpose, no representations or warranties, express or implied, have been made as to the completeness of the information in this Presentation.

## Forward-looking Statements and Information

Certain statements and information contained in this Presentation that are not historical facts constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"). These forward-looking statements are often, but not always, identified by words such as "anticipate", "plan", "continue", "estimate", "forecast", "expect", "may", "will", "intend", "could", "should", "believe", "forecasted" and similar expressions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Calfrac believes that the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Presentation should not be unduly relied upon. In particular, this Presentation contains forward-looking statements pertaining to Calfrac's operating and financing strategies, priorities, performance and goals, including with respect to: (i) maximizing consolidated net income and cash flow; (ii) its cost-structure, profitability and expected balance sheet improvements; (iii) capital investments, including with respect to Calfrac's fleet modernization program and the progression and anticipated benefits thereof; (iv) activity, demand, utilization and outlook for each operating area of Calfrac's continuing operations, including with respect to Argentina's economic and political outlook; (v) the modernization and sustainability of returns on Calfrac's equipment, and (vi) and expectations and intentions with respect to the foregoing.

The forward-looking statements contained in this Presentation are based on certain assumptions and analyses made by the Company in light of our experience and perception of historical trends, current conditions, and expected future developments as well as other factors we believe are appropriate in the circumstances, including, but not limited to, the following: the economic, social and political environment in which Calfrac operates, including the continued implementation of Argentina's economic reforms and liberalization of its oil and gas industry as well as the current state of the pressure pumping market in North America; the effect of ESG factors on customer and investor preferences and capital deployment; industry equipment levels, including the number of active fracturing fleets and the timing of deployment of Calfrac's fleet upgrades; Calfrac's expectations for its customers' capital budgets, demand for services, engine technology preferences and geographical areas of focus; the level of merger and acquisition activity among oil and gas producers and its impact on the demand for well completion services; the effect unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; Calfrac's existing contracts and the status of current negotiations with key customers and suppliers; the effectiveness of cost reduction measures instituted by Calfrac; and the likelihood that current tax and regulatory regimes will remain substantially unchanged.

Our actual results could differ materially from those anticipated in these forward-looking statements as a result of risks associated with global economic conditions, the level of exploration, development and production for oil and natural gas in North America and Argentina; the demand for fracturing and other stimulation services for the completion of oil and natural gas wells; fleet re-investment risk, including the ability of the Company to finance the capital necessary for equipment upgrades to support its operational demands while addressing the energy transition and adapting equipment and technology based on government and customer requirements and preferences; excess oilfield equipment levels; sourcing, pricing and availability of raw materials, diesel fuel, component parts, equipment, suppliers, facilities and key and skilled personnel; and the other risk factors set forth the heading "Risk Factors" in Calfrac's Annual Information Form for the year ended December 31, 2023, which is available on Calfrac's SEDAR+ profile. The forward-looking statements contained in this Presentation speak only as of the date this Presentation and Calfrac does not undertake any obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

## Non-GAAP Measures

This Presentation refers to the Company's Adjusted EBITDA, Adjusted EBITDA margin, Net Debt / Adjusted EBITDA (LTM), Net Debt, Free Cash Flow and Free Cash Flow Conversion Rate, which are financial performance measures and ratios commonly used in the oilfield services industry that do not have standardized meanings under International Financial Reporting Standards (IFRS) and, because IFRS have been incorporated as Canadian generally accepted accounting principles (GAAP), these supplementary measures and ratios are non-GAAP measures and ratios. Presentation of these non-GAAP measures and ratios is intended to provide readers with additional information regarding the Company's financial results, liquidity and ability to generate funds to finance its operations and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The Company's definition and calculation of Adjusted EBITDA, Adjusted EBITDA margin, Net Debt / Adjusted EBITDA (LTM), Net Debt, Free Cash Flow and Free Cash Flow Conversion Rate may not be comparable to the same or similar measures and ratios presented by other issuers. As used herein, (i) Adjusted EBITDA refers to continuing operations only and is defined as net income or loss for the period adjusted for interest, income taxes, depreciation and amortization, all foreign exchange losses (gains), non-cash stock-based compensation, and gains and losses that are extraordinary or non-recurring; (ii) Adjusted EBITDA margin is the ratio of Adjusted EBITDA to revenue for the period expressed as a percentage; (iii) Net Debt refers to continuing operations only and is defined as long-term debt less unamortized debt issuance costs plus lease obligations for the period, less cash and cash equivalents for the period; (iv) Net Debt / Adjusted EBITDA (LTM) is the ratio of Net Debt to Adjusted EBITDA (LTM) for the period expressed as a percentage; (v) Free Cash Flow is defined as Adjusted EBITDA less capital expenditures less interest paid less lease obligation principal repayments; and (vi) Free Cash Flow Conversion Rate is the ratio of Free Cash Flow to Adjusted EBITDA. A quantitative reconciliation of these non-GAAP measures and ratios to the closest comparable IFRS measure, for the relevant periods used herein can be found on slide 12 of this Presentation. In addition, a quantitative reconciliation of Adjusted EBITDA from continuing operations to net income (loss), a GAAP measure, for the third quarter of 2024 can be found under the heading "Non-GAAP Measures" in Calfrac's management discussion and analysis for the three and nine months ended September 30, 2024, which is available at [www.sedarplus.ca](http://www.sedarplus.ca) and is incorporated herein by reference.

