



# Helmerich & Payne, Inc.

October 2022

*Financial data as of 6/30/2022; other data as of 9/30/2022 unless otherwise noted.*



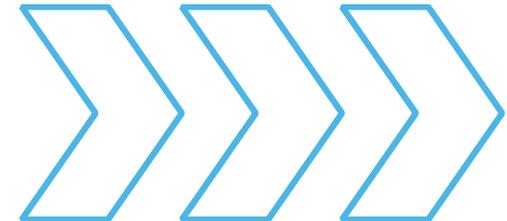


# Forward-Looking Statements

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,” 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 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 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 2021 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 and the Middle East.

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

**H&P** operates in 3 segments (% of revenue at 6/30/22)

- North America Solutions ~88% market leader in U.S.
- International Solutions ~6% opportunistic growth
- Offshore Gulf of Mexico ~6% cash flow generator

Our customer centric drilling solutions approach combines the operational excellence of our FlexRig® fleet, our software solutions, and our unique integrated business model (designing, building/upgrading, operating fleet and technology implementation).

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

Committed to conservative financial discipline 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 ~17% with no debt maturities until 2031
- Investment grade credit rating – rare in oil service industry
- ~\$1.1 billion in liquidity; ~\$333 million of cash and short-term investments at June 30, 2022; no amounts drawn on \$750 million credit facility
- Annual established base dividend of \$1/share; current yield of ~2%



## FOCUSED ON ENHANCING RETURNS

- **Increased NAS rig count ~33% in 1HFY22**
- **Substantially increasing NAS direct margins<sup>(1)</sup> in 2HFY22 <sup>(2)</sup>**
- **Driving up revenue/day:**
  - Targeting ~50% direct margins<sup>(1)</sup> in NAS with increasing pricing
  - Double-digit ROIC/ROCE goal
- **Returning cash to shareholders:**
  - Plans to provide in excess of \$200M to shareholders in FY23; inclusive of established base and supplemental dividends
  - Repurchased ~\$77M of shares at ~\$24/share in FY22
  - Paid out ~\$107M in dividends in FY22
- **International expansion:**
  - Roughly one-quarter of FY23 capex budget dedicated to International
  - Plans to move a rig to Australia in 1HFY23<sup>(3)</sup>
  - Plans to move rigs into Middle East hub in FY23

(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. Expected or targeted direct margin is provided on a non-GAAP basis only because certain information necessary to calculate the most comparable GAAP measure is unavailable due to the uncertainty and inherent difficulty of predicting the occurrence and financial statement impact of certain items based on preliminary. Therefore, as a result of the uncertainty and variability of the nature and number of adjustments, which could be significant, we are unable to provide a reconciliation of expected direct margin to the most comparable GAAP measure without unreasonable effort.

(2) Expected increase represents 2HFY22 average direct margin relative to 1HFY22 average direct margin

(3) Originally, rig was slated to move into our Middle East hub; however, timing and more immediate need in Australia resulted in its near-term prioritization. H&P still intends to move rigs into our Middle East hub.

# H&P's Winning Strategy

## Global Drilling Solutions Provider

- Evolve commercial model to be customer centered and value driven
- Continue to lead industry in technology automation adoption and differentiation
- International expansion
- Maintain capital discipline
- 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
  - Lower maintenance cost, higher performance & superior uptime
  - Better reliability and consistency needed for a ‘manufacturing’ drilling environment
  - Safety leadership
  - Standardized FlexRig<sup>®</sup> fleet operating system provides a digital platform
- 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 enhance customer returns





**Super-Spec Rigs Represent  
97% of Total Land Fleet**

	Rigs Available	Rigs Contracted <sup>(1)</sup>	% Contracted
<b>U.S. Land</b>	<b>236</b>	<b>176</b>	<b>75%</b>
Super-Spec FlexRig® Fleet	230	174	76%
Upgradeable AC FlexRig	4	0	0%
Other AC-Style FlexRig	2	2	100%
<b>International Land</b>	<b>28</b>	<b>12</b>	<b>46%</b>
Argentina	20	8	45%
Bahrain	3	1	33%
Colombia	5	3	60%
<b>Offshore</b>	<b>7</b>	<b>4</b>	<b>57%</b>
<b>Total Fleet</b>	<b>271</b>	<b>193</b>	<b>71%</b>

- **H&P** has the largest spare capacity of super-spec rigs in the U.S.
- Industry utilization of super-spec rigs that have worked since May 2020 is above 95%
- Net PP&E on balance sheet consists primarily (over 85%) of super-spec carrying value

(1) Rig count as of 9/30/22  
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 ~10 years

