Patterson-UTI Energy

1Q26 Post Mortem and Model Update: Anticipating Pricing Tailwinds in Frac in 2H26

JPM View: PTEN's update confirmed that an activity response is underway in U.S. shale, but the amplitude of the expected increase appears to be more modest than in previous cycles given capital discipline from publics. We also think it reflects the state of undrilled inventory positions given the maturity of the U.S. shale resource base. The company is seeing improving momentum in U.S. land activity, largely at the hands of Private operators and "checkbook drillers", although management acknowledged that the pace of the recovery was difficult to predict. That said, the company expects to see higher activity levels in 2H26 and into 2027 with more favorable trends observed among its Private E&P operators vs. Publics. In Drilling Services, the company noted steady pricing trends and an uplift from its cost reduction program announced on the 4Q25 call. The company expects to average 90 rigs in 2Q26, but with a higher exit rate in the 92 to 95 rig range. The company expects to gain market share given the continued shift toward more complex drilling operations. The company is observing a slight increase in land rig dayrates, with leading-edge dayrates moving slightly above the low-$30K range cited on the last call. In Drilling Products, the company has experienced some slight headwinds given their exposure to the Middle East, which represents 10-15% of segment revenue, primarily from Saudi Arabia. In Completion Services, the company's natural gas capacity is nearly fully-utilized and management expects to see rising demand in 2H26. CEO Hendricks noted 250K of cold stacked diesel hhp on the sidelines, but management signaled it is not interested in reactivating this capacity as it would take $10mm per fleet to reactivate this capacity. Interestingly, the company expects its nameplate hhp to decline this year given the high-grading of the fleet underway. The company is seeing 10% pricing increases stick with a few of their customers and expects to benefit in 2H26 from pricing tailwinds in frac.

In Drilling Services, PTEN expects to generate $130mm of gross profit in 2Q26 vs. $134mm in 1Q26 including $5mm of expensed reactivation costs. In Completion Services, PTEN expects to deliver 2Q26 gross profit of $105mm vs. $98mm in 1Q26, which largely reflects normalized weather as severe winter weather adversely impacted 1Q26 by $9mm. In Drilling Products, the company expects 2Q26 results to trend down sequentially owing to typical seasonality in Canada and higher costs in the Middle East associated with the conflict. For full-year 2026, PTEN maintained its guide of ~$500mm in capex, but we acknowledge this figure might be revised upwards for incremental Emerald fleet additions if momentum in U.S. land activity continues over the course of the year. Seasonality of net working capital is as expected, serving as a headwind for the first half of the year before serving as a tailwind in the latter half. Assuming PTEN continues to return capital to shareholders at approximately two-thirds of adjusted FCF, we model ~$76mm in share buybacks for full-year 2026 which comes in-line with $70mm of buyback activity in 2025. We are revising our 2026-27 EBITDA estimates to $860mm/$932mm from $784mm/$820mm, respectively. We forecast 2026-2027 FCF of $291mm/$372mm from $250mm/$341mm, respectively.

Underweight

PTEN, PTEN US
Price (23 Apr 26):$11.14

▲**Price Target (Dec-26):$10.00**
Prior (Dec-26):$7.00

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Key Changes (FYE Dec)

	Prev	Cur	Δ
Adj. EPS - 26E ($)	(0.36)	(0.11)	69.3%
Adj. EPS - 27E ($)	(0.19)	0.15	181.0%
Adj. EBITDA - 26E ($ mn)	784	860	9.7%
Adj. EBITDA - 27E ($ mn)	820	932	13.7%

Quarterly Forecasts (FYE Dec)

Adj. EPS ($)

	2025A	2026E	2027E
Q1	0.00	(0.06)A	0.01
Q2	(0.05)	(0.06)	0.04
Q3	(0.10)	0.01	0.07
Q4	(0.02)	0.01	0.04
FY	(0.17)	(0.11)	0.15

Style Exposure

Quant Factors	Current %Rank	Hist %Rank (1=Top) 6M	1Y	3Y	5Y
Value	44	26	47	54	97
Growth	39	41	20	79	64
Momentum	34	99	97	9	59
Quality	34	80	86	80	55
Low Vol	71	71	60	73	74
ESGQ	81	79	89	91	93

Sources for: Style Exposure – J.P. Morgan Global Markets Strategy; all other tables are company data and J.P. Morgan estimates.