# PROVEN AND EXPERIENCED LEADERSHIP TEAM



**Pat Powell, Chief Executive Officer**

- Appointed CEO in June 2022; member of the board of directors since May 2022
- Grew family company, H.L. Powell into large, diversified OFS company, sold to Producers Oilfield Services in 2005

- **40+ years** of operational and executive experience



**Mike Olinek, Chief Financial Officer**

- Appointed CFO in 2016; held prior roles of Corporate Controller and VP, Finance, joining Calfrac in 2006

- **30+ years** of operational and executive experience throughout the oil and gas sector



**OTHER KEY MANAGEMENT**

**Gord Milgate**   
 President, Canadian Operations

**Marco Aranguren**   
 President, United States Operations

**Adrian Martinez**   
 Director General, Argentina Division

**EXPERIENCE**

**30+ years**

**20+ years**

**30+ years**

**BOARD OF DIRECTORS**

**Ron Mathison\***   
 Chairman

**George Armoyan**   
 Director

**Chetan Mehta**   
 Director

**Doug Ramsay\***   
 Vice Chairman

**Holly Benson**   
 Director

**Charles Pellerin**   
 Director

**Pat Powell**   
 CEO

**Anuroop Duggal**   
 Director

*\*FOUNDER*

**ACCOMPLISHED MANAGEMENT TEAM WITH OVER 150 YEARS OF COLLECTIVE RELEVANT EXPERIENCE IN THE ENERGY INDUSTRY**

# INTRODUCTION TO CALFRAC

Largest Canadian-headquartered pressure pumping company, with over one million horsepower, operating in North America and Argentina

## HYDRAULIC FRACTURING



- Controlled well-stimulation technique used to **increase hydrocarbon flow** from petroleum-bearing rock formations deep in the subsurface
- **Process of pumping fluids** (water, sand and additives) at **high pressures down a wellbore** to create fractures in the rock
- Sand holds these fractures open, providing **pathways for hydrocarbons to flow**
- Fracturing technology has **transformed the energy market and is continuously evolving**

## COILED TUBING



- Process of **running tubing into wells to conduct various well service operations**
- **Used to:**
  - Pump nitrogen, acid or other fluids into wells to remove unwanted materials
  - Set / remove tools
  - Perform well abandonments
  - Set siphon or velocity strings, which promote production
- **Preferred tool to complete wells** by removing composite plugs and ball seats

## CEMENTING



- **Cement is pumped down wellbores to provide a protective layer** between the well and the surrounding ground
- **Protects groundwater from contamination emanating from the wellbore**, with cement casing going to a depth below the level of groundwater
- **Once cement is hardened, geological layers have been isolated** and well completion can proceed

## SAND LOGISTICS



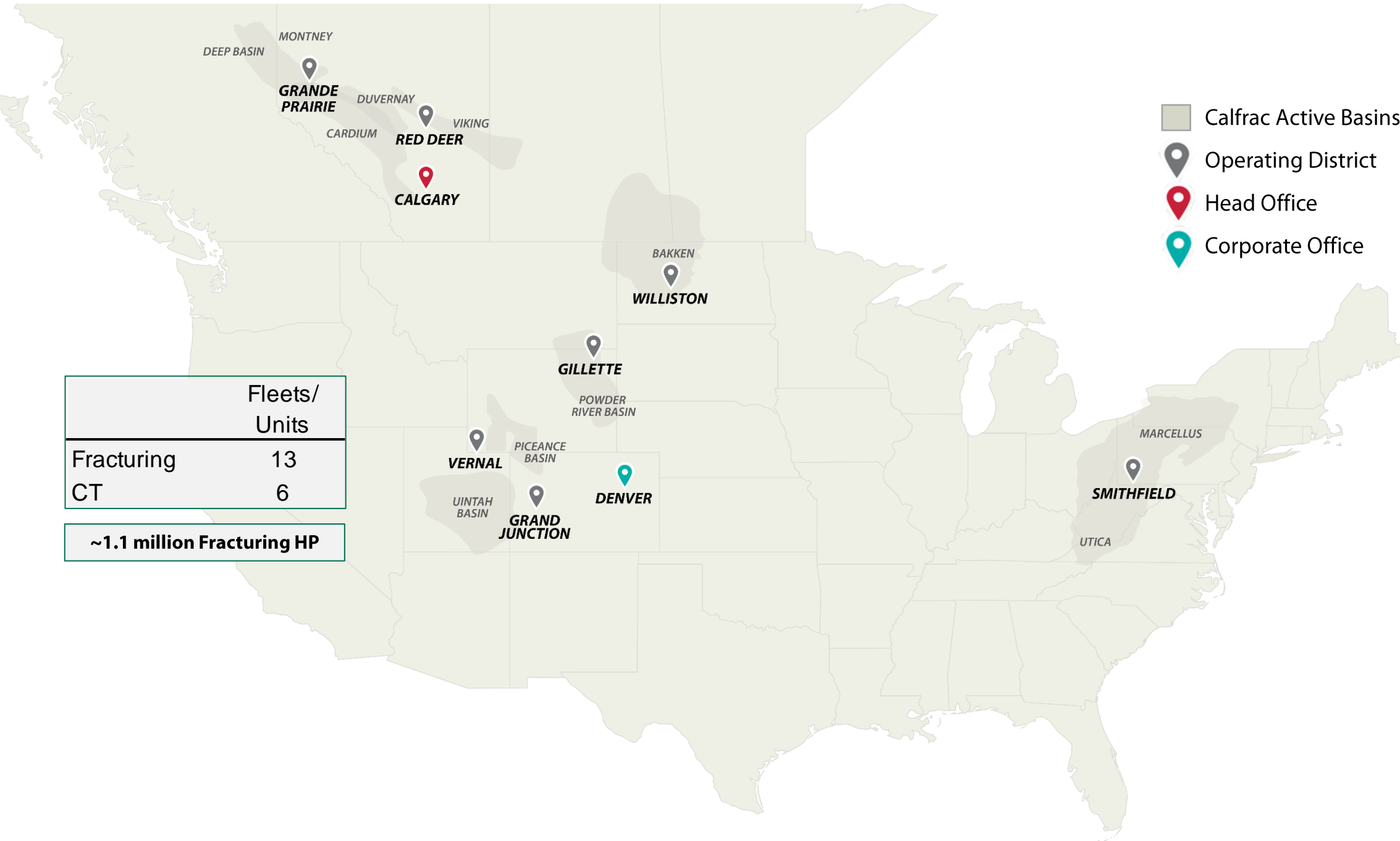
- Owns and operates **sand-hauling units** in North America that provide **last-mile-trucking logistics** to better service customers
  - Industry historically challenged by “last-mile” logistics to transport sand from long-haul routes to wells
- Calfrac’s exclusive transload facilities in strategic locations throughout western Canada **enables Calfrac to source** sand at mine gate ensuring reliable supply while lowering costs to customers
  - Access to quality sand is critical to efficient execution and utilization, particularly in periods of high demand
- **Sand is a significant component of the fracturing process**