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

- Maintenance capex – on average \$750K-\$1M\* per active rig per year
- 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

\* For fiscal 2023 maintenance capex is expected to exceed the historic range of \$750K-\$1M per active rig per year due to making up for capital spending deferrals during the pandemic and the current inflationary environment; expect \$1.1M-\$1.3M per active rig in fiscal 2023

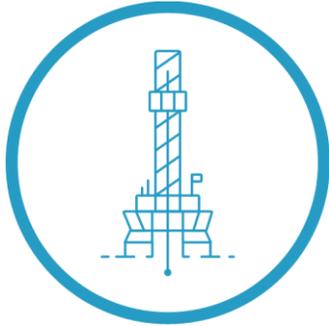


## Benefits of Allocating Capital Internationally

- **Diversification from U.S. and outlet for super-spec FlexRig® fleet capacity**
  - Exporting U.S. rigs for appropriately scaled opportunities offers growth outside of U.S.
- **Ability to have positive impact on overall Company financial returns**
- **Rig replacement cycle that has occurred in the U.S. is in the nascent stages internationally; H&P led the replacement cycle in the U.S.**
- **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; plans to export rigs in fiscal 2023
  - Serve as a basis for further growth opportunities
- **Investment and alliance with ADNOC Drilling**
  - Stable dividend revenue stream with additional revenue opportunities
- **Investment and alliance with Tamboran Resources**
  - Plan to move a rig to Australia in 1HFY23



# **H&P Offerings Create Compelling Value Opportunities for E&Ps**



## Wellbore Quality & Placement

- Optimize drilling economics to customer specifications
- Drill a less tortuous well
- Increase confidence that wells are appropriately spaced

## Lower Cost

- Drill an efficient well, reducing non-productive time
- Increase downhole tool life
- Lower well service cost over the life of the well

## Consistency at Reduced Risk

- Provide reliable, repeatable results
- Enables de-manning of 3<sup>rd</sup>-party personnel
- Reduces risk of well collision or interference and the risk of directional driller having a “bad day”

## Addressing Industry Challenges Through Automation

The oil and gas industry is still heavily dependent on human decision making to design, execute, and optimize oil and gas extraction.

### INDUSTRY CHALLENGE

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Human Decisions and Execution = Art

Large Variability in Outcomes

Well Economics Not Optimized



### H&P AUTOMATION SOLUTION

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Converts Art to Science

Reduces Variability, Results More Consistent,  
Produces Repeatable Outcomes

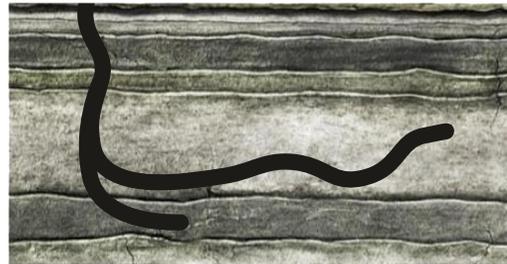
Well Economics Optimized to  
Customer Preferences

# Drilling Solutions Value Proposition

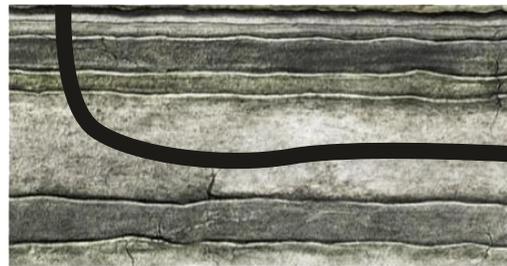
More than drilling a hole in the ground...  
Value over the life of the well



**Drilling**



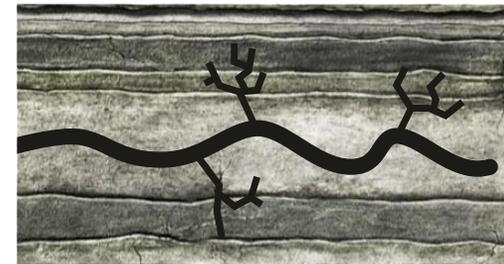
- Poor well quality and drilling accuracy
- Increased tortuosity
- Missed pay zones
- Directional driller errors



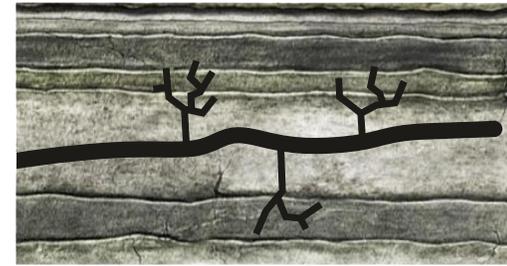
- Better well quality and drilling accuracy
- Decreased tortuosity
- More well in pay zones
- Elimination of human error and subjectivity in drilling process



