



HELMERICH & PAYNE, INC.



September 2020

Financial data as of 6/30/2020; other data as of 7/28/2020 unless otherwise noted.

Forward-Looking Statements



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 or acquire; the volatility of future oil and natural gas prices; 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 or acquisition of rigs; the effect, impact, potential duration or other implications of the recent outbreak of a novel strain of coronavirus and the recent oil price collapse, 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; 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; and potential long-lived asset impairments. 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 2019 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 describe 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.hpinc.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 and 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.hpinc.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, **H&P** is the industry's most trusted drilling partner. Committed to operational excellence and conservative financial discipline, **H&P** is the recognized industry leader in drilling solutions as well as technological innovation.
- We are a global drilling solutions provider 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** operates in 3 segments (% of Revenue):
 - North America Solutions ~80%; market leader
 - International Solutions ~7%; opportunistic growth
 - Offshore Gulf of Mexico ~12%; cash flow generator
- Our unique integrated business model (designing, building/upgrading, operating fleet and rig technology implementation) provides the best value solution for customers.
- Strategic software acquisitions and internal R&D efforts provide unmatched digital technological prowess focused on wellbore quality and accuracy.
- Debt-to-cap ~**12%**; No net debt –to-cap, as cash exceeds debt level; Dividend yield ~**5%**

OUR WAY FORWARD, TOGETHER.
100YEARS
HELMERICH & PAYNE

Why H&P in Current Market Conditions?



- U.S. Land industry leader with dominant position
- Important to be **adaptable** in volatile markets; **H&P** moved quickly to respond to these unprecedented market conditions
 - Reduced annual dividends by approximately \$200 million
 - Projected to reduce fixed operating expense by \$50 million and G&A costs by roughly \$25 million on an annualized basis
 - Reduced planned capex spend by ~\$140 million in fiscal 2020
- Strong balance sheet and ability to return cash to shareholders
 - Debt-to-cap is ~12% with no maturities until 2025
 - Investment grade credit rating – rare in the oil service industry
 - Over \$1 billion in liquidity - ~\$490 million of cash and short-term investments on hand at June 30, 2020; no amounts drawn on \$750 million credit facility
 - Expect annual dividend to be \$1/share
- Leading evolution of commercial model in order to receive fair compensation for value delivered
- Customer centric drilling solutions provider combining the operational excellence of our **FlexRig** fleet and the leading wellbore quality software

H&P's Winning Strategy



- Execute as the dominant **U.S. land** drilling solutions provider
- Continue to lead industry in **digital technology and innovation** bringing value to customers
- Grow **international** business opportunistically
- Maintain and build upon a solid **financial foundation**
- Adapt to changing **market conditions** and make wise **investments** through the cycles

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** fleet
 - best and highly trained workforce
 - lower maintenance cost, higher performance & superior uptime
 - better reliability and consistency needed for a ‘manufacturing’ drilling environment
 - safety leadership
 - standardized **FlexRig** 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

Evolving Commercial Model



- **H&P** has a long track record of providing value to customers, the contract model terms must evolve to ensure a reasonable rate of return
- Current dayrate model is not designed to adequately compensate for value being derived in well cost savings, wellbore placement and productivity gains
- New pricing model partnerships being pursued by **H&P** – performance-based contracts, KPIs, revenue per foot, etc.
- **H&P** selling results – not just a rig or technology

H&P Drilling Solutions

Focusing on Highest Variability and Greatest Value



H&P has focused on the 3 areas that provide the most value in drilling a well, but have the greatest variability

- Drilling Rig Provider – **FlexRig** fleet, market leader
- Directional Solutions Provider – **H&P's** digital technology with the automation of decision making and execution; replaces need for human directional drillers
- Geo-Targeting - Automated geosteering solution currently in alpha testing

E&P validation of **H&P's** approach

- Despite current market conditions, demand for **H&P's** digital technologies is increasing across its customer base
- One large independent – utilization of **H&P** technologies considered a standard in drilling wells
- Another large independent is working on similar technologies





