



## EnerCom Denver

August 20, 2024

Technology • Deployed • Simply



## Forward-Looking Statements

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The Company’s filings with the Canadian securities regulatory authorities may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) or through Pason's website ([www.pason.com](http://www.pason.com)).

# The Data Behind Well Construction

Managing end-to-end well construction data

Capture

Aggregate

Display

Transmit

Store

Deliver

Visualize

Leverage

With a superior service model



Enabling customer priorities

Automation

Safety

Collaboration

Reporting

Analytics



Real-Time Decision Making



# Intelligent Wellhead Systems Acquisition



2019-2020

Initial common share investment (\$25 million)

2021

Common share investment (\$7 million)

2022

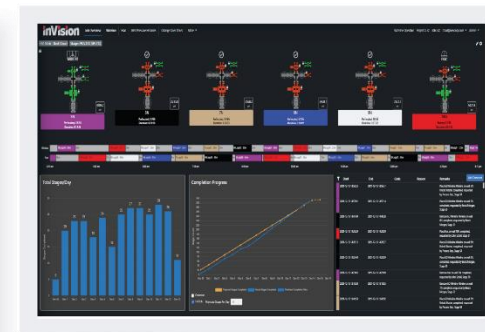
Common share investment (\$8 million)

2022-2023

Preferred share investment (\$25 million)

2024



Acquisition of all remaining common shares (\$88.3 million cash and assumed \$7 million in net debt)

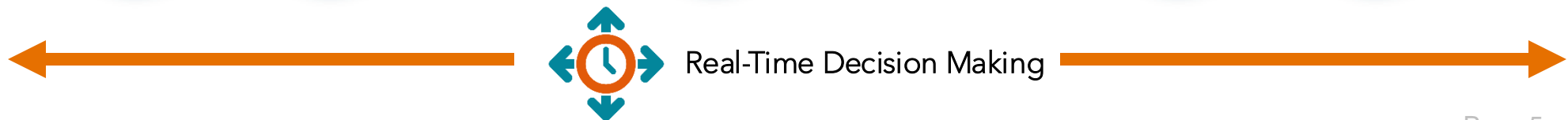
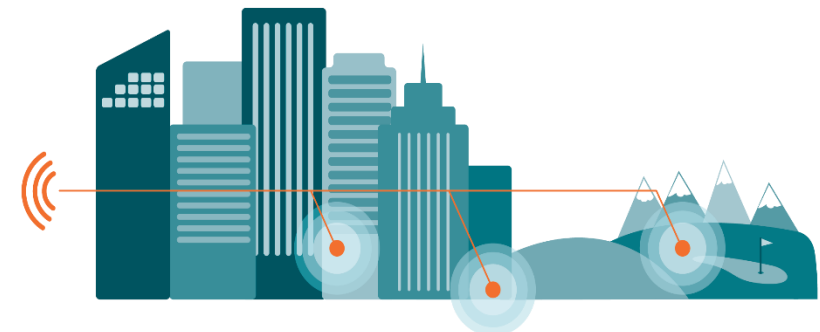


Automating workflows and processes for oil and gas well completions operations, improving wellsite safety and efficiency.

