

# Investor Presentation

Cactus, Inc. (NYSE: WHD)  
September 2020





# Important Disclosures

## Non-GAAP Measures

This presentation includes references to EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, and EBIT, which are not measures calculated in accordance with accounting principles generally accepted in the United States of America (“GAAP”). A reconciliation of EBITDA, Adjusted EBITDA and EBIT to net income, the most directly comparable measure calculated in accordance with GAAP, is provided in the Appendix included in this presentation. While management believes such measures are useful for investors, these measures should not be used as a replacement for financial measures that are calculated in accordance with GAAP.

## Forward-Looking Statements

The information in this presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact included in this presentation, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this presentation, the words “may,” “hope,” “potential,” “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on Cactus’ current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the operation of our business. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading “Risk Factors” included in our SEC filings. These forward-looking statements are based on management’s current belief, based on currently available information, as to the outcome and timing of future events. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: demand for our products and services, which is affected by, among other things, changes in the price of crude oil and natural gas in domestic and international markets; the level of growth or decline in the number of rigs, pad sizes, well spacings and associated well count; availability of takeaway and storage capacity; availability of capital and the associated capital spending discipline exercised by customers; the financial health of our customers and our credit risk of customer non-payment; changes in the number of drilled but uncompleted wells and the level of completion activity; the size and timing of orders; availability of raw materials and imported items; transportation differentials associated with reduced capacity in and out of the storage hub in Cushing, Oklahoma; expectations regarding raw materials, overhead and operating costs and margins; availability of skilled and qualified workers; potential liabilities such as warranty and product liability claims arising out of the installation, use or misuse of our products; the possibility of cancellation of orders; our business strategy; our financial strategy, operating cash flows, liquidity and capital required for our business; our future revenue, income and operating performance; our ability to pay dividends and the amount of any such dividends; the termination of relationships with major customers or suppliers; laws and regulations, including environmental regulations, that may increase our costs, limit the demand for our products and services or restrict our operations; disruptions in the political, regulatory, economic and social conditions domestically or internationally; the ultimate severity and duration of the ongoing outbreak of coronavirus (COVID-19) and the extent of its impact on our business; outbreaks of other pandemic or contagious diseases that may disrupt our operations, suppliers or customers or impact demand for oil and gas; the impact of actions taken by the Organization of Petroleum Exporting Countries (OPEC) and other oil and gas producing countries affecting the supply of oil and natural gas; increases in import tariffs assessed on products from China and imported raw materials used in the manufacture of our goods in the United States which could negatively impact margins and our working capital; the significance of future liabilities under the tax receivable agreement (the “TRA”) we entered into with certain current or past direct and indirect owners of Cactus LLC in connection with our IPO; a failure of our information technology infrastructure or any significant breach of security; potential uninsured claims and litigation against us; competition within the oilfield services industry; our dependence on the continuing services of certain of our key managers and employees; currency exchange rate fluctuations associated with our international operations; and plans, objectives, expectations and intentions contained in this presentation that are not historical. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation. We disclaim any duty to update and do not intend to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

## Industry and Market Data

This presentation has been prepared by Cactus and includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Some data is also based on Cactus’ good faith estimate. Although Cactus believes these third-party sources are reliable as of their respective dates, Cactus has not independently verified the accuracy or completeness of this information.

## Information Presented

Except as otherwise indicated or required by the context, references in this presentation to the “Company,” “Cactus,” “we,” “us” and “our” refer to (i) Cactus Wellhead, LLC (“Cactus LLC”) and its consolidated subsidiaries prior to the completion of our IPO and (ii) Cactus, Inc. (“Cactus Inc.”) and its consolidated subsidiaries (including Cactus LLC) following the completion of our IPO on February 12, 2018. Cactus LLC is our accounting predecessor.



# Executive Team

**Scott Bender**  
*President & CEO*



- Mr. Bender has served as President and CEO since co-founding Cactus Wellhead, LLC (“Cactus LLC”) in 2011.
- Mr. Bender previously was President of Wood Group Pressure Control from 2000 to 2011.
- Mr. Bender successfully built and monetized Ingram Cactus Company (sold to Cameron in 1996) and led Wood Group Pressure Control’s profitable expansion until its sale to General Electric in 2011.
- Mr. Bender graduated from Princeton University in 1975 with a Bachelor of Science in Engineering and from the University of Texas at Austin in 1977 with a Master of Business Administration.

**Joel Bender**  
*Senior Vice President & Chief Operating Officer*



- Mr. Bender has served as Senior Vice President and COO since co-founding Cactus LLC in 2011.
- Mr. Bender previously was Senior Vice President of Wood Group Pressure Control from 2000 to 2011.
- Mr. Bender successfully built and monetized Ingram Cactus Company (sold to Cameron in 1996) and led Wood Group Pressure Control’s profitable expansion until its sale to General Electric in 2011.
- Mr. Bender graduated from Washington University in 1981 with a Bachelor of Science in Engineering and from the University of Houston in 1985 with a Master of Business Administration.

**Steven Bender**  
*Vice President of Operations*



- Mr. Bender has served as Vice President of Operations of Cactus LLC since 2011, managing all US service center and field operations.
- Mr. Bender previously was Rental Business Manager of Wood Group Pressure Control from 2005 to 2011.
- Mr. Bender graduated from Rice University in 2005 with a Bachelor of Arts in English and Hispanic Studies and from the University of Texas at Austin in 2010 with a Master of Business Administration.

**Steve Tadlock**  
*Vice President, Chief Financial Officer & Treasurer*



- Mr. Tadlock has served as Vice President, Chief Financial Officer & Treasurer, since March 2019.
- Mr. Tadlock previously served as Vice President and Chief Administrative Officer since March 2018 and has also served as VP of Corporate Services since June 2017. He has worked with Cactus LLC since its founding in 2011 as a Board observer.
- Mr. Tadlock previously worked at Cadent Energy Partners, where he served as a Partner from 2014 to 2017.
- Mr. Tadlock graduated from Princeton University in 2001 with a Bachelor of Science in Engineering and from the Wharton School at the University of Pennsylvania in 2007 with a Master of Business Administration.

**David Isaac**  
*Vice President of Administration and General Counsel*



- Mr. Isaac has served as Vice President of Administration and General Counsel since September 2018.
- Mr. Isaac previously worked at Rockwater Energy Solutions, Inc. and most recently served as Senior Vice President of Human Resources and General Counsel.
- Mr. Isaac previously was the Vice President of Human Resources and General Counsel of Inmar, Inc.
- Mr. Isaac graduated from The College of William & Mary in 1983 with a Bachelor of Arts in Economics and from The Ohio State University in 1986 with a Juris Doctor.





## Investment Highlights

**1** A Leading Pure Play Wellhead and Pressure Control Equipment Solutions Provider for Onshore Markets

**2** Innovative and Differentiated Products & Services That Drive Margin Stability Through the Cycle

**3** Dynamic & Variable-Cost Operating and Manufacturing Capabilities

**4** Returns Focused with Large Net Cash Balance

**5** Experienced Management Team with Significant Equity Ownership & Strong Industry Relationships

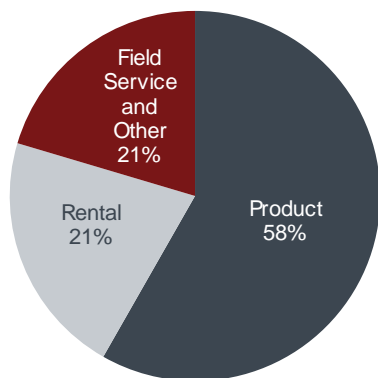
***Through-Cycle  
Outperformance***



# Company Overview

**Cactus designs, manufactures, sells and rents highly engineered products which yield greater pad drilling and completions efficiencies while enhancing safety**

