



# Helmerich & Payne, Inc.

January 2024

*Financial data as of 09/30/2023; other data and year-to-date references are as of 11/08/2023 unless otherwise noted.*



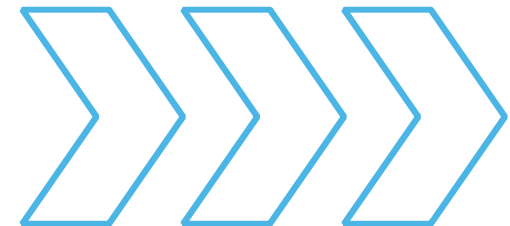


# Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of securities laws. All statements other than statements of historical facts included in this presentation, including without limitation, statements regarding our future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “predict,” “project,” “target,” “continue,” “commit,” or the negative thereof or similar terminology. Forward-looking statements are based upon current plans, estimates, and expectations that are subject to risks, uncertainties, and assumptions. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates, or expectations will be achieved. These forward-looking statements include, among others, such things as: estimates of revenues, market share, income, earnings per share, cost savings, returning cash to stockholders through dividends (established and supplemental) or share repurchases, or capital structure; our business strategy and underlying assumptions; the amount and nature of our future capital expenditures and how we expect to fund our capital expenditures, and the number of rigs we plan to construct, modify or acquire; the volatility of future oil and natural gas prices; the effects of actions by, or disputes among or between, members of the Organization of Petroleum Exporting Countries and other oil producing nations with respect to production levels or other matters related to the price of oil and natural gas; changes in future levels of drilling activity and capital expenditures by our customers, whether as a result of global capital markets and liquidity, changes in prices of oil and natural gas or otherwise, which may cause us to idle or stack additional rigs, or increase our capital expenditures and the construction, modification or acquisition of rigs; the ongoing effect and impact of public health crises, such as the coronavirus pandemic, and the pace of the economic recovery and any expectations we may have with respect thereto; changes in worldwide rig supply and demand, competition, or technology; possible cancellation, suspension, renegotiation or termination (with or without cause) of our contracts as a result of general or industry-specific economic conditions, mechanical difficulties, performance or other reasons; expansion and growth of our business and operations; global economic conditions and inflationary pressures; our belief that the final outcome of our legal proceedings will not materially affect our financial results; impact of federal and state legislative and regulatory actions, affecting our costs and increasing operation restrictions or delay and other adverse impacts on our business; environmental or other liabilities, risks, damages or losses, whether related to storms or hurricanes (including wreckage or debris removal), collisions, grounding, blowouts, fires, explosions, other accidents, terrorism or otherwise, for which insurance coverage and contractual indemnities may be insufficient, unenforceable or otherwise unavailable; our financial condition and liquidity; tax matters, including our effective tax rates, tax positions, results of audits, changes in tax laws, treaties and regulations, tax assessments and liabilities for taxes; potential long-lived asset impairments; and our sustainability strategy, including expectations, plans, or goals related to corporate responsibility, sustainability and environmental matters, and any related reputational risks as a result of execution of this strategy. Important factors that could cause actual results to differ materially from our expectations or results discussed in the forward-looking statements are disclosed in our 2023 Annual Report on Form 10-K under Item 1A— “Risk Factors,” as well as in Item 7— “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and additional factors we may described from time to time in other filings with the Securities and Exchange Commission. You may get such filings for free at our website at <https://www.helmerichpayne.com/>. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by such cautionary statements. Because of the underlying risks and uncertainties, we caution you against placing undue reliance on these forward-looking statements. We assume no duty to update or revise these forward-looking statements based on changes in internal estimates, expectations or otherwise, except as required by law.

## Market & Industry Data

The data included in this presentation regarding the oil field services industry, including trends in the market and the company's position and the position of its competitors within this industry, are based on the company's estimates, which have been derived from management's knowledge and experience in the industry, and information obtained from customers, trade and business organizations, internal research, publicly-available information, industry publications and surveys and other contacts in the industry. The company has also cited information compiled by industry publications, governmental agencies and publicly-available sources. Although the company believes these third-party sources to be reliable, it has not independently verified the data obtained from these sources and it cannot assure you of the accuracy or completeness of the data. Estimates of market size and relative positions in a market are difficult to develop and inherently uncertain and the company cannot assure you that it is accurate. Accordingly, you should not place undue weight on the industry and market share data presented in this presentation.



We use our Investor Relations website at <https://www.helmerichpayne.com/> as a channel of distribution for material company information. Such information is routinely posted and accessible at such site.



## H&P TODAY Founded IN 1920



Based in Tulsa, OK with operations in all major U.S. onshore basins as well as in South America, Australia and the Middle East.

**H&P** is recognized as the industry leader in unconventional drilling solutions as well as technological innovation.

**H&P** operates in 3 segments (% of revenue at 09/30/23)

- North America Solutions ~88% market leader in U.S.
- International Solutions ~8% opportunistic growth
- Offshore Gulf of Mexico ~4% cash flow generator

Our customer centric unconventional drilling solutions approach combines the operational excellence of our FlexRig® fleet and processes, our automation software, and our experienced people and strong culture to help deliver better drilling outcomes.

**H&P** is leading the evolution of commercial models in order to better align economic benefits and outcomes.

Committed to conservative financial practices and returns to shareholders, including carrying a low amount of debt, maintaining strong liquidity, adhering to prudent capital allocation, and a long-standing annual dividend.

- Debt-to-cap is ~16% with no debt maturities until 2031
- Investment grade credit rating – rare in oil service industry
- ~\$1.1 billion in liquidity; ~\$351 million of cash and short-term investments at September 30, 2023; no amounts drawn on \$750 million credit facility
- Annual established base dividend of \$1/share plus planned fiscal 2024 supplemental dividend of \$0.68/share ; current yield of ~4-5%



## FOCUSED ON ENHANCING RETURNS

- **Increased NAS direct margins<sup>(1)</sup> over 100% in FY22<sup>(2)</sup> and 39% in FY23<sup>(2)</sup>**
- **Driving up revenue/day & direct margin/day:**
  - Target of > \$35k/day in revenue/day in NAS
  - Mid-teen ROIC/ROCE goal
  - Reducing capital intensity on revenue generated
- **Returning cash to shareholders:**
  - Returned ~\$449M to shareholders throughout FY23
    - Repurchased ~\$247M of shares
    - Paid and declared ~\$202M in dividends
  - ~10% of market cap returned in FY23<sup>(3)</sup>
- **International expansion:**
  - Moved rigs to Middle East hub – recently received one rig tender award with Saudi Aramco
  - Moved rig to Australia – operations commenced Aug '23

(1) Direct margin, which is considered a non-GAAP metric, is defined as operating revenues less direct operating expenses and is included as a supplemental disclosure as we believe it is useful in assessing and understanding our current operational performance, especially in making comparisons over time.

