

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): August 11, 2022**

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**ProFrac Holding Corp.**

(Exact name of registrant as specified in its charter)

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**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:

| <u>Title of each class</u>                       | <u>Trading Symbol(s)</u> | <u>Name of exchange on which registered</u> |
|--|--------------------------|---|
| Class A common stock, par value \$0.01 per share | PFHC                     | 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.

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**Item 2.02 Results of Operations and Financial Condition**

On August 11, 2022, ProFrac Holding Corp., a Delaware corporation (the “Company”), issued a press release reporting the financial results of the Company for the second quarter ended June 30, 2022. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein in its entirety by reference.

**Limitation on Incorporation by Reference.** The information furnished in this Item 2.02, including the press release attached hereto as Exhibit 99.1 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 made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as set forth by specific reference in such a filing.

**Cautionary Note Regarding Forward-Looking Statements.** Except for historical information contained in the press release attached as Exhibit 99.1 hereto, the press release contains 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 note in the press release regarding these forward-looking statements.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u>   |
|--------------------|--|
| 99.1               | <a href="#"><u>Press Release, dated as of August 11, 2022, of ProFrac Holding Corp. announcing its financial results for the second quarter ended June 30, 2022.</u></a> |

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**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: August 11, 2022

## ProFrac Holding Corp. Reports Strong 2022 Second Quarter Financial and Operational Results

### **ProFrac's Two-Prong Growth Strategy – Acquire, Retire, Replace<sup>(TM)</sup> and scaling Vertical Integration – Drives Significant Increases in Revenue, Net Income and Adjusted EBITDA**

WILLOW PARK, Texas, Aug. 11, 2022 /PRNewswire/ -- ProFrac Holding Corp. (NASDAQ: PFHC) ("ProFrac" or the "Company") today announced strong financial and operational results for its second quarter ended June 30, 2022.

#### Second Quarter 2022 Results and Recent Highlights

- Total revenue grew approximately 40% sequentially to \$589.8 million over 2022 first quarter revenue, on a pro forma basis for the FTSI acquisition, <sup>(1)</sup> of \$421.6 million, and up over 70% over 2022 first quarter reported revenue of \$345.0 million
- Net income rose to \$70.1 million, which included \$38.8 million of stock compensation expense related to a deemed contribution from a related party
- Net income excluding stock compensation expense related to a deemed contribution was \$108.9 million, up over 350% compared to 2022 first quarter reported net income of \$24.1 million
- Adjusted EBITDA<sup>(2)</sup> increased over 100% sequentially to \$210.6 million compared to 2022 first quarter Adjusted EBITDA, on a pro forma basis for the FTSI acquisition,<sup>(3)</sup> of \$99.4 million
- Annualized Adjusted EBITDA per fleet excluding Flotek was \$28.1 million on 31 average active fleets during the quarter
- Announced pending acquisition of U.S. Well Services, Inc. in late June and expect to close the transaction in the fourth quarter of 2022
- Upsized Term Loan by \$150 million and closed on the acquisition of the SPS Monahans assets in late July 2022
- Second quarter results include the consolidation of Flotek results after May 17, 2022 which contributed \$15.4 million in revenue and (\$7.5) million in Adjusted EBITDA

Ladd Wilks, ProFrac Holding Corp.'s Chief Executive Officer, stated, "Our business performed extremely well during the second quarter. We had 31 average active fleets during the quarter and we are currently deploying our first electric fleet into the field. We do not have plans to activate any additional conventional fleets at this time. We continue to focus our supply chain and our team on our existing fleets and our electric deployments. I am proud to partner with our customers and our team to continue pushing for a better, safer service company that provides best-in-class products and services, while focusing on driving superior returns for our shareholders."

Matt Wilks, Executive Chairman, added, "Over the past several quarters, we have been focused on executing our Acquire, Retire, Replace <sup>(TM)</sup> strategy and scaling our Vertical Integration strategy. As such, we are very pleased to report tremendous growth metrics during our second quarter which highlights the strong value of both strategies. The second quarter demonstrates our two-prong strategy in action because this is our first full quarter that includes the fleets acquired in the FTSI transaction. This is also the time that vertical integration matters the most. We are excited and look forward to continue proving the value creation potential of our two-prong growth strategy to our new investors as a public company as we integrate our most recently announced acquisitions."

#### Second Quarter 2022 Financial Results

For the second quarter of 2022, consolidated revenues totaled \$589.8 million, or approximately \$76 million per fleet on an annualized basis. On a pro forma basis for the FTSI acquisition, this compares to \$421.6 million in the first quarter, or \$54.4 million per fleet on an annualized basis. The increase was driven by higher average pricing, higher activity levels achieved with our fleets, and more materials provided to our customers.