# Automation and Data Management in Completions



 Core IWS capabilities  
 Strengthened with Pason's experience



# The Intelligence Layer in the Solar + Energy Storage Industry

Model the site



Review energy costs and rate switch scenarios



Analyze incentives



Incorporate PV generation



Create a proforma cash flow model

Control the assets



Grid services revenue



Electric bill savings



Solar self-consumption



Manual and scheduled dispatch

Monitor the performance



Measure and verify savings



Real-time system performance



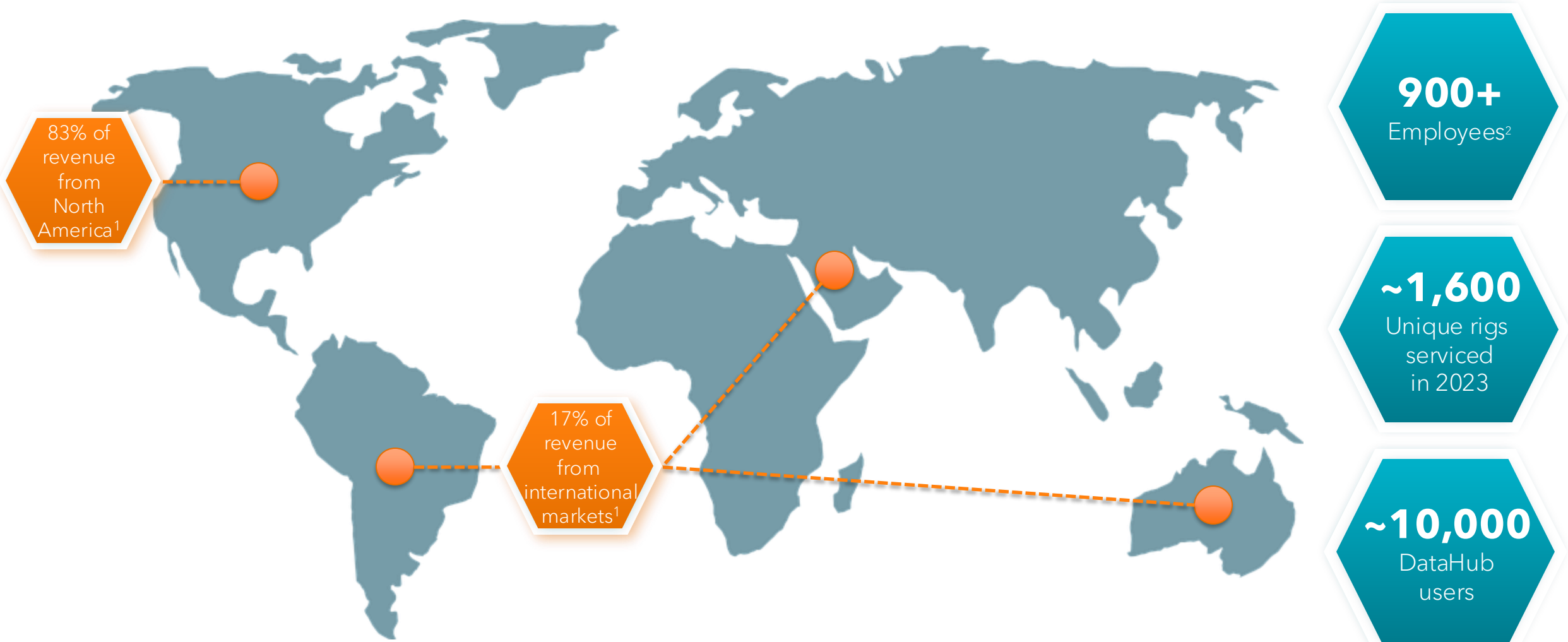
Compliance reporting



Warranty reporting

Real-time advisory

# Global Reach and Market Positioning

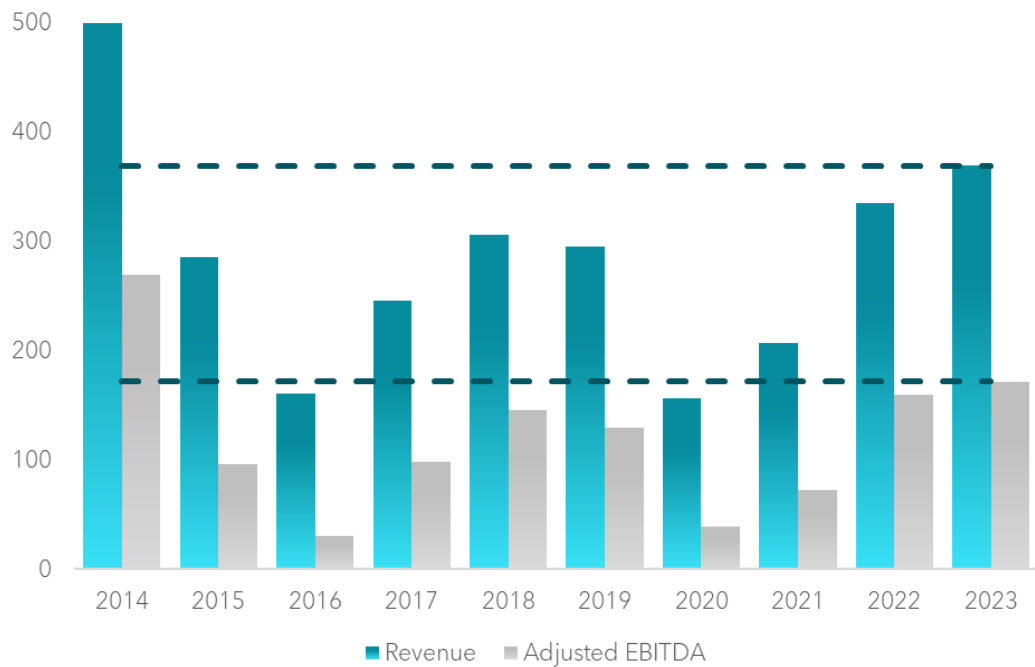


1. As at and for the twelve months ended December 31, 2023  
2. As at the date of this presentation.