## Q2 2020 LTM Revenue by Type

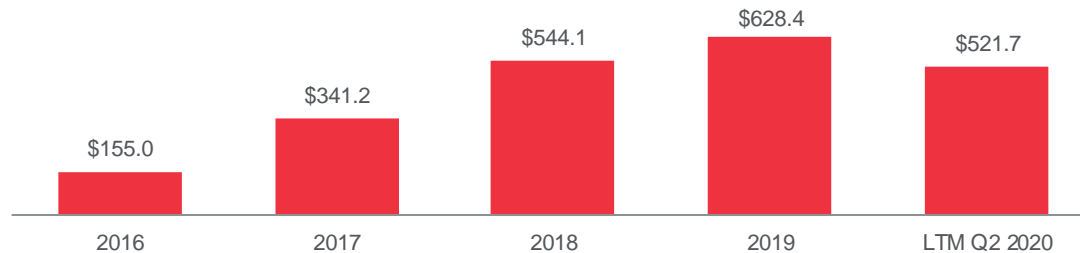


\*Product Revenue Includes Drilling and Production Consumables

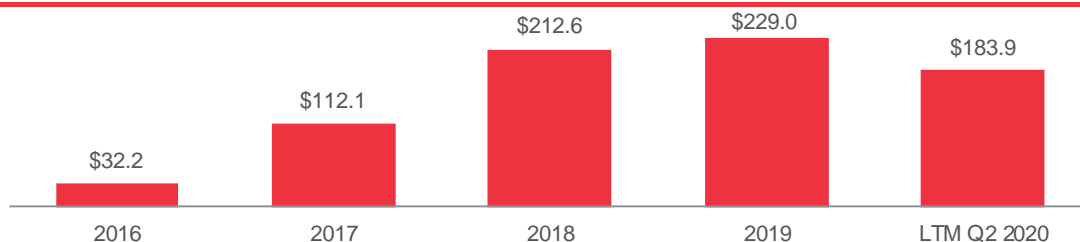
## Selected Active Basins

- Bakken
- Eagle Ford
- Permian
- Cooper, Australia
- DJ / Powder River
- Marcellus / Utica
- SCOOP / STACK

## Revenue (\$ in millions)

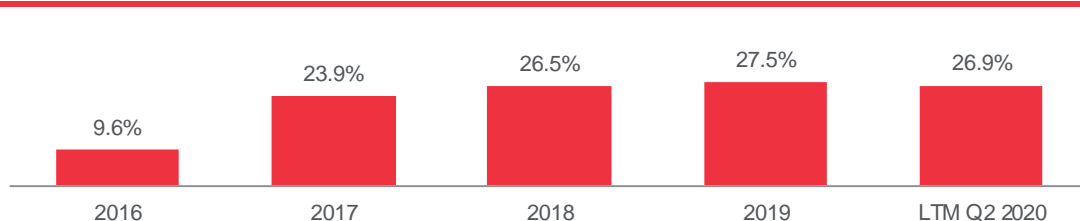


## Adjusted EBITDA<sup>(1)</sup> (\$ in millions)



Year	Adj. EBITDA <sup>(1)</sup> as % of Revenue
2016	20.8%
2017	32.9%
2018	39.1%
2019	36.4%
LTM Q2 2020	35.2%

## Adjusted EBITDA<sup>(1)</sup> – Net Capital Expenditures<sup>(2)</sup> as % of Revenue



Source: Company filings.

1) EBITDA and Adjusted EBITDA are non-GAAP financial measures. The Appendix at the back of this presentation contains a reconciliation of EBITDA and Adjusted EBITDA to net income, the most comparable financial measure calculated in accordance with GAAP.

2) Net Capital Expenditures equals net cash flows from investing activities.

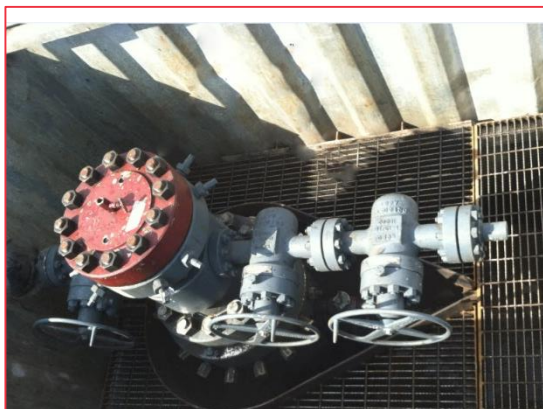


# Proprietary Equipment Across Drilling, Completion, and Production Phases of a Well

**Technologically advanced wellhead and frac solutions deliver greater reliability and time savings**

- Designed for pad drilling and intense completion environments
- Principal products: SafeDrill® wellheads, frac related rentals and production trees
- Time savings can exceed 30 hours of rig time per well

## Drilling



**Consumable Sale**

## Completion (Frac)



**Temporary Rental**

## Production



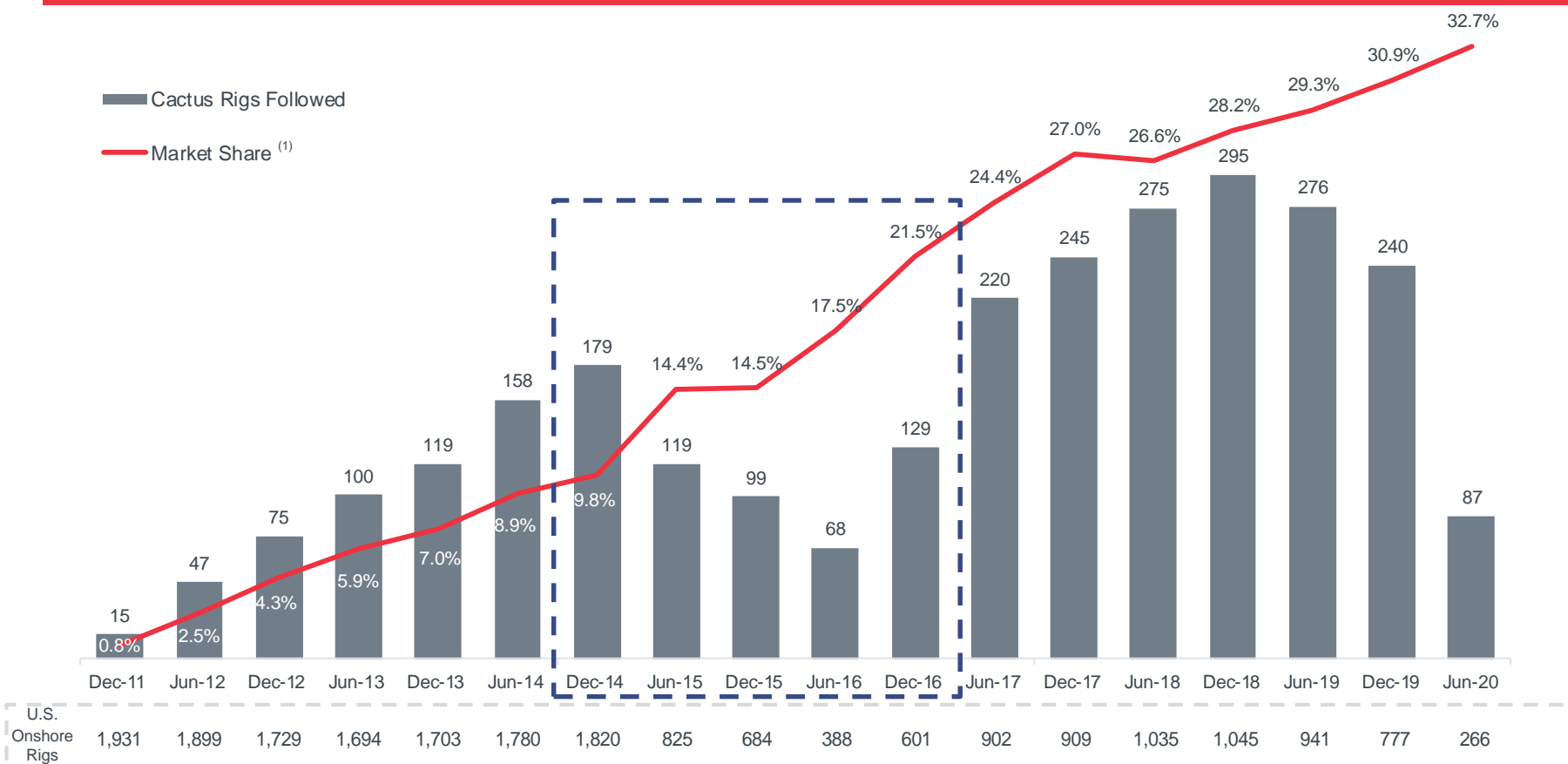
**Consumable Sale**

**Cactus Also Provides Field Service, Installation & Maintenance**



# Market Leader with Strong Market Share Growth

## Historical U.S. Onshore Market Share<sup>(1)</sup>



**2015 – 2016 Downturn Was Source of Significant Market Share Gains**

Source: Baker Hughes Rig Count Data, as published on the Friday on or immediately preceding the 15th day of each month presented, and Cactus analysis.