Selling, general, and administrative costs ("SG&A") was \$87.5 million and included \$38.8 million of stock compensation expense related to a deemed contribution, \$4.2 million of costs attributable to Flotek, \$4.1 million in acquisition related expenses and included a full quarter of SG&A from FTSI. Higher costs were also driven by incentive compensation costs and acquisition related expenses during the quarter.

The stock-based compensation expense related to a deemed contribution of \$38.8 million was related to shares sold by Farris Wilks and Dan Wilks (or entities they control) (collectively the "Wilks") to Ladd Wilks and Matt Wilks, respectively. These transfers were completed in connection with the IPO and the accounting treatment resulted in stock-based compensation funded directly by the Wilks.

Net income for the second quarter totaled \$70.1 million. Net income excluding the stock compensation expense related to a deemed contribution from related parties was \$108.9 million, compared to \$24.1 million for the first quarter.

Adjusted EBITDA totaled \$210.6 million in the second quarter, or \$27.2 million per fleet on an annualized basis. Excluding the operating results attributable to Flotek, Adjusted EBITDA totaled \$218.0 million, or \$28.1 million per fleet on an annualized basis.

Operating cash flow was \$39.5 million which was impacted by a working capital build due to increased pricing, increased activity levels, and increased materials provided to our customers.

The Company's average active fleet count for the second quarter was 31 fleets.

#### Outlook

The Company is deploying its first electric fleet during the third quarter and expects to average approximately 31 active fleets for the full quarter. We expect to deploy two more electric fleets in the fourth quarter. There are no current plans to reactivate any conventional or dual fuel fleets for the remainder of 2022.

The Company also expects incremental improvement in third quarter results, as compared to the second quarter attributable to further bundling of materials with our pressure pumping services, continued pricing improvements, and the anticipated deployment of our first electric fleet.

#### Business Segment Information

The **Stimulation Services segment** generated revenues in the second quarter of 2022 of \$576.6 million, which resulted in \$196.1 million of Adjusted EBITDA.

The **Manufacturing segment** generated revenues of \$34.9 million in the second quarter of 2022, which resulted in \$9.4 million of Adjusted EBITDA. Approximately 88% of the Manufacturing segment's revenue was intercompany.

The **Proppant Production segment** generated revenues of \$17.5 million in the second quarter of 2022, which resulted in \$12.6 million of Adjusted EBITDA. Approximately 66% of the Proppant Production segment's revenue was intercompany.

Our **other business activities** generated revenues of \$15.4 million in the second quarter of 2022, which resulted in \$(7.5) million of Adjusted EBITDA.

The Other business activities solely relate to the results of Flotek Industries, Inc. ("Flotek"). In May 2022, the Flotek shareholders approved the issuance of \$50 million in initial principal amount of convertible notes that are convertible into Flotek common stock in exchange for amending our supply agreement to increase the term to ten years and the scope to 30 fleets. We were also granted the right to designate four of seven directors to Flotek's board of directors. As a result of our right to appoint directors without a direct equity interest, we determined that Flotek is a variable interest entity ("VIE"). We further determined that the Company is the primary beneficiary of the VIE, primarily due to our ability to appoint four of seven directors to Flotek's board of directors. As a result, and in accordance with GAAP, subsequent to May 17, 2022, we have accounted for this transaction as a business combination using the acquisition method of accounting and Flotek's financial results from May 17, 2022 to June 30, 2022 have been consolidated into our consolidated financial statements.

### Capital Expenditures and Capital Allocation

Capital expenditures for full year 2022 are expected to range from \$265 million to \$290 million, which represents the high end of the range provided previously, due to increased activity levels and costs. The first electric fleet has been deployed for field trials and is expected to be fully deployed prior to the fourth quarter. The West Munger sand plant is expected to be operational by the beginning of the fourth quarter of this year.

### Balance Sheet and Liquidity

Total gross debt outstanding as of June 30, 2022 was \$495.0 million, \$17.5 million of which was attributable to Flotek. Gross debt outstanding excluding amounts attributable to Flotek was \$477.5 million, compared to \$648.0 million as of March 31, 2022.

Total cash and cash equivalents as of June 30, 2022, was \$73.7 million, \$33.1 million of which was attributable to Flotek. Cash and cash equivalents excluding amounts attributable to Flotek was \$40.6 million, compared to \$28.7 million as of March 31, 2022.

As of June 30, 2022, and excluding amounts attributable to Flotek, the Company had \$88.0 million of liquidity, including \$40.6 million in cash and cash equivalents and net availability of \$47.4 million under its asset-based credit facility.

