

The background of the slide is a photograph of an oilfield at sunset. A tall, illuminated derrick stands prominently in the center-right, with its lights glowing against the colorful sky. In the foreground, there are several white modular buildings and other industrial structures, also lit up. The sky transitions from a deep blue at the top to a vibrant orange and pink near the horizon. The foreground is filled with tall green grass.

# HELMERICH & PAYNE, INC

**JUNE 2021**

*Financial data as of 3/31/2021; other data as of 4/29/2021 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 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 or acquisition of rigs; the effect, impact, potential duration or other implications of the ongoing outbreak of a novel strain of coronavirus and the oil price collapse in 2020, 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, including as a result of the U.S. presidential administration, 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 2020 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 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.

**H&P** operates in 3 segments (% of Revenue)

- North America Solutions ~85% market leader
- International Solutions ~5% opportunistic growth
- Offshore Gulf of Mexico ~10% cash flow generator

Our unique integrated business model (designing, building/upgrading, operating fleet and technology implementation) provides the best value solution for customers.

Strategic software acquisitions and internal R&D efforts provide unmatched technological prowess focused on wellbore quality and accuracy.

Debt-to-cap ~14%; No net debt –to-cap, as cash exceeds debt level; Dividend yield ~4%

# WHY H&P IN CURRENT MARKET CONDITIONS?



- **Industry leader in U.S. land drilling**
- **Leading evolution of commercial model in order to receive fair compensation for value delivered**
- **At the forefront of drilling automation creating compelling value opportunities for customers**
- **Strong balance sheet and ability to return cash to shareholders**
  - Debt-to-cap is ~14% with no maturities until 2025
  - Investment grade credit rating – rare in the oil service industry
  - ~ \$1.3 billion in liquidity – ~\$562 million of cash and short-term investments on hand at March 31, 2021; no amounts drawn on \$750 million credit facility
  - Annual dividend of \$1/share; current yield of ~4%
- **Customer centric drilling solutions provider combining the operational excellence of our FlexRig® fleet and the leading software solutions**



## GLOBAL DRILLING SOLUTIONS PROVIDER

- Evolve the commercial model to customer centered and value driven
- Continue to lead industry in technology automation adoption and differentiation
- International expansion – Middle East hub
- Cost and cash management – manage for structurally smaller industry
- Adapt to changing market conditions and maintain solid financial foundation

# 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 day-rate model does not always 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 pricing model partnerships being pursued by H&P – performance-based contracts, KPIs, revenue per foot, etc.**