**Completions**



- Completion issues — more difficult and costly to frac
- Missed targets



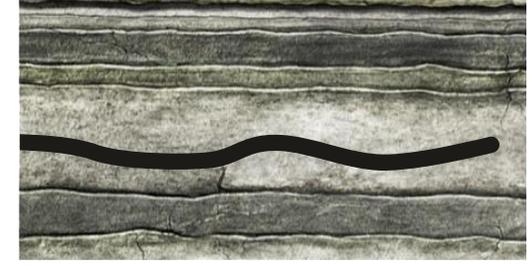
- Smoother and cost-effective completions
- Better frac quality



**Production**



- Less economical — more costly recovery methods
- Higher well service cost over life of well
- Stranded reserves



- More economical — less costly recovery methods
- Lower well service costs over life of well
- More recoverable reserves

Primary Focus  
Drilling Time & Cost

Human decisions and execution — variable, inconsistent and at times costly and unfavorable outcomes

Focus On Efficiency & Quality Of Well

Drilling automation technology based on economic value inputs

# Evolving Commercial Model

**H&P has a long track record of providing value to customers, the commercial model must evolve to ensure a reasonable rate of return**

**Current day-rate model does not adequately compensate for value being derived in well cost savings and productivity gains**

**Under current industry norms, 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, KPIs, revenue per foot, etc.**



**H&P  
DELIVERS OUTCOMES  
NOT JUST A RIG OR  
TECHNOLOGY**



**H&P is Built to  
Withstand Volatile  
Markets**



# H&P's Commitment to Capital Allocation

**CASH FLOW  
FROM  
OPERATIONS**

**CAPITAL  
ALLOCATION**

## **RETURNS TO SHAREHOLDERS**

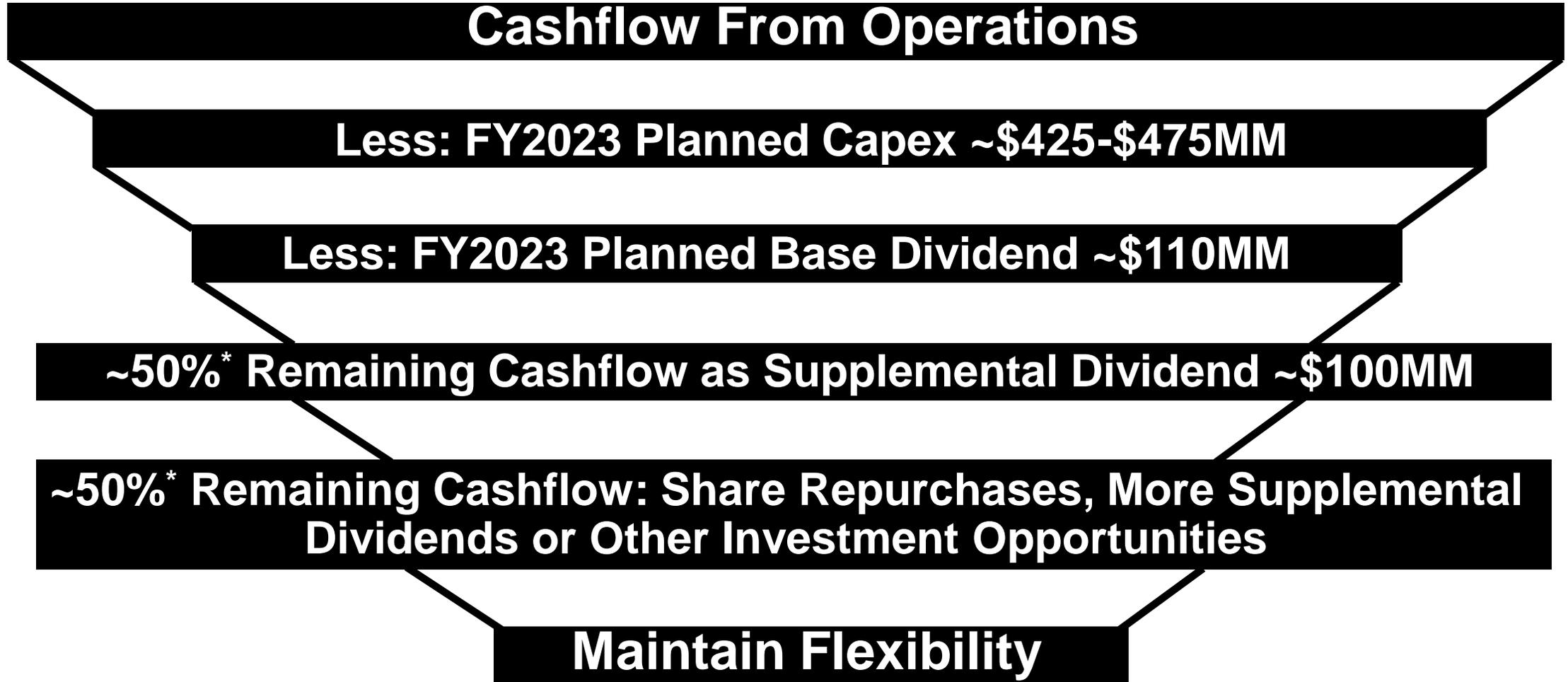
- Established base dividend
- Supplemental dividends
- Opportunistic share repurchases

