
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): December 5, 2022

ProFrac Holding Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-41388
(Commission
File Number)

87-2424964
(IRS Employer
Identification No.)

333 Shops Boulevard, Suite 301
Willow Park, Texas
(Address of principal executive offices)

76087
(Zip Code)

(254) 776-3722

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Class A common stock, par value \$0.01 per share	ACDC	The Nasdaq Global Select Market
Warrants, each 124.777 warrants exercisable for one share of Class A common stock at an exercise price of \$717.47 per share	ACDCW	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On December 5, 2022, ProFrac Holding Corp., a Delaware corporation (“**ProFrac**”), issued a press release announcing that ProFrac Holdings II, LLC (“**ProFrac II LLC**”), a Texas limited liability company and a subsidiary of ProFrac, entered into a definitive agreement to acquire the Eagle Ford sand mining operations of Monarch Silica, LLC, a Texas limited liability company (“**Monarch Silica**”), and posted an associated investor presentation to its website.

A copy of the press release is attached hereto as [Exhibit 99.1](#) and is incorporated herein in its entirety by reference. A copy of the investor presentation is further attached hereto as [Exhibit 99.2](#) and is incorporated herein in its entirety by reference.

Limitation on Incorporation by Reference. The information furnished in this Item 7.01, including the press release and the investor presentation attached hereto as [Exhibit 99.1](#) and [Exhibit 99.2](#), respectively, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Cautionary Note Regarding Forward-Looking Statements. Except for historical information contained in the press release and the investor presentation attached as exhibits hereto, the press release and the investor presentation contain forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. Please refer to the cautionary notes in the press release and the investor presentation regarding these forward-looking statements.

Item 8.01 Other Information.

On December 5, 2022, ProFrac II LLC entered into a Membership Interest Purchase Agreement by and among ProFrac II LLC, Monarch Capital Holdings, LLC, a Texas limited liability company (“**Monarch Capital**”), Monarch Silica, David E. Welch and Paul A. Welch, pursuant to which ProFrac II LLC agreed to purchase from Monarch Capital 100% of the issued and outstanding membership interests of Monarch Silica (such transactions contemplated by the Membership Interest Purchase Agreement, collectively, the “**Equity Transaction**”).

On December 5, 2022, 2022, in connection with the Equity Transaction, ProFrac II LLC entered into a Real Property Purchase and Sale Agreement by and between ProFrac II LLC and DPW Investments, LLC, a Texas limited liability company (“**DPW**”), pursuant to which ProFrac II LLC agreed to purchase from DPW all of its right, title and interest in and to certain real property located in Bexar County, Texas (such transactions contemplated by the Real Property Purchase Sale Agreement, the “**Real Property Transaction**” and together with the Equity Transaction, the “**Monarch Transaction**”).

The aggregate purchase price of the Monarch Transaction is \$175 million, of which (i) \$87.5 million will be payable in cash at the closing of the Monarch Transaction, and (ii) the remaining \$87.5 million will be paid in the form of a secured note payable by ProFrac II LLC (the “**Note**”).

The Note bears interest at a rate of 2.50% per annum and matures on the earlier of (i) the two-year anniversary of the date of the Note and (ii) the date on which all amounts thereunder are due and payable pursuant to the terms and conditions thereof. A portion of the cash consideration is subject to certain post-closing adjustments. The closing of the Monarch Transaction is subject to customary closing conditions, including regulatory approvals and absence of legal impediments.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated as of December 5, 2022, of ProFrac Holding Corp. announcing the entry by ProFrac Holdings II, LLC into a definitive agreement to acquire the Eagle Ford sand mining operations of Monarch Silica, LLC.
99.2	Investor presentation released December 5, 2022 by ProFrac Holding Corp. regarding the potential acquisition of the Eagle Ford sand mining operations of Monarch Silica, LLC.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PROFRAC HOLDING CORP.