See page 7 for analyst certification and important disclosures.

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Price Performance

	YTD	1m	3m	12m
Abs	82.3%	3.9%	52.6%	89.5%
Rel	70.5%	-7.3%	48.6%	44.9%

Company Data

Shares O/S (mn)	380
52-week range ($)	11.75-5.10
Market cap ($ mn)	4,228.92
Exchange rate	1.00
Free float (%)	97.6%
3M ADV (mn)	11.14
3M ADV ($ mn)	104.9
Volatility (90 Day)	51
Index	RUSSELL 2000
BBG ANR (Buy | Hold | Sell)	7|8|2

Key Metrics (FYE Dec)

$ in millions	FY25A	FY26E	FY27E
Financial Estimates			
Revenue	4,827	4,610	4,879
Adj. EBITDA	919	860	932
Adj. EBIT	7	11	119
Adj. net income	(65)	(42)	57
Adj. EPS	(0.17)	(0.11)	0.15
BBG EPS	(0.32)	(0.31)	(0.08)
Cashflow from operations	961	767	806
FCFF	444	358	418
Margins and Growth			
Revenue Growth Y/Y (%)	(10.3%)	(4.5%)	5.8%
EBITDA margin	19.0%	18.7%	19.1%
EBITDA Growth Y/Y (%)	(22.6%)	(6.4%)	8.4%
EBIT margin	0.1%	0.2%	2.4%
Net margin	(1.4%)	(0.9%)	1.2%
Adj. EPS growth	(362.4%)	(35.1%)	(240.3%)
Ratios			
Adj. tax rate	(12.0%)	(13.7%)	14.0%
Interest cover	14.4	14.5	17.8
Net debt/Equity	0.2	0.2	0.2
Net debt/EBITDA	0.9	0.8	0.6
ROCE	0.2%	0.3%	2.5%
ROE	(2.0%)	(1.3%)	2.0%
Valuation			
FCFF yield	10.4%	8.5%	10.1%
Dividend yield	2.9%	3.6%	3.6%
EV/Revenue	1.0	1.1	1.0
EV/EBITDA	5.5	5.8	5.2
Adj. P/E	NM	NM	72.0

Summary Investment Thesis and Valuation

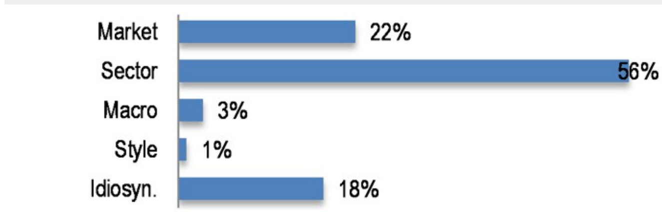
Investment Thesis

- **Underweight** rating
- PTEN is a virtual pure play on NAM, but we see spending headwinds associated with oil price risk and continued efficiency gains from E&Ps, which is reducing demand for U.S. land rigs and completion crews

Valuation

Our Dec-2026 price target of $10 is based on a ~5x mid-cycle EV/EBITDA multiple on our normalized EBITDA estimate of $859mm. We anchor this valuation on a high-single-digit FCF/EV yield on a normalized basis. We apply this normalized through-cycle framework across our OFS coverage universe.

Performance Drivers



Factors	6M Corr	1Y Corr
Market: MSCI US	0.54	0.47
Sect: Energy	0.92	0.85
Ind: Energy	0.92	0.85
Macro:		
Crude Oil	0.80	0.74
US 10yr Breakeven	0.36	0.26
US Dollar	0.08	0.21
Quant Styles:		
Value	0.52	0.23
LowVol	0.35	0.11
DivYld	0.47	0.10

Source: J.P. Morgan Global Markets Strategy for Performance Drivers; company data, Bloomberg Finance L.P. and J.P. Morgan estimates for all other tables. Note: Price history may not be complete or exact.

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Despite the strong execution, we reiterate our UW rating given our preference for NAM completion service providers that have secular growth potential from distributed power, but we lift our Dec-26 PT to $10 from $7 per share based on our normalized FCF analysis.