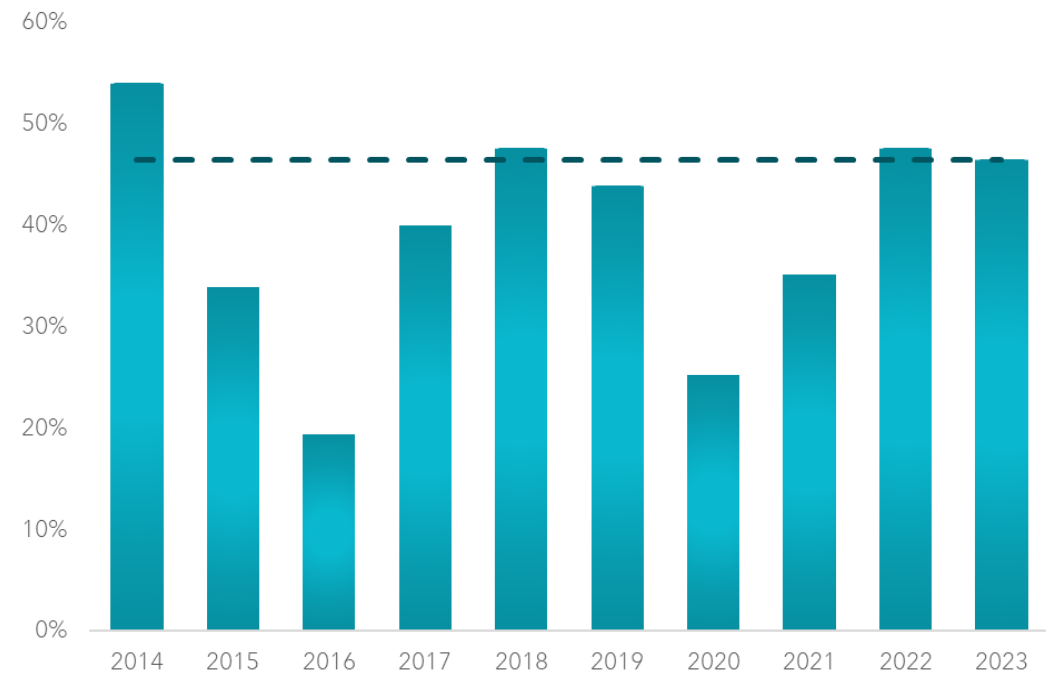
# Revenue and Adjusted EBITDA

Revenue and Adjusted EBITDA \$

in CAD millions



Adjusted EBITDA as a % of Revenue



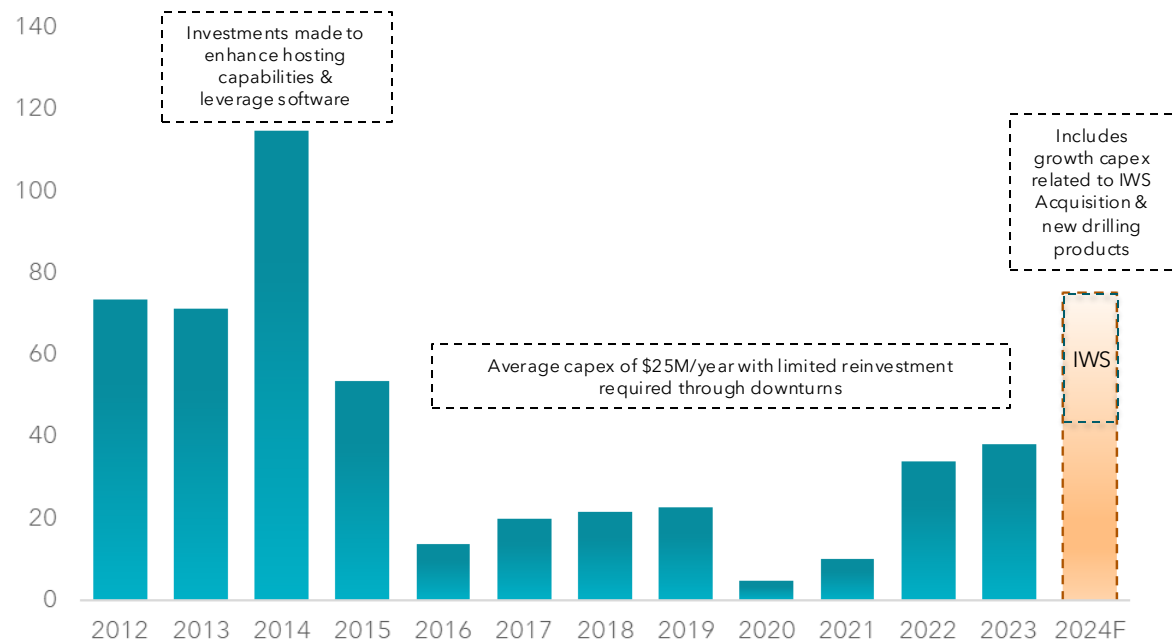
Increasing revenue per day and operating leverage drives attractive margins on lower industry activity



# Disciplined Approach to Invested Capital

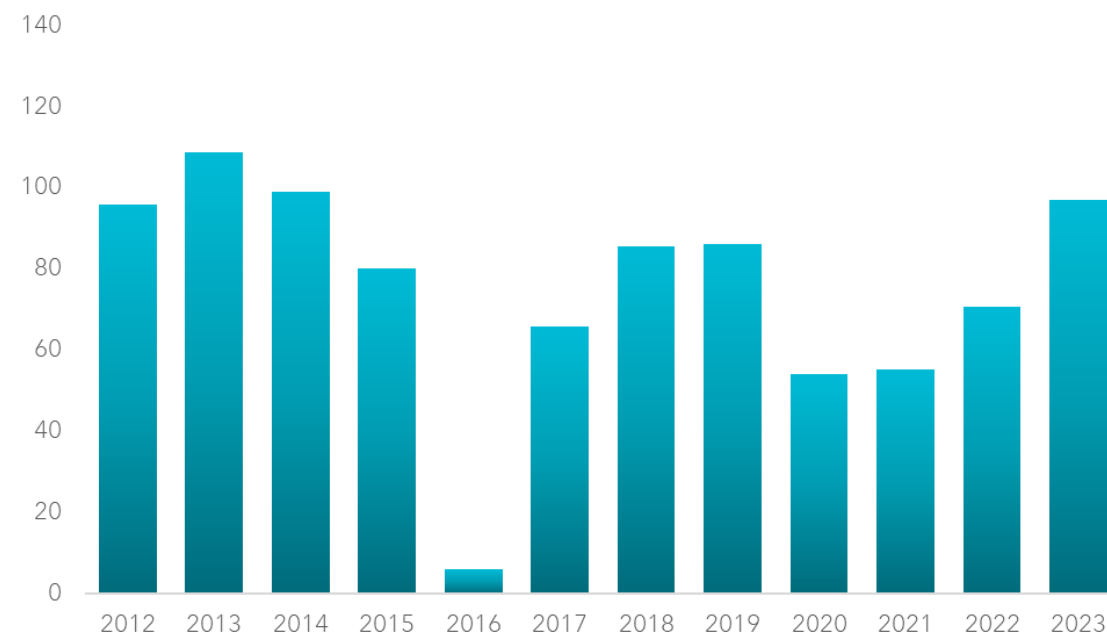
## Net Capital Expenditures<sup>1</sup>

in CAD millions



## Free Cash Flow<sup>2</sup>

in CAD millions



Strategic investments in high return capital expenditures drive long term free cash flow growth

1. Net Capital Expenditures includes additions to property, plant, and equipment and development costs, net of proceeds on disposal from Pason's Consolidated Statement of Cash Flows  
 2. Refer to Non-GAAP measures on page 19 of this presentation.