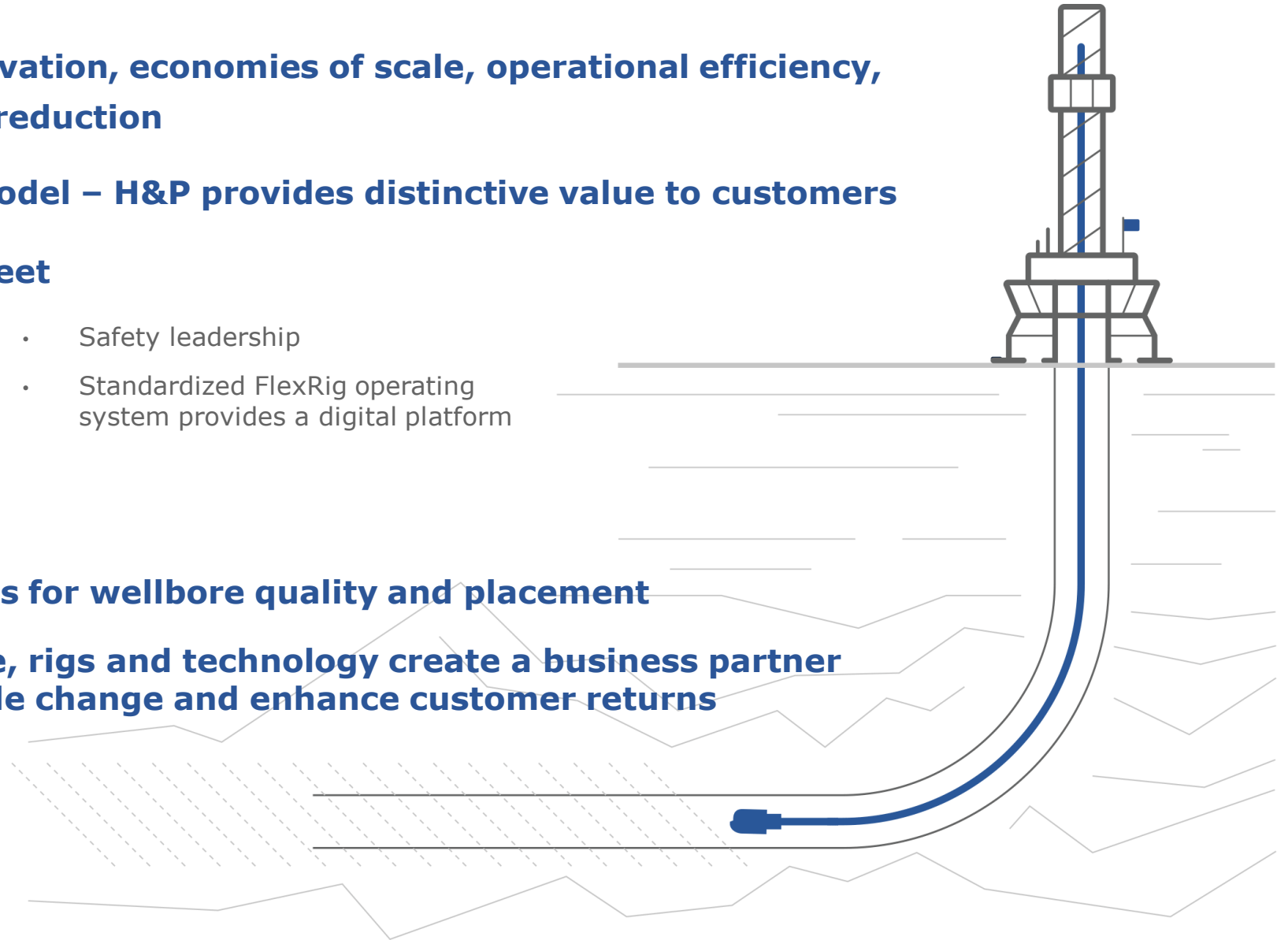


**H&P SELLING RESULTS –  
NOT JUST A RIG OR TECHNOLOGY**

# 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**



# BENEFITS OF LONG ECONOMIC LIFE ASSETS



## Long economic life exceeds accounting life

- Weighted average accounting life is 15 years for a super-spec FlexRig, 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 extending economic life
- Many years available in which to generate additional returns; average life of current fleet is 9 years

## H&P's super-spec FlexRig fleet has many years of economic life remaining

- Maintenance capex with some walking conversions

## The design of H&P's super-spec FlexRig® fleet

- Designed around safety and performance
- Based on the demands of unconventional drilling, we do not foresee the need for a re-design (e.g. no newbuilds)