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Figure 1: Patterson-UTI Energy Financial Model

	2020	2021	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	$2,026
Income Statement ($ in millions)															
Revenue ($, millions)															
Drilling Services Revenue	$736	$776	$1,533	$1,886	$1,728	$413	$404	$380	$361	$1,558	$352	$346	$364	$367	$1,428
Completion Services Revenue	1,539	1,947	4,267	3,898	3,233	766	719	705	702	2,892	680	700	736	714	2,829
Drilling Products Revenue	0	0	0	135	352	86	88	86	84	344	80	78	78	78	314
Other Revenue	46	58	92	79	66	16	8	5	5	33	6	11	11	11	38
Total Revenue	**$2,320**	**$2,781**	**$5,892**	**$5,998**	**$5,378**	**$1,281**	**$1,219**	**$1,176**	**$1,151**	**$4,827**	**$1,117**	**$1,135**	**$1,188**	**$1,170**	**$4,610**
COGS	(1818)	(2330)	(4337)	(4162)	(3920)	(961)	(929)	(894)	(872)	(3657)	(849)	(858)	(894)	(880)	(3481)
SG&A	(217)	(184)	(214)	(250)	(274)	(67)	(64)	(62)	(62)	(255)	(69)	(67)	(67)	(67)	(270)
Total Costs & Expenses	(2051)	(2515)	(4546)	(4392)	(4187)	(1031)	(994)	(956)	(934)	(3916)	(913)	(927)	(962)	(948)	(3751)
Total D&A	(965)	(762)	(713)	(854)	(1058)	(232)	(234)	(226)	(221)	(912)	(218)	(220)	(208)	(203)	(849)
EBITDA	**$282**	**$272**	**$1,336**	**$1,607**	**$1,189**	**$251**	**$231**	**$219**	**$221**	**$922**	**$205**	**$208**	**$226**	**$221**	**$860**
Total Operating Income Companywide	**($682)**	**($490)**	**$623**	**$754**	**$131**	**$19**	**($3)**	**($7)**	**$0**	**$10**	**($13)**	**($12)**	**$18**	**$18**	**$11**
Total Operating Margins	**-29%**	**-18%**	**11%**	**13%**	**2%**	**2%**	**0%**	**-1%**	**0%**	**0%**	**-1%**	**-1%**	**2%**	**2%**	**0%**
Income Taxes	65	56	(13)	(174)	(37)	(1)	(1)	6	6	9	4	4	(0)	(1)	7
Tax Rate	*9%*	*10%*	*2%*	*25%*	*58%*	*45%*	*-6%*	*14%*	*39%*	*12%*	*13%*	*15%*	*15%*	*15%*	*14%*
Net Income	**($1,161)**	**($772)**	**$474**	**$549**	**($968)**	**$1**	**($49)**	**($37)**	**($9)**	**($94)**	**($24)**	**($23)**	**$3**	**$3**	**($42)**
Diluted Shares (Avg)	349	364	406	370	398	387	385	383	383	385	380	378	376	375	377
EPS (Adjusted, diluted)	**($1.93)**	**($1.37)**	**$1.33**	**$1.40**	**$0.06**	**$0.00**	**($0.05)**	**($0.10)**	**($0.02)**	**($0.17)**	**($0.06)**	**($0.06)**	**$0.01**	**$0.01**	**($0.11)**
EPS Consensus	(2.27)	(1.91)	0.63	1.09	0.01	(0.04)	(0.04)	(0.11)	(0.11)	(0.32)	(0.10)	(0.08)	(0.07)	(0.09)	(0.34)
Dividend per Share	$0.10	$0.08	$0.20	$0.32	$0.32	$0.08	$0.08	$0.08	$0.08	$0.32	$0.10	$0.10	$0.10	$0.10	$0.40
Additional Information ($000)															
Contract Drilling U.S.															
Revenue Days	29,857	29,960	45,216	45,270	40,899	9,573	9,465	8,737	8,596	36,371	8,301	8,205	8,627	8,799	33,931
Day Rate	21.4	21.3	27.4	36.3	35.9	35.7	35.2	36.1	35.1	35.5	35.2	35.6	35.9	35.6	35.5
Day Cost	-12.3	-14.9	-17.3	-19.4	-19.8	-19.6	-20.5	-21.1	-19.4	-20.1	-18.7	-18.7	-18.7	-18.7	-18.7
Day Margin	9.1	6.4	10.1	16.8	16.1	16.2	14.8	15.0	15.7	15.4	16.5	16.8	17.2	16.9	16.8
Pressure Pumping	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**($1)**	**($0)**	**($0)**	**$0**	**($0)**	**$0**	**$0**	**($0)**	**$0**