H&P's offerings create compelling value opportunities for E&Ps

Our customers want to generate higher returns on their capex spend, **H&P's** drilling solutions can assist by:

- Improving wellbore quality and placement – can increase customer's revenue potential
- Lowering cost in drilling, completion & production phases – can decrease cost of ownership over the life of the well
- Providing consistency at reduced risk – can enable better planning and avoidance of costly outliers

Wellbore Quality and Placement

H&P & Customer partnership can:

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

Lower Cost

H&P & Customer partnership can:

- 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

H&P & Customer partnership can:

- Provide reliability, which delivers repeatable results
- Enables de-manning of 3rd party personnel
- Reduces risk of well collision/interference and the risk of directional driller having a “bad day”

Enabling Industry Profitability

Automating the Wellbore Manufacturing Process



Throughout history, the introduction of automation into the manufacturing process has increased consistency, reliability, and quality and decreased risks and costs, driving higher returns and profitability. The automobile industry, the agriculture industry, the electronics industry and many more have benefitted from introduction and utilization of automation in their manufacturing processes...It is time for the energy industry to do the same...H&P and customer partnerships are leading the way.

Early Adopters & Innovators of Wellbore Manufacturing

Focus:

- Cost of well viewed over well life-cycle
- Digital technologies used to improve wellbore quality, placement, and consistency
- Greater well efficiencies and valued gained; costs viewed as critical investments

Results:

- Overall returns and well economics can be improved
- Well productivity over the life-cycle can be improved
- Reduced production costs and field maintenance over well life-cycle
- Predictable, consistent outcomes and costs at reduced financial risk

H&P Global Rig Fleet



	<u>Rigs Available</u>	<u>Rigs Contracted⁽¹⁾</u>	<u>% Contracted</u>
U.S. Land	262	64	24%
Super-Spec FlexRigs	234	62	26%
Upgradeable AC FlexRigs	8	0	0%
Other AC Style FlexRigs	20	2	10%
International Land	32	6	19%
Argentina	20	1	5%
Bahrain	3	3	100%
U.A.E	2	2	100%
Colombia	7	0	0%
Offshore	8	5	63%
Total Fleet	302	75	25%