By: /s/ Lance Turner
Name: Lance Turner
Title: Chief Financial Officer

Date: December 6, 2022



FOR IMMEDIATE RELEASE

Contacts: ProFrac Holding Corp.
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ProFrac Holding Corp. To Acquire Eagle Ford Sand Mine

WILLOW PARK, TX – December 5, 2022 – ProFrac Holding Corp. (NASDAQ: ACDC) (“ProFrac” or the “Company”) today announced that it has entered into a definitive agreement to acquire the Eagle Ford sand mining operations of Monarch Silica, LLC (“Monarch”). The transaction is expected to close by the end of 2022.

Matt Wilks, ProFrac’s Executive Chairman, commented, “We are pleased to add the Monarch mine to the growing portfolio of in-basin sand mines we operate through Alpine Silica. This transaction further demonstrates ProFrac’s commitment to its vertical integration strategy, providing the Company with access to high-quality, local proppant in the Eagle Ford, where we currently operate 8 active fleets. With Monarch’s production capacity expected to expand to nearly 4 million tons per year by Q1 2023, ProFrac will be well positioned to bundle internally sourced proppant across our active fleets in the region.”

Winston & Strawn is acting as ProFrac’s legal counsel on the transaction. Piper Sandler & Co. served as exclusive financial advisor to Monarch, and Chamberlain, Hrdlicka, White, Williams & Aughtry, P.C. is serving as Monarch’s legal counsel.

About ProFrac Holding Corp.

ProFrac Holding Corp. is a growth-oriented, vertically integrated and innovation-driven energy services company providing hydraulic fracturing, completion services and other complementary products and services to leading upstream oil and gas companies engaged in the exploration and production (“E&P”) of North American unconventional oil and natural gas resources. Founded in 2016, the Company was built to be the go-to service provider for E&P companies’ most demanding hydraulic fracturing needs. ProFrac is focused on employing new technologies to significantly reduce “greenhouse gas” emissions and increase efficiency in what has historically been an emissions-intensive component of the unconventional E&P development process. For more information, please visit the Company’s website, <https://www.pfholdingscorp.com>.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this press release may be considered “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. In some cases, the reader can identify forward-looking statements by words such as “may,” “should,” “would,” “expect,” “intend,” “will,” “estimate,” “anticipate,” “believe,” “predict,” or similar words. Forward-looking statements relate to future events or the Company’s future financial or operating performance. These forward-looking statements include, among other things, statements regarding: the expected timing and anticipated benefits of the Monarch acquisition, including benefits associated with scaling the Company’s vertically integrated business model and increasing its sand mining capabilities; and the Company’s estimates of the production capacity of the Company’s sand mining operations in future periods. Such forward-looking statements are based upon assumptions made by the Company as of the date hereof and are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, the risk that the proposed transaction may not be completed in a timely manner or at all, the ability to effectively scale the Company’s operations and integrate acquired assets and personnel into the Company’s existing business model, the Company’s ability to execute its business strategy and plans for growth, including with respect to the completion of the Monarch acquisition, the failure to operationalize the acquired sand mining operations of Monarch in a timely manner or at all; risks associated with the Company’s ability to finance the Monarch acquisition on favorable terms or at all; industry conditions, including fluctuations in supply, demand and prices for the Company’s products and services; global and regional economic and financial conditions; and other risks and uncertainties set forth in the sections entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in the Company’s filings with the Securities and Exchange Commission (“SEC”), which are available on the SEC’s website at www.sec.gov. There may be additional risks about which the Company is presently unaware or that the Company currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. The reader should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Company anticipates that subsequent events and developments will cause its assessments to change. However, while the Company may elect to update these forward-looking statements at some point in the future, it expressly disclaims any duty to update these forward-looking statements, except as otherwise required by law.