# Summary of Key Industry Metrics



<b>Current<sup>2</sup></b>	568 rigs	4,510 DUCs	13.3 million barrels	1.67 billion barrels	103.2 million barrels
<b>March '20</b>	770 rigs	8,458 DUCs	13.0 million barrels	1.90 billion barrels	97.7 million barrels

-26%

-47%

+2%

-12%

+6%

13.0 million barrels

1. Sources: Energy Information Administration (EIA) and Baker Hughes Rig Count.  
 2. As at July 26, 2024.



# Proven Financial Strength and Superior Profitability

	2019	2023 <sup>3</sup>	
North American land drilling rigs (average) <sup>1</sup>	1,050	843	-20%
Revenue	\$296 C\$ Millions	\$369 C\$ Millions	+25%
Adjusted EBITDA <sup>2</sup>	\$130 C\$ Millions	\$171 C\$ Millions	+32%
Adjusted EBITDA Margin <sup>2</sup>	43.9%	46.4%	+250bps
Free Cash Flow <sup>2</sup>	\$86 C\$ Millions	\$97 C\$ Millions	+13%
From 2019 to 2023	\$272 million returned to shareholders through dividends & share repurchases		
Total Cash <sup>2</sup> (end of period)	\$161 C\$ Millions	\$172 C\$ Millions	+7%
Interest bearing debt	\$0	\$0	-
Shares Outstanding (end of period)	84.5 Million	79.7 Million	-6%

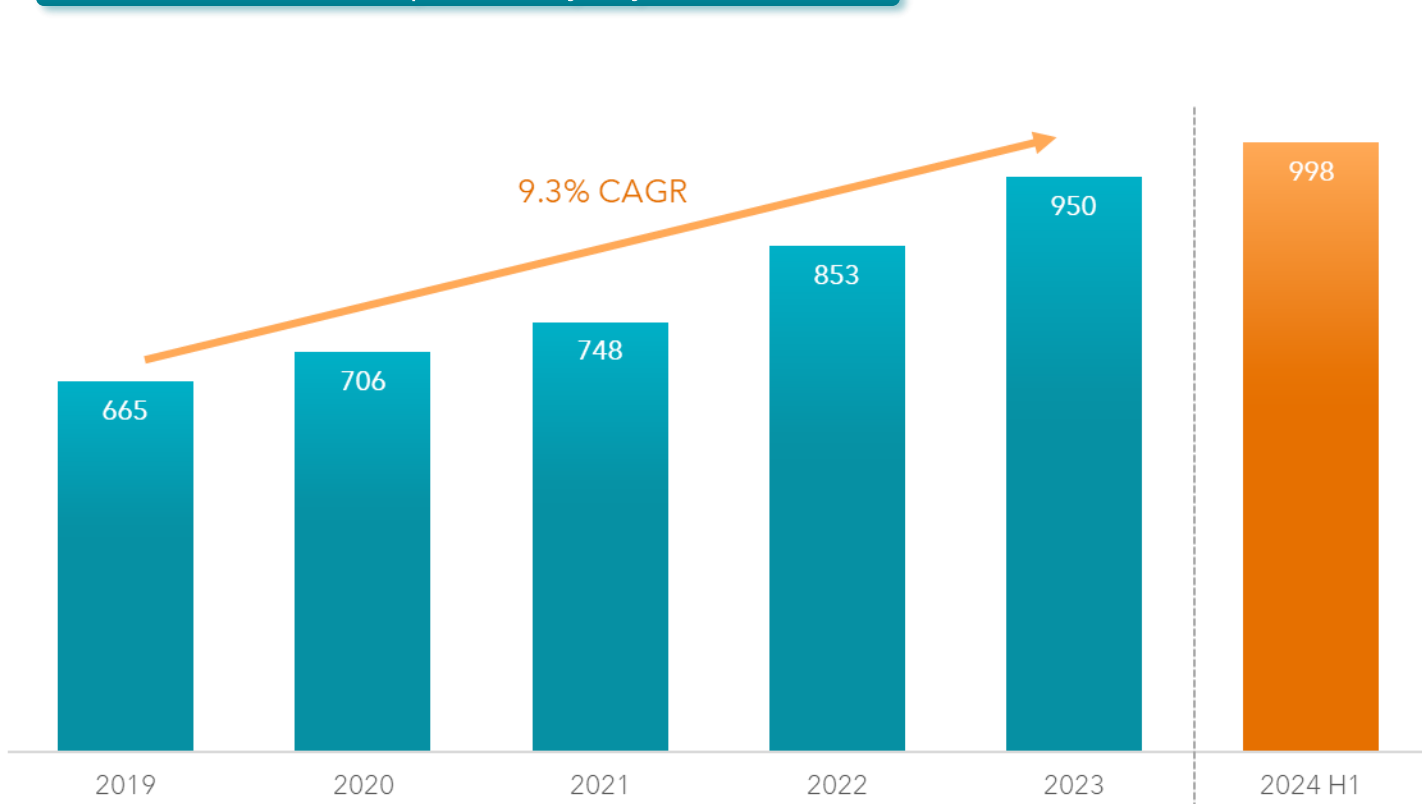
Improved financial fundamentals despite challenging industry conditions

Meaningful shareholder returns & 6% reduction in share count while maintaining strong balance sheet

1. Source: Baker Hughes  
 2. Refer to Non-GAAP measures on page 19 of this presentation.  
 3. Pason did not consolidate IWS' financial results until the IWS Acquisition on January 1, 2024. As such, the numbers in this table do not incorporate full financial results from IWS.