Fracturing jobs	265	422	558	284	696	349	355	358	362	1,423	334	360	374	367	1,434
Revenue / fracturing job	1,222	1,157	1,790	1,878	2,056	2,014	2,019	1,968	1,919	1,980	1,881	1,918	1,937	1,918	1,914
Other jobs	736	754	669	315	836	420	428	432	436	1,716	402	406	423	414	1,645
Revenue / other job	29	30	27	29	28	27	27	27	26	27	25	26	26	26	26
Cash Flow Statement ($ in millions)															
Total Working Capital Changes	156	(162)	(153)	(67)	36	(37)	(82)	24	191	96	(131)	(73)	19	142	(43)
Cash from Operations	**$348**	**$45**	**$1,021**	**$1,006**	**$1,176**	**$208**	**$140**	**$216**	**$398**	**$961**	**$64**	**$124**	**$230**	**$349**	**$767**
Capital expenditures	(259)	(351)	(662)	(616)	(678)	(162)	(144)	(144)	(139)	(589)	(117)	(130)	(115)	(115)	(477)
Cash from Investing	**($163)**	**($295)**	**($599)**	**($1,018)**	**($655)**	**($165)**	**($125)**	**($148)**	**($130)**	**($567)**	**($106)**	**($118)**	**($103)**	**($103)**	**($429)**
Increase (decrease) in Debt	(66)	1	(29)	0	0	0	0	0	0	0	0	0	0	0	0
Cash from Financing	**($113)**	**($24)**	**($296)**	**$66**	**($475)**	**($59)**	**($54)**	**($66)**	**($32)**	**($211)**	**($40)**	**($63)**	**($63)**	**($63)**	**($229)**
Cash at End of Period	**$501**	**$228**	**$356**	**$193**	**$241**	**$225**	**$186**	**$187**	**$418**	**$421**	**$337**	**$281**	**$345**	**$529**	**$529**
Balance Sheet ($ in millions)															
Property, Plant, & Equip. (net)	3,232	2,953	2,940	3,340	3,010	2,937	2,835	2,785	2,711	2,711	2,628	2,538	2,445	2,357	2,357
Total Assets	**$4,457**	**$4,415**	**$4,871**	**$7,420**	**$5,833**	**$5,765**	**$5,576**	**$5,533**	**$5,570**	**$5,570**	**$5,361**	**$5,368**	**$5,335**	**$5,391**	**$5,391**
Long-term Debt, Net of Current	1,235	1,214	1,178	1,225	1,220	1,220	1,220	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221
Stockholder Equity	2,573	2,157	2,455	4,821	3,476	3,435	3,342	3,255	3,219	3,219	3,166	3,080	3,019	2,960	2,960
Cash Flow Metrics															
Free Cash Flow	**$89**	**($306)**	**$359**	**$390**	**$497**	**$46**	**($4)**	**$71**	**$259**	**$372**	**($53)**	**($6)**	**$115**	**$234**	**$291**
FCF/share (diluted)	0.25	(0.84)	0.88	1.06	1.25	0.12	(0.01)	0.19	0.68	0.97	(0.14)	(0.02)	0.31	0.63	0.77
Operating Free Cash Flow	**($286)**	**$75**	**$882**	**$580**	**$219**	**$15**	**$67**	**$104**	**($24)**	**$161**	**$112**	**$185**	**$83**	**$35**	**$416**
Balance Sheet Metrics															
Book Value (per share)	$7	$6	$6	$13	$9	$9	$9	$9	$8	$8	$8	$8	$8	$8	$8
Net Debt	**$752**	**$999**	**$836**	**$1,044**	**$988**	**$995**	**$1,035**	**$1,034**	**$800**	**$800**	**$884**	**$941**	**$877**	**$693**	**$693**
Total Debt/Capital	32.8%	36.3%	32.7%	20.4%	26.1%	26.2%	26.7%	27.3%	27.5%	27.5%	27.8%	28.4%	28.8%	29.2%	29.2%
Net Debt/Capital	22.6%	31.7%	25.4%	17.8%	22.1%	22.5%	23.6%	24.1%	19.9%	19.9%	21.8%	23.4%	22.5%	19.0%	19.0%
Return on equity	(21.4%)	(21.1%)	23.5%	14.3%	0.6%	0.2%	(2.4%)	(4.5%)	(1.1%)	(2.0%)	(3.1%)	(3.0%)	0.4%	0.4%	(1.3%)
Return on capital (Net Debt)	**(15.5%)**	**(13.6%)**	**18.9%**	**12.4%**	**1.1%**	**1.0%**	**(0.2%)**	**(2.0%)**	**0.2%**	**(0.1%)**	**(0.9%)**	**(0.8%)**	**1.8%**	**1.9%**	**0.5%**