# OVERVIEW OF OPERATIONS

## NORTH AMERICAN OPERATIONS



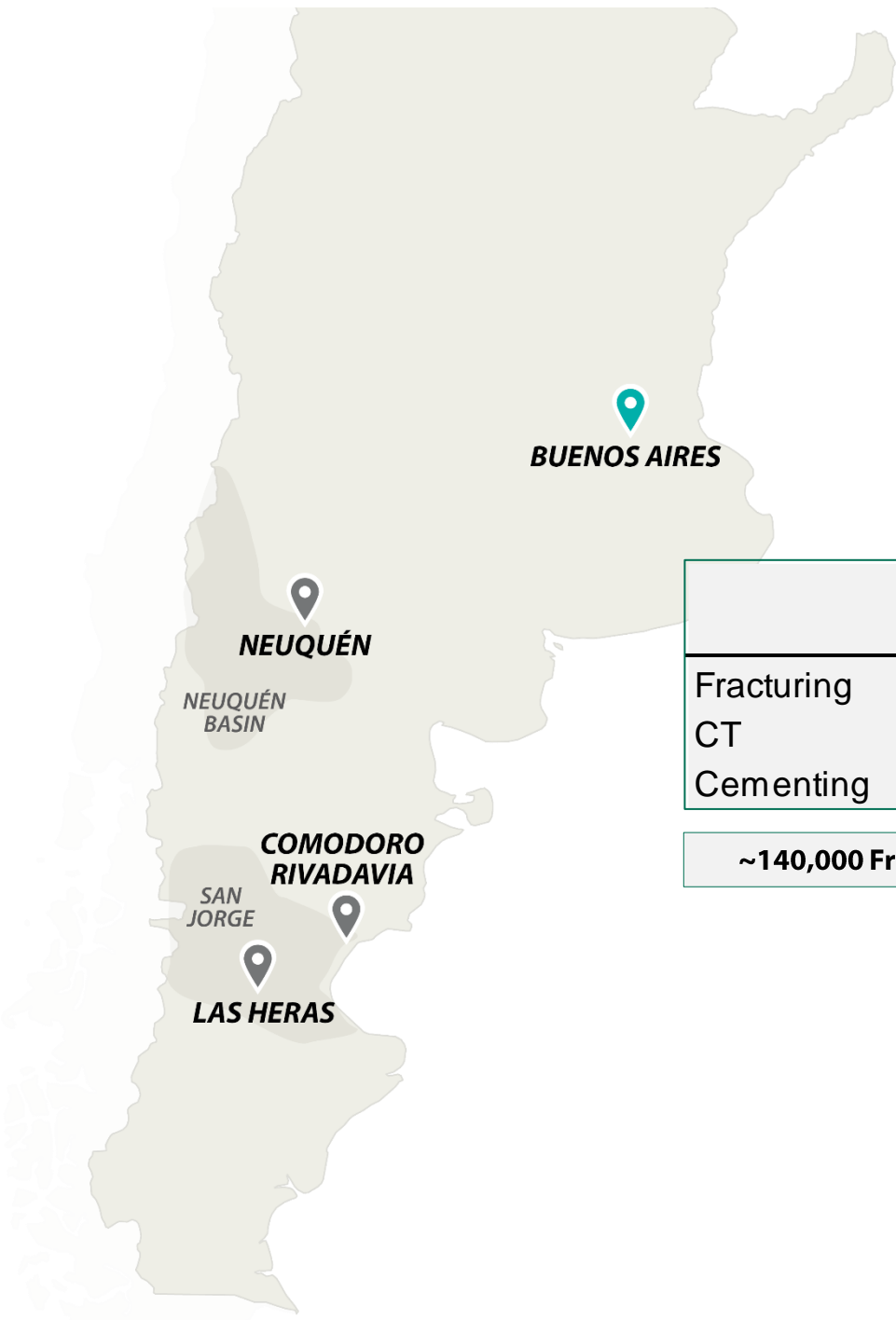
## ARGENTINIAN OPERATIONS



	Fleets/ Units
Fracturing	13
CT	6

~1.1 million Fracturing HP

- Calfrac Active Basins
- Operating District
- Head Office
- Corporate Office



	Fleets/ Units
Fracturing	5 <sup>(1)</sup>
CT	6
Cementing	10

~140,000 Fracturing HP

**SAFELY AND EFFICIENTLY PROVIDING PRESSURE PUMPING SERVICES FOR 25 YEARS**

1. Two large fracturing fleets operating in the Vaca Muerta shale play and three conventional fleets operating in the San Jorge basin.