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

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

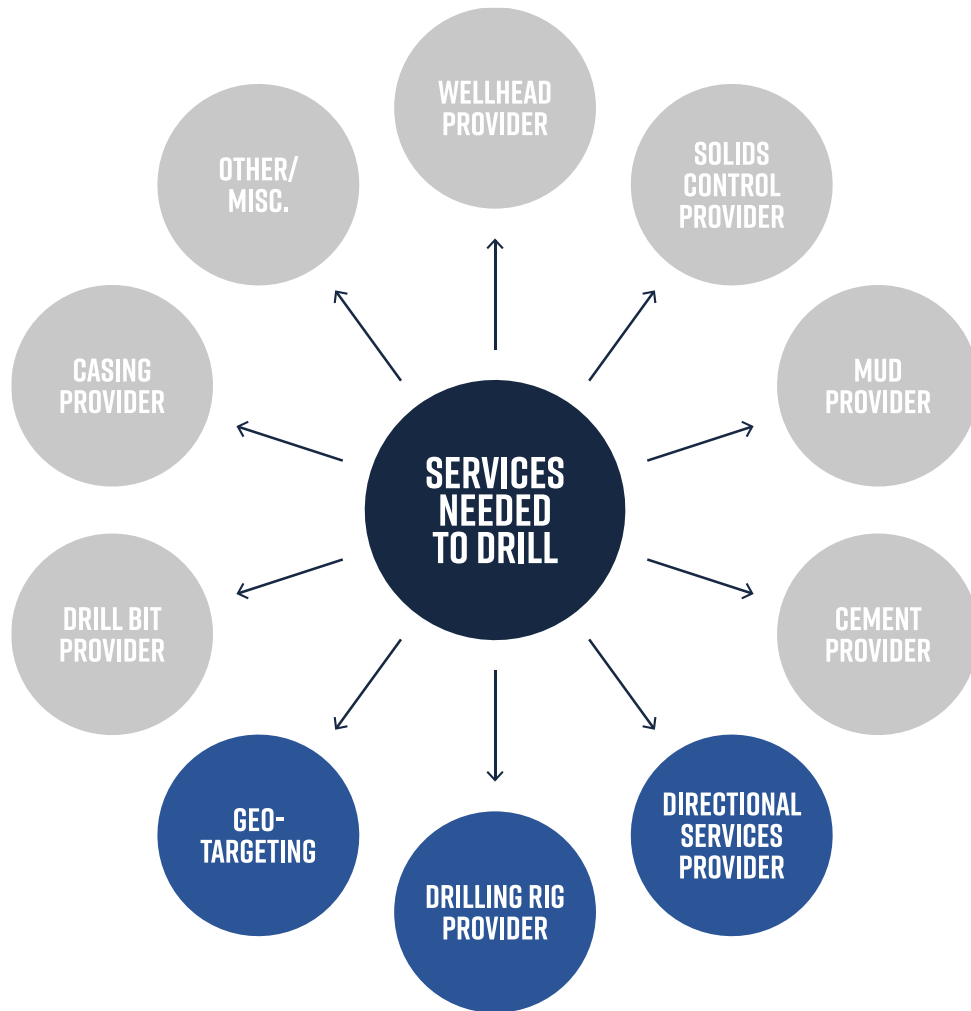


	Rigs Available	Rigs Contracted <sup>(1)</sup>	% Contracted
<b>U.S. Land</b>	<b>242</b>	<b>118</b>	<b>49%</b>
Super-Spec FlexRigs	232	116	50%
Upgradeable AC FlexRigs	8	0	0%
Other AC-Style FlexRigs	2	2	100%
<b>International Land</b>	<b>32</b>	<b>5</b>	<b>16%</b>
Argentina	20	2	10%
Bahrain	3	3	100%
U.A.E.	2	0	0%
Colombia	7	0	0%
<b>Offshore</b>	<b>7</b>	<b>4</b>	<b>57%</b>
<b>Total Fleet</b>	<b>281</b>	<b>127</b>	<b>45%</b>

(1) Rig count as of 4/29/21



**H&P'S OFFERINGS CREATE  
COMPELLING VALUE  
OPPORTUNITIES FOR E&Ps**



## 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 Service Provider – H&P’s digital technology with automation of decision making and execution; replaces need for human directional drillers
- Automated Geosteering – currently beta testing

## E&P validation of H&P’s approach

- One large independent is working on similar technologies, to be used only on its wells; H&P’s can be used on anyone’s wells
- Another large independent – Utilizing H&P technologies considered a standard for drilling its wells
- Customer acceptance of H&P’s digital technologies increasing



## WELLBORE QUALITY AND 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 reliability, 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

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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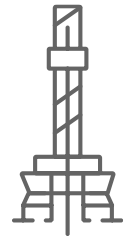
Converts Art to Science

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**



**COMPLETIONS**



**PRODUCTION**

## Primary Focus Drilling Time & Cost

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



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



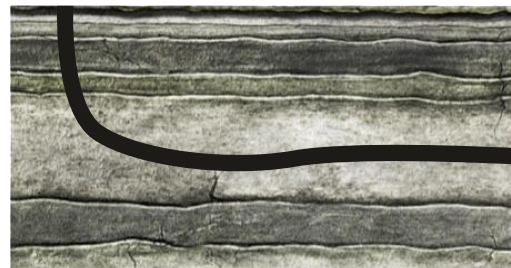
- Completion issues — more difficult and costly to frac
- Missed targets



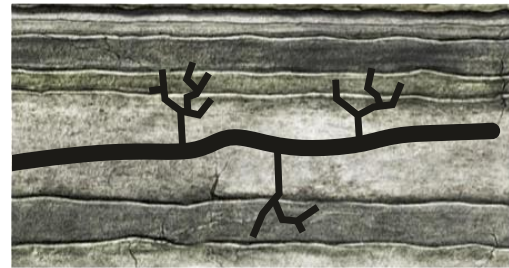
- Less economical — more costly recovery methods
- Higher well service cost over life of well
- Stranded reserves