Source: J.P. Morgan estimates, Company data.

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Investment Thesis, Valuation and Risks

Patterson-UTI Energy *(Underweight; Price Target: $10.00)*

Investment Thesis

We have an Underweight rating on the shares of Patterson-UTI with a Dec 2026 price target of $10. PTEN is essentially a pure play NAM story, so the prospects of the stock are tied to upstream spending patterns in NAM. While NAM spending is poised to move higher following the turmoil in the Middle East, we have NAM completion oriented providers that have secular growth potential from distributed power.

Valuation

Our Dec-2026 price target of $10 is based on a ~5x mid-cycle EV/EBITDA multiple on our normalized EBITDA estimate. We anchor this valuation on a high-single-digit FCF/EV yield on a normalized basis. We apply this normalized through-cycle framework across our OFS coverage universe.

Risks to Rating and Price Target

Levered to commodity prices, upstream capital spending. The onshore drilling sector is dependent on the capital spending of upstream oil and gas operators. That spending is directly tied to E&P cash flows, which have a strong correlation to oil and natural gas prices. A sustained increase/decrease in global oil prices would likely tighten/loosen the market for land rigs more substantially than we currently model, boosting/undercutting dayrates and PTEN's earnings potential.

North American market most volatile rig count globally. The North American market is characterized as fragmented, highly competitive, and acutely sensitive to movements in commodity prices (both oil and natural gas). As such, the market has historically exhibited significant volatility in rig count. The advent of shale production only exacerbates that volatility. An E&P's ability to scale activity up or down quickly in NAM leads to risk to our estimates and may substantially impact PTEN's earnings potential either positively or negatively given the company's concentrated U.S. exposure.

Pressure pumping exposure. The North American frac market is characterized by a high degree of volatility, similar to the land rig market. Operators have the ability to quickly ramp up/down completions activity if oil prices move higher or lower. A sustained increase/decrease in global oil prices could likely increase/decrease frac demand and improve/worsen PTEN's profitability beyond our estimates.

Geopolitical and macroeconomic risks, particularly in international markets. Patterson has exposure to the LatAm land drilling market following its acquisition of Pioneer Energy Services. Several international markets are characterized by elevated geopolitical and economic risks, including civil unrest, acts of terrorism, currency fluctuations, and government actions. An acceleration of operator capital spending could allow PTEN to realize higher-than-expected earnings from improved international demand, while a slowdown in upstream spending could lead international earnings to fall short of our modelling.