# KEY BUSINESS STATISTICS

~1.3 Million HP  
across  
18 Fracturing  
Fleets

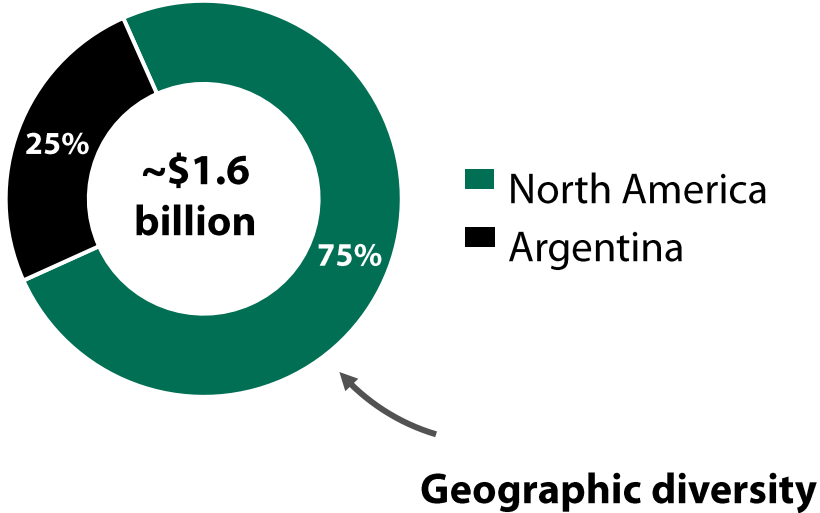
12 CT Units and  
10 Cementing  
Units

~2,300  
Employees across  
3 Countries

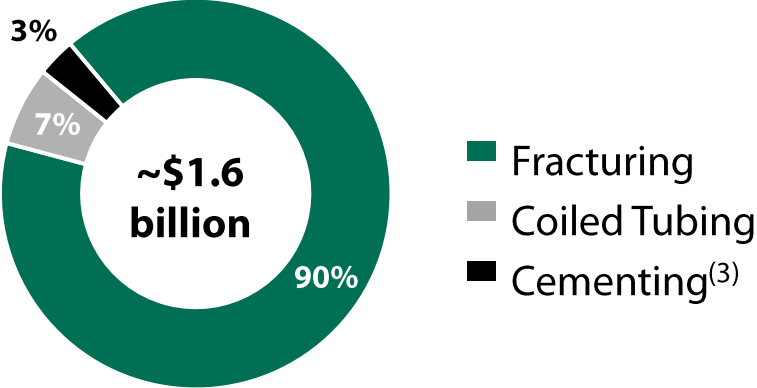
~\$339 Million<sup>(1)</sup>  
Market Cap and  
~\$694 Million<sup>(1)</sup>  
Enterprise Value

~\$219 Million Adj.  
EBITDA<sup>(2)</sup>  
(Q3 2024 LTM)

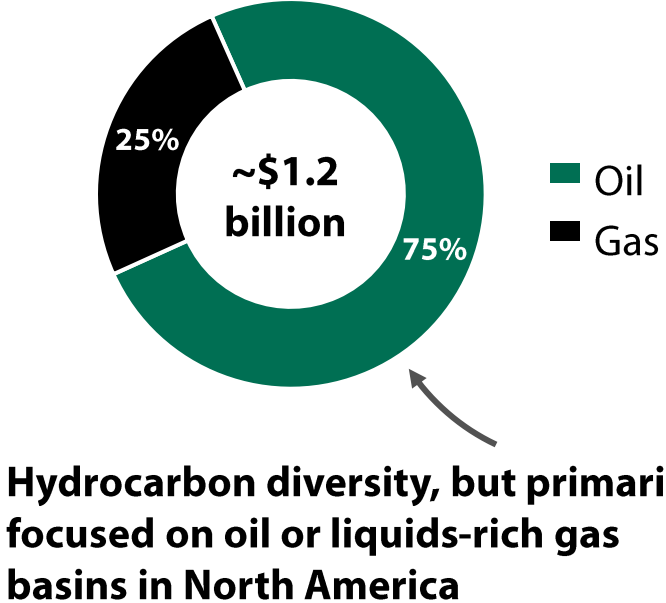
## REVENUE BY GEOGRAPHY (Q3 2024 LTM)