On July 25, 2022, the Company entered into an amendment to its Term Loan Credit Facility to increase the size of the facility by \$150 million, with an uncommitted option to obtain commitments for a potential additional \$100 million of delayed draw loans before the earlier to occur of (i) the consummation of the pending acquisition of U.S. Well Services, Inc. and (ii) March 31, 2023.

### SPS Monahans Acquisition

On July 25, 2022, the Company acquired SP Silica of Monahans, LLC, and SP Silica Sales, LLC (collectively, "SPS Monahans"), the West Texas subsidiaries of Signal Peak Silica, for approximately \$90 million in cash plus approximately \$10 million in working capital closing adjustments. For additional information related to the acquisition, please reference the Company's press releases available on its website at <https://ir.pfholdingscorp.com/news-events/press-releases>.

### Footnotes

(1) Pro forma for the FTSI acquisition assumes that FTSI was acquired on 1/1/2022, in which case our combined first quarter revenue, net loss, and adjusted EBITDA would have totaled \$421.6 million, \$(1.2) million and \$99.4 million, respectively.

(2) Adjusted EBITDA is a financial measure not presented in accordance with generally accepted accounting principles ("GAAP") (a "Non-GAAP Financial Measure"). Please see "Non-GAAP Financial Measures" at the end of this news release.

(3) Adjusted EBITDA per fleet is a Non-GAAP Financial Measure. Please see "Non-GAAP Financial Measures" at the end of this news release.

### Conference Call

ProFrac has scheduled a conference call on Friday, August 12, 2022 at 11:00 a.m. Eastern time / 10:00 a.m. Central time. Please dial 412-902-0030 and ask for the ProFrac Holding Corp. call at least 10 minutes prior to the start time of the call, or listen to the call live over the Internet by logging on to the website at the address <https://ir.pfholdingscorp.com/news-events/ir-calendar>. A telephonic replay of the conference call will be available through August 19, 2022 and may be accessed by calling 201-612-7415 using passcode 13731713#. A webcast archive will also be available at the link above shortly after the call and will be accessible for approximately 90 days.

### 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," "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 Company's strategies and plans for growth; the Company's positioning, resources, capabilities, and expectations for future performance; market and industry expectations; the anticipated timing of the Company's pending acquisition of U.S. Well Services, Inc.; the anticipated benefits of the Company's July 2022 acquisition of SPS Monahans; the Company's estimates with respect to the profitability and utilization of its electric, conventional and dual fleets; the Company's currently expected guidance regarding its third quarter 2022 results of operations; the Company's currently expected guidance regarding its full year 2022 capital expenditures and capital allocation; statements regarding the availability of funds under the Company's credit facilities; the Company's anticipated timing for operationalizing its new electric fleets and its West Munger sand plant; the amount of capital available to the Company in future periods under its Term Loan Credit Facility; any financial or other information based upon or otherwise incorporating judgments or estimates relating to future performance, events or expectations; any estimates and forecasts of financial and other performance metrics; and the Company's outlook and financial and other guidance. 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 Company's pending acquisition of U.S. Well Services, Inc. may not be completed in a timely manner or at all; the ability to achieve anticipated benefits of the pending acquisition of U.S. Well Services, Inc. and the July 2022 acquisition of SPS Monahans, including risks relating to integrating acquired companies and personnel; the failure to operationalize the Company's new electric fleets and West Munger sand plant in a timely manner or at all; the Company's ability to deploy capital, including capital raised in the May 2022 IPO and capital currently and potentially available to the Company and Flotek in future periods, in a manner that furthers the Company's growth strategy, as well as the Company's general ability to execute its business plans; industry conditions, including fluctuations in supply, demand and prices for the Company's products and services; global and regional economic and financial conditions; the effectiveness of the Company's risk management strategies; the transition to becoming a public company; 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

Forward-looking statements are also subject to the risks and other issues described below under "Non-GAAP Financial Measures," which could cause actual results to differ materially from current expectations included in the Company's forward-looking statements included in this press release. Nothing in this press release should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward looking statements will be achieved, including without limitation any expectations about the Company's operational and financial performance or achievements through and including 2022. 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.

### Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA per fleet are non-GAAP financial measures and should not be considered as substitutes for net income (loss) or any other performance measure derived in accordance with GAAP or as an alternative to net cash provided by operating activities as a measure of our profitability or liquidity. Adjusted EBITDA and Adjusted EBITDA per fleet are supplemental measures utilized by our management and other users of our financial statements such as investors, commercial banks, research analysts and others, to assess our financial performance because they allow us to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization) and items outside the control of our management team (such as income tax rates).