(2) FY22 increase measured 4QFY21 to 4QFY22; FY23 increase measured Q4FY22 to Q4FY23

(3) Market cap as of 9/30/2023.



# H&P's Winning Strategy

## Global Drilling Solutions Provider

- Focus on **Customercentricity**
- **Evolve commercial model** to be customer centered and value driven
- Continue to be an **industry leader in technology automation** adoption and differentiation
- **International expansion**
- Maintain **capital focus**
- Continued focus on **cost management**
- **Adapt** to changing market conditions and maintain **solid financial foundation**





# Differentiated from Land Drilling Peers

- Strategic advantages – innovation, economies of scale, operational efficiency, financial flexibility, and risk reduction
- Changing the commercial model – H&P provides distinctive value to customers
- Uniform design of FlexRig<sup>®</sup> fleet
  - Highly trained workforce
  - Safety leadership
  - Drives lower maintenance cost, higher performance & superior uptime
  - Standardized FlexRig<sup>®</sup> fleet operating system provides a digital platform
  - Supports better reliability and consistency needed for a 'manufacturing' drilling environment
- Leading technology solutions for wellbore quality and placement
- Investments made in people, rigs and technology create a business partner uniquely positioned to enable change and help enhance customer returns



# H&P Global Rig Fleet



**Super-Spec Rigs Represent  
99% of Total NAS Fleet**



	Rigs Available	Rigs Contracted <sup>(1)</sup>	% Contracted
<b>North America Solutions</b>	<b>233</b>	<b>147</b>	<b>63%</b>
Super-Spec FlexRig <sup>®</sup> Fleet	231	145	63%
Other AC-Style FlexRig	2	2	100%
<b>International Solutions</b>	<b>22</b>	<b>13</b>	<b>59%</b>
South America <sup>(2)</sup>	17	10	59%
Super-Spec FlexRig <sup>®</sup> Fleet	9	9	100%
Upgradeable AC FlexRig	3	0	0%
Other AC\SCR Style Rigs	5	1	20%
Middle East	4	2	50%
Australia	1	1	100%
<b>Gulf of Mexico Offshore</b>	<b>7</b>	<b>3</b>	<b>43%</b>
<b>Total Fleet</b>	<b>262</b>	<b>163</b>	<b>62%</b>

- **H&P** has the largest fleet of super-spec rigs in the U.S.
- Industry utilization of super-spec rigs that have worked since May 2020 expected to remain high, ~83%
- Net PP&E on balance sheet consists primarily (over 85%) of super-spec carrying value

(1) Rig count as of 11/08/23

(2) 12 rigs in Argentina (9 super-spec and 3 upgradeable) and 5 rigs in Colombia (5 AC/SCR)

Source: Company reports



# Benefits of Long Economic Life Assets

## Long economic life exceeds accounting life

- Weighted average accounting life is 15 years for a super-spec FlexRig<sup>®</sup> drilling rig, but economic life is ~30 years
- Major rig assemblies – mast and substructure, have long economic lives (~30 years)
- Major rig components – well control, top-drives, engines, etc., have shorter economic lives (5-10 years), but are regularly refurbished via maintenance capex thereby extending economic life
- Many years available in which to generate additional returns; average life of current fleet is ~11 years

## H&P's super-spec FlexRig<sup>®</sup> fleet has many years of economic life remaining

- Maintenance capex – for fiscal '24 expected to be slightly above the fiscal '23 range of \$1.1M - \$1.3M per active rig
- Walking conversions dependent upon customer demand

## The design of H&P's super-spec FlexRig<sup>®</sup> fleet

- Designed around safety and performance
- Built to meet the needs of unconventional drilling

## H&P has a super-spec balance sheet

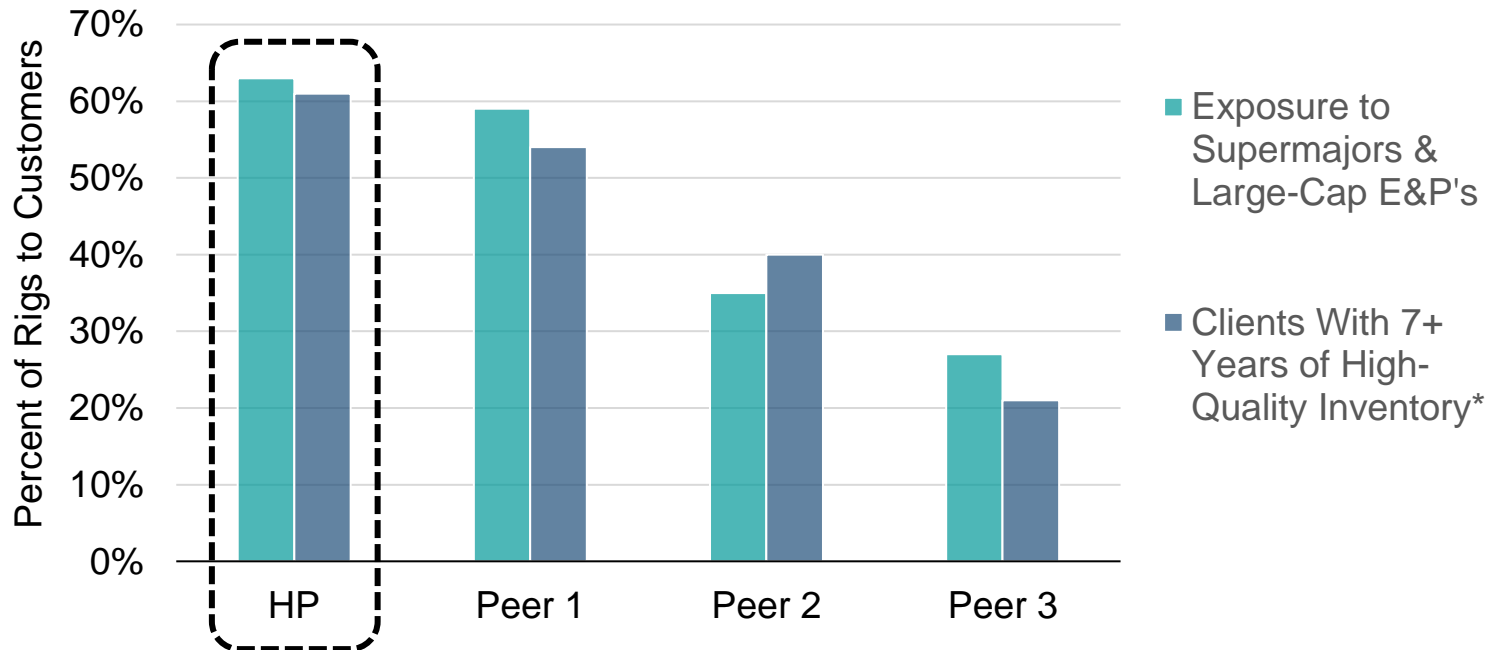
- Vast majority of H&P's net PP&E are super-spec rigs