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Acquisition of Monarch Silica

www.PFHoldingsCorp.com

December 5, 2022

Safe Harbor

Forward Looking Statements

Certain statements in this presentation may be considered "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. In some cases, the reader can identify forward-looking statements by words such as "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," or similar words. Forward-looking statements relate to future events or ProFrac's future financial or operating performance. These forward-looking statements include, among other things, statements regarding: ProFrac's strategies and plans for growth; ProFrac's positioning, resources, capabilities, and expectations for future performance; market and industry expectations; the expected timing and anticipated benefits of the Monarch acquisition, including benefits associated with scaling ProFrac's vertically integrated business model, increasing ProFrac's sand mining capabilities and sand supply, improving ProFrac's operational efficiency; increasing value to ProFrac's customers and cost savings; expectations that the Monarch acquisition will be accretive to ProFrac's earnings and cash flow for the fiscal year 2023; ProFrac's estimates of the production capacity of ProFrac's sand mining operations in future periods; the projected value of operational synergies; any financial or other information based upon or otherwise incorporating judgments or estimates relating to future performance, events or expectations; and any estimates and forecasts of financial and other performance metrics. Such forward-looking statements are based upon assumptions made by ProFrac as of the date hereof and are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: the risk that the proposed transaction may not be completed in a timely manner or at all, ProFrac's ability to effectively scale its operations and integrate acquired assets and personnel into ProFrac's existing business model; ProFrac's ability to execute its business strategy and plans for growth, including with respect to the completion of the Monarch acquisition; the failure to utilize the acquired sand mining operations of Monarch in its full capacity in a timely manner or at all; risks associated with ProFrac's ability to finance the Monarch acquisition on favorable terms or at all; industry conditions, including fluctuations in supply, demand and prices for ProFrac's products and services; global and regional economic and financial conditions; the effectiveness of ProFrac's risk management strategies; and other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in ProFrac's filings with the Securities and Exchange Commission ("SEC"), which are available on the SEC's website at www.sec.gov. Nothing in this presentation should be regarded as a representation by any person that the forward-looking statements set forth in this presentation will be achieved or that any of the contemplated results of such forward looking statements will be achieved, including without limitation any expectations about ProFrac's operational and financial performance or achievements through and including 2022. There may be additional risks about which ProFrac is presently unaware or that ProFrac currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. The reader should not place undue reliance on forward-looking statements, which speak only as of the date they are made. ProFrac anticipates that subsequent events and developments will cause its assessments to change. However, while ProFrac may elect to update these forward-looking statements at some point in the future, it expressly disclaims any duty to update these forward-looking statements, except as otherwise required by law.

Industry and Market Data

This presentation has been prepared by ProFrac and includes market data and certain other statistical information from third-party sources. Although we believe these third-party sources are reliable as of their respective dates, we have not independently verified the accuracy or completeness of this information. Some data is also based on our good faith estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in these publications. Additionally, descriptions herein of market conditions and opportunities are presented for informational purposes only; there can be no assurance that such conditions will actually occur. Please also see "Forward-Looking Statements."



M&A Strategy and Activity Update

ProFrac is executing its plan to *acquire, retire and replace legacy frac fleets and opportunistically acquire high-quality assets that enhance its vertical integration strategy*

ProFrac has entered into an agreement to acquire the Eagle Ford assets of Monarch Silica, LLC ("Monarch")

- Transaction will provide ProFrac the largest dry sand capacity of in-basin proppant producers in the Eagle Ford¹
- Transaction is expected to close before year end 2022 and is expected to be accretive to ProFrac earnings and cash flow for FY 2023

Acquiring Monarch demonstrates ProFrac's ***commitment to its strategy***:

- Sourcing proppant internally not only eliminates significant input cost, but also enables the Company to realize logistics margin on bundled volumes and volumes sold FOB wellsite
- Provides certainty of sand supply, helping to minimize disruptions to operations and losses resulting from non-productive time
- Creates immediate scale and leading market share in an active region for ProFrac's frac fleets¹

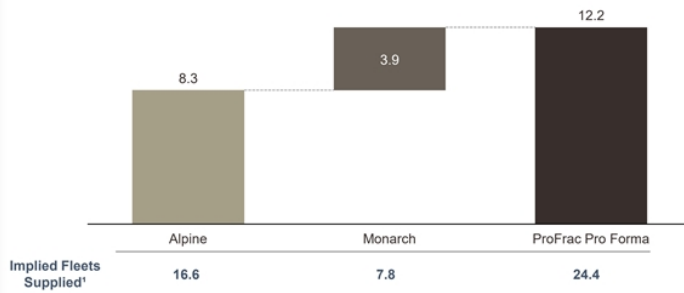


¹) Source: Rystad Energy as of December 2022.