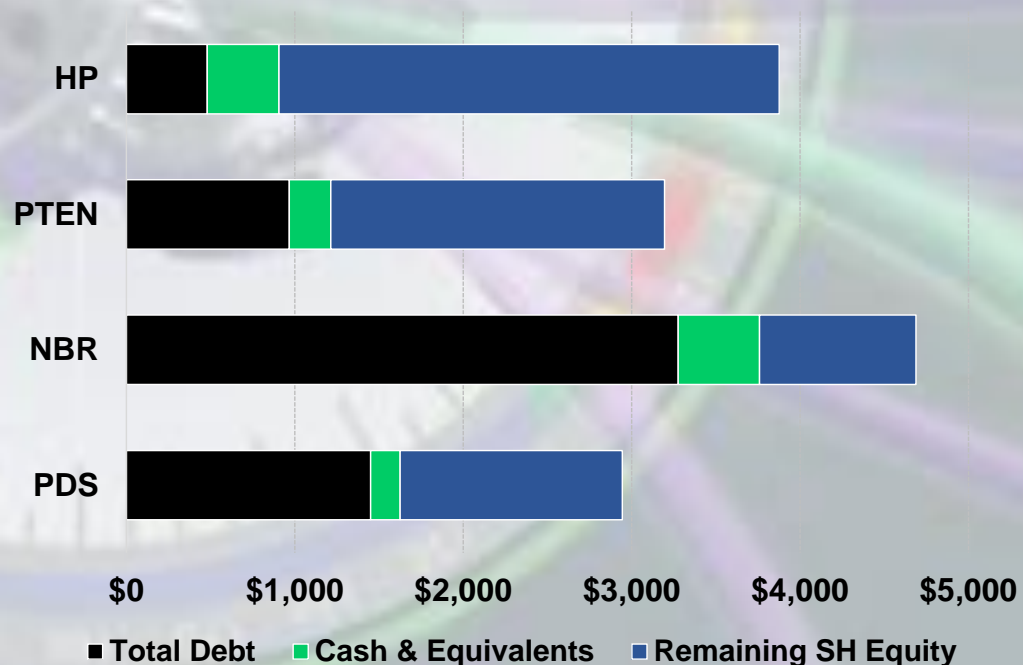
(1) Rig count as of 7/28/2020

Conservative Capital Structure

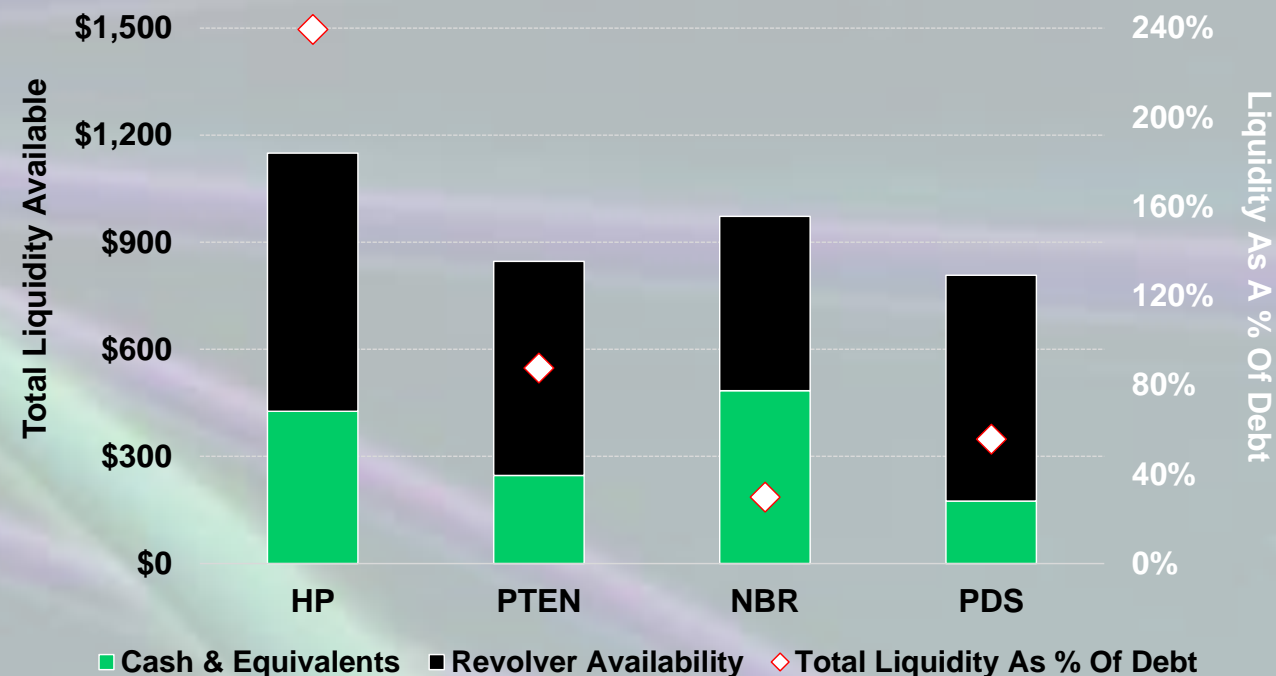
H&P Built to Withstand Volatile Markets



Capital Employed (\$MM)



Liquidity Available (\$MM)



- **H&P's** capital structure results from strong financial discipline
- Vast majority of **H&P's** enterprise value is comprised of its equity valuation

- **H&P** retains financial flexibility even in severe market conditions
- The only driller where available liquidity surpasses debt levels