## Focus on Efficiency & Quality of Well

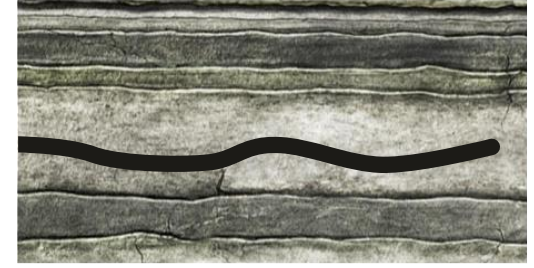
Drilling automation technology based on economic value inputs



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



- Smoother and cost-effective completions
- Better frac quality



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

## 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



*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.*



## Benefits of Middle East Hub

- Diversification from U.S. and outlet for super-spec FlexRig capacity
- 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.
- Show commitment and establish presence in an area with a 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





**H&P IS BUILT TO  
WITHSTAND VOLATILE  
MARKETS**

## Then...

**March 31, 2020**

### Actions:

- Reduced annual dividend by \$200MM
- Reduced fiscal 2020 capex by \$145MM
- Reduced fixed operational overhead by over \$50MM annualized
- Reduced SGA expense by \$25MM annualized
- Working capital focus

### Financials:

- Cash and short-term investments \$382MM
- Debt \$487MM, Debt-to-Cap 12%, Net Debt \$98MM
- Working Capital \$743MM
- Rig Count 195 (pre-pandemic)

## Now...

**March 31, 2021**

### Actions:

- Continue to reduce cost structure
  - Decommission rigs & consolidate
  - Other initiatives in the works
- Working capital improvements (AR, AP, Inv.)
- Continued capex prudence
- Extended revolving credit facility (unused)

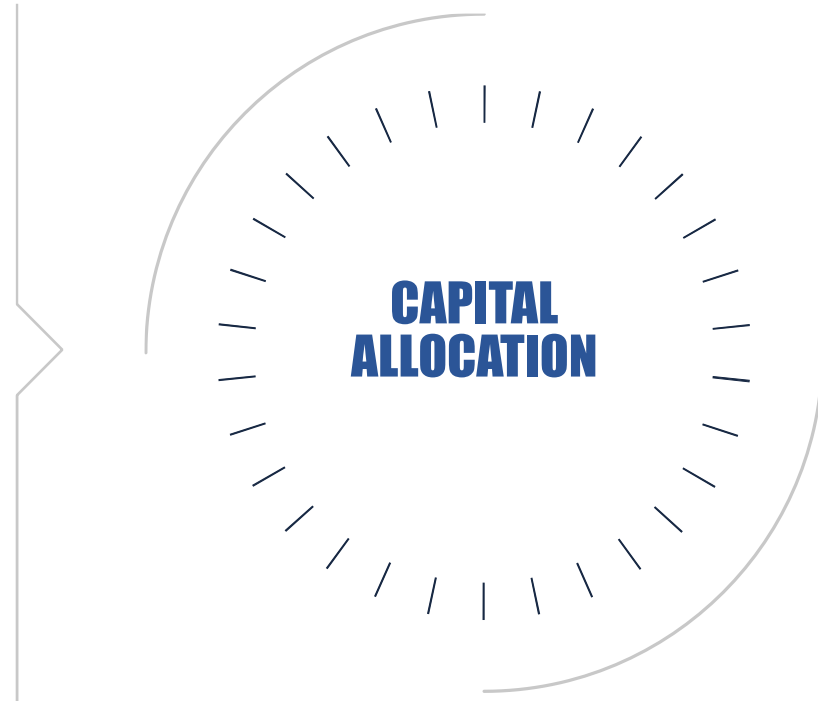
### Financials:

- Cash and short-term investments \$562MM
- Debt \$487MM, Debt-to-Cap 14%, Net Debt (\$82)MM
- Working Capital \$724MM – mostly cash
- Rig Count 118 (current)