1) Represents the number of active U.S. onshore rigs Cactus followed divided by the total number of active U.S. onshore rigs, as of mid-month. The number of active U.S. onshore rigs Cactus followed represents the approximate number of active U.S. onshore drilling rigs to which Cactus was the primary provider of wellhead products and corresponding services during drilling, as of mid-month. Cactus believes that comparing the total number of active U.S. onshore rigs to which it is providing its products and services at a given time to the total number of active U.S. onshore rigs on or about such time provides Cactus with a reasonable approximation of its market share with respect to its wellhead products sold and the corresponding services it provides.



# Cactus was Well Positioned for the Downturn...

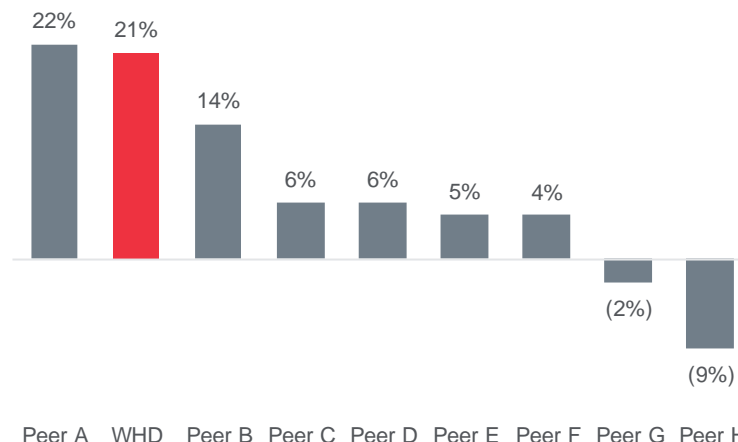
## Well Prepared for a Downturn

- Management team has operated through several industry cycles
- No bank debt and over \$270 million in cash<sup>(1)</sup>
- Variable cost structure & low capex requirements
- One of the few oilfield service companies to maintain dividend level

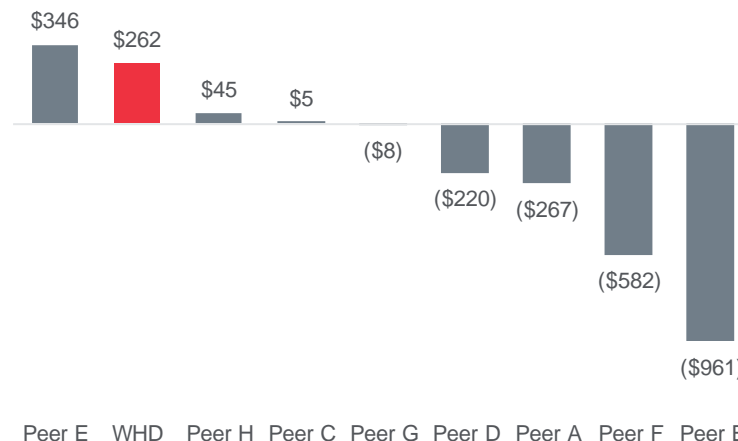
## Playbook includes:

- Partner with customers to become more efficient
- Reduce organizational costs
  - \$85 million in payroll cost reductions implemented
  - Cost to achieve savings limited to < \$2 million
- Significant reduction in capital expenditures
- Retention of key talent in R&D, Engineering & Sales
- Focus on safety, returns, margins and market share expansion

## 2014 – 2019 Trough Annual Adjusted EBITDA Margin<sup>(2)(3)(4)</sup>



## Net Cash / (Net Debt) Position (\$mm)<sup>(5)</sup>



Source: Factset, Company filings.

1) As of June 30, 2020.

2) Peer data represents Adjusted EBITDA where available per company filings and presentations. Peers include: ChampionX, Dril-Quip, Core Laboratories, DMC Global, Hunting, National Oilwell Varco, Oil States International, Schoeller-Bleckmann. Cactus' computation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

3) Cactus data represents Adjusted EBITDA. The Appendix at the back of this presentation contains a reconciliation of EBITDA and Adjusted EBITDA to net income, the most comparable financial measure calculated in accordance with GAAP. Adjusted EBITDA Margin is defined as Adjusted EBITDA expressed as a percentage of Revenue.

4) Trough margin represents lowest annual Adjusted EBITDA margin during the period of 2014 – 2019.

5) Net debt calculated as principal value of debt and capital leases less cash & cash equivalents. Represents latest publicly available data.



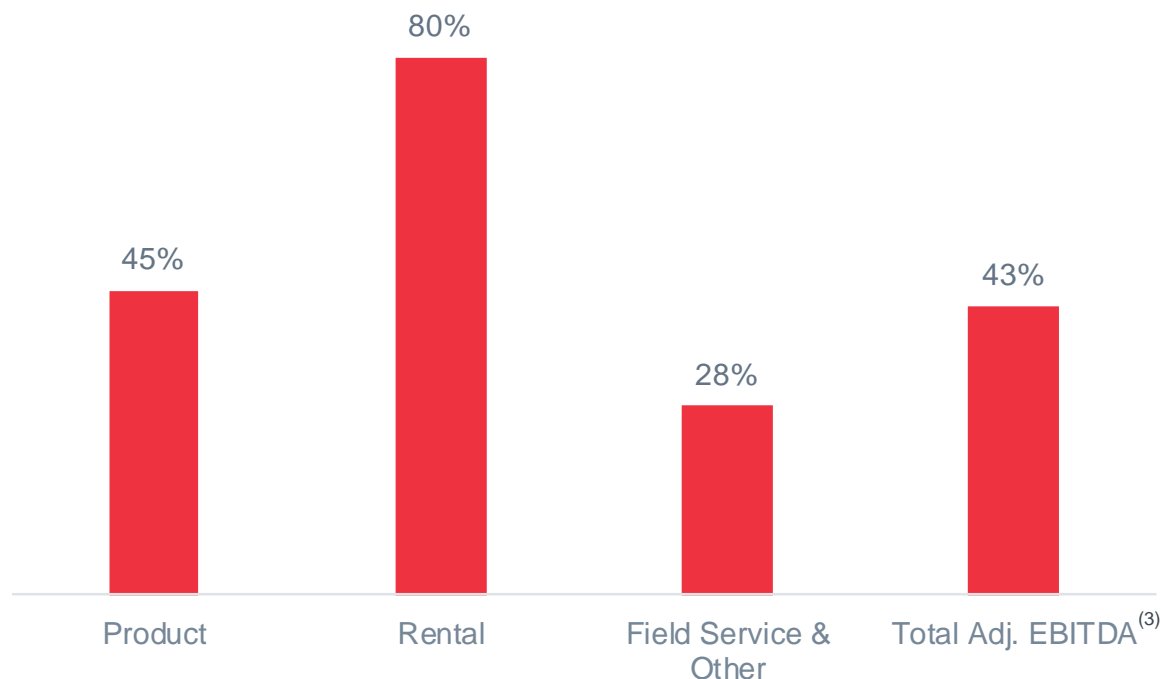


# ...and Cactus is Well Prepared for a Recovery

## Highlights

- Positive operating leverage generally benefits margins as revenue increases
- Incremental EBITDA margins were strong during the last market recovery (2017)
- Slower activity environment provides opportunity to improve internal processes and provide solutions to issues faced by clients
- Portion of cost savings achieved to date expected to be maintained through the cycle
- Cactus has maintained key sales & engineering talent through the downturn

## 2017 Incremental EBITDA Margins<sup>(1)(2)</sup>



**Total Company Incremental Adjusted EBITDA Margins Over 40% in 2017<sup>(2)(3)</sup>**

1. The Appendix at the back of this presentation contains a reconciliation of EBITDA and Adjusted EBITDA to net income, the most comparable financial measure calculated in accordance with GAAP.  
2. Product, Rental and Field Service & Other incremental EBITDA margins represent annual change in category gross profit (excluding depreciation & amortization) divided by change in category revenue in 2017 versus 2016. Incremental Total Adj. EBITDA margin represents change in annual Adjusted EBITDA divided by change in annual revenue in 2017 versus 2016.  
3. Includes selling, general and administrative expenses.