# Revenue per Industry Day since 2019

North American Revenue per Industry Day<sup>1</sup>



## DRIVERS OF FUTURE GROWTH

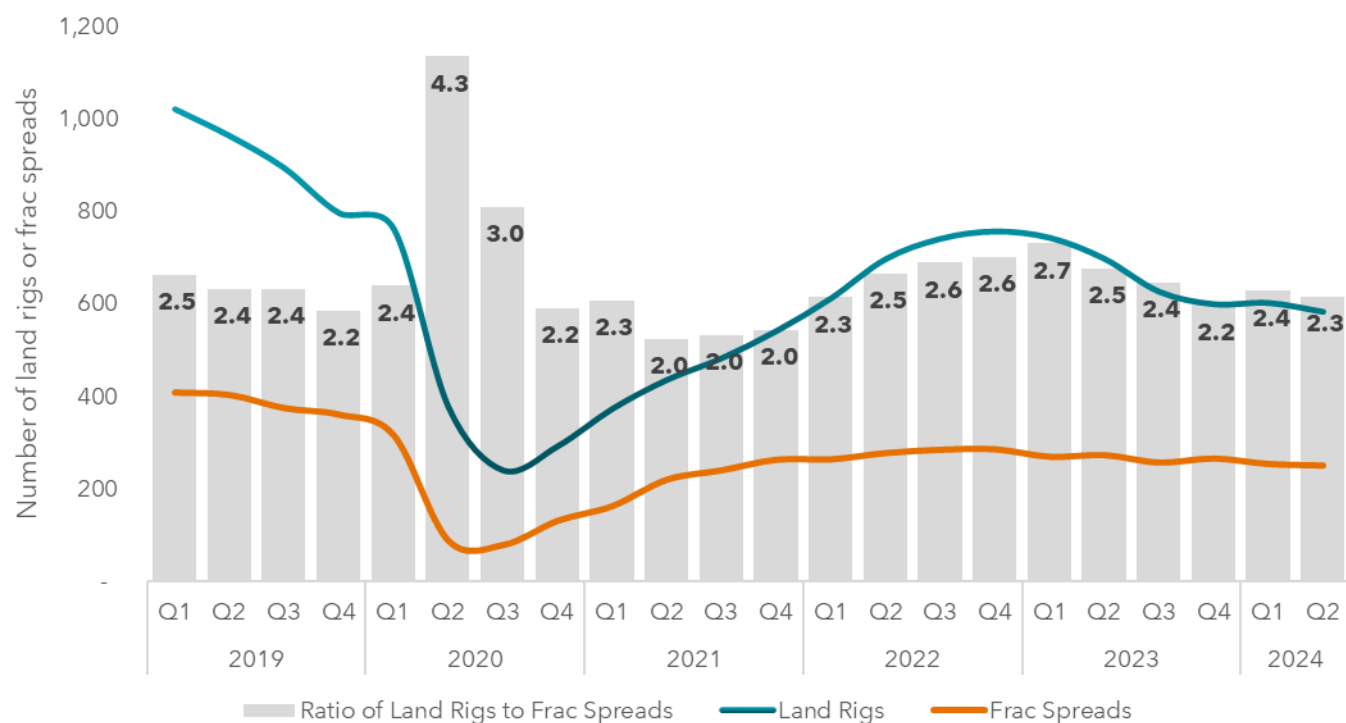
- Growing demand for data (automation and analytics)
- Seamless integration with 3<sup>rd</sup> party / customer cloud analytics platforms
- New and advanced technologies (e.g. mud analyzer, automation software)

Growth in Revenue per Industry Day has accelerated with greater usage of data-driven technology in drilling

1. Revenue per Industry Day is defined as the total revenue generated from the North American Drilling segment over all active drilling rig days in the North American market. Drilling rig days are calculated by using accepted industry sources.

# Significant Addressable Market in Completions

US Active Land Rigs<sup>1</sup> and Frac Spreads<sup>2</sup>



IWS REVENUE PER  
INDUSTRY DAY<sup>3</sup>  
Q2-2024

C\$5,103

PASON REVENUE  
PER INDUSTRY DAY<sup>3</sup>  
Q2-2024

C\$993

IWS' daily revenue is more than 3x Pason's in a market that has a little more than one-third of the number of active sites as the drilling market