## **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

## **STRONG FINANCIAL POSITION**

- Working capital needs
- Commitment to maintaining current investment grade credit ratings
- Service debt and taxes

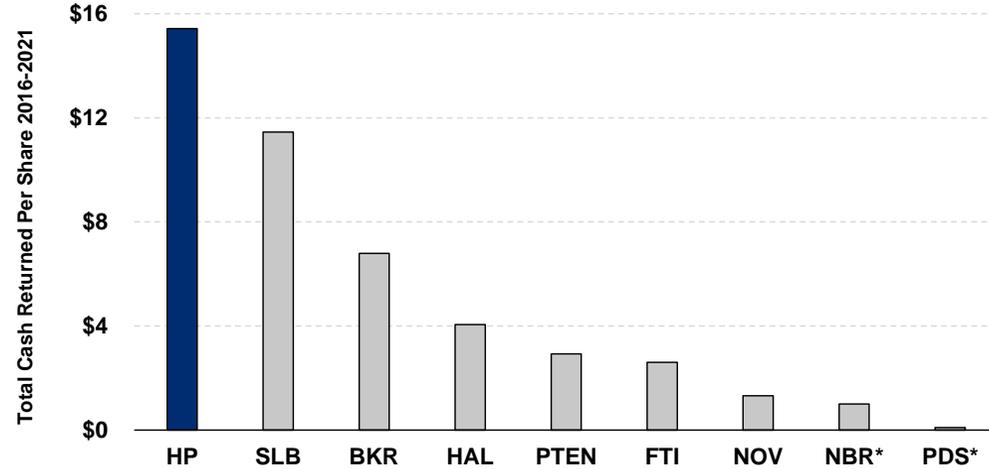


\* Percentage is not formulaic; percentages of cashflow and amounts of supplemental dividends for future periods, if any, would likely vary from year-to-year based upon market conditions and the Company's operational and financial performance and other investment opportunities.