We view Adjusted EBITDA and Adjusted EBITDA per fleet as important indicators of performance. We define Adjusted EBITDA as our net income (loss), before (i) interest expense, net, (ii) income tax provision, (iii) depreciation, depletion and amortization, (iv) loss on disposal of assets and (v) other unusual or non-recurring charges, such as costs and stock compensation expense related to our initial public offering, non-recurring supply commitment charges, certain bad debt expense and gain on extinguishment of debt. We define Adjusted EBITDA per fleet for a particular period as Adjusted EBITDA calculated as a daily average of active fleets during period.

We believe that our presentation of Adjusted EBITDA and Adjusted EBITDA per fleet will provide useful information to investors in assessing our financial condition and results of operations. In particular, we believe Adjusted EBITDA per fleet allows investors to compare the performance of our fleets across comparable periods and against the fleets of our competitors who may have different capital structures, which may make a fleet-for-fleet comparison more difficult. Net income (loss) is the GAAP measure most directly comparable to Adjusted EBITDA, and net income (loss) per fleet is the GAAP measure most directly comparable to Adjusted EBITDA per fleet. Adjusted EBITDA should not be considered as an alternative to net income (loss), and Adjusted EBITDA per fleet should not be considered as an alternative to net income (loss) per fleet. Adjusted EBITDA and Adjusted EBITDA per fleet have important limitations as analytical tools because they exclude some but not all items that affect the most directly comparable GAAP financial measure. Because Adjusted EBITDA and Adjusted EBITDA per fleet may be defined differently by other companies in our industry, our definition of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. The following tables present a reconciliation of the non-GAAP financial measures of Adjusted EBITDA and Adjusted EBITDA per fleet to the most directly comparable GAAP financial measure for the periods indicated.

#### -Tables to Follow-

ProFrac Holding Corp. (NasdaqGS: PFHC)  
Consolidated Statements of Operations

| (In thousands)  | Three Months Ended |            |            |             | Six Months Ended |             |
|---|--------------------|------------|------------|-------------|------------------|-------------|
|   | Jun. 30            | Mar. 31    | Jun. 30    | Mar. 31     | Jun. 30          | Jun. 30     |
|   | 2022               | 2022       | 2021       | 2021        | 2022             | 2021        |
| Revenues  | \$ 589,844         | \$ 344,980 | \$ 174,819 | \$ 149,586  | \$ 934,824       | \$ 324,405  |
| Operating costs and expenses:   |                    |            |            |             |                  |             |
| Costs of revenues, exclusive of depreciation, depletion and amortization    | 340,600            | 232,599    | 126,708    | 118,306     | 573,199          | 245,014     |
| Depreciation, depletion and amortization                                    | 64,064             | 44,216     | 34,904     | 35,461      | 108,280          | 70,365      |
| Loss (gain) on disposal of assets, net                                      | 2,143              | (154)      | 1,868      | 2,207       | 1,989            | 4,075       |
| Selling, general and administrative   | 87,548             | 34,127     | 14,094     | 13,778      | 121,675          | 27,872      |
| Total operating costs and expenses  | 494,355            | 310,788    | 177,574    | 169,752     | 805,143          | 347,326     |
| Operating income (loss)   | 95,489             | 34,192     | (2,755)    | (20,166)    | 129,681          | (22,921)    |
| Other (expense) income:   |                    |            |            |             |                  |             |
| Interest expense, net   | (13,451)           | (9,272)    | (6,187)    | (6,035)     | (22,723)         | (12,222)    |
| Loss on extinguishment of debt  | (8,822)            | (8,273)    | -          | -           | (17,095)         | -           |
| Other income  | 989                | 8,231      | 53         | 187         | 9,220            | 240         |
| Total other expense   | (21,284)           | (9,314)    | (6,134)    | (5,848)     | (30,598)         | (11,982)    |
| Income (loss) before income tax provision                                   | 74,205             | 24,878     | (8,889)    | (26,014)    | 99,083           | (34,903)    |
| Income tax (provision) benefit  | (4,112)            | (752)      | 283        | 25          | (4,864)          | 308         |
| Net income (loss)   | \$ 70,093          | \$ 24,126  | \$ (8,606) | \$ (25,989) | \$ 94,219        | \$ (34,595) |
| Less: net (income) loss attributable to ProFrac Predecessor                 | (56,157)           | (23,710)   | 8,478      | 25,998      | (79,867)         | 34,476      |
| Less: net (income) loss attributable to noncontrolling interests            | 8,704              | (416)      | 128        | (9)         | 8,288            | 119         |
| Less: net (income) loss attributable to redeemable noncontrolling interests | (16,082)           | -          | -          | -           | (16,082)         | -           |
| Net income (loss) attributable to ProFrac Holding Corp.                     | \$ 6,558           | \$ -       | \$ -       | \$ -        | \$ 6,558         | \$ -        |