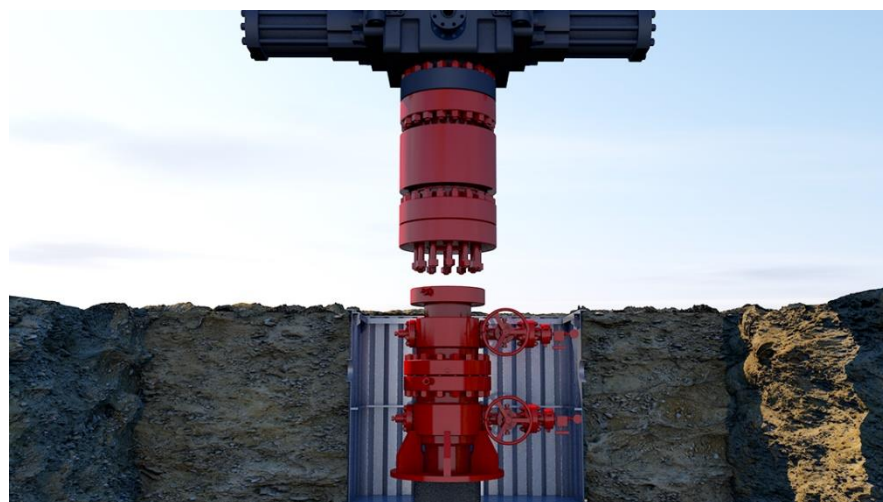


# Technologically Advanced Pad Drilling Wellhead Systems

## Cactus SafeDrill®



## Conventional Wellhead



## SafeDrill® Advantages

### Safety

- ✓ Fewer trips into confined space (cellar)
- ✓ No BOP manipulation after intermediate casing has been installed

### Time Savings

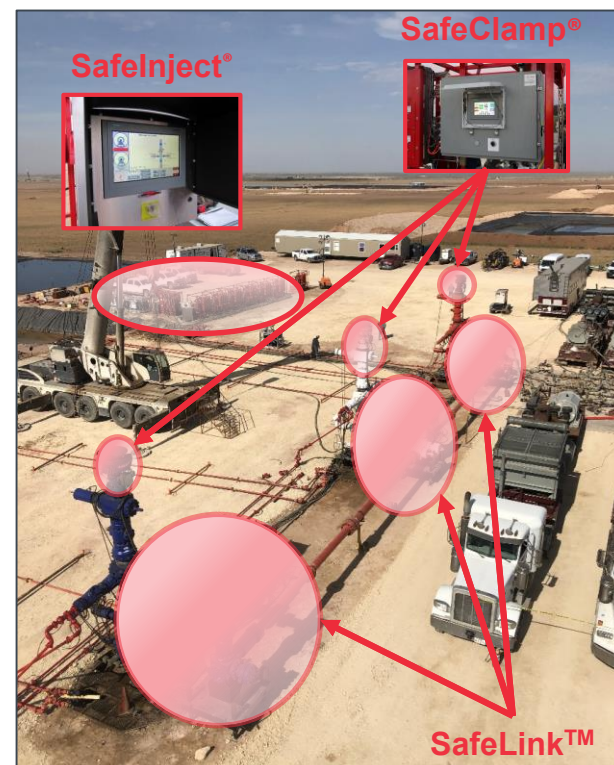
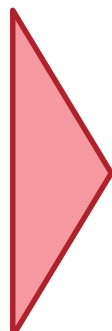
- ✓ Eliminates time consuming BOP manipulation
- ✓ No waiting on cement after running casing strings
- ✓ No “hot work” required to cut casing with torch
- ✓ Mandrel hangers, pack offs run and set through BOPs



# Innovations Enhance Rental Business Value Proposition

## Complement & enhance legacy rental offerings while requiring no additional personnel

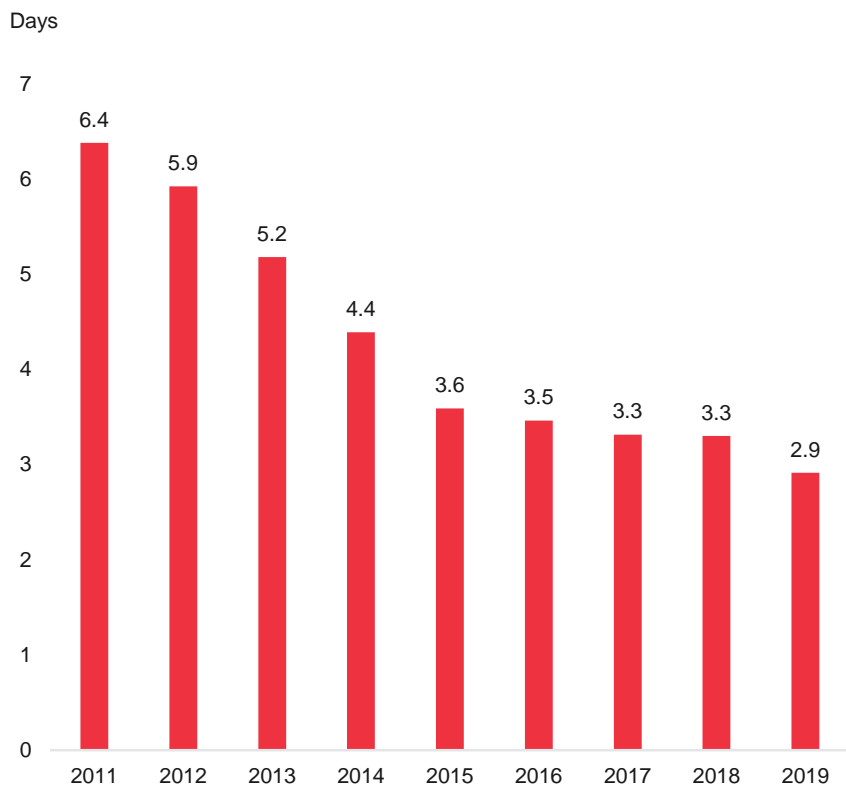
- Significantly reduce non-productive time (“NPT”) by increasing reliability and automation
- Increase safety and reduce costs by removing personnel from the exclusion zone
- Differentiated vs. competing offerings
- **SafeLink™**
  - Singular & continuous large bore connection between missile and multiple frac trees
  - Compact design & adaptable to pad layouts
  - Reduces rig-up/down time, leaks and maintenance that cause NPT
- **SafeInject®**
  - Digital & remotely operated method to perform frac tree maintenance and collect valuable data at wellsite
  - Eliminates need for personnel to enter exclusion zone
- **SafeClamp®**
  - Reliable method to connect the wireline lubricator to the frac tree without the need for human intervention within the exclusion zone
  - Reduces NPT associated with transition between wireline and frac operations