## REVENUE BY BUSINESS UNIT (Q3 2024 LTM)



## NAM REVENUE BY HYDROCARBON (Q3 2024 LTM)

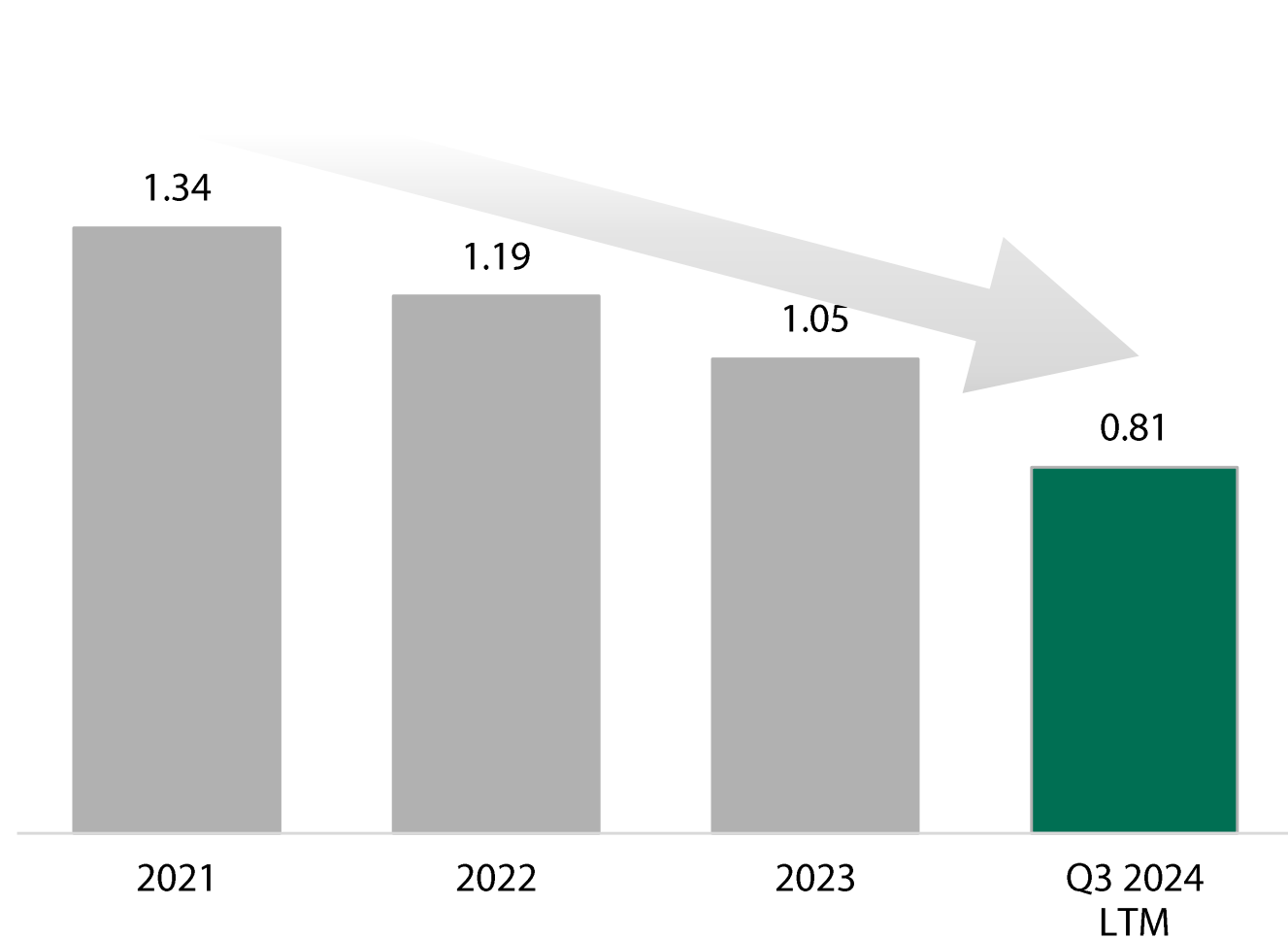


**DO IT SAFELY, DO IT RIGHT, DO IT PROFITABLY**

1. Market data as at January 14, 2025.  
 2. See Non-GAAP measures disclosure under the Reader Advisory on Slide 2.  
 3. Cementing services are only provided in Argentina and account for ~13% of that country's LTM September 2024 revenue.

# STRONG TRACK RECORD OF SAFETY PERFORMANCE

**DECLINING TOTAL RECORDABLE INJURY FREQUENCY (TRIF)<sup>(1)</sup>**



**Low and declining TRIF, striving towards target of "Goal Zero"**

Demonstrates Calfrac's commitment to the health and safety of its employees and other personnel

**Invested significant resources into leading indicators**

Hazards identification and facility and wellsite inspections through user-friendly application that is accessible to all employees

- Employee Training Programs**
- In-house orientation and training school for all new employees
  - Internal commercial driving schools in Canada and the United States
  - Pump School for field operators

**Safety-first Culture**

Management's strong emphasis on safe operations reinforces safety conscious behavior across the organization

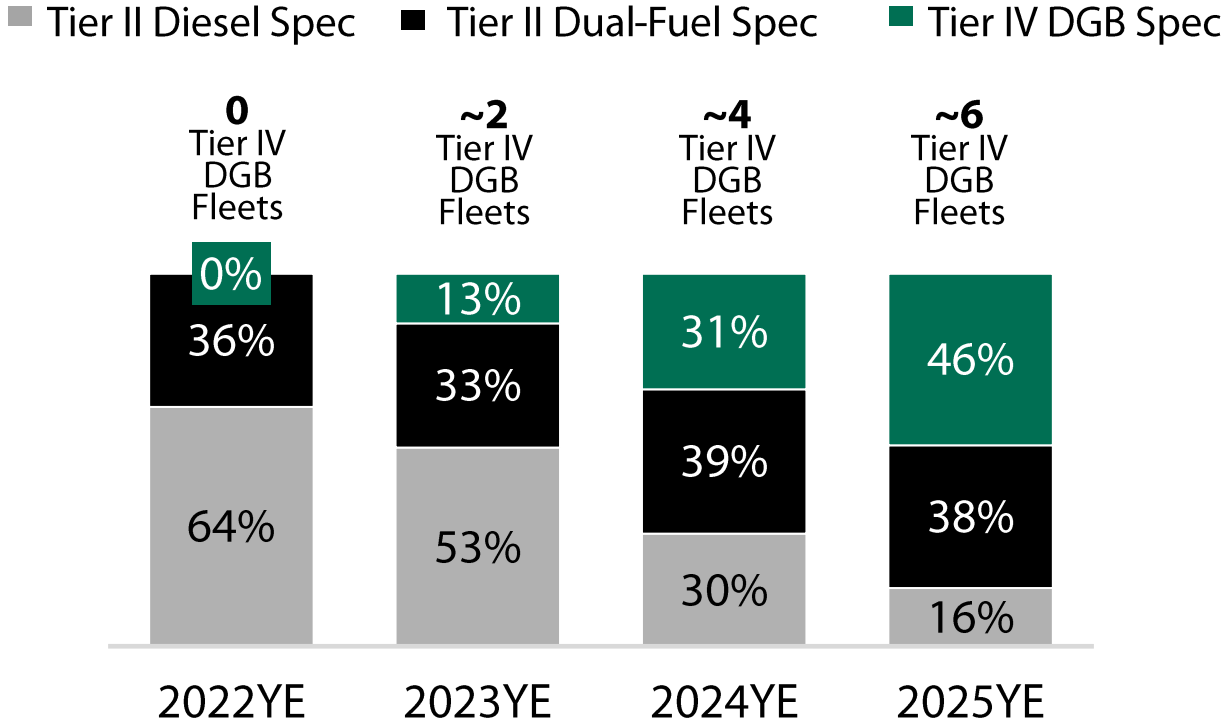
**ENSURING SAFE OPERATIONS IS OUR PRIMARY OBJECTIVE AND DRIVES EVERYTHING THAT WE DO**

1. Total recordable injury frequency (TRIF) based on how many employees get injured per year for every 100 employees working 40-hour work weeks.