# H&P'S COMMITMENT TO CAPITAL ALLOCATION



**CASH FLOW  
FROM OPERATIONS**



## **RETURNS TO SHAREHOLDERS**

- Dividends
- Share repurchases
- Exploring further possibilities

## **CAPITAL EXPENDITURES**

- Maintenance – moves with active rig count
- Upgrades - not expected to be significant; walking conversions based on demand
- International – will vary based on opportunity set

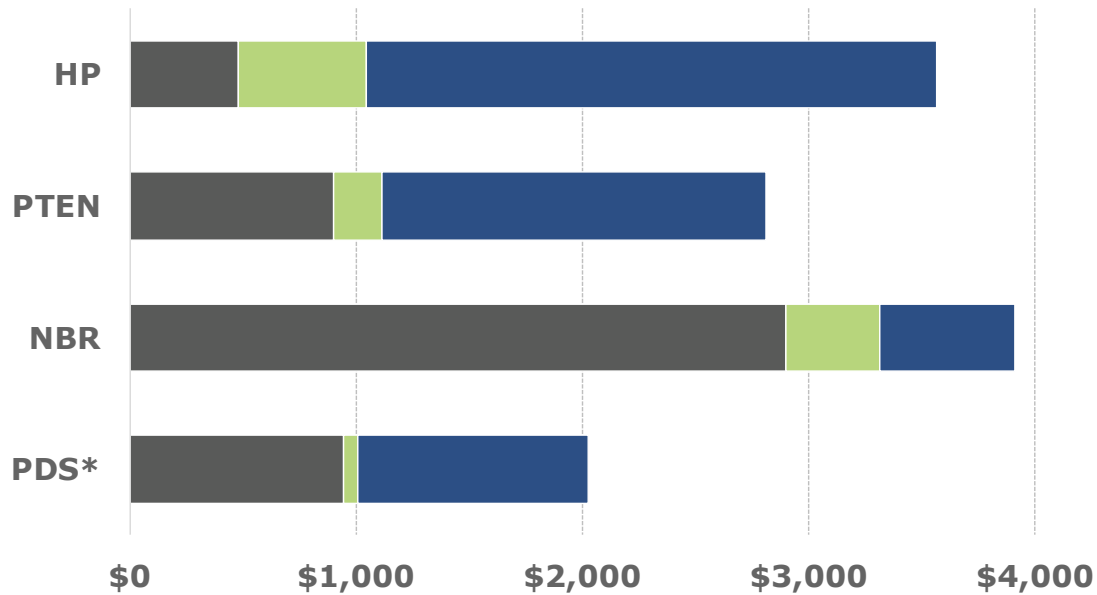
## **STRONG FINANCIAL POSITION**

- Working capital needs
- Debt service
- Taxes

# CONSERVATIVE CAPITAL STRUCTURE



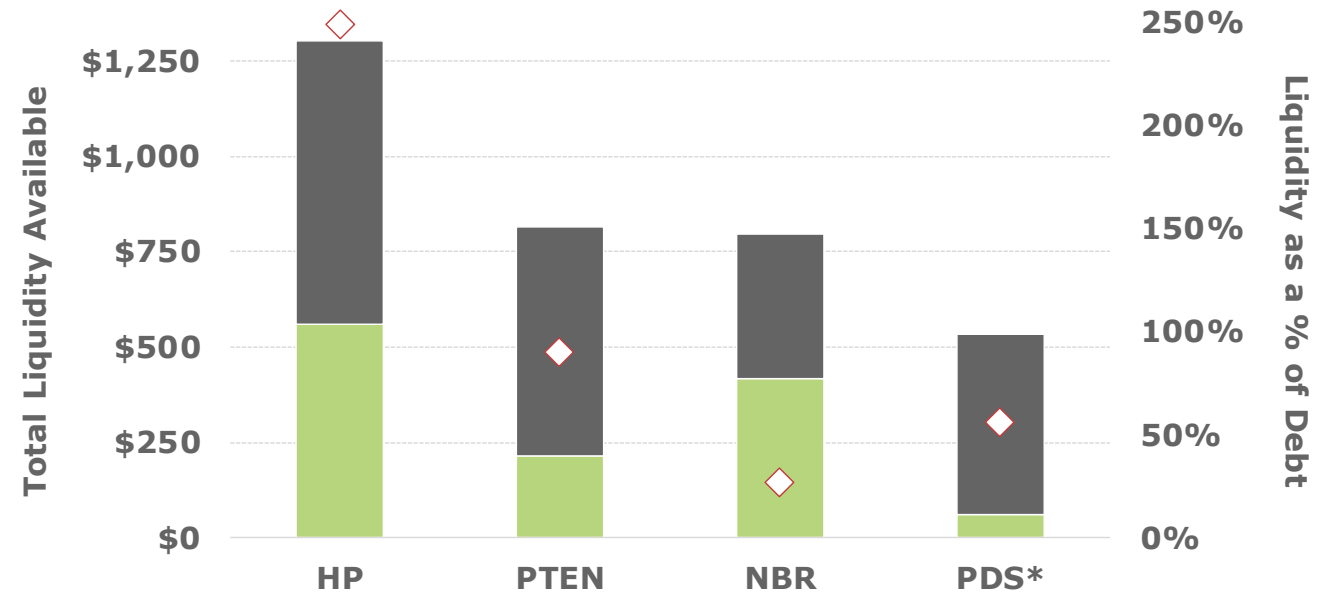
### CAPITAL EMPLOYED (\$MM)