# Improvements in Operator Efficiencies Beneficial to Cactus

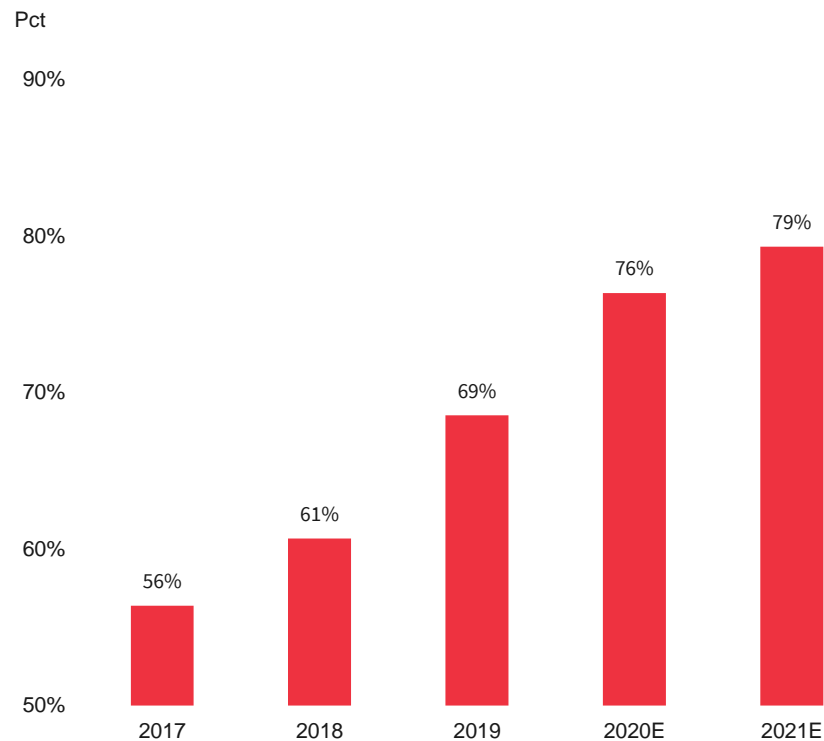
## U.S. Drilling Days Per 1,000 Lateral Ft.



Source: Credit Suisse Research.

- Faster drilling times translates into more wells drilled per rig
- More wells per rig drives more wellhead equipment demand per drilling rig in operation

## U.S. Well Completions Utilizing Zipper Fracs



Source: Raymond James, DrillingInfo.

- Cactus' rental equipment is tailored toward more advanced completion techniques & difficult well conditions
- Larger pad sizes and zipper fracs drive more demand for Cactus' rental equipment



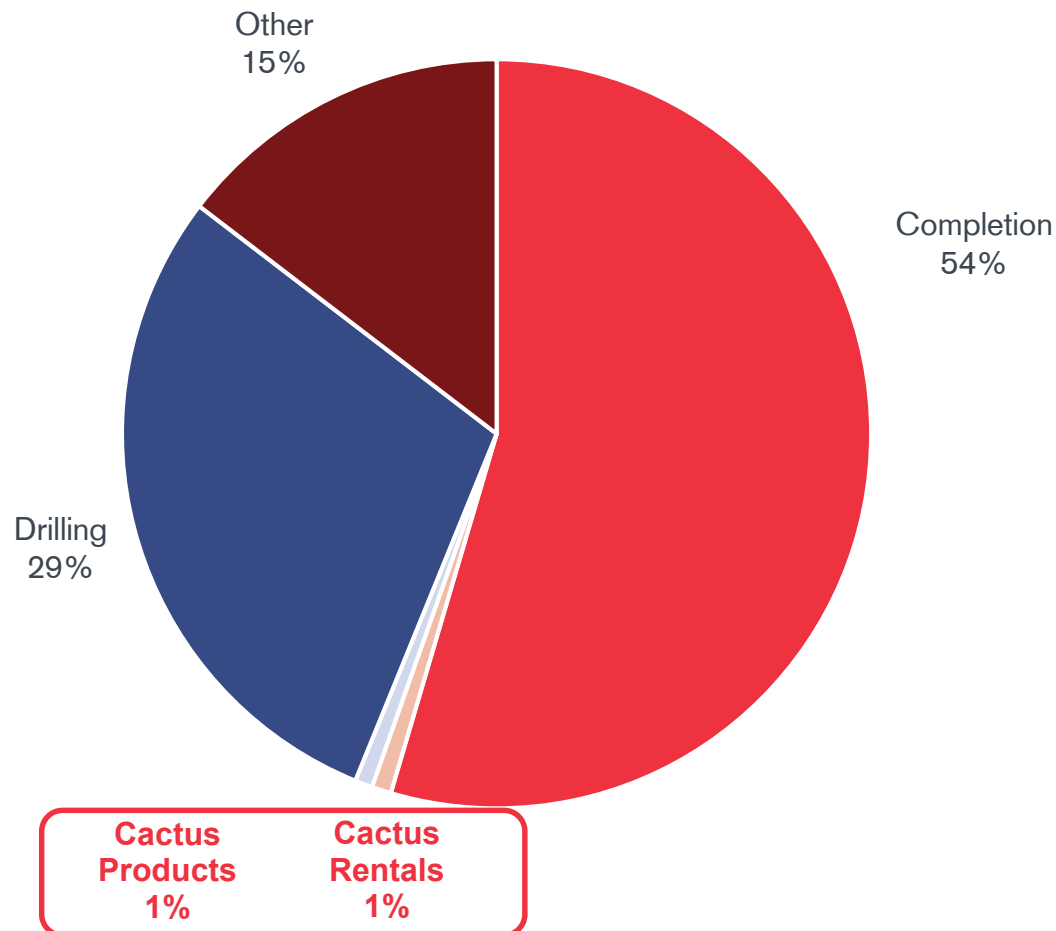


# Small Expenditures Can Have a Big Impact on Operators

## Cactus Value Proposition

- Cactus offerings make up a relatively small portion of the overall cost to drill & complete a well
- Efficiency and reliability can cause a disproportionate amount of benefit for operators
- Operators prioritize cost savings on larger ticket items

## Components of Onshore Well Costs<sup>(1)</sup>



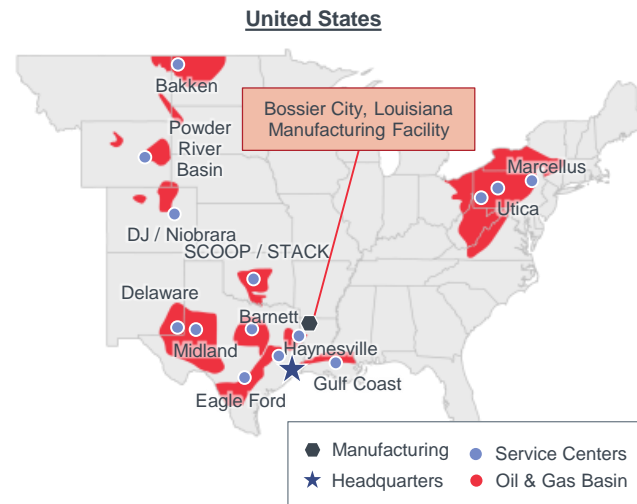
1) Source: EIA and Management estimates.



# Flexible and Scalable Operating Footprint

## U.S. Operations

- Service centers support field services and provide repair services
- Well-diversified across all key producing basins
- Flexible cost structure at branches & Bossier City
  - Leased facility arrangements reduce capital needs
  - Ability to scale costs and right-size in real-time
  - Minimal maintenance capex required for up-keep



## International Operations

- Forming key partnerships and expanding services in the Middle East
  - Modest capital requirement for facilities
- Australian operations predominantly natural gas focused
- Low fixed cost for Chinese manufacturing base limits impact from changes in activity levels





# A Dynamic Manufacturing Advantage; Responsive, Highly Scalable and Lower Cost

## Responsive manufacturing in the U.S. supplemented by high volume production in China

### *Bossier City Facility*

### *Suzhou Facility*

- Rapid-response manufacturing of equipment
  - 5-axis computer numerically controlled machines
- “Just-in-time” product capabilities allow Cactus to offer fast delivery time for parachute orders
- No near-term capital needs following 2018 expansion
- Cash cost of operations is highly variable



- Less time-sensitive, high-volume wellhead equipment
- Wholly foreign owned enterprise (WFOE)
- Continue to increase product types assembled and tested in Suzhou
- Low cost of operation with low sensitivity to utilization
- Assessing additional international sourcing