Patterson-UTI Energy: Summary of Financials

Income Statement - Annual	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**5,378**	**4,827**	**4,610**	**4,879**	**-**
COGS	(3,920)	(3,657)	(3,481)	(3,667)	-
Gross profit	**1,458**	**1,170**	**1,129**	**1,212**	**-**
SG&A	(274)	(255)	(270)	(272)	-
Adj. EBITDA	**1,189**	**919**	**860**	**932**	**-**
D&A	(1,058)	(912)	(849)	(813)	-
Adj. EBIT	**131**	**7**	**11**	**119**	**-**
Net Interest	(66)	(64)	(59)	(52)	-
Adj. PBT	**65**	**(77)**	**(48)**	**67**	**-**
Tax	(37)	9	7	(9)	-
Minority Interest	-	-	-	-	-
Adj. Net Income	**26**	**(65)**	**(42)**	**57**	**-**
Reported EPS	(2.43)	(0.24)	(0.11)	0.15	-
Adj. EPS	**0.06**	**(0.17)**	**(0.11)**	**0.15**	**-**
DPS	**0.32**	**0.32**	**0.40**	**0.40**	**-**
Payout ratio	NM	NM	NM	258.5%	-
Shares outstanding	398	385	377	370	-

Income Statement - Quarterly	1Q26A	2Q26E	3Q26E	4Q26E
Revenue	**1,117A**	**1,135**	**1,188**	**1,170**
COGS	(849)A	(858)	(894)	(880)
Gross profit	**268A**	**277**	**295**	**290**
SG&A	(69)A	(67)	(67)	(67)
Adj. EBITDA	**205A**	**208**	**226**	**221**
D&A	(218)A	(220)	(208)	(203)
Adj. EBIT	**(13)A**	**(12)**	**18**	**18**
Net Interest	(15)A	(15)	(15)	(15)
Adj. PBT	**(28)A**	**(27)**	**3**	**4**
Tax	4A	4	(0)	(1)
Minority Interest	-	-	-	-
Adj. Net Income	**(24)A**	**(23)**	**3**	**3**
Reported EPS	(0.06)A	(0.06)	0.01	0.01
Adj. EPS	**(0.06)A**	**(0.06)**	**0.01**	**0.01**
DPS	**0.10A**	**0.10**	**0.10**	**0.10**
Payout ratio	NMA	NM	1379.5%	1170.1%
Shares outstanding	380A	378	376	375

Balance Sheet & Cash Flow Statement	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and cash equivalents	241	421	529	667	-
Accounts receivable	764	723	832	845	-
Inventories	167	160	154	156	-
Other current assets	123	114	109	109	-
Current assets	**1,295**	**1,418**	**1,624**	**1,777**	**-**
PP&E	3,010	2,711	2,357	1,977	-
LT investments	-	-	-	-	-
Other non current assets	1,528	1,441	1,410	1,410	-
Total assets	**5,833**	**5,570**	**5,391**	**5,165**	**-**
Short term borrowings	-	-	-	-	-
Payables	421	471	478	447	-
Other short term liabilities	411	393	440	418	-
Current liabilities	**832**	**864**	**918**	**864**	**-**
Long-term debt	1,220	1,221	1,221	1,221	-
Other long term liabilities	296	261	253	253	-
Total liabilities	**2,348**	**2,346**	**2,393**	**2,339**	**-**
Shareholders' equity	3,476	3,219	2,960	2,768	-
Minority interests	10	6	39	58	-
Total liabilities & equity	**5,833**	**5,570**	**5,391**	**5,165**	**-**
BVPS	**8.74**	**8.37**	**7.85**	**7.47**	**-**
Net debt/(cash)	978	800	693	554	-
Cash flow from operating activities	**1,176**	**961**	**767**	**806**	**-**
o/w Depreciation & amortization	1,058	912	849	813	-
o/w Changes in working capital	36	96	(43)	(68)	-
CFPS	**2.96**	**2.50**	**2.04**	**2.18**	**-**
Cash flow from investing activities	**(655)**	**(567)**	**(429)**	**(417)**	**-**
o/w Capital expenditure	(678)	(589)	(477)	(433)	-
as % of sales	*12.6%*	*12.2%*	*10.3%*	*8.9%*	-
Cash flow from financing activities	**(475)**	**(211)**	**(229)**	**(249)**	**-**
o/w Dividends paid	(127)	(122)	(151)	(148)	-
o/w Net debt issued/(repaid)	-	-	-	-	-
Net change in cash	**49**	**177**	**108**	**139**	**-**
Adj. Free cash flow to firm	**525**	**444**	**358**	**418**	**-**
y/y Growth	*20.6%*	*(15.5%)*	*(19.3%)*	*16.6%*	-