■ Total Debt ■ Cash & ST Investments ■ Remaining SH Equity

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

### LIQUIDITY AVAILABLE (\$MM)



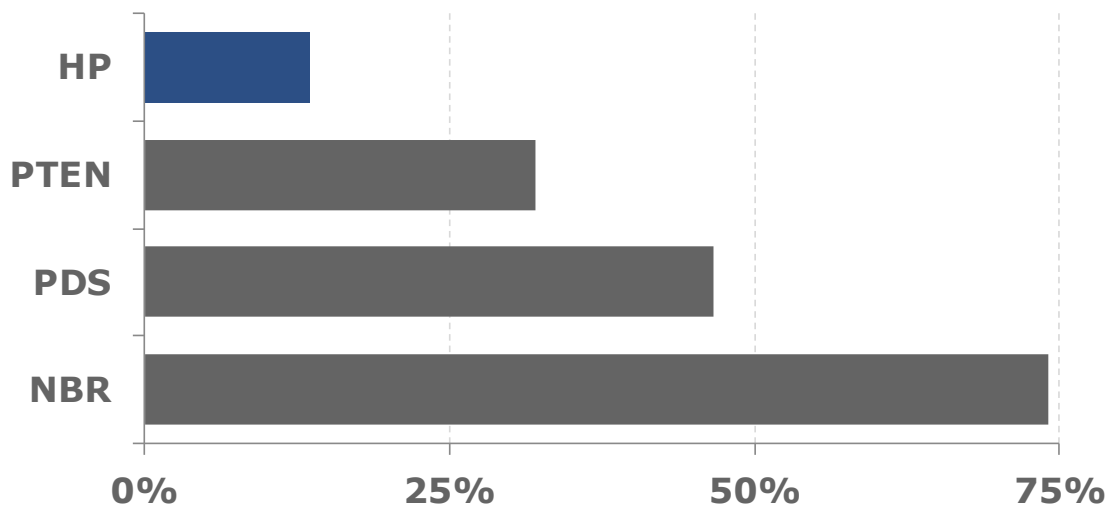
■ Cash & ST Investments ■ Revolver Availability ◇ Total Liquidity As % Of Debt