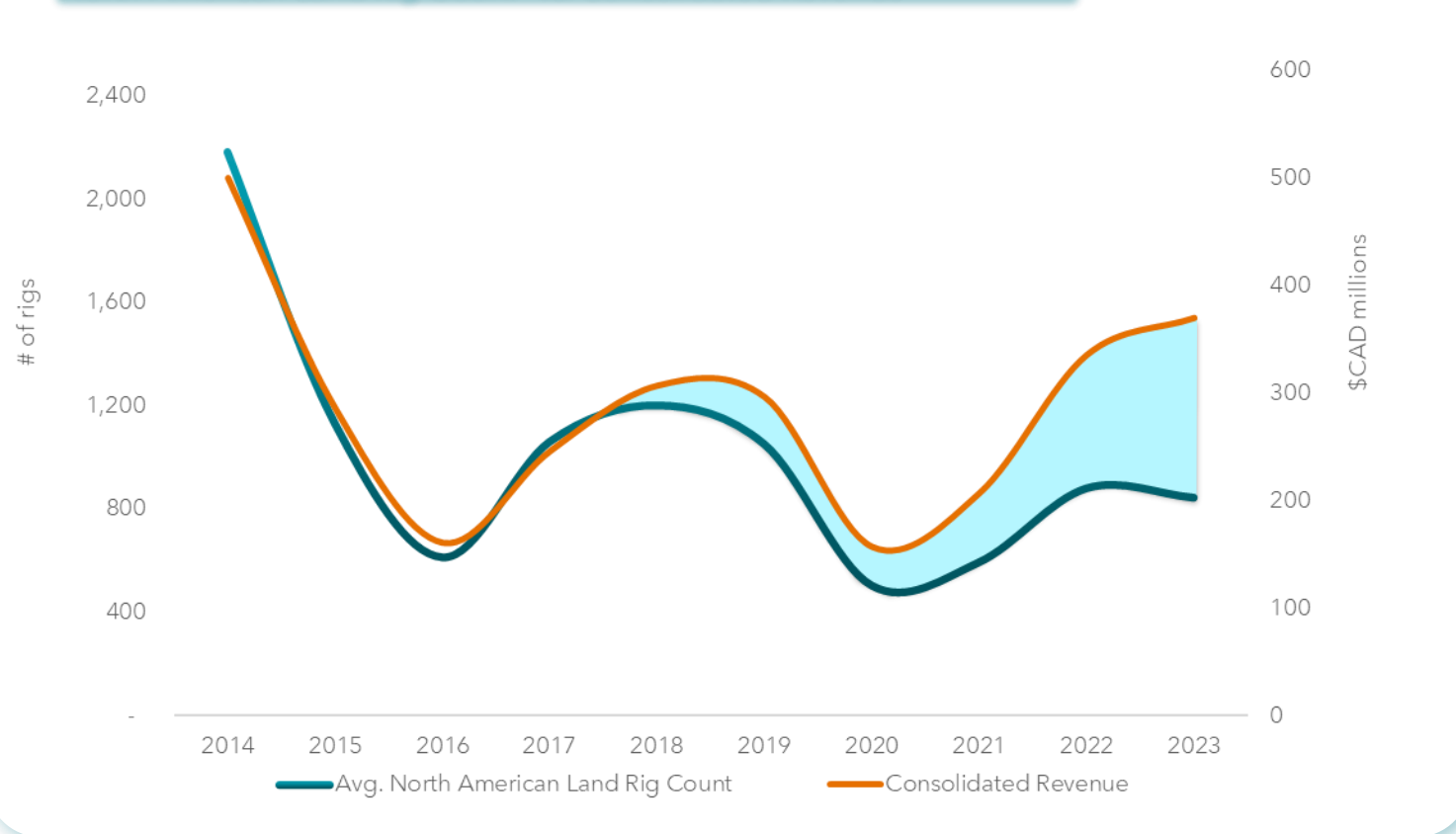
1. Source: Baker Hughes  
2. Source: Primary Vision

3. Revenue per IWS Day is defined as the total revenue generated by the Completions segment over all IWS active days during the reporting period. IWS active days are calculated by using IWS Active Jobs in the reporting period. Revenue per Industry Day is defined as the total revenue generated from the North American Drilling segment over all active drilling rig days in the North American market. Drilling rig days are calculated by using accepted industry sources.

# Strong growth prospects are not reliant on higher levels of North American land drilling activity



North American Land Rig Count<sup>1</sup> vs. Consolidated Revenue



## GROWTH DRIVERS BEYOND INCREASED NORTH AMERICAN LAND DRILLING ACTIVITY

- Increased Revenue per Industry Day in North America, driven by growing use of data-driven technologies (automation and analytics)
- International Drilling revenue growth, driven by increased adoption of more advanced drilling technologies
- Increased revenue from Intelligent Wellhead Systems, driven by increased use of technology in completions market
- Revenue growth from Energy Toolbase, driven by growing demand for energy storage solutions

Pason has demonstrated our ability to outpace underlying drilling activity



# Capital Allocation Priorities

## 1 Preserve Balance Sheet Strength

- Managing end market cyclicality with operating leverage
- Ability to pursue attractive growth opportunities