# HIGH-QUALITY ASSET BASE

## ONGOING FLEET MODERNIZATION REPLACING OLDER TIER II DIESEL TECHNOLOGY FOR NEXT-GENERATION (“NEXT-GEN”) PUMPS

CALFRAC TIER II DIESEL, TIER II DUAL-FUEL, & TIER IV DGB SPEC FLEETS  
(% OF NORTH AMERICAN TOTAL)



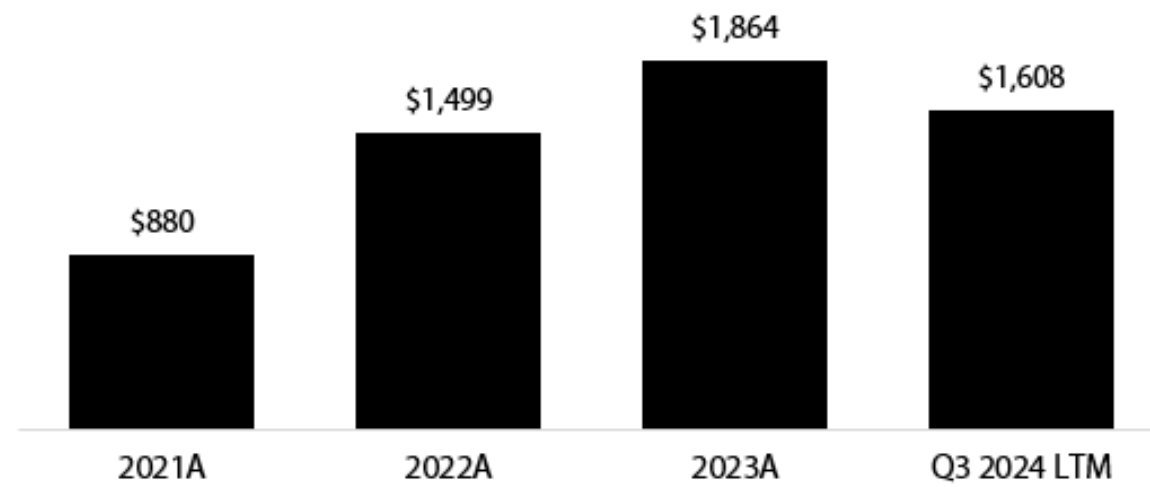
- Initiated multi-year fracturing fleet modernization plan in North America, **converting older Tier II pumping units into CAT-on-CAT Tier IV dual-fuel capable dynamic gas blending (“DGB”) pumping units**
  - Expect **~84% of our fracturing fleets in North America to be dual-fuel capable** by the end of 2025
  - **Approximately \$170 million** spent on our fracturing pump modernization program since mid-2022
- Tier IV DGB engines **displace diesel in fracturing operations by utilizing natural gas as primary fuel**, and represents one of the **most desirable pressure pumping options** currently available on the market
  - **Improves margins** with ability to command higher prices due to stronger demand for next-generation equipment, and increased working days per year
  - **Lowers operating costs** by allowing flexibility to vary the amount of natural gas consumed depending on availability and commodity price
  - **Improves emissions profile** by displacing use of diesel fuel with natural gas
- In addition, Calfrac continues to evaluate other **innovative, next-generation pressure pumping technologies**

**FLEET MODERNIZATION INVESTMENTS ARE EXPECTED TO EXPAND THE COMPANY’S DIESEL SUBSTITUTION CAPABILITIES TO ATTRACT TOP-TIER CLIENTS, IMPROVE PROFITABILITY AND ADVANCE ESG OBJECTIVES**