# Drilling Contractors' E&P Clients

## *H&P's customers hold long lives of high-quality inventory*



- H&P has the largest percentage of rig fleet with super majors and large E&P's; those customers tend to have more of the highest quality\* acreage
- The relationship between driller and E&P tends to be 'sticky' overtime
- H&P well positioned with E&P's focused on prudent capital deployment

\* High-Quality Inventory defined as locations that breakeven below \$50/bbl and \$2.50/MMBtu  
Source: Enverus Intelligence Research

# Evolving Commercial Model – Providing Value with Performance

## H&P has a long track record of providing value to customers:

- The commercial model must evolve to ensure a reasonable rate of return
- Historically, day-rate model does not adequately compensate for value being derived in well cost savings and productivity gains
- Incorporating more services and solutions into a rig day-rate model is a losing proposition in the long-term for land drillers
- New commercial model focusing on customer solutions – performance-based contracts

## H&P is an industry leader in performance-based contracts:

- ~50% of H&P contracts are performance-based
- Performance-based contracts integrate H&P's technologies that help achieve the desired customer outcome
- Such contracts add roughly \$1K -\$2K/day to direct margins

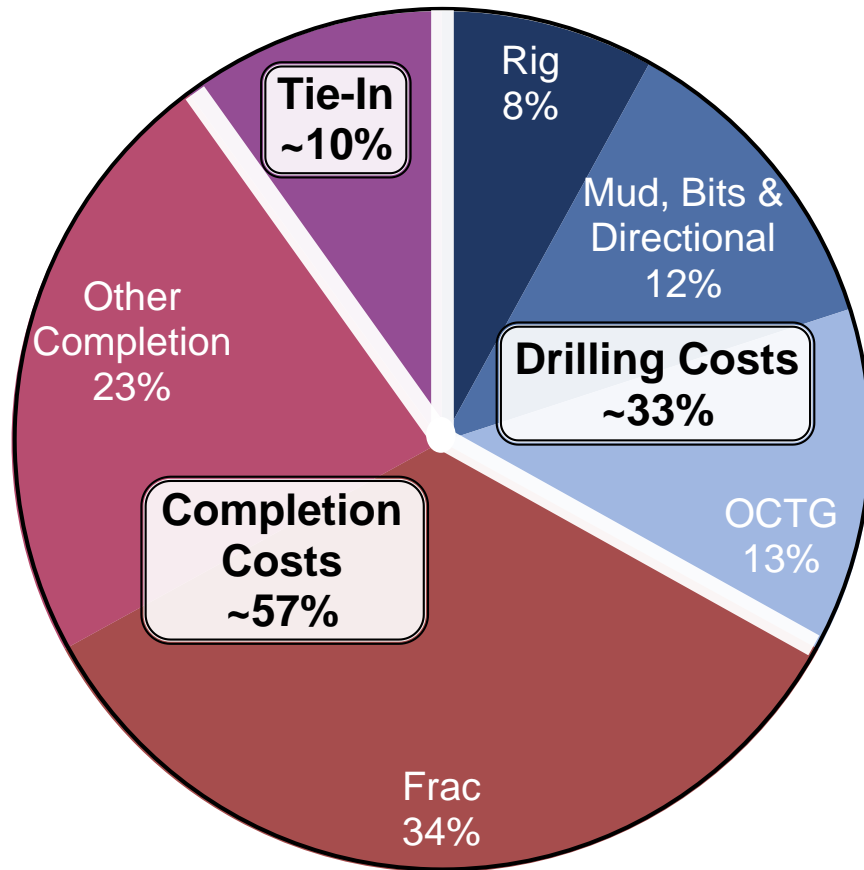


**H&P  
DELIVERS OUTCOMES,  
NOT JUST A RIG**



# Performance Not Rate Impactful to Well Cost

## Estimated Total Well Costs



- **Drilling costs are not synonymous with rig rates**
  - other drilling costs (OCTG, Mud, Bits and Directional) more impactful to overall well cost
- **H&P's rigs, technology and crews help provide E&Ps the first opportunity to lower total cost of well ownership**
  - **Lower Cost:**
    - rig performance, not rates can greatly impact total well costs
    - reduce daily spread costs (rig rate and other per day drilling costs) of \$80k-\$100k/day
    - efficiency gains – during past 12 years the avg. days of drilling a well has decreased by ~30% while well lateral length has increased by ~125%
  - **Consistency:**
    - contributes to lower overall well cost risk by helping mitigate the risk of costly outliers in well program
  - **Wellbore Quality and Placement:**
    - can reduce completion costs
    - can enhance overall well returns
- **Higher rig economics required**
  - In the past four years, driller average opex\* up from ~\$14,600/day in 3Q19 to over \$19,600/day 3Q23

\* Represents average daily opex for HP, PTEN, NBR, PDS

Sources: Enverus, Spears & Associates, Company data

# Benefits of Allocating Capital Internationally



## Taking industry leading unconventional drilling expertise, consisting of rigs, technology, people and processes, to emerging unconventional plays around the globe

- **Diversification from U.S. and outlet for super-spec FlexRig® fleet capacity**
  - Exporting U.S. rigs for appropriately scaled opportunities offers growth
- **Ability to have positive impact on overall Company financial returns**
- **Middle East hub**
  - Establish presence in a region with high concentration of drilling activity from a variety of customers
  - Have rigs readily available to meet customer demand, making H&P more competitive in the region
  - Serve as a basis for further growth opportunities
- **Investments and alliances**
  - ADNOC Drilling – stable dividend stream with additional revenue opportunities
  - Tamboran Resources – first super-spec rig utilized in Australia

# Steppingstones – International Unconventional Drilling

- **Recent rig awards and operations, while relatively small, represent paths towards larger unconventional drilling growth opportunities**
- **Received a one rig award with Saudi Aramco**
  - First time the Company has contracted a rig in Saudi Arabia
  - Expected to commence operations second half of calendar 2024
- **Commenced drilling operations with Tamboran Resources in Australia**
- **H&P plans to build off its expertise in drilling efficiencies and in providing value-added drilling solutions**