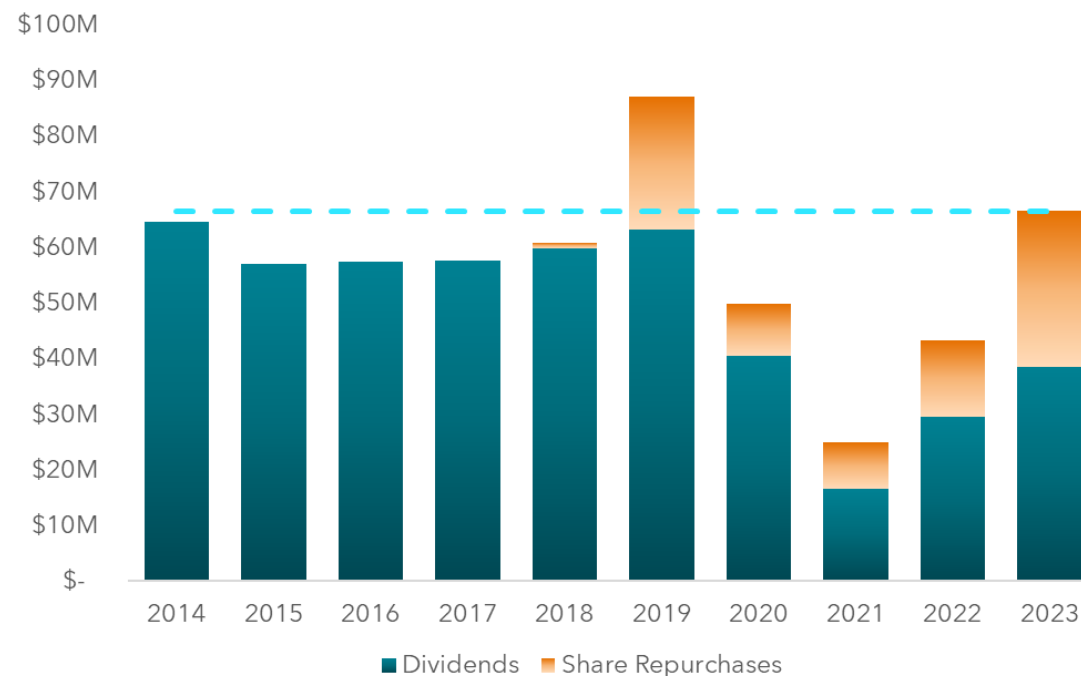
## 2 Disciplined and Sustainable Shareholder Returns

- Exposure to steady growth in the quarterly dividend
- **Current quarterly dividend of \$0.52/share annualized**
- Normal Course Issuer Bid in place since 2018

## 3 Maintain Flexibility to Maximize Returns Over Time

- Share repurchases evaluated in the context of growth opportunities

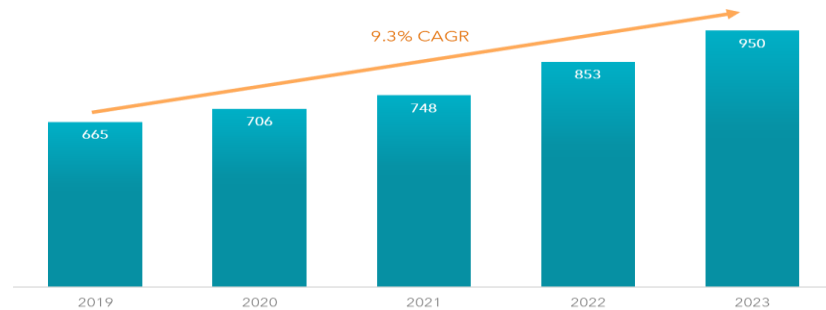
Shareholder Returns Over Time



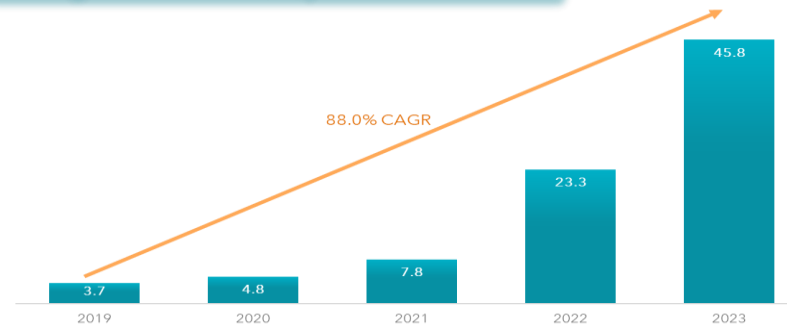
# Well Positioned for Meaningful Growth

## Significant Momentum with Revenue Growth Opportunities...

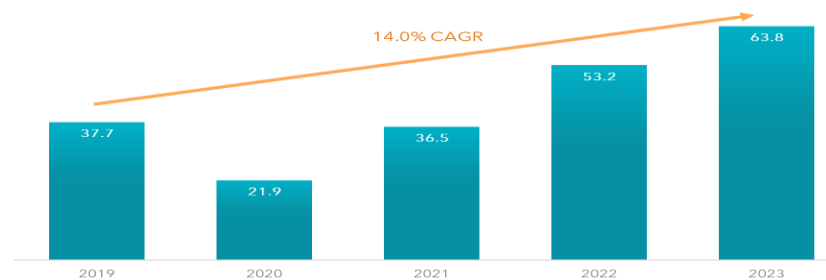
North American Revenue per Industry Day<sup>1</sup>



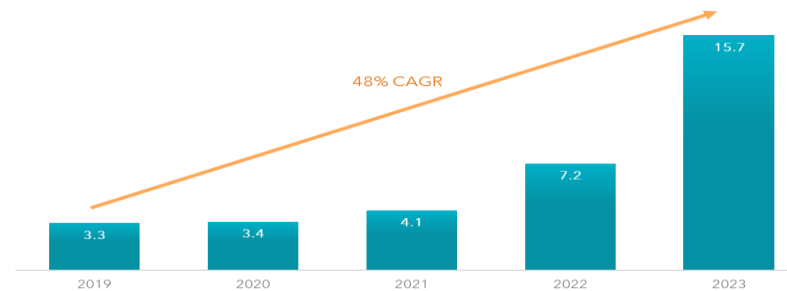
Intelligent Wellhead Systems Revenue



International Drilling Revenue



Energy Toolbase Revenue



**+ operating leverage**

**+ stable capital intensity**

1. Revenue per Industry Day is defined as the total revenue generated from the North American Drilling segment over all active drilling rig days in the North American market. Drilling rig days are calculated by using accepted industry sources.