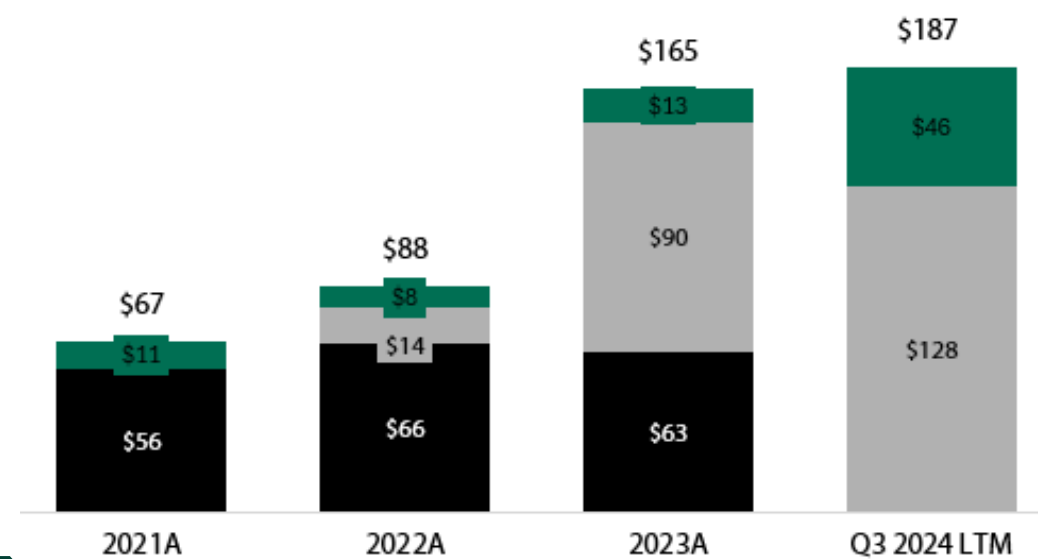
# HISTORICAL FINANCIAL PERFORMANCE

## REVENUE



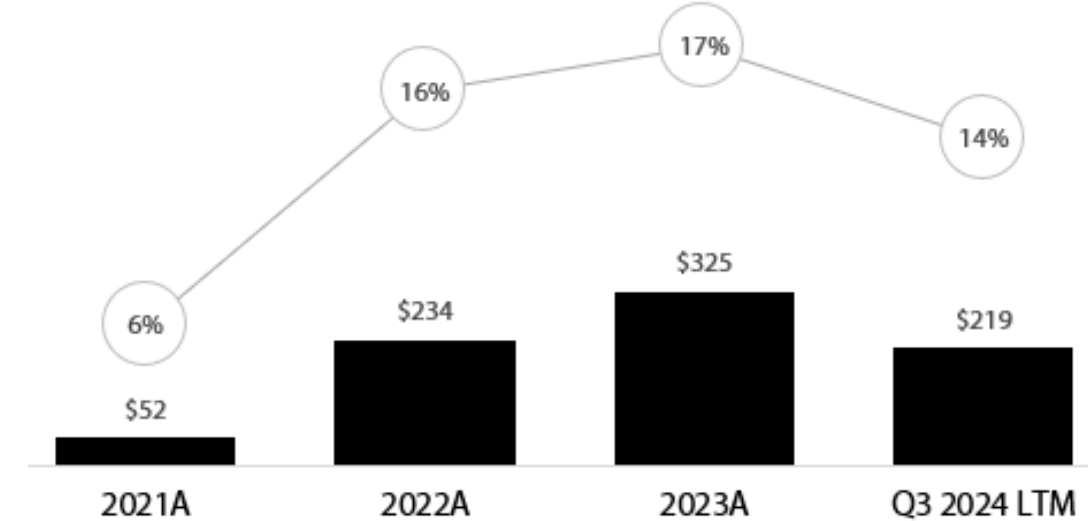
## CAPITAL EXPENDITURES

■ Maintenance ■ Tier IV Modernization ■ Other Expansion



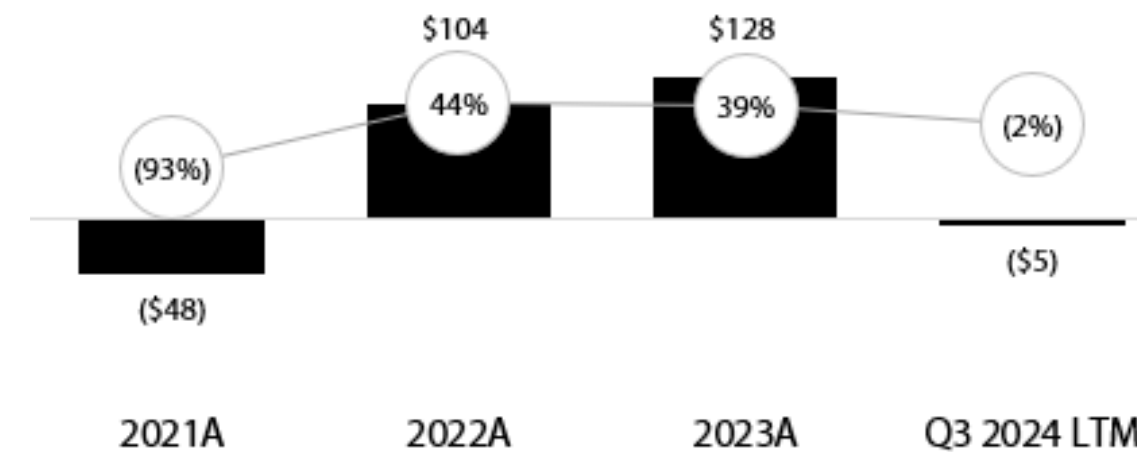
## ADJUSTED EBITDA<sup>(1)</sup>

○ Adjusted EBITDA Margin<sup>(1)</sup>



## FREE CASH FLOW<sup>(1)</sup>

○ Free Cash Flow Conversion Rate<sup>(1)</sup>



1. See Non-GAAP Measures disclosure under the Reader Advisory on Slide 2.

# CORPORATE STRATEGY: GENERATING SHAREHOLDER VALUE

## WHAT WE SET OUT TO DO

Executing on brand promise:  
"Do it Safely, Do it Right, Do it Profitably"

Maximizing consolidated net  
income and free cash flow

Investing in new technologies  
that enhance service  
deliverability in the field

Dedicating free cash flow to  
improving asset quality and  
reducing long-term debt

## WHAT WE DID AND ARE DOING

- Consolidated geographic footprint in North America to capitalize on strong market share
- Leveraging sophisticated in-house supply chain and logistical capabilities to minimize downtime
- Expanded operations in Argentina, with planned capital investments to add a second contracted large fracturing fleet in the Vaca Muerta shale play
- Best historical safety performance, with Q3 2024 LTM TRIF<sup>(1)</sup> of 0.81

- Employ a returns-focused pricing strategy to enable us to maximize shareholder returns
- Focused on stringent cost management, including recent consolidation of U.S. divisional office to Denver

- Committing to significant investment in modernization of the equipment fleet to improve asset quality, drive better cost competitiveness, and reduce environmental impacts
- Reinvesting in core operating systems to expand business capabilities

- Continued focus on strengthening our balance sheet going forward



1. Total recordable injury frequency (TRIF) based on how many employees get injured per year for every 100 employees working 40-hour work weeks.