ProFrac Holding Corp. (NasdaqGS: PFHC)  
Consolidated Balance Sheet

| (In thousands) | Jun. 30 | Mar. 31, | Dec. 31, |
|----------------|---------|----------|----------|
|                | 2022    | 2022     | 2021     |

### Assets

Current assets:

|   |                     |                     |                   |
|---|---------------------|---------------------|-------------------|
| Cash and cash equivalents   | \$ 73,653           | \$ 28,654           | \$ 5,376          |
| Accounts receivable, net  | 444,997             | 298,870             | 161,632           |
| Accounts receivable - related party   | 3,637               | 3,396               | 4,515             |
| Prepaid expenses, and other current assets  | 19,331              | 18,726              | 6,213             |
| Assets held for sale  | 1,805               | -                   | -                 |
| Inventories   | 192,377             | 139,143             | 73,942            |
| Total current assets  | <u>735,800</u>      | <u>488,789</u>      | <u>251,678</u>    |
| Property, plant, and equipment  | 1,231,205           | 1,126,602           | 827,865           |
| Accumulated depreciation and depletion  | (566,960)           | (506,831)           | (464,178)         |
| Property, plant, and equipment, net   | <u>664,245</u>      | <u>619,771</u>      | <u>363,687</u>    |
| Operating lease right-of-use assets   | 80,664              | 79,049              | -                 |
| Deferred tax assets   | 3,316               | -                   | -                 |
| Investments   | 49,752              | 78,296              | 4,244             |
| Intangible assets, net  | 28,241              | 28,681              | 27,816            |
| Goodwill  | 82,340              | -                   | -                 |
| Other assets  | 19,267              | 19,302              | 17,145            |
| Total assets  | <u>1,663,625</u>    | <u>1,313,888</u>    | <u>664,570</u>    |
| <b>Liabilities, redeemable noncontrolling interest, and stockholders' and members' equity (deficit)</b> |                     |                     |                   |
| Current liabilities:  |                     |                     |                   |
| Accounts payable  | 178,905             | 216,054             | 121,070           |
| Accounts payable - related party  | 37,577              | 19,553              | 21,275            |
| Current portion of operating lease liabilities  | 9,160               | 8,371               | -                 |
| Accrued expenses  | 159,304             | 90,079              | 38,149            |
| Other current liabilities   | 15,835              | 36,123              | 34,400            |
| Current portion of long-term debt   | 51,329              | 47,620              | 31,793            |
| Total current liabilities   | <u>452,110</u>      | <u>417,800</u>      | <u>246,687</u>    |
| Long-term debt  | 427,961             | 488,204             | 235,128           |
| Long-term debt - related party  | -                   | 89,800              | 34,645            |
| Operating lease liabilities   | 75,397              | 70,815              | -                 |
| Other liabilities   | -                   | 902                 | -                 |
| Total liabilities   | <u>955,468</u>      | <u>1,067,521</u>    | <u>516,460</u>    |
| Redeemable noncontrolling interest  | 2,024,687           | -                   | -                 |
| Stockholders' and members' equity   | -                   | 244,992             | 147,015           |
| Preferred stock   | -                   | -                   | -                 |
| Class A common stock  | 412                 | -                   | -                 |
| Class B common stock  | 1,011               | -                   | -                 |
| Additional paid-in capital  | -                   | -                   | -                 |
| Accumulated deficit   | (1,410,780)         | -                   | -                 |
| Accumulated other comprehensive (loss) income   | (36)                | (46)                | 56                |
| Total stockholders' and members' equity (deficit) attributable to ProFrac Holding Corp.                 | <u>(1,409,393)</u>  | <u>244,946</u>      | <u>147,071</u>    |
| Noncontrolling interests  | 92,863              | 1,421               | 1,039             |
| Total stockholders' and members' equity (deficit)   | <u>(1,316,530)</u>  | <u>246,367</u>      | <u>148,110</u>    |
| Total liabilities, redeemable noncontrolling interest, and stockholders' and members' equity (deficit)  | <u>\$ 1,663,625</u> | <u>\$ 1,313,888</u> | <u>\$ 664,570</u> |