# Value Proposition Summary



**Innovative**



**Profitable**



**Responsible**

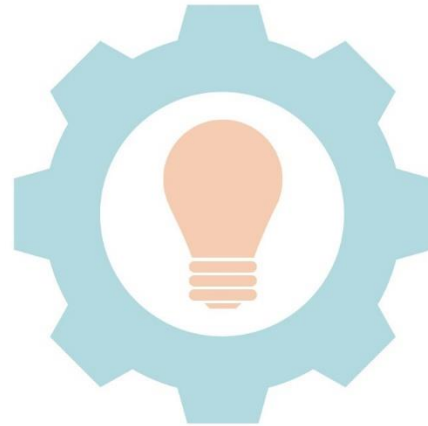
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# Appendix



# Historical Financial Information

<i>\$CAD 000s</i>	2018	2019	2020	2021	2022	2023
<b>Revenue</b>	306,393	295,642	156,636	206,686	334,998	<b>369,309</b>
<b>Adjusted EBITDA <sup>1</sup></b>	145,987	129,644	39,540	72,520	159,510	<b>171,466</b>
<i>as a % of revenue</i>	48%	44%	25%	35%	48%	<b>46%</b>
<b>Investments in R&amp;D and IT <sup>2</sup></b>	31,462	32,164	27,468	32,903	38,066	<b>42,348</b>
<i>as a % of revenue</i>	10%	11%	18%	16%	11%	<b>11%</b>
<b>Funds flow from operations</b>	128,544	111,718	40,560	67,728	134,885	<b>154,472</b>
<b>Cash from operating activities</b>	107,177	108,547	58,583	65,061	104,414	<b>135,033</b>
<b>Net Capital expenditures <sup>3</sup></b>	21,655	22,593	4,719	9,950	33,941	<b>38,002</b>
<b>Free Cash Flow <sup>1</sup></b>	85,522	85,954	53,864	55,111	70,473	<b>97,031</b>
<b>Dividends paid</b>	59,785	63,100	40,420	16,567	29,473	<b>38,535</b>
<b>Share repurchases</b>	921	24,040	9,478	8,432	13,786	<b>27,939</b>
<b>Total Cash <sup>4</sup></b>	203,838	161,016	149,282	158,283	172,434	<b>171,773</b>
<b>Working capital</b>	256,153	183,769	167,366	184,083	213,899	<b>212,561</b>
<b>Total interest bearing debt</b>	-	-	-	-	-	<b>-</b>

1. As defined in the following slide 'Non-GAAP Reconciliation'

2. Includes both expensed and deferred development costs. Adjusted EBITDA includes the impact of expensed R&D and IT costs

3. Includes additions to property, plant, and equipment and development costs, net of proceeds on disposal from Pason's Consolidated Statement of Cash Flows

4. Total Cash is defined as total cash and cash equivalents and short-term investments from Pason's Consolidated Balance Sheets

# Non-GAAP Reconciliation



<b>\$CAD 000s</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Net income (loss)</b>	62,944	53,803	5,134	31,925	105,726	<b>95,827</b>
<b>Add:</b>						
Income taxes	29,158	20,193	4,864	11,738	33,405	<b>34,346</b>
Depreciation and amortization	34,855	40,830	34,417	25,689	20,842	<b>27,216</b>
Stock-based compensation	12,313	10,840	4,840	11,523	15,230	<b>11,718</b>
Net interest (income) expense	-	(903)	(867)	1,526	(4,937)	<b>(14,394)</b>
<b>EBITDA</b>	<b>139,270</b>	<b>124,763</b>	<b>48,388</b>	<b>82,401</b>	<b>170,266</b>	<b>154,713</b>
<b>Add:</b>						
Foreign exchange (gain) loss	7,682	2,199	1,113	(2,011)	(2,024)	<b>16,758</b>
Derecognition of onerous lease	-	4,289	(5,757)	-	-	-
Government wage assistance	-	-	(9,941)	(8,208)	-	-
Reorganization costs	-	-	5,554	-	-	-
Net monetary gain	-	(2,887)	(1,874)	(496)	(1,849)	<b>(2,832)</b>
Put option revaluation	-	-	-	381	(5,815)	<b>(149)</b>
Other	(965)	1,280	2,057	453	(1,068)	<b>2,976</b>
<b>Adjusted EBITDA</b>	<b>145,987</b>	<b>129,644</b>	<b>39,540</b>	<b>72,520</b>	<b>159,510</b>	<b>171,466</b>
<b>Free Cash Flow</b>						
<b>Cash from operating activities</b>	107,177	108,547	58,583	65,061	104,414	<b>135,033</b>
<b>Less:</b>						
Net additions to property, plant, & equipment	(17,190)	(20,868)	(4,228)	(9,267)	(33,448)	<b>(36,901)</b>
Deferred development costs	(4,465)	(1,725)	(491)	(683)	(493)	<b>(1,101)</b>
<b>Free Cash Flow</b>	<b>85,522</b>	<b>85,954</b>	<b>53,864</b>	<b>55,111</b>	<b>70,473</b>	<b>97,031</b>