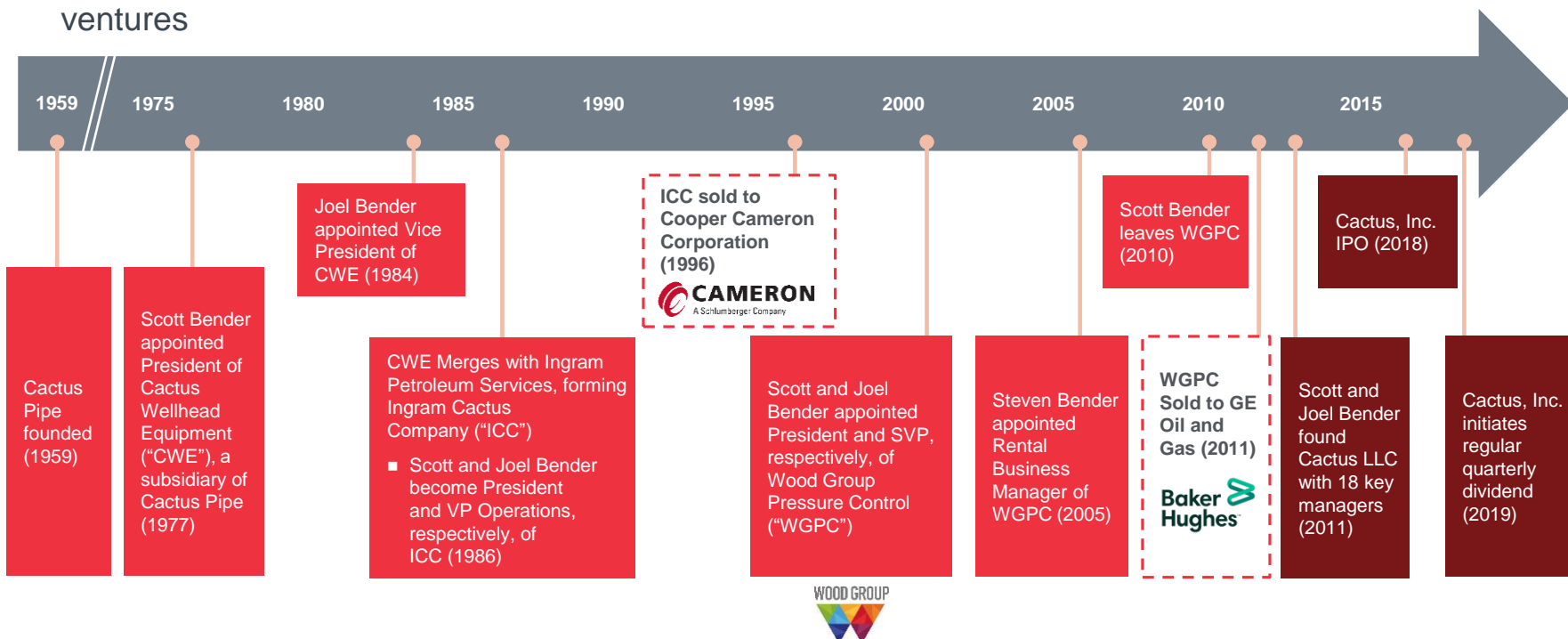


***Highly Scalable and Low Fixed Cost Manufacturing Footprint***



# Experienced and Well Aligned Management Team with Strong Industry Relationships

- Management team is well incentivized as it owns more than 25% of the business
  - 2020 executive management salaries reduced by 33 - 55%
  - Performance-based stock compensation tied to Return on Capital Employed (“ROCE”)
- Management team has built the foundation of this company over four decades
- Track record of building and successfully monetizing similar businesses
- Strength of leadership is attested by management and operating teams that joined from past ventures