ProFrac Holding Corp. (NasdaqGS: PFHC)  
Consolidated Statements of Cash Flow

|  | Three Months Ended |                  | Six Months Ended |                 |
|--|--------------------|------------------|------------------|-----------------|
|  | Jun. 30            | Mar. 31          | Jun. 30          | Jun. 30         |
| (In thousands)   | 2022               | 2022             | 2022             | 2021            |
| <b>Cash flows from operating activities:</b>   |                    |                  |                  |                 |
| Net income (loss)  | \$ 70,093          | \$ 24,126        | \$ 94,219        | \$ (34,595)     |
| Adjustments to reconcile net income to net (loss) cash provided by operating activities: |                    |                  |                  |                 |
| Depreciation, depletion and amortization   | 64,064             | 44,216           | 108,280          | 70,365          |
| Stock based compensation   | 40,304             | -                | 40,304           | -               |
| Loss (gain) on disposal of assets, net   | 2,143              | (154)            | 1,989            | 4,075           |
| Non-cash loss on extinguishment of debt  | 5,946              | 4,284            | 10,230           | -               |
| Amortization of debt issuance costs  | 1,358              | 1,371            | 2,729            | 1,063           |
| Bad debt expense, net of recoveries  | -                  | 5                | 5                | 83              |
| Deferred tax expense   | 1,024              | -                | 1,024            | -               |
| Unrealized gain on investments, net  | (426)              | (8,100)          | (8,526)          | -               |
| Changes in operating assets and liabilities:   |                    |                  |                  |                 |
| Accounts receivable  | (127,515)          | (46,856)         | (174,371)        | (25,317)        |
| Inventories  | (41,024)           | (22,857)         | (63,881)         | (7,423)         |
| Prepaid expenses and other assets  | 1,545              | (8,653)          | (7,108)          | 201             |
| Accounts payable   | (42,574)           | 29,824           | (12,750)         | (286)           |
| Accrued expenses   | 60,007             | 22,622           | 82,629           | 18,614          |
| Deferred revenues and other liabilities  | 4,545              | 5,146            | 9,691            | -               |
| Net cash provided by operating activities  | <u>39,490</u>      | <u>44,974</u>    | <u>84,464</u>    | <u>26,780</u>   |
| <b>Cash flows from investing activities:</b>   |                    |                  |                  |                 |
| Investment in property, plant & equipment  | (74,577)           | (41,492)         | (116,069)        | (53,607)        |
| Proceeds from sale of assets   | 479                | 45,622           | 46,101           | 17,586          |
| Acquisitions, net of cash acquired   | 21,723             | (278,990)        | (257,267)        | (2,430)         |
| Investment in preferred shares of BPC  | -                  | (47,202)         | (47,202)         | -               |
| Initial investment in Flotek   | -                  | (10,000)         | (10,000)         | -               |
| Other Investments  | -                  | (3,893)          | (3,893)          | -               |
| Net cash used in investing activities  | <u>(52,375)</u>    | <u>(335,955)</u> | <u>(388,330)</u> | <u>(38,451)</u> |
| <b>Cash flows from financing activities:</b>   |                    |                  |                  |                 |
| Proceeds from issuance of long-term debt   | 27,214             | 560,346          | 587,560          | 42,084          |
| Repayments of long-term debt   | (270,005)          | (227,820)        | (497,825)        | (18,856)        |
| Borrowings from revolving credit agreements  | 99,313             | 97,920           | 197,233          | 14,000          |
| Repayments to revolving credit agreements  | (26,669)           | (96,214)         | (122,883)        | (10,000)        |

|  |                         |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Payment of debt issuance costs   | (671)                   | (22,913)                | (23,584)                | (1,127)                 |
| Member contribution  | -                       | 5,000                   | 5,000                   | -                       |
| Proceeds from issuance of common stock                                 | 329,118                 | -                       | 329,118                 | -                       |
| Payment of THRC related equity   | (72,931)                | -                       | (72,931)                | -                       |
| Payment of common stock issuance costs                                 | (27,444)                | -                       | (27,444)                | -                       |
| Net cash provided by financing activities                              | <u>57,925</u>           | <u>316,319</u>          | <u>374,244</u>          | <u>26,101</u>           |
| <b>Net increase in cash, cash equivalents, and restricted cash</b>     | <b>\$ 45,040</b>        | <b>\$ 25,338</b>        | <b>\$ 70,378</b>        | <b>\$ 14,430</b>        |
| <b>Cash, cash equivalents, and restricted cash beginning of period</b> | <b>30,714</b>           | <b>5,376</b>            | <b>5,376</b>            | <b>2,952</b>            |
| <b>Cash, cash equivalents, and restricted cash end of period</b>       | <b><u>\$ 75,754</u></b> | <b><u>\$ 30,714</u></b> | <b><u>\$ 75,754</u></b> | <b><u>\$ 17,382</u></b> |