# Leading Shareholder Returns

### Total Cash Returned Per Share

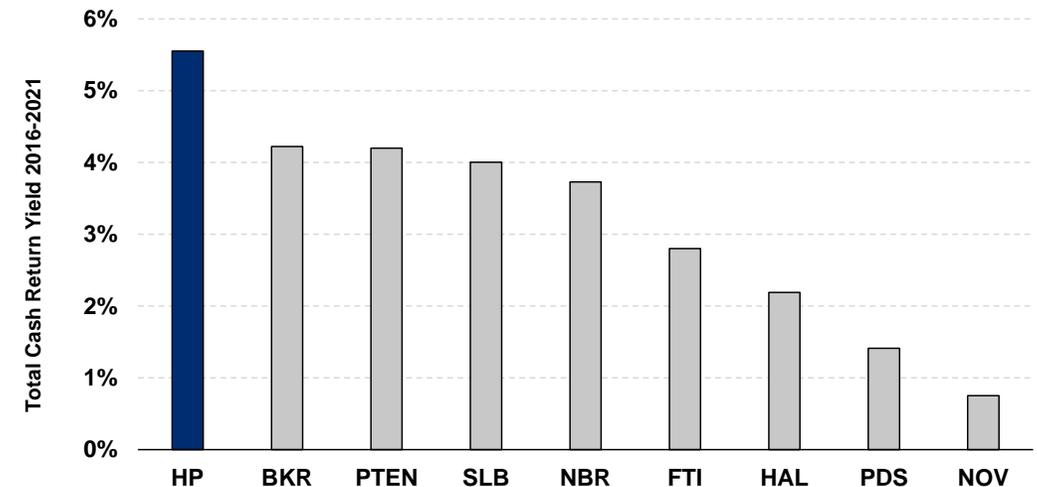


*Already Leader in Providing Shareholder Returns*

*Supplemental Shareholder Return Plan  
Will Further Enhance Returns*



### Total Cash Returned Yield



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

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

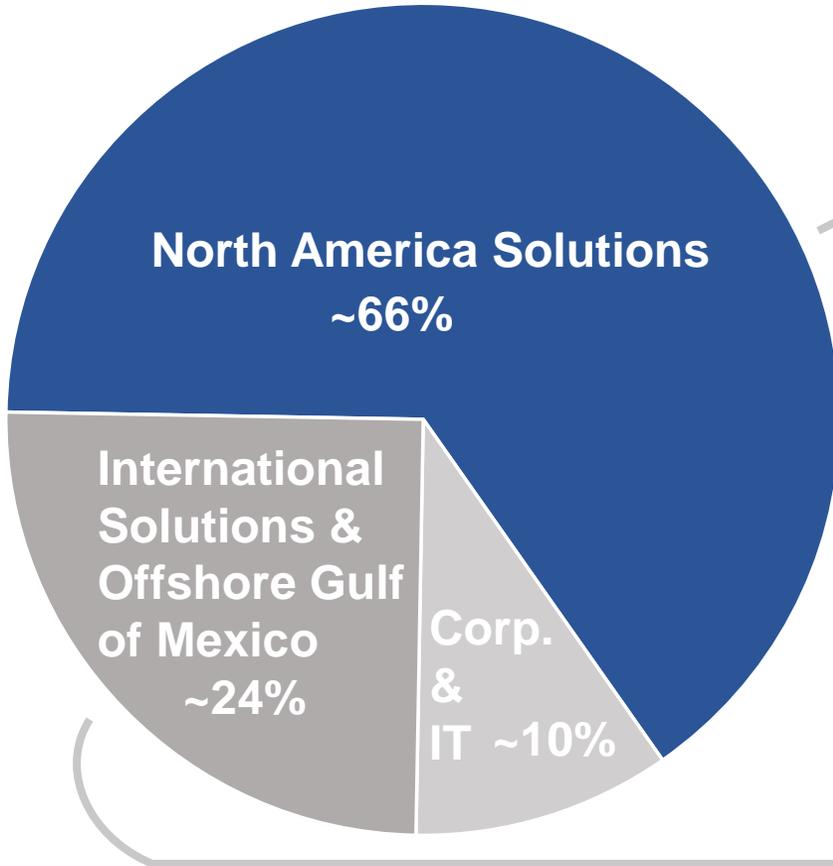
Data is based upon the respective 12-month period for each operational year

\* 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.



# Fiscal 2023 Capital Expenditures Budget

**\$425 - \$475 Million**



**Maintenance:** Upper target of 192 rigs; ~\$1.1 - \$1.3 million per active rig

**Reactivation:** Up to 16 rig reactivations based on demand (includes reactivation of 6 planned conversions); ~\$1.0 - \$4.0 million per rig