Adding Sand Capacity in Active Markets is Key to Our Vertical Integration Strategy

- Acquiring high-quality, strategically-located assets and optimizing efficiency is expected to help satisfy high levels of baseload demand from ProFrac fleets
- Facilitates strategy of bundling sand and chemicals across active frac fleets, which should improve overall fleet efficiency
- Expected to allow ProFrac to benefit from market volatility in rising input cost environment and offers advantaged cost structure relative to competitors

Pro Forma Sand Capacity (mmtpy)



Pro Forma Operating Footprint



1) Assumes 500 thousand tons per year demand per active frac fleet.



Summary of Monarch Acquisition

Overview of Monarch

- Approximately 4mtpy nameplate capacity mine located on a 735 acre site 2.5 miles south of San Antonio
- Produces high-quality 100M and 40/70M sand
- 51+ million tons of identified net reserves
- 15k tons of vertical storage
- Combines premium equipment with automated systems to create highly efficient mine operations

**High-Quality,
Strategically-
Located Asset**

**Real Estate
Included**

**Creates Leading In-
Basin Sand
Platform**

Key Transaction Highlights

- Ideal geographic positioning to serve the Eagle Ford market
- Premium equipment at wet plant allows for reduced moisture content in finished product
- Significant wet and dry sand storage supports uninterrupted operations and efficient throughput
- Transaction includes land ownership
- Eliminates all royalty payments going forward
- 12.2mtpy total nameplate in-basin sand production capacity pro forma
- Largest Eagle Ford in-basin production capacity
- Monarch offers sufficient capacity to supply 8 fleets in South Texas¹⁾



¹⁾ Assumes 500k tons per year per fleet annual demand.

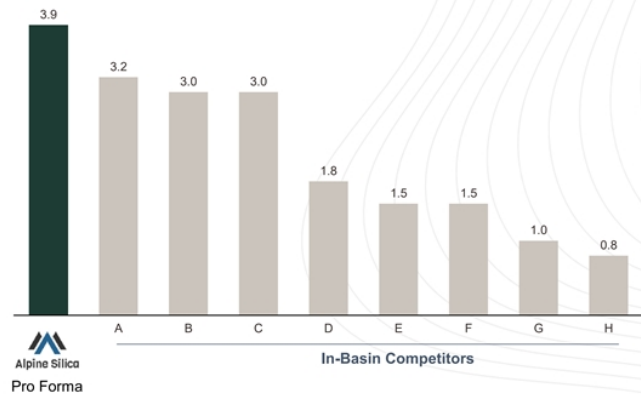
Acquisition of Monarch: Strategic Rationale

Acquiring Monarch is expected to accelerate the execution of ProFrac's strategic plan by strengthening the Company's vertically integrated capabilities in a key geographic market

Key Elements of ProFrac's Investment Thesis

- Enhances vertical integration strategy in a key pressure pumping market for ProFrac
- Limited legacy Monarch contracts enable ProFrac to quickly transform business by directly supplying ProFrac fleets and selling other volumes to third parties FOB wellsite
- High-quality asset with strategic geographic location and diverse existing customer base
- Opportunities to further optimize plant and loadout efficiency