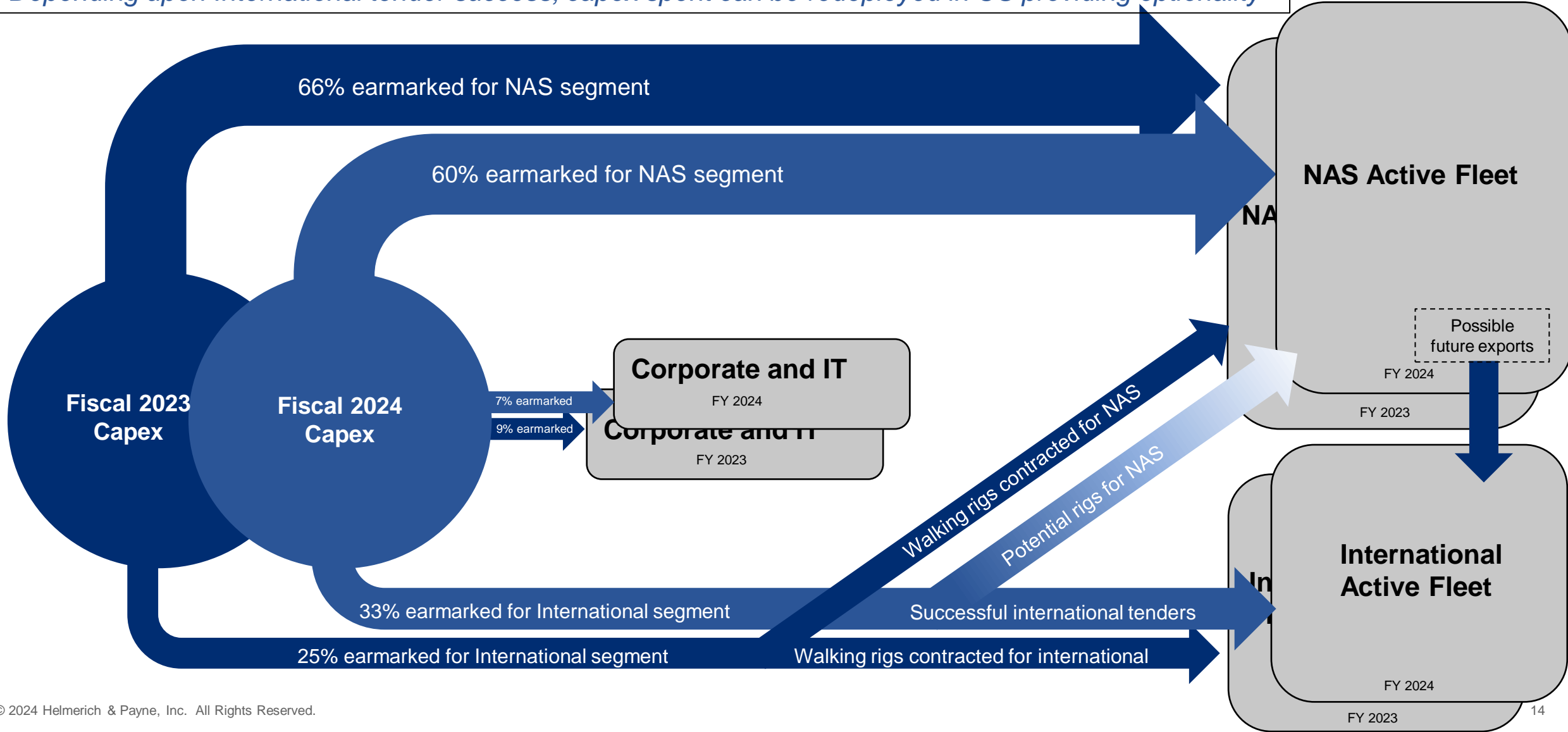






# Earmarked International Capex Has Optionality – Lowers Risk

Depending upon International tender success, capex spent can be redeployed in US providing optionality





# H&P's Commitment to Capital Allocation

**CASH FLOW  
FROM  
OPERATIONS**

**CAPITAL  
ALLOCATION**

## **RETURNS TO SHAREHOLDERS**

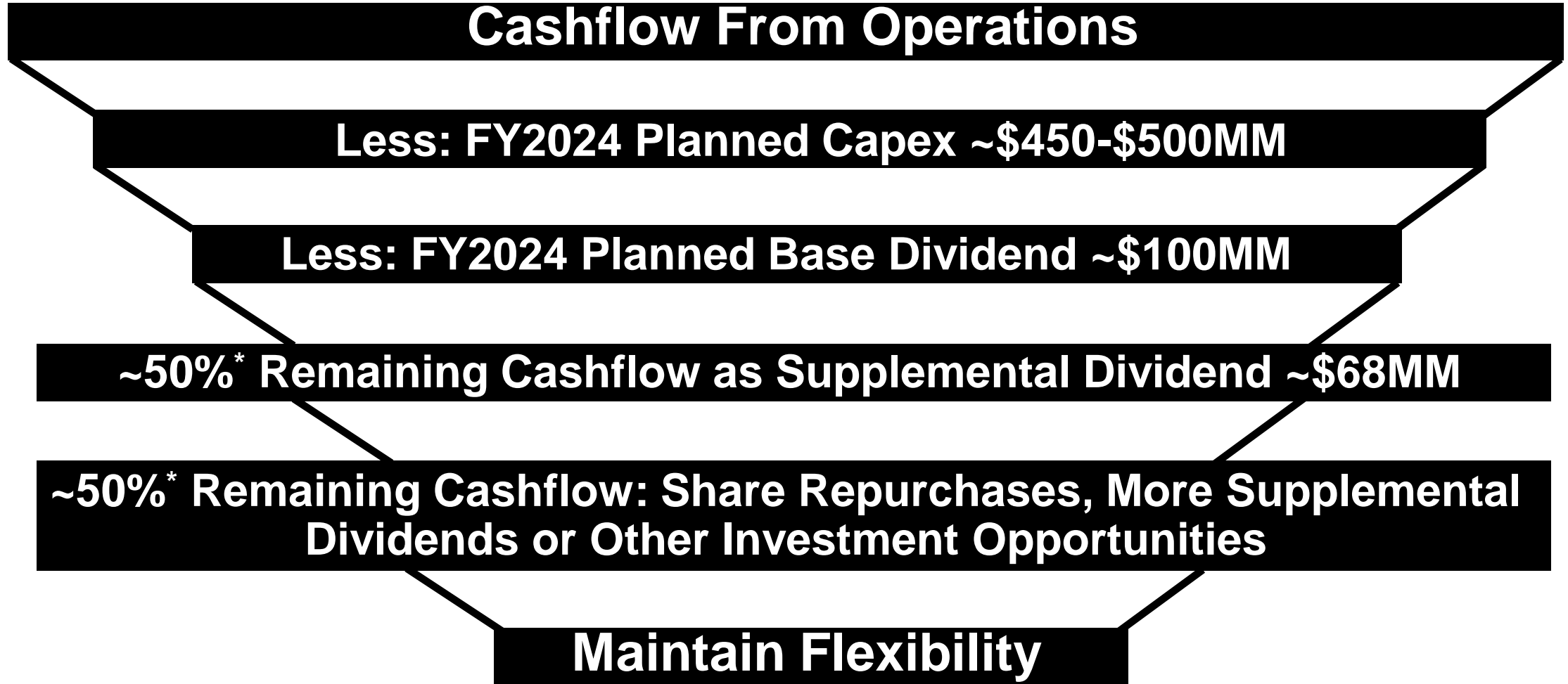
- Established base dividend
- Supplemental dividends
- Opportunistic share repurchases (4 million share evergreen repurchase authorization per calendar year)