**Conversion:** 6 planned rig conversions; ~\$7 million per rig

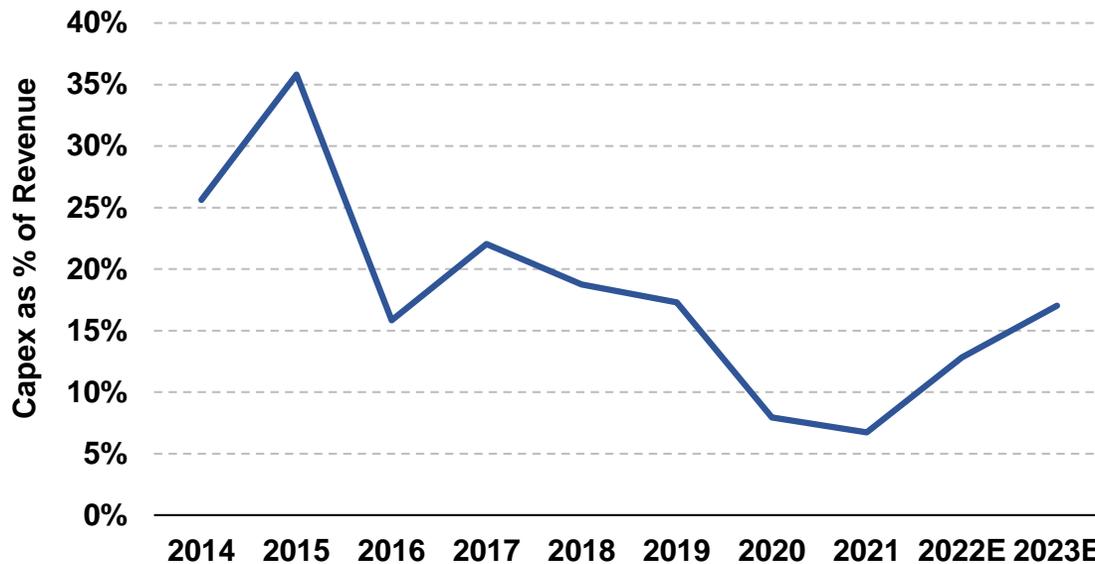
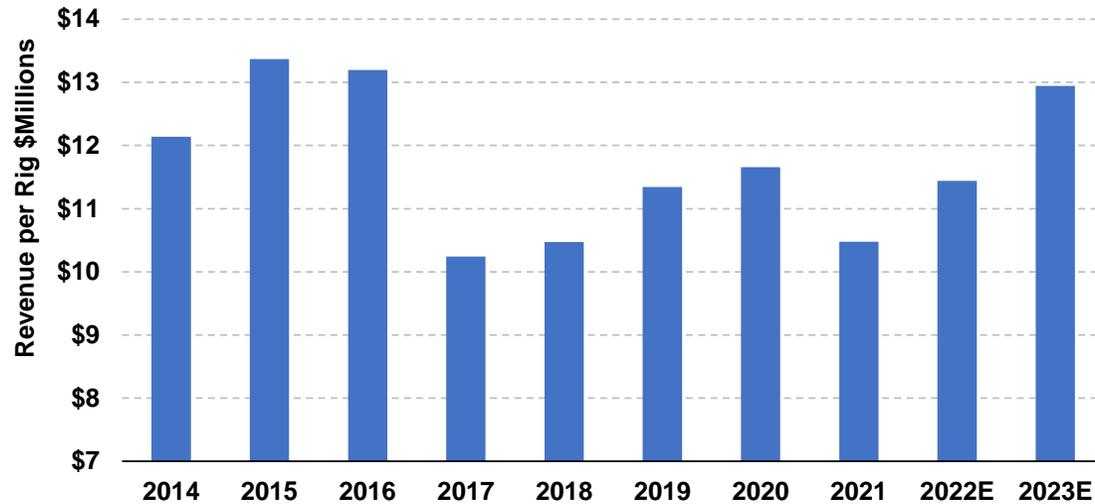
**Maintenance:** ~\$1 - \$2 million per active rig

**Reactivation:** ~\$1 - \$2 million per rig

**Upgrade/Conversion:** 11 planned rigs; 5 super-spec upgrades, 6 walking conversions



# Generating Returns at Lower Capital Intensity



**Revenue per rig back to a level where the returns generated are above cost of capital...**

**...but at a much lower capital intensity level.**

**Note 1:** Per rig amounts are based upon Company's global active rig count.  
**Note 2:** 2022E and 2023E amounts are based upon consensus estimates for revenue and midpoint of guidance range for capex; per rig amounts based upon guidance for NAS rig count and a static count for International Solutions and Offshore Gulf of Mexico.



# H&P – Compelling Energy Investment

28 Energy Companies in S&P 600 Index

14 OFS, 7 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 17%; average 42%

### Cash Returns to Shareholders

- Only 9 of 28 are dividend payers of which H&P is one and among highest yields in OFS

### Size and Scale

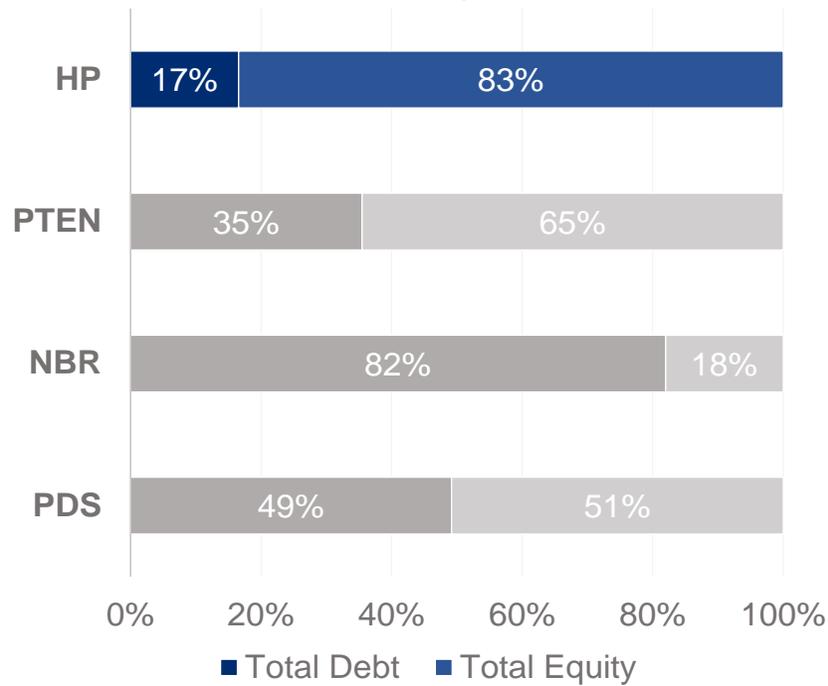
- Average market cap for energy companies in S&P 600 is \$1.9 billion; H&P at ~\$4.5 billion is 3<sup>rd</sup> largest
- Stock liquidity<sup>(1)</sup> in-line with OFS average