Largest Eagle Ford In-Basin Production Capacity¹

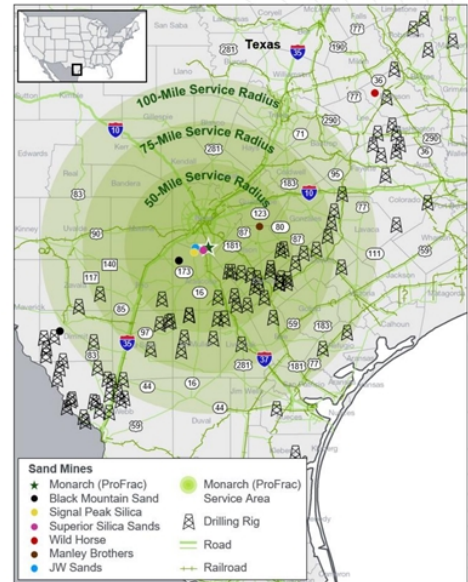


1) Source: Company data and Rystad Energy as of December 2022.



Monarch is Strategically Located in Close Proximity to Key Eagle Ford Activity Hub

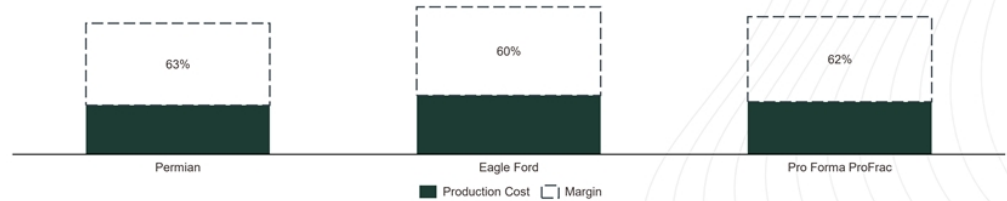
- Proximity to drilling and completion activity and local infrastructure is critical to the value of an in-basin sand mine
- Monarch is located in south San Antonio, within 50 miles of a substantial concentration of South Texas drilling and completion activity
 - Positioning near I-37, US 281 and FM 1604 affords the mine multiple routes serving the Eagle Ford play
- ProFrac currently has 8 active fleets operating in the Eagle Ford



Acquisition of Monarch Offers Scale and Significant Margin Contribution

- Pro forma for the acquisition of Monarch, Alpine is the largest producer of in-basin sand in the Eagle Ford as measured by nameplate capacity
- Owning in-basin mines eliminates margin paid to proppant suppliers, minimizing leakage of value to third parties
- Ability to realize logistics margin on volumes sold to ProFrac or to third parties FOB wellsite offers potentially material incremental value
- Capturing proppant and logistics margin allows for the optimization of service pricing and enhances ability to maintain high levels of fleet utilization

Illustrative Potential Cost Savings From Internally Sourcing Proppant¹



	Permian	Eagle Ford (Pro Forma)	Pro Forma ProFrac
Production Capacity (MMtpy)	8.3	3.9	12.2
Implied Potential Fleets Accommodated ²	16.6	7.8	24.4
Potential Cost Savings ³	63%	60%	62%

1) Source: ProFrac management estimates for FOB mine prices; illustrative production costs.

2) Assumes 500 thousand tons per year demand per active frac fleet.

3) Reflects difference between production cost of tons produced and cost of volumes if purchased at FOB minegate prices.



ProFrac Investment Highlights



High Performing Pressure Pumping Fleets that have Consistently Outperformed Peers
Focused on Cash Flow and Efficiency



Vertically Integrated Platform with In-House Manufacturing and Sand Production
Enhance Efficiency and Profitability by Controlling More of the Pad



Operational Philosophy Underpinned by ESG-Focused Initiatives
Environmental & Economic Improvements Aligned



Two-Pronged Growth Strategy: Acquire/Retire/Replace & Scaling Vertical Integration
We're Not Building An OFS Company, We're Building an Oil & Gas Institution



Diversified Exposure to Oil and Gas Basins with a Loyal and Active Customer Base
Value Add Business Partner with Significant Market Share



Premier Management Team with Established Track Record
We Know Frac