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

# CONSERVATIVE CAPITAL STRUCTURE

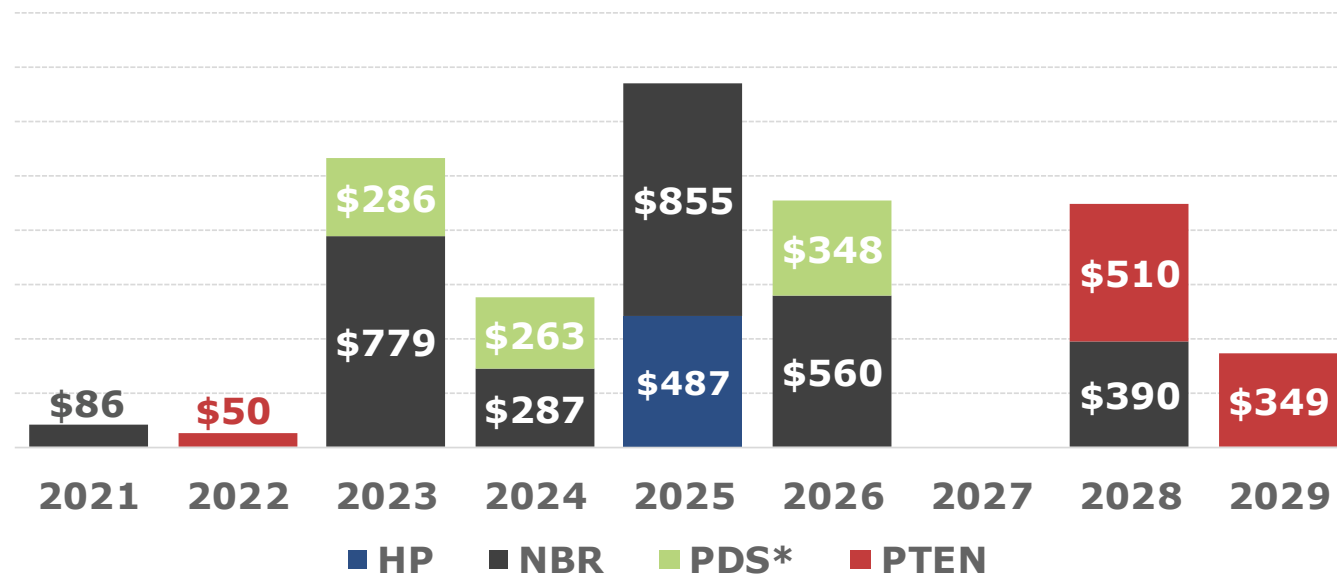


## TOTAL-DEBT-TO-TOTAL-CAPITALIZATION RATIO <sup>(1)</sup>



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

## DEBT MATURITY SCHEDULE (IN MILLIONS)



- Peer companies have maturity walls that will require strategic priority
- H&P's balance sheet provides optionality

1. Total Capitalization is defined as Total Debt plus Shareholders' Equity. 2. Ratings by Standard & Poor's and Moody's, respectively.  
\*PDS' figures are in USD



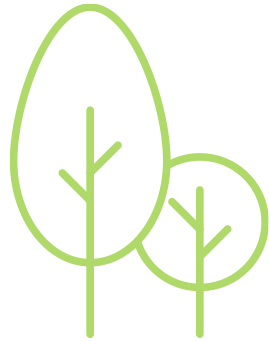
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# ROOTED IN OUR CORE VALUES

## *DO THE RIGHT THING*

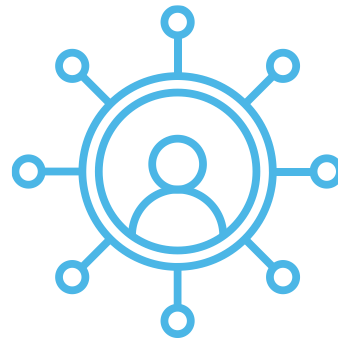
*H&P continues to refine and evolve its sustainability strategy. Implementing, executing and monitoring the strategy is multi-faceted, spanning across various disciplines within our Company. It is incumbent on us to understand and control the environmental, social and governance (ESG) aspects of our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

We are focused on understanding our impacts and ultimately developing strategies rooted in our core values to manage them.



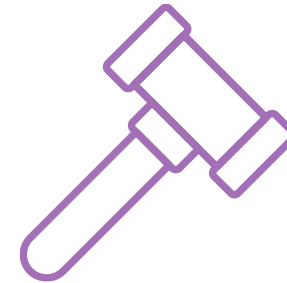
## ENVIRONMENT

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



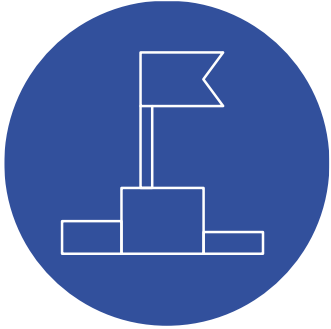
## SOCIAL

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



## GOVERNANCE

- 
- **Board Oversight**
  - **Governance Structure**
    - Added new positions and teams
  - **Ethics and Compliance**
    - Regular training
  - **Risk Management**



## 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)





# HELMERICH & PAYNE, INC.

THANK YOU FOR YOUR INTEREST IN H&P

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

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