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

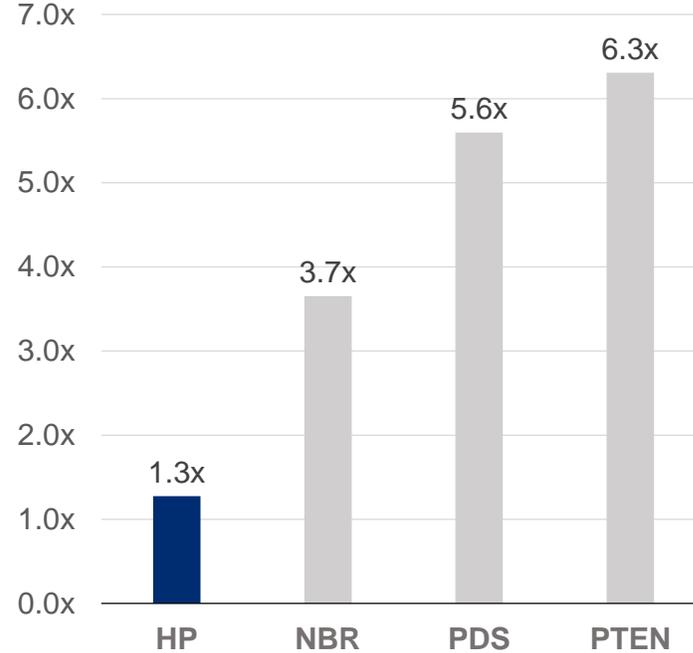


# Conservative Capital Structure

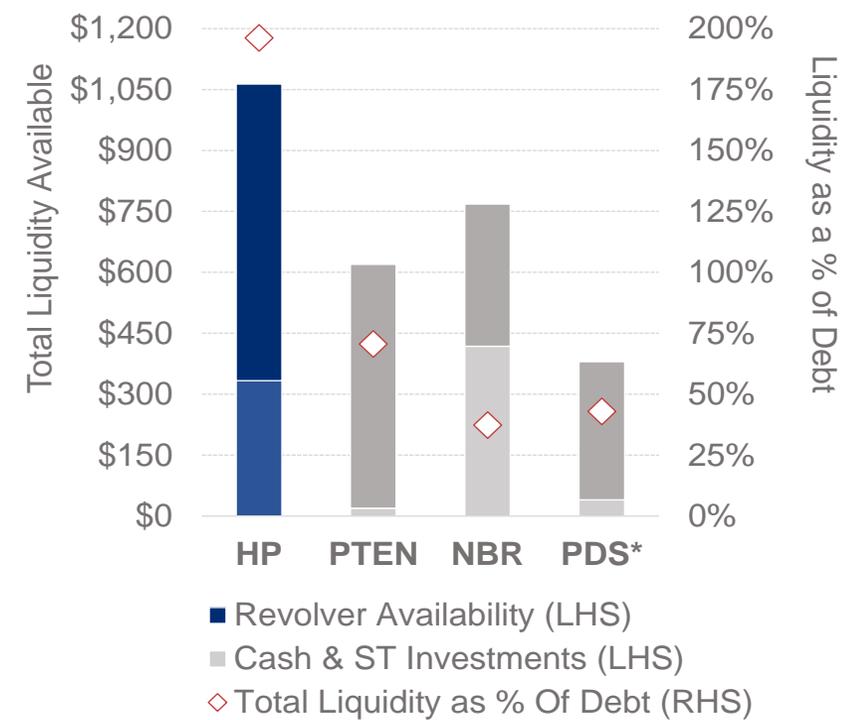
Total-Debt-to-Capitlization Ratio<sup>(1)</sup>



Net Debt / LTM Cashflow from Ops<sup>(3)</sup>



Total Liquidity (\$MM)



- 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.