## **CAPITAL EXPENDITURES**

- Maintenance – moves with active rig count
- Reactivation of idle rigs based on demand
- Walking conversions based on demand
- International – will vary based on opportunity set
- Investment opportunities (target mid-to-high teen ROIC)

## **STRONG FINANCIAL POSITION**

- Working capital needs (prefer \$200M cash balance)
- Commitment to maintaining current investment grade credit ratings (leverage of less than 2.0 times)
- Service debt and taxes

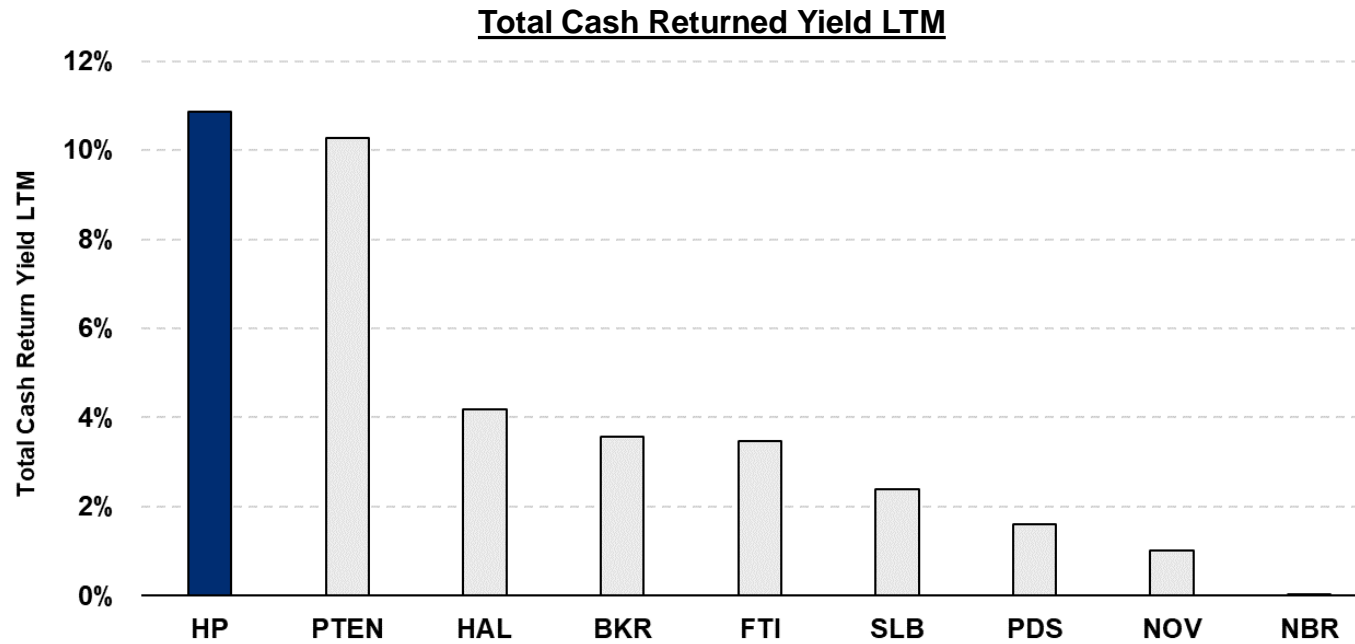


\* Percentage is not formulaic; percentages of cashflow and amounts of supplemental dividends for future periods, if any, may vary from year-to-year based upon market conditions and the Company's operational and financial performance and other investment opportunities.



# 2023 Supplemental Shareholder Return Plan – Executed Well

- During fiscal year 2023, H&P returned approximately \$450 million of capital to shareholders – \$104M base dividend, \$98M supplemental dividend, \$249M in share repurchases
- Maintaining flexibility in both the amount of and method used (base dividend vs. supplemental dividend vs. share repurchases) is important to allocating capital efficiently

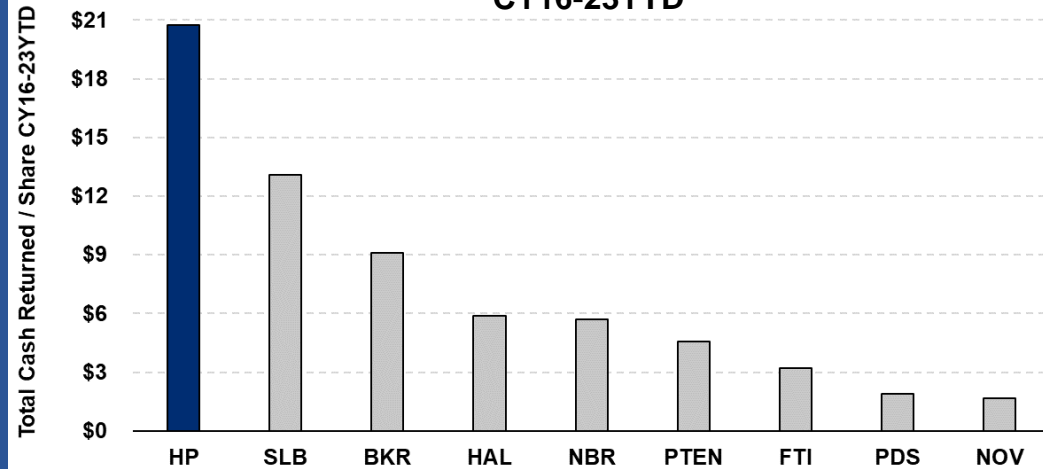


Cash Return Yield = (Dividends + Share Repurchases) / Avg. Market Capitalization  
Data in chart reflects CY22Q3-CY23Q3