ProFrac Holding Corp. (NasdaqGS: PFHC)

Reconciliation of Net Income (Loss) to Adjusted EBITDA

| (In thousands)   | Three Months Ended |                  |                  |                  | Six Months Ended  |                  |
|--|--------------------|------------------|------------------|------------------|-------------------|------------------|
|  | Jun. 30,           | Mar. 31,         | Jun. 30,         | Mar. 31,         | Jun. 30,          | Jun. 30,         |
|  | 2022               | 2022             | 2021             | 2021             | 2022              | 2021             |
| Net income (loss)  | \$ 70,093          | \$ 24,126        | \$ (8,606)       | \$ (25,989)      | \$ 94,219         | \$ (34,595)      |
| Interest expense, net                                    | 13,451             | 9,272            | 6,187            | 6,035            | 22,723            | 12,222           |
| Depreciation, depletion and amortization                 | 64,064             | 44,216           | 34,904           | 35,461           | 108,280           | 70,365           |
| Income tax provision (benefit)                           | 4,112              | 752              | (283)            | (25)             | 4,864             | (308)            |
| Loss (gain) on disposal of assets, net                   | 2,143              | (154)            | 1,868            | 2,207            | 1,989             | 4,075            |
| Loss on extinguishment of debt                           | 8,822              | 8,273            | -                | -                | 17,095            | -                |
| Litigation   | 4,000              | -                | -                | -                | 4,000             | -                |
| Stock based compensation                                 | 1,455              | -                | -                | -                | 1,455             | -                |
| Stock based compensation related to deemed contributions | 38,849             | -                | -                | -                | 38,849            | -                |
| Bad debt expense, net of recoveries                      | -                  | 5                | -                | -                | 5                 | -                |
| (Gain) loss on foreign currency transactions             | (58)               | 12               | -                | -                | (46)              | -                |
| Reorganization costs                                     | -                  | 55               | -                | -                | 55                | -                |
| Acquisition related expenses                             | 4,063              | 13,019           | -                | -                | 17,082            | -                |
| Unrealized gain on investments, net                      | (426)              | (8,100)          | -                | -                | (8,526)           | -                |
| Adjusted EBITDA  | <u>\$ 210,568</u>  | <u>\$ 91,476</u> | <u>\$ 34,070</u> | <u>\$ 17,689</u> | <u>\$ 302,044</u> | <u>\$ 51,759</u> |

ProFrac Holding Corp. (NasdaqGS: PFHC)

Pro Forma Reconciliation of Net Income (Loss) to Adjusted EBITDA

| (In thousands)   | Three Months Ended |
|--|--------------------|
|  | Mar. 31, 2022      |
| Pro forma net income (loss)                              | \$ (1,223)         |
| Interest expense, net                                    | 13,761             |
| Depreciation, depletion and amortization                 | 56,788             |
| Income tax provision                                     | 752                |
| Gain on disposal of assets, net                          | (159)              |
| Loss on extinguishment of debt                           | 8,273              |
| Litigation   | -                  |
| Stock based compensation                                 | 6,495              |
| Stock based compensation related to deemed contributions | -                  |
| Bad debt expense, net of recoveries                      | 5                  |
| (Gain) loss on foreign currency transactions             | 12                 |
| Reorganization costs                                     | (74)               |
| Acquisition related expenses                             | 22,909             |
| Unrealized gain on investments, net                      | (8,100)            |
| Pro forma adjusted EBITDA                                | <u>\$ 99,439</u>   |

ProFrac Holding Corp. (NasdaqGS: PFHC)

Reconciliation of Net Income (Loss) to Pro Forma Adjusted EBITDA excluding Flotek