# INVESTMENT HIGHLIGHTS

<p><b>Largest Canadian pressure pumping company with geographic diversification across premier basins</b></p>	<ul style="list-style-type: none"> <li>• <b>Largest Canadian-headquartered pressure pumping company</b>, and one of the largest independent pressure pumping companies in North America with ~1.3 million total HP</li> <li>• <b>Exposure to premier basins with stable production outlook</b> ranging from flat to ~4% growth</li> <li>• <b>Diversified hydrocarbon exposure</b> with ~75% revenue sourced from services related to oil and ~25% related to dry and liquids-rich gas development</li> </ul>
<p><b>Execution-focused oilfield services provider with high-quality asset base</b></p>	<ul style="list-style-type: none"> <li>• Calfrac's execution-focused oilfield service offering and differentiated approach enabled the Company to <b>grow revenue by a ~30% CAGR since 2020</b></li> <li>• <b>Provides a wide range of pressure pumping services which require special expertise and equipment</b>, including fracturing, coiled tubing, cementing and sand logistics</li> </ul>
<p><b>Long-term relationships with high-quality, blue-chip customers</b></p>	<ul style="list-style-type: none"> <li>• Diversified customer base with <b>no single customer representing &gt;16% of revenue</b> (Q3 2024 LTM)</li> <li>• Customers include <b>top producers in North America and Argentina</b>, with sizable production bases, and many with investment-grade credit ratings</li> <li>• Deep customer relationships, <b>with many core customers having relationships with Calfrac for 10+ years</b></li> </ul>
<p><b>Resilient profitability throughout commodity cycles and variable cost structure</b></p>	<ul style="list-style-type: none"> <li>• <b>Variable cost structure</b> stabilizes go-forward profitability</li> <li>• <b>Remained Adjusted EBITDA<sup>(1)</sup> positive throughout the 2020 downturn</b> due to capital and cost discipline</li> </ul>
<p><b>Strong financial position with conservative financial policies and track record of deleveraging</b></p>	<ul style="list-style-type: none"> <li>• <b>Strong capital position</b> to withstand industry cycles and for continued success</li> <li>• <b>Current leverage of 1.6x Net Debt / Adjusted EBITDA (LTM)<sup>(1)</sup></b>, trending to be in-line with pressure pumping peers</li> <li>• Conservative financial policies enabled <b>~16% reduction in Net Debt<sup>(1)</sup> since the start of 2022</b></li> </ul>
<p><b>Proven and experienced leadership team and strong track record of safety</b></p>	<ul style="list-style-type: none"> <li>• <b>Over 150 years of collective relevant experience</b> in the energy industry, with <b>long-standing client relationships</b> and industry leading operational expertise</li> <li>• <b>Co-founders continue to be involved with the Company</b> and serve on the board of directors</li> <li>• <b>High insider ownership</b> with ~49% of shares held by management and board members, with strong focus on conservative financial policies</li> <li>• <b>Strong track record of safety driven by leadership team</b>, demonstrating commitment to health and safety of employees and other Company personnel</li> </ul>

1. See Non-GAAP measures disclosure under the Reader Advisory on Slide 2.

# RECONCILIATION OF NON-GAAP MEASURES

(C\$mm's)	2021	2022	2023	Q3 2024 LTM
<b>Revenue</b>	<b>\$880.2</b>	<b>\$1,499.2</b>	<b>\$1,864.3</b>	<b>\$1,607.7</b>
Net Income (Loss)	(\$94.7)	\$35.3	\$197.6	\$28.2
<i>Net Income (Loss) Margin</i>	<i>(11%)</i>	<i>2%</i>	<i>11%</i>	<i>2%</i>
Depreciation	\$127.4	\$122.0	\$116.6	\$121.3
Foreign exchange (gains) / losses	\$4.7	(\$2.9)	\$22.4	\$19.1
Disposal of property, plant and equipment (gains) / losses	\$0.4	\$5.3	(\$4.6)	\$0.9
Impairment (reversal of impairment) of assets	\$0.7	\$19.2	(\$41.6)	--
Litigation settlement	(\$0.7)	\$11.3	(\$6.8)	--
Restructuring charges	\$0.7	\$5.3	\$3.0	\$5.6
Stock-based compensation	\$2.3	\$2.8	\$5.1	\$7.9
Interest	\$37.7	\$46.6	\$29.7	\$29.7
Income Taxes	(\$26.9)	(\$11.0)	\$4.1	\$6.5
<b>Adjusted EBITDA</b>	<b>\$51.6</b>	<b>\$233.7</b>	<b>\$325.5</b>	<b>\$219.1</b>
<i>Adjusted EBITDA Margin</i>	<i>5.9%</i>	<i>15.6%</i>	<i>17.5%</i>	<i>13.6%</i>
Total Capital Expenditures	(\$66.6)	(\$88.0)	(\$165.4)	(\$186.7)
Interest Paid	(\$25.1)	(\$33.0)	(\$21.1)	(\$25.8)
Lease Obligation Principal Repayments	(\$7.8)	(\$9.2)	(\$11.2)	(\$11.5)
<b>Free Cash Flow</b>	<b>(\$48.0)</b>	<b>\$103.5</b>	<b>\$127.7</b>	<b>(\$4.9)</b>
<b>Free Cash Flow Conversion Rate (%)</b>	<b>(93%)</b>	<b>44%</b>	<b>39%</b>	<b>(2%)</b>



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