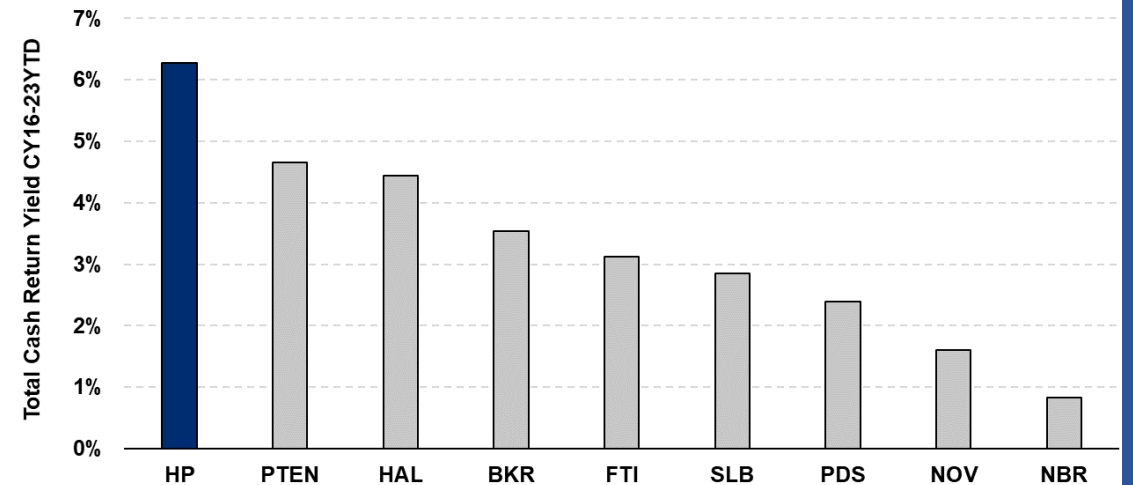
# Leading Shareholder Returns

### Total Cash Returned Per Share CY16-23YTD



*Already Leader in Providing Shareholder Returns*

### Total Cash Returned Yield CY16-23YTD



*Supplemental Shareholder Return Plan  
Further Enhances Returns*



Cash Returned Per Share = (Dividends + Share Repurchases) / Avg. Shares Outstanding

Cash Return Yield = (Dividends + Share Repurchases) / Avg. Market Capitalization

Data is based upon the respective 12-month period for each operational year – fiscal and calendar

\* NBR and PDS total cash returned per share shown pro forma for reverse stock splits of 1-for-50 and 1-for-20, respectively, for the time period presented.





# H&P – Compelling Energy Investment

28 Energy Companies in S&P 600 Index

13 OFS, 8 E&Ps, 5 Refining & Marketing, 2 Other

## H&P Stands Out

### Balance Sheet Strength

- H&P ranks in top quartile in debt-to-cap at ~16%; average ~38%

### Cash Returns to Shareholders

- Only 13 of 28 are dividend payers of which H&P is one and among highest yields

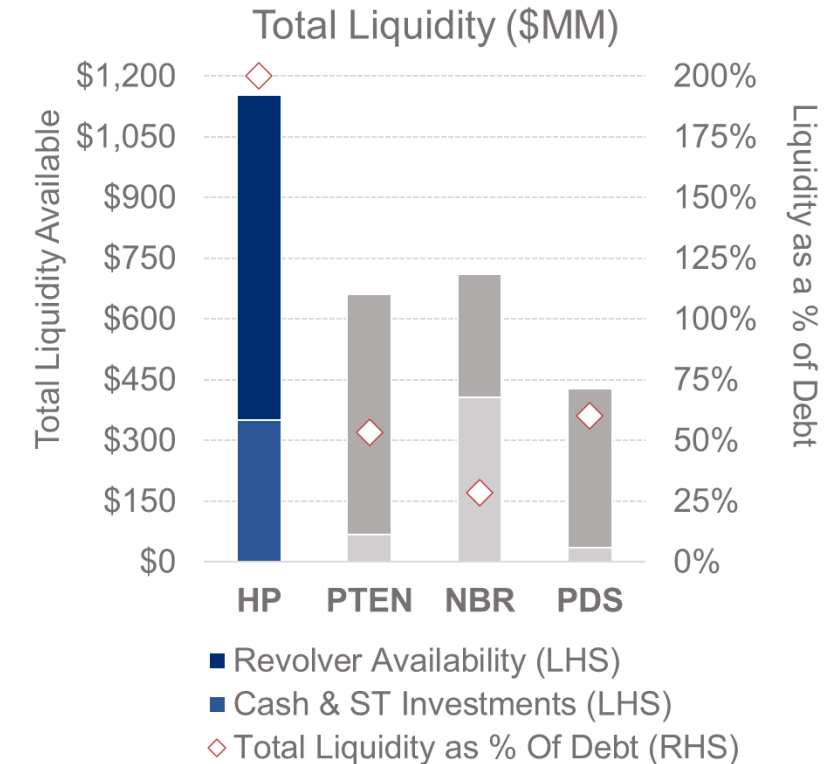
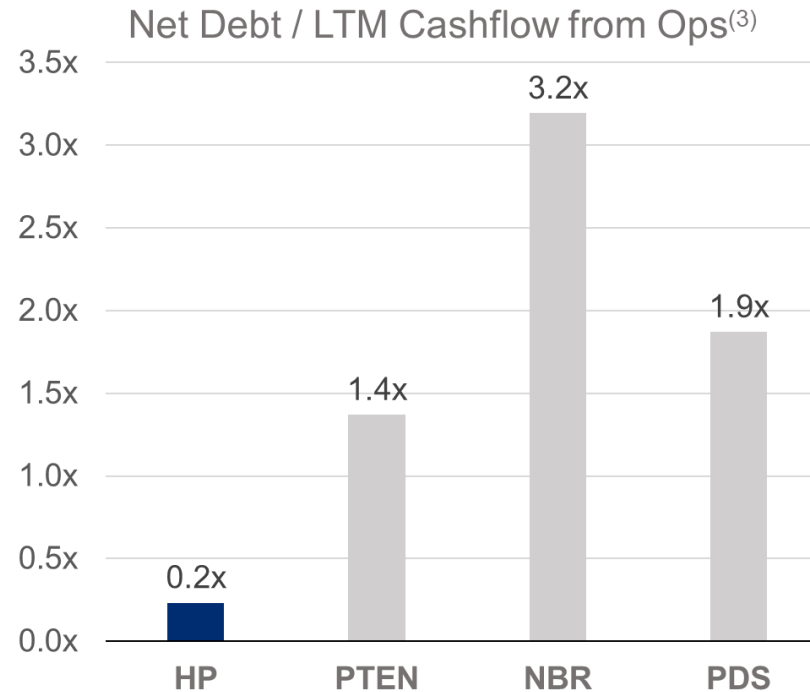
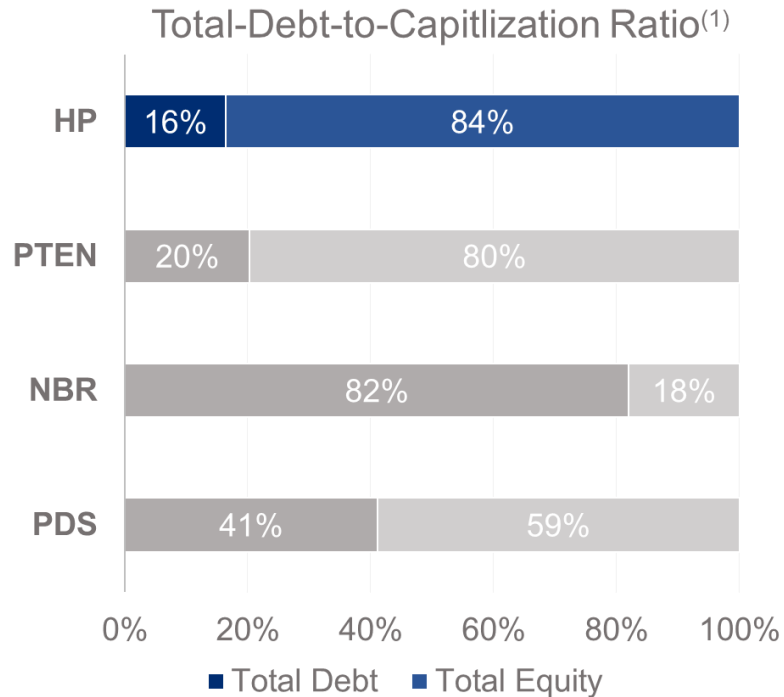
### Size and Scale