Ratio Analysis	FY24A	FY25A	FY26E	FY27E	FY28E
Gross margin	27.1%	24.2%	24.5%	24.8%	-
EBITDA margin	22.1%	19.0%	18.7%	19.1%	-
EBIT margin	2.4%	0.1%	0.2%	2.4%	-
Net profit margin	0.5%	(1.4%)	(0.9%)	1.2%	-
ROE	0.6%	(2.0%)	(1.3%)	2.0%	-
ROA	0.4%	(1.1%)	(0.8%)	1.1%	-
ROCE	1.0%	0.2%	0.3%	2.5%	-
SG&A/Sales	5.1%	5.3%	5.9%	5.6%	-
Net debt/equity	0.3	0.2	0.2	0.2	-
Net debt/capital	21.9%	19.9%	18.8%	16.4%	-
P/E (x)	172.0	NM	NM	72.0	-
P/BV (x)	1.3	1.3	1.4	1.5	-
P/CF (x)	3.8	4.5	5.5	5.1	-
EV/EBITDA (x)	4.4	5.5	5.8	5.2	-
Dividend Yield	2.9%	2.9%	3.6%	3.6%	-
FCFF yield	11.9%	10.4%	8.5%	10.1%	-
Sales/Assets (x)	0.8	0.8	0.8	0.9	-
Interest cover (x)	17.9	14.4	14.5	17.8	-
Operating leverage	799.1%	922.0%	(1228.2%)	16688.5%	-
Revenue y/y Growth	(10.3%)	(10.3%)	(4.5%)	5.8%	-
EBITDA y/y Growth	(26.0%)	(22.6%)	(6.4%)	8.4%	-
Tax rate	57.9%	(12.0%)	(13.7%)	14.0%	-
Adj. Net Income y/y Growth	(95.0%)	(353.7%)	(36.4%)	(237.8%)	-
EPS y/y Growth	(95.4%)	(362.4%)	(35.1%)	(240.3%)	-
DPS y/y Growth	0.0%	0.0%	25.0%	0.0%	-
BVPS y/y Growth	(32.9%)	(4.2%)	(6.2%)	(4.8%)	-

Source: Company reports and J.P. Morgan estimates.
Note: $ in millions (except per-share data).Fiscal year ends Dec. o/w - out of which

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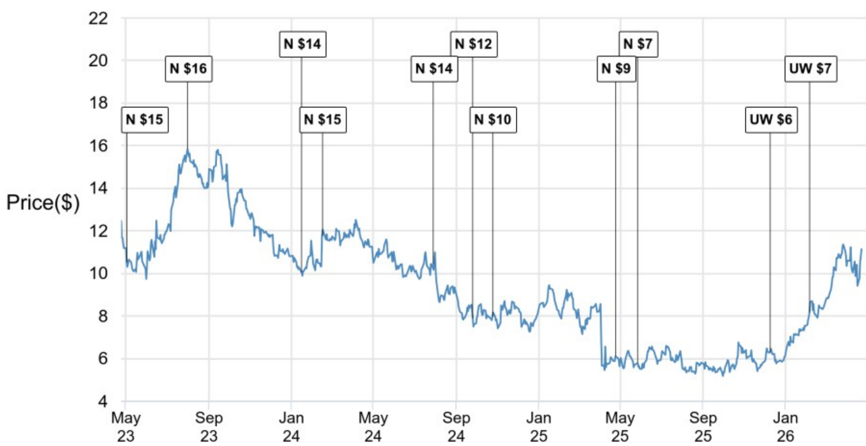
Patterson-UTI Energy (PTEN, PTEN US) Price Chart



Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends.
Initiated coverage May 29, 2015. All share prices are as of market close on the previous business day.

Date	Rating	Price ($)	Price Target ($)
03-May-23	N	10.54	15
01-Aug-23	N	15.84	16
17-Jan-24	N	10.04	14
16-Feb-24	N	11.75	15
29-Jul-24	N	10.43	14
26-Sep-24	N	7.89	12
25-Oct-24	N	7.97	10
25-Apr-25	N	6.10	9
28-May-25	N	5.78	7
10-Dec-25	UW	6.32	6
06-Feb-26	UW	8.17	7

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