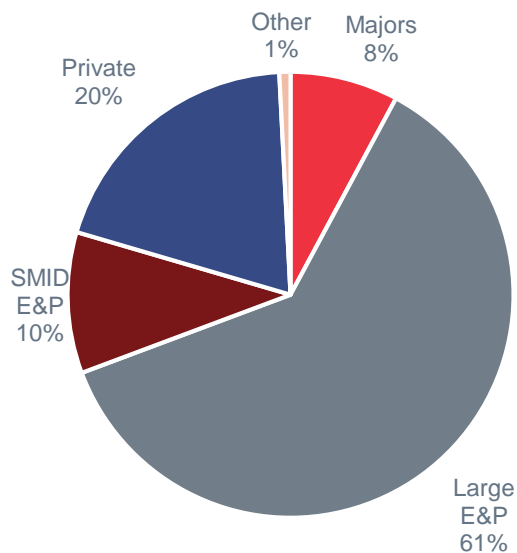




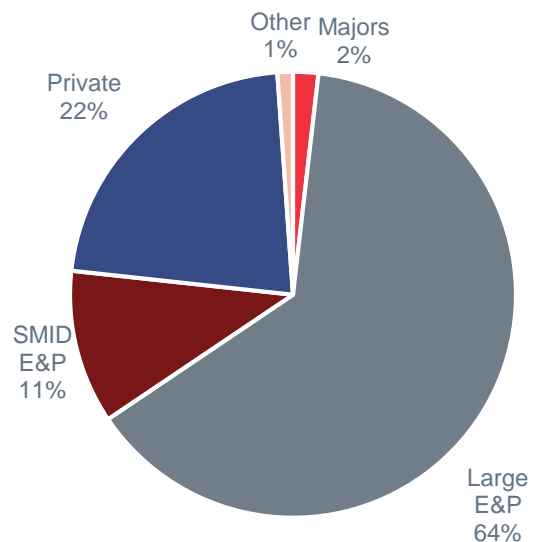


# Well Established Relationships with High-Quality Customer Base

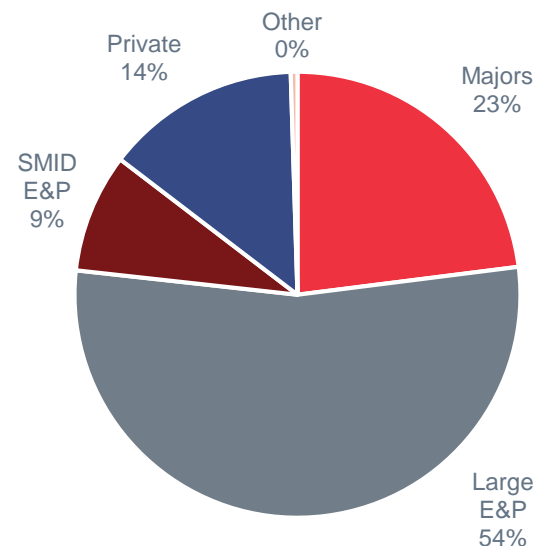
1H20 Total Revenue by Customer Type



1H20 Product Revenue by Customer Type



1H20 Rental Revenue by Customer Type

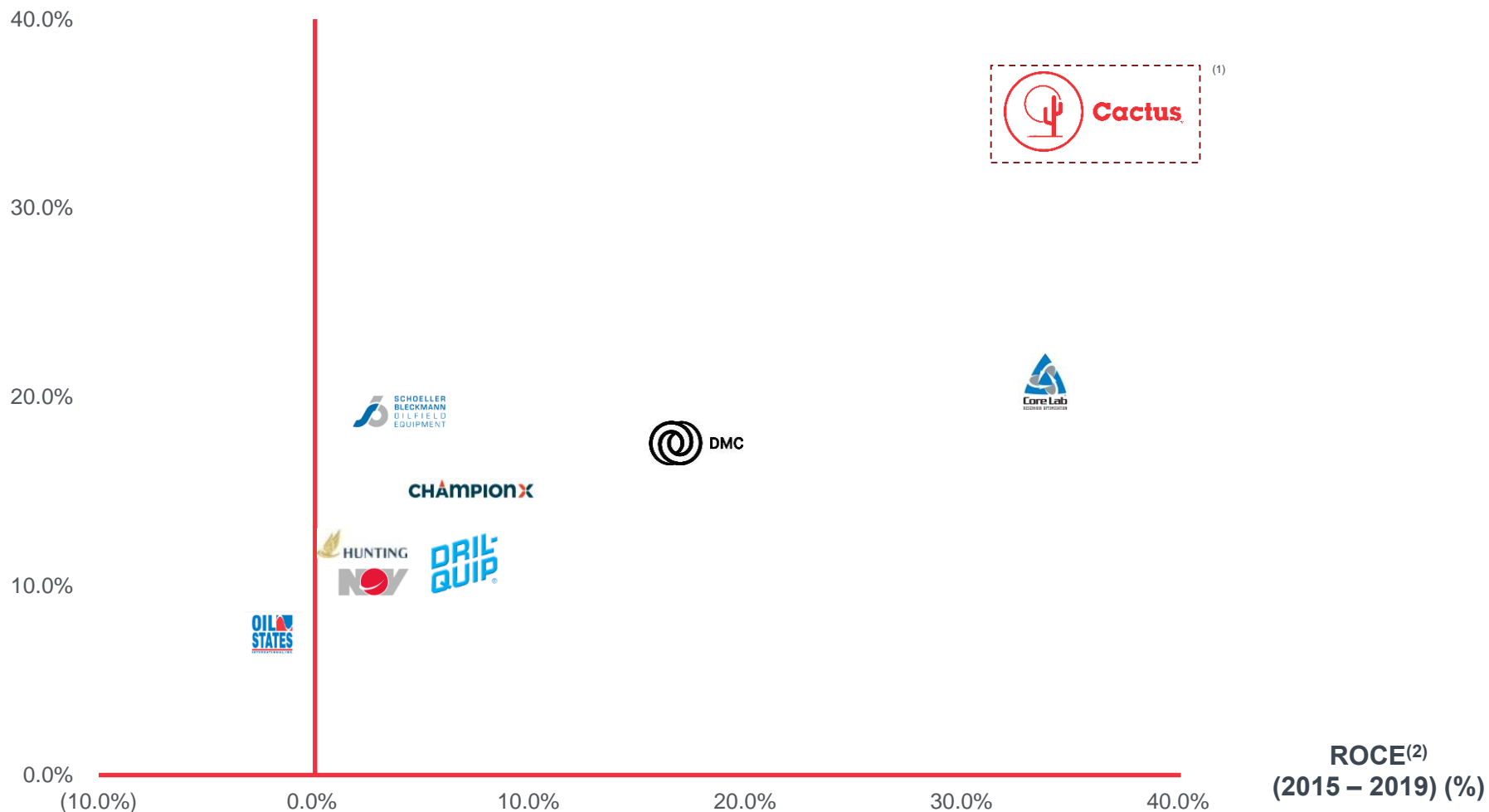


**Majority of customer base represented by larger, well capitalized operators**



# Returns & Margins Have Outperformed Peers

LTM Adjusted EBITDA Margin (%)



Source: Company filings and Factset.

Note: LTM Adj. EBITDA Margins based on latest publicly available data as of August 2020. Cactus' computation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

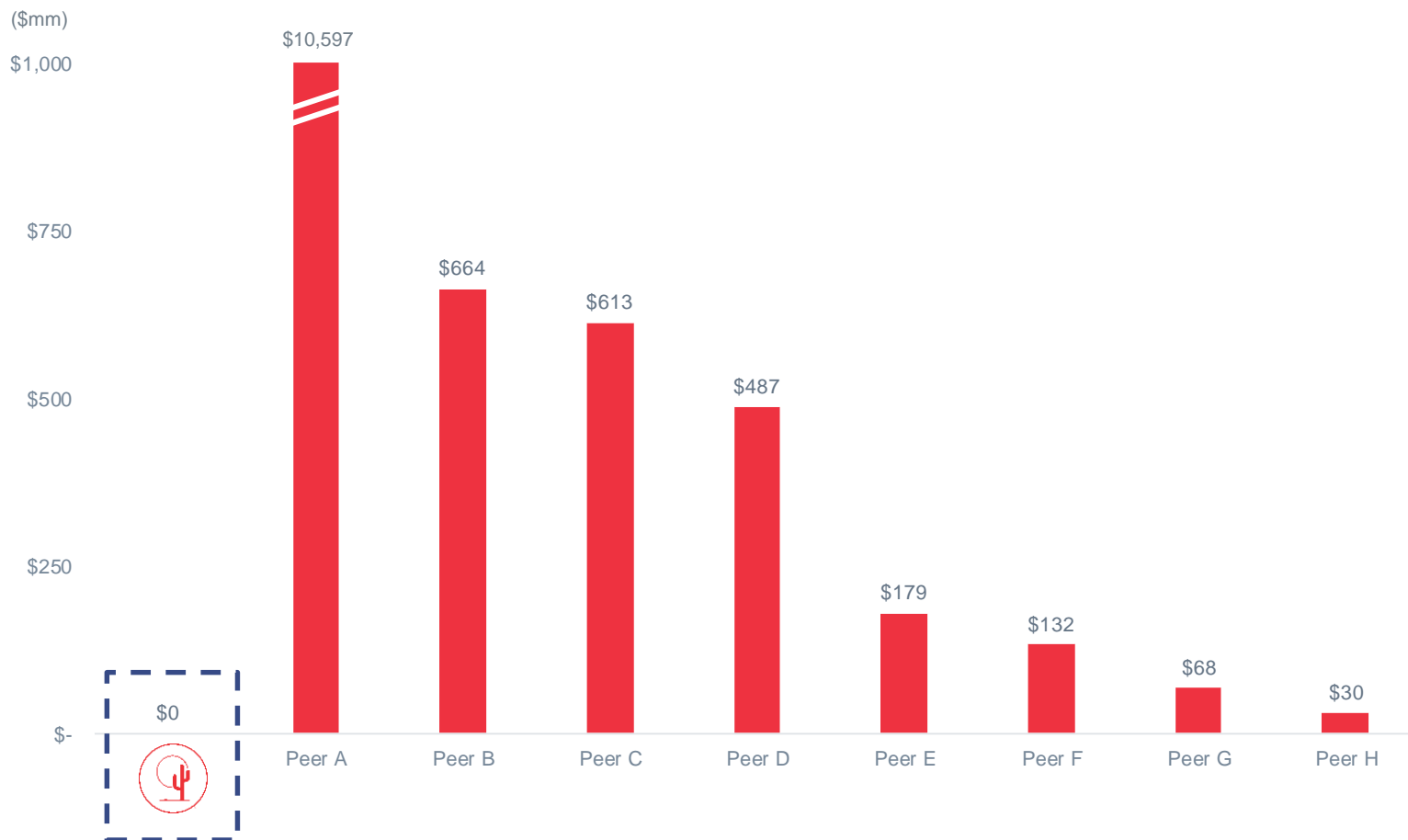
1) Cactus EBIT = Adjusted EBITDA – depreciation and amortization. The Appendix at the back of this presentation contains a reconciliation of Adjusted EBITDA to net income, the most comparable financial measure calculated in accordance with GAAP.

2) ROCE reflects weighted average of 2015, 2016, 2017, 2018 and 2019. ROCE = (Adj. EBITDA less D&A) / (Average of the subject year and preceding year capitalization including capital leases). ChampionX ROCE data represents legacy Apergy.



# History of Prudent Investment Strategy

## Goodwill, Intangible, Long-Lived & Other Asset Impairment Expenses (\$mm) (2015 – YTD 2020)



***Cactus Has Recorded Zero Impairment Charges Through the Cycle***

Note: Peers include: ChampionX, Dril-Quip, Core Laboratories, DMC Global, Hunting, National Oilwell Varco, Oil States International, Schoeller-Bleckmann. ChampionX data represents legacy Apergy.  
Source: Company filings and annual reports.