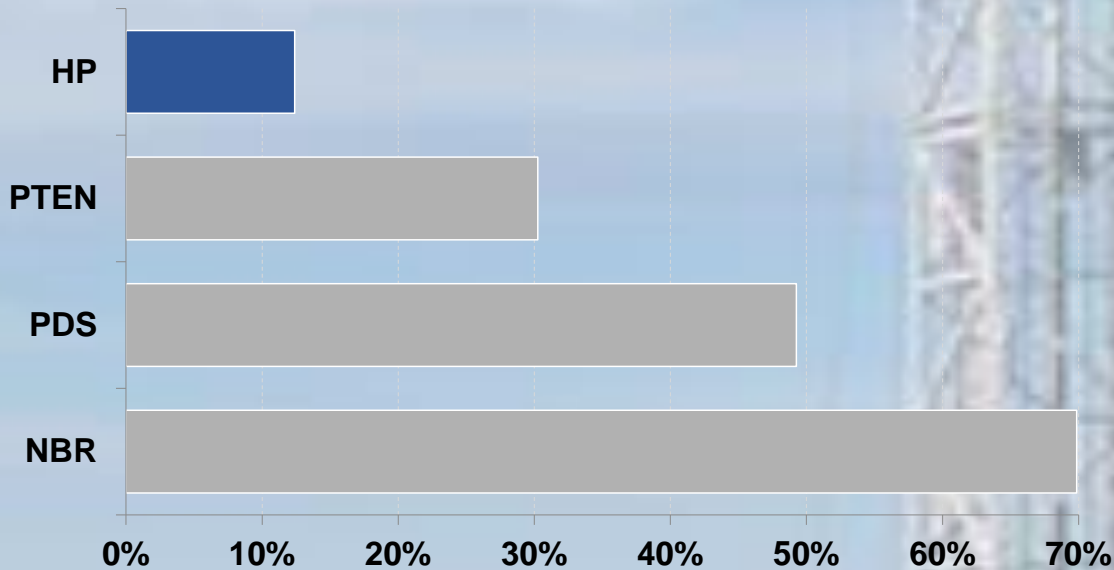
Source: Company Filings. Capital Employed and Liquidity Available as of June 30, 2020.

Solid Financial Foundation

H&P Positioned to be Strong Through the Cycle



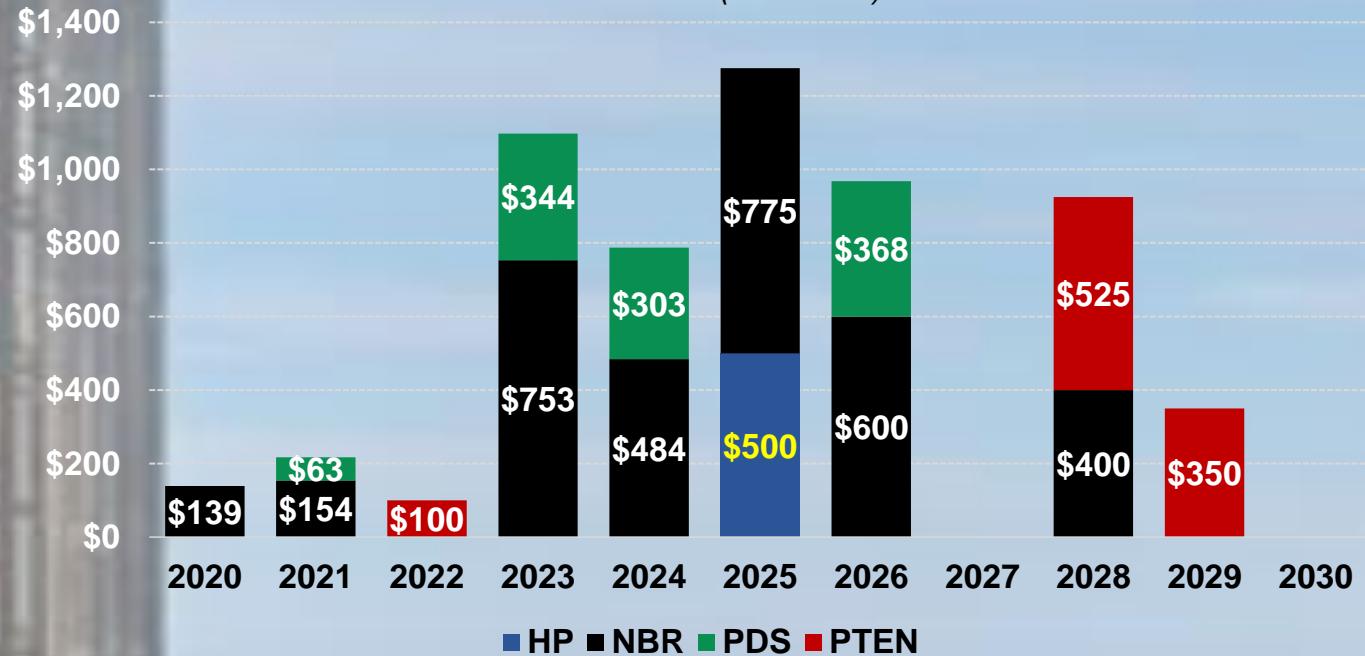
Total-Debt-to-Total-Capitalization Ratio¹