- Average market cap for energy companies in S&P 600 is ~\$2.1 billion; H&P at ~\$3.6 billion is 5<sup>th</sup> largest
- Stock liquidity<sup>(1)</sup> in-line with OFS average

(1) Stock liquidity measured as 30-day average volume divided by total shares outstanding  
Data as of 11/30/2023  
Source: Bloomberg



# Conservative Capital Structure



- **Solid balance sheet stewardship with lowest debt load among land drilling peers**
- **Investment grade rating of Baa1/BBB+<sup>(2)</sup> (Stable / Stable)**

- **Prudent balance sheet through the cycles provides optionality**
- **One \$550 million public bond with maturity in 2031**

- **H&P retains financial flexibility even in severe market conditions**
- **H&P liquidity amounts to 2.0x total debt outstanding**

(1) Total capitalization is defined as total financial debt (excluding non-controlling interests) plus shareholders' equity.

(2) Ratings by Moody's and Standard & Poor's, respectively. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

(3) Net debt shown as financial net debt and excludes non-controlling interests, from company filings. Peer company figures sourced from public filings over past 12 months ended 09/30/23.

(4) Liquidity shown as cash, cash equivalents and short-term investments and available revolver capacity less letters of credit



# ROOTED IN OUR CORE VALUES DO THE RIGHT THING

H&P continues to refine and evolve its sustainability strategy. Implementing, executing and monitoring the strategy is multi-faceted, spanning across various disciplines within our Company. It is incumbent on us to understand and control the environmental, social and governance (ESG) aspects of our business and the impacts it has on our stakeholders, including shareholders, employees, customers and the communities where we live and work.





# Reducing Carbon Footprint – Operating and Investing

## OPERATING

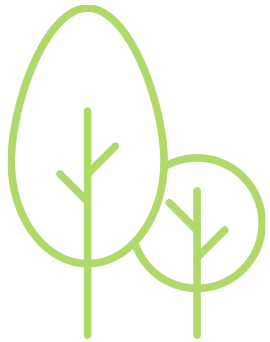
- Drilling efficiencies – operational and technological expertise
- Engine management – optimizing engine output to operational power demand
- Alternative power sources for customers – natural gas, high-line electrical, battery

## INVESTING

- Geothermal
  - Using drilling and technological expertise for operational optionality
  - Supporting baseload power source alternative
  - 6 investments in companies pursuing unconventional geothermal resources with enhanced geothermal and closed-loop systems
  - Drilled the first horizontal geothermal well in the U.S.
- Natural gas/LNG
  - Investment in Galileo Technologies – modular LNG creating a virtual pipeline
  - Investment in Tamboran Resources – natural gas development in Australia

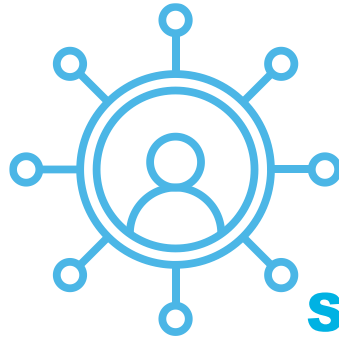


## WE ARE FOCUSED ON UNDERSTANDING OUR IMPACTS AND ULTIMATELY DEVELOPING STRATEGIES ROOTED IN OUR CORE VALUES TO MANAGE THEM



### ENVIRONMENTAL

- **Environmental Stewardship**
  - Geothermal Investments
- **Drilling Solutions**
  - Technologies
  - Data Utilization
- **Emission Reduction**
  - Power Management
  - Alternative Fuel Options
- **Environmental Actively C.A.R.E. Goal**



### SOCIAL

- **Health & Safety**
  - SIF Focus
  - Actively C.A.R.E. Safety Goals
- **Diversity, Equity & Inclusion**
  - Human Capital
  - Education and Training
  - Human Resource Groups
- **Community**



### GOVERNANCE

- **Board Oversight**
- **Governance Structure**
- **Ethics and Compliance**
  - Regular training
- **Risk Management**