| (In thousands except average active fleets and annualization factor) | Three Months Ended |                  |
|--|--------------------|------------------|
|  | Jun. 30,           | Mar. 31,         |
|  | 2022               | 2022             |
| Net income (loss)  | \$ 70,093          | \$ (1,223)       |
| Interest expense, net  | 13,451             | 13,761           |
| Depreciation, depletion and amortization                             | 64,064             | 56,788           |
| Income tax provision   | 4,112              | 752              |
| Loss (gain) on disposal of assets, net                               | 2,143              | (159)            |
| Loss on extinguishment of debt                                       | 8,822              | 8,273            |
| Litigation   | 4,000              | -                |
| Stock based compensation   | 1,455              | 6,495            |
| Stock based compensation related to deemed contributions             | 38,849             | -                |
| Bad debt expense, net of recoveries                                  | -                  | 5                |
| (Gain) loss on foreign currency transactions                         | (58)               | 12               |
| Reorganization costs   | -                  | (74)             |
| Acquisition related expenses   | 4,063              | 22,909           |
| Unrealized gain on investments, net                                  | (426)              | (8,100)          |
| Total adjusted EBITDA for reportable segments                        | <u>\$ 210,568</u>  | <u>\$ 99,439</u> |
| Less: Flowtek operating results                                      | 7,454              | -                |
| Adjusted EBITDA excluding Flotek                                     | <u>218,022</u>     | <u>99,439</u>    |
| Average active fleets  | 31                 | 31               |
| Adjusted EBITDA excluding Flotek per average active fleet            | <u>7,033</u>       | <u>3,208</u>     |
| Annualization factor   | 4                  | 4                |
| Annualized adjusted EBITDA excluding Flotek per average active fleet | <u>\$ 28,132</u>   | <u>\$ 12,831</u> |

ProFrac Holding Corp. (NasdaqGS: PFHC)

Segment Information

Three Months Ended

Six Months Ended



|   | Jun. 30           | Mar. 31           | Jun. 30           | Mar. 31           | Jun. 30           | Jun. 30           |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| (In thousands)                          | 2022              | 2022              | 2021              | 2021              | 2022              | 2021              |
| Revenues                                |                   |                   |                   |                   |                   |                   |
| Stimulation services                    | \$ 576,556        | \$ 336,155        | \$ 168,506        | \$ 143,703        | \$ 912,711        | \$ 312,209        |
| Manufacturing                           | 34,854            | 32,006            | 16,223            | 14,657            | 66,860            | 30,880            |
| Proppant production                     | 17,531            | 12,408            | 7,781             | 5,589             | 29,939            | 13,370            |
| Other                                   | 15,359            | -                 | -                 | -                 | 15,359            | -                 |
| Total segments                          | 644,300           | 380,569           | 192,510           | 163,949           | 1,024,869         | 356,459           |
| Eliminations                            | (54,456)          | (35,589)          | (17,691)          | (14,363)          | (90,045)          | (32,054)          |
| Total revenues                          | <u>\$ 589,844</u> | <u>\$ 344,980</u> | <u>\$ 174,819</u> | <u>\$ 149,586</u> | <u>\$ 934,824</u> | <u>\$ 324,405</u> |
| Adjusted EBITDA                         |                   |                   |                   |                   |                   |                   |
| Stimulation services                    | \$ 196,088        | \$ 73,569         | \$ 30,475         | \$ 12,953         | \$ 269,657        | \$ 43,428         |
| Manufacturing                           | 9,360             | 10,022            | 349               | 2,330             | 19,382            | 2,679             |
| Proppant production                     | 12,574            | 7,885             | 3,246             | 2,406             | 20,459            | 5,652             |
| Other                                   | (7,454)           | -                 | -                 | -                 | (7,454)           | -                 |
| Adjusted EBITDA for reportable segments | <u>\$ 210,568</u> | <u>\$ 91,476</u>  | <u>\$ 34,070</u>  | <u>\$ 17,689</u>  | <u>\$ 302,044</u> | <u>\$ 51,759</u>  |

ProFrac Holding Corp. (NasdaqGS: PFHC)

Net Debt

|                                       | Jun. 30,          | Mar. 31           |
|---------------------------------------|-------------------|-------------------|
| (In thousands)                        | 2022              | 2022              |
| Current portion of long-term debt     | \$ 51,329         | \$ 47,620         |
| Long-term debt                        | 427,961           | 488,204           |
| Long-term debt - related party        | -                 | 89,800            |
| Total debt                            | 479,290           | 625,624           |
| Plus: Unamortized debt issuance costs | 15,755            | 22,388            |
| Total gross debt                      | 495,045           | 648,012           |
| Less: Cash and cash equivalents       | (73,653)          | (28,654)          |
| Net debt                              | <u>\$ 421,392</u> | <u>\$ 619,358</u> |

ProFrac Holding Corp. (NasdaqGS: PFHC)

Net Debt excluding Flotek

|                                       | Jun. 30,          |
|---------------------------------------|-------------------|
| (In thousands)                        | 2022              |
| Current portion of long-term debt     | \$ 36,938         |
| Long-term debt                        | 424,825           |
| Long-term debt - related party        | -                 |
| Total debt                            | 461,763           |
| Plus: Unamortized debt issuance costs | 15,755            |
| Total gross debt                      | 477,518           |
| Less: Cash and cash equivalents       | (40,569)          |
| Net debt                              | <u>\$ 436,949</u> |

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