- Solid balance sheet stewardship with lowest debt load among peers
- Investment grade rating of BBB+/Baa1²

Debt Maturity Schedule

(In Millions)



- Peer companies have maturity walls that may not be able to be refinanced with favorable terms and conditions given the current market environment

Source: Company Filings. Total-Debt-to-Total Capitalization and Debt Maturity Schedule as of June 30, 2020.

1. Total Capitalization is defined as Total Debt plus Shareholders' Equity.

2. Ratings by Standard & Poor's and Moody's, respectively, reaffirmed in February 2020 and December 2019.

ESG - Social Responsibility



Environment

Drilling Solutions:

- Utilizing walking/skidding rigs for multi-well programs (which minimizes the impact on the environment in which we operate).
- Conversion of H&P rigs to Bi-Fuel Systems (allowing partial substitution of cleaner burning natural gas as a fuel source).
- The H&P FlexRig fleet utilizes AC/VFD power and control systems (which are more energy efficient and have lower noise levels as compared to silicon-control rectifier rigs and mechanical drilling rigs).

Technologies:

- Our technological expertise helps reduce the surface footprint of our customer's operations, enabling them to produce more energy per acre of land impacted.

Social

Safety:

- Health and safety are fundamental principles and company-wide commitments at H&P. Our commitments go way beyond inspirational statements and ongoing employee training. Health and safety are embedded into rig designs and operations.

Diversity:

- We know diversity and inclusion not only benefits our customers, it also makes our Company stronger. By bringing together experts from varying backgrounds, cultures and industries, we are able to create and deliver increasingly innovative solutions for our customers. We strive to provide superior performance by creating an environment where employees feel welcome, included and have opportunities to grow.

Community:

- H&P and our people support several non-profit organizations to make a difference in the communities where we live and work.

Governance

Governance Structure:

- H&P does not maintain a classified Board of Directors.
- Company's Corporate Governance Guidelines provide that if the Chairman of the Board is not an independent director then the independent directors will annually elect an independent director to serve as lead director.
- H&P permits shareholder proxy access for director nomination.

Risk Management:

- H&P's Board and its committees seek to monitor the various types of risk facing the Company.
- Our Board consists of individuals with diversity of perspectives and experiences intended to promote comprehensive consideration of issues facing the Company.



➤ Industry Leader as a Drilling Solutions Provider

- Largest, Uniform and Most Capable FlexRig 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.

Thank you for your interest in H&P. Our stock is traded on the NYSE, ticker symbol - HP
For more information please visit our website at www.hpinc.com or contact:
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