(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

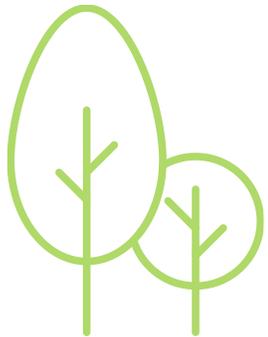
- Drilling efficiencies – operational and technological expertise
- Engine management – optimizing engine output to operational power demand
- Alternative power sources for customers – natural gas, high-line electrical, battery

## INVESTING

- Geothermal
  - Using drilling and technological expertise for operational optionality
  - Supporting baseload power source alternative
  - 5 investments in companies pursuing unconventional geothermal resources with enhanced geothermal and closed-loop systems
- 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**
  - Added new positions and teams
- **Ethics and Compliance**
  - Regular training
- **Risk Management**



Issued December 2021

## Highlights – Provides:

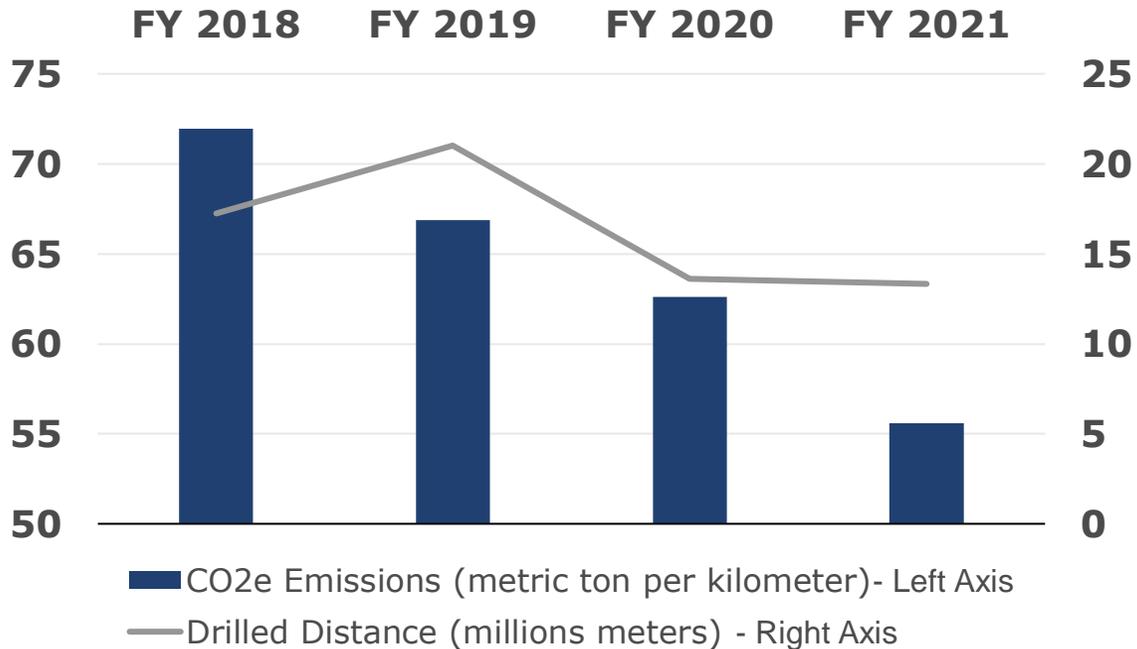
- Environmental management and oversight practices
- Strong use of data to report over 40 environmental metrics, including Scope 1 & 2 emissions data
- Environmental goal setting
  - Environmental Actively C.A.R.E. Goal (2021 inaugural year)
  - Established new goals for 2022
- Safety management and 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

Intention to issue report annually each December



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

## Normalized by Distance Drilled

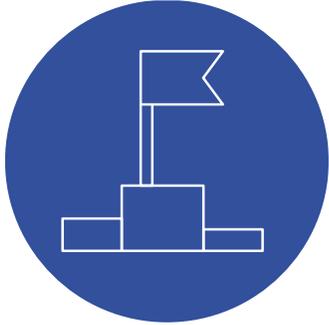


- H&P has a history of taking thoughtful and methodical approaches to solving problems and working with customers to optimize solutions
- H&P scope 1 and 2 CO<sub>2</sub>e emissions per kilometer drilled have reduced by approximately ~23% since FY2018
- We remain committed to reducing the impacts most 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 84% of the total in 2021

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.



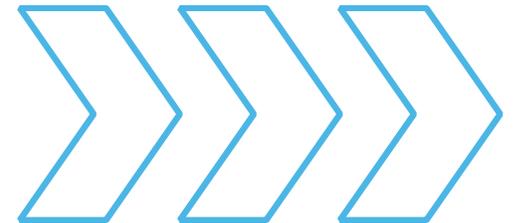
## INDUSTRY LEADER AS A DRILLING SOLUTIONS PROVIDER

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



## FINANCIAL DISCIPLINE & 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