## Issued December 2023

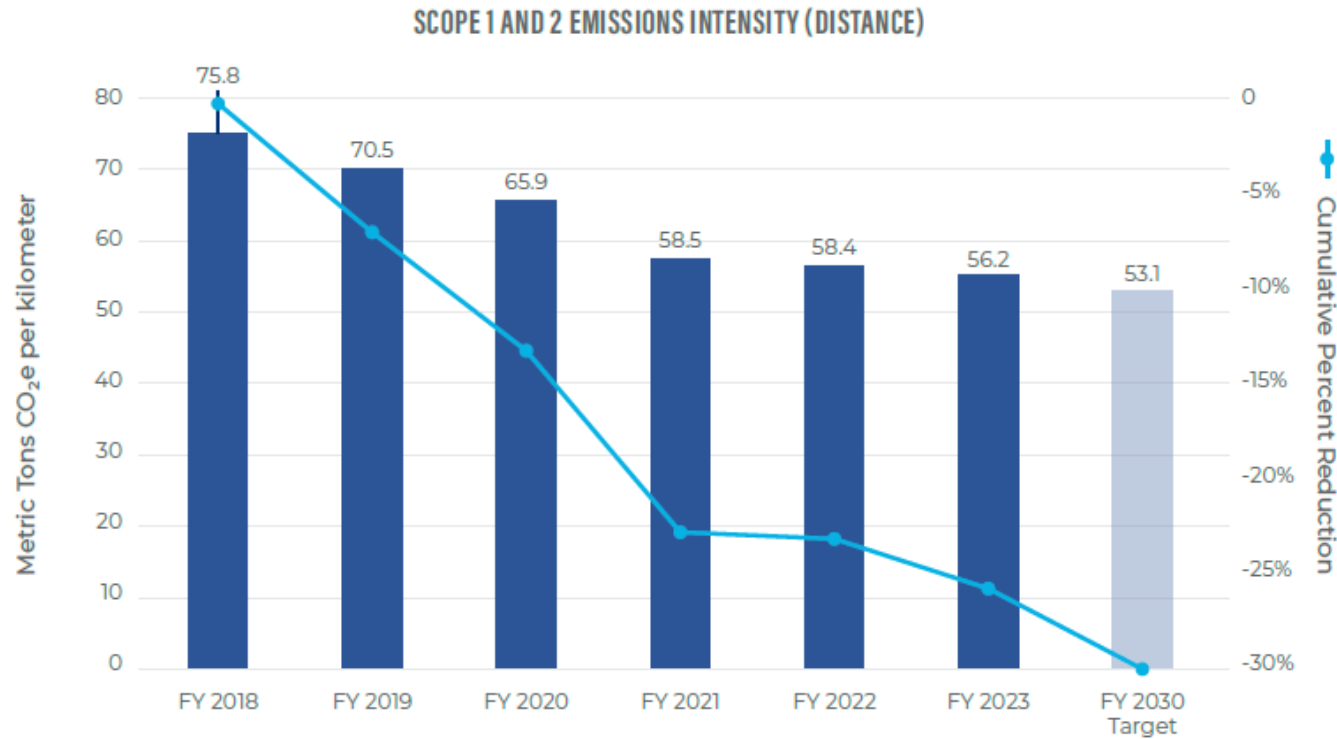
### Highlights – Provides:

- Environmental management and oversight practices
- Strong use of data to report over 40 environmental metrics, including Scope 1 & 2 emissions data
- Includes quantitative scenario analysis to test risks and opportunities
- Environmental goal setting – new goals established for 2024 and 2030
- Safety management and oversight practices – Serious Injury & Fatality (SIF) Prevention
  - Safety Actively C.A.R.E. Goals
  - H&P history of safety leadership and culture discussed
  - Safety metrics and data
- Employee focus, including the importance of a diverse, engaged, healthy, and safe workforce to H&P's ongoing success
- Alignment to leading reporting standards – SASB, TCFD, GRI

\* Intend to publish new report each December



# H&P CO<sub>2</sub> Emissions

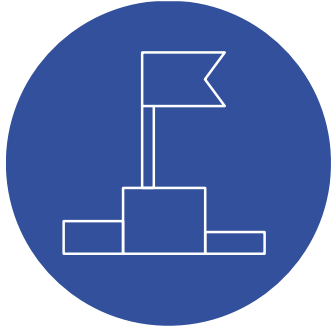


- H&P has a history of taking thoughtful and methodical approaches to solving problems and working with customers to optimize solutions
- H&P scope 1 and 2 CO<sub>2</sub>e emissions per kilometer drilled have reduced by approximately ~25% since FY2018
- We remain focused on reducing the impacts most associated with climate change

Emissions measured, calculated, or estimated utilizing methods from the GHG Protocol Corporate Standard with emissions factors as defined by the EPA and other sources; Includes all emissions associated with H&P operations as listed by the operational control boundary definition; CO<sub>2</sub>e includes all greenhouse gases listed by the EPA and calculated by utilizing equivalency factors as defined by the EPA; Rig engine CO<sub>2</sub>e emissions calculated using Original Equipment Manufacturer (OEM) emissions specifications from engine load and/or amount of fuel consumed; Fleet vehicle emissions calculated from fuel purchase data and/or fuel economy estimates for mileage driven.

Distance drilled for NAS only; NAS revenue accounted for 88% of the total in FY2023.

Boundaries for scope 1 emissions are follows: Sources we own, rent for on-site sources, and/or control operationally which are directly related to domestic and internal (land and offshore) drilling solutions. This boundary may overlap with customer measured emissions. The emissions from our rig operations account for approximately 96% of our total emissions. These emissions are likely included in customers' Scope 1 calculations as well. In a vast majority of contracts, our customers provide the fuel needed to operate the rigs and direct our operations, significantly influencing the amount of emissions generated by our rigs.



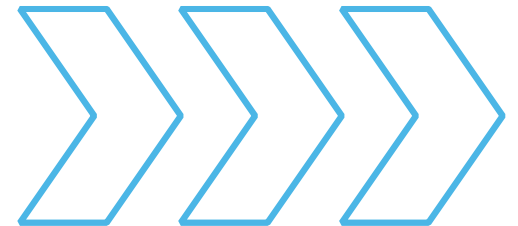
## **AN INDUSTRY LEADER AS AN UNCONVENTIONAL DRILLING SOLUTIONS PROVIDER**

- Largest, Uniform and Most Capable Fleet
- Consistent Operational Excellence (Safety, Customer Satisfaction, Reliability)
- A Technology and Innovation Leader
- Financial Position and Strength
- Differentiated Business Partner



## **STRONG FINANCIAL POSITION & UNIQUE PROFILE**

- Invest Capital Wisely
- Maintain Flexible Balance Sheet
- Return Cash to Shareholders; Above Average Yield
- Investment Grade Rating (Baa1/BBB+\*; only drilling company)



\* Moody's and S&P, respectively



# Helmerich & Payne, Inc.

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Thank You for Your Interest in H&P

For more information, please visit our website at  
[www.helmerichpayne.com](http://www.helmerichpayne.com)

Contact:  
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NYSE : HP