# Execution Has Driven Post-IPO Equity Performance

## Indexed Share Price Performance of Cactus vs. Indexed Share Price Performance of OSX



***Cactus' Share Price Has Outperformed the OSX by Nearly 5x Since IPO***



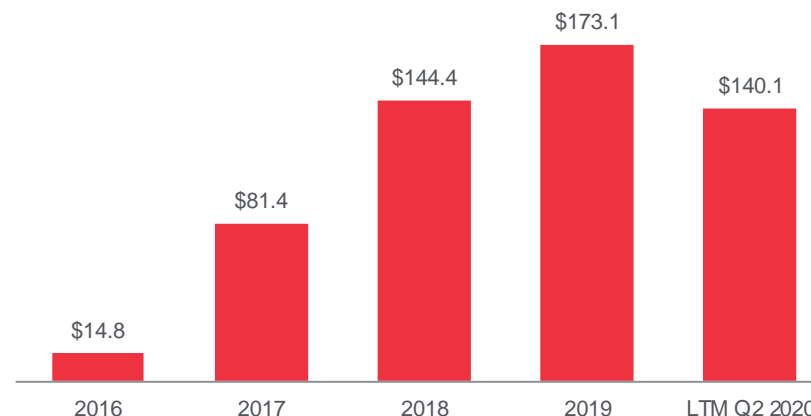


# Clean Balance Sheet & Low Capital Intensity

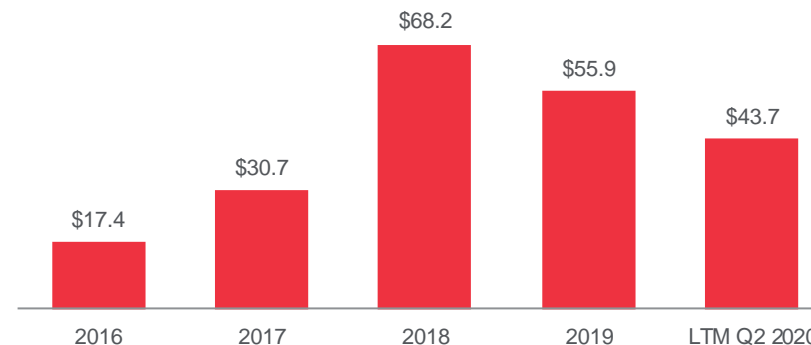
## Balance Sheet & Capital Summary

- June 30, 2020 cash balance of \$270.7 million
- Expect 2020 to be a year of meaningful cash generation
- Ability to quickly scale back growth capital expenditures
  - Modest maintenance capex requirements
- Full year 2020 net capital expenditure guidance of \$20 to \$25 million
  - Majority of capital expenditures committed to before March of 2020
  - Anticipate annualized run-rate of approximately \$10 million by year-end

## Adjusted EBITDA<sup>(1)</sup> – Net Capital Expenditures<sup>(2)</sup> (\$ in millions)



## Net Capital Expenditures<sup>(2)</sup> (\$ in millions)



***Strong balance sheet with track record of cash flow generation***

Source: Company filings.

1) EBITDA and Adjusted EBITDA are non-GAAP financial measures. Cactus defines Adjusted EBITDA as EBITDA excluding (gain) loss on debt extinguishment, stock-based compensation, non-cash adjustments for the revaluation of the liability related to the tax receivable agreement, and equity offering expenses. The Appendix at the back of this presentation contains a reconciliation of EBITDA and Adjusted EBITDA to net income, the most comparable financial measure calculated in accordance with GAAP.

2) Net Capital Expenditures equals net cash flows from investing activities.



# Recent Performance & Outlook

## Second Quarter 2020 Performance

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- Generated Adjusted EBITDA margins of nearly 34%
- Innovations represented approximately 15% of Rental revenue
- Increased cash position by over \$40mm during the quarter net of nearly \$7mm in dividend & distribution payments
- Reduced annualized payroll-related costs by approximately \$85mm

## Outlook & Recent Developments

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- Q3 2020 revenues expected to be down sequentially across all business lines due to lower Q3 2020 starting point
  - Overall revenue change expected to outperform the sequential decline in U.S. rig count
- Expect to increase market share in Product business from Q2 2020 levels (achieved Company records in July & August)
- U.S. completion activity improving versus mid-year bottom
- Now expect rigs followed to meaningfully increase from mid-year levels by year-end 2020
- Majority of tariff exemptions not extended past August 2020





# Positive Developments with Limited Capital Required

## ■ Product

- Potential for share gains given strong customer profile and operator search for efficiency gains
- Downturns typically drive increased rig efficiency as operators drop least efficient rigs
  - More wells drilled per rig
- Opportunity to gain market share with Majors

## ■ Rental

- Recent rental innovations potentially drive market share gains when activity resumes
- Introduction of additional completion technologies currently in development

## ■ International

- Australian business predominantly natural gas-focused
- Forming key partnerships in the Middle East to provide platform for growth with modest capex







# Cactus Is Committed to ESG

## Environmental

- Cactus, Inc. is committed to reducing its impact on the environment. We will continue to strive to improve our environmental performance over time and to initiate projects and activities that will further reduce our impact on the environment.



Environmental Policy Statement  
October 4, 2019

Cactus, Inc. is committed to reducing its impact on the environment. We will continue to strive to improve our environmental performance over time and to initiate projects and activities that will further reduce our impact on the environment.

Our commitment to the environment extends to our customers, our Associates and the communities in which we operate. We also expect our suppliers and vendors to join us in our efforts to reduce environmental impacts via our Code of Vendor Conduct. To that end, we are committed to the following:

- Compliance with all applicable environmental regulations.
- Seeking to use resources efficiently and reduce waste.
- Avoiding environmental damage resulting from our operations.
- Assessing and improving our Environmental Management System ("EMS"). (Note that our EMS is not ISO 14001 certified.)
- Encouraging our Associates about our Environmental Policy Statement and encouraging their efforts to help fulfill our commitment to reducing our impact on the environment.
- Communicating our environmental commitment to our suppliers and vendors, as well as our customers, our Associates and the public.
- Working to improve the fuel economy of our fleet by routinely updating our fleet, ensuring proper maintenance, reducing idling time and avoiding unnecessary travel. In 2018, our fleet consumed 62,000 gallons of fuel. (Note that 6% of the consumption is from renewable resources.)
- Improving our water recycling program currently in place in 20 locations. We estimate that in 2018, approximately 8 million gallons of water was treated for reuse in our recycling program.
- Being vigilant and considering climate-related risks and opportunities as part of our Enterprise Risk Management process which is conducted semi-annually.
- Recognizing that the right to water is a fundamental human right.

- All manufacturing facilities API and ISO 9001 certified to ensure the highest level of quality and safety
- Products & equipment reduce the need for personnel and equipment at the well site and oil & activities' impact on the environment

## Social

- Cactus, Inc. is dedicated to improving lives and protecting human rights. We seek to make the world a better place by encouraging fairness, equal opportunity and human dignity.



Social, Human and Labor Rights Policy Statement  
October 4, 2019

Cactus, Inc. is dedicated to improving lives and protecting human rights. We seek to make the world a better place by encouraging fairness, equal opportunity and human dignity.

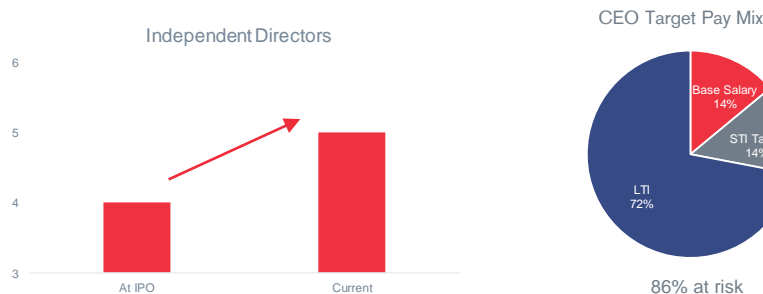
Our commitment to social, human and labor rights extends to our customers, our Associates and the communities in which we operate. We also expect our suppliers and vendors to join us in our efforts to improve lives via our Code of Vendor Conduct. To that end, we are committed to the following:

- Recognizing that the right to water is a fundamental human right.
- Working with our suppliers and vendors to help them improve in the area of human rights.
- Prohibiting the use of child labor and forced labor among our suppliers and vendors.
- Supporting the principles set forth in the UN Universal Declaration of Human Rights.
- Ensuring that workplace rights are fully realized by developing a safe work environment that is free from unlawful discrimination and harassment and one that respects Associate rights under the law are fully protected.
- Enforcing anti-discrimination provisions to all legally protected classes including gender, race, ethnicity, national origin, religion, age and sexual orientation.
- Ensuring that our suppliers and vendors respect workplace rights to the same extent as Cactus.
- Improving our occupational health and safety program and policies designed to protect Associates and visitors from harm at all our facilities and locations as well as any other locations where they work.
- Working with our suppliers and vendors to ensure they too embrace our occupational health and safety policy.
- Compensating our Associates with a fair wage supporting their efforts to adequately provide for their families.
- Active Board and Senior Executive oversight of our anti-bribery and anti-corruption program.
- Providing awareness training to all Associates on our Code of Business Conduct and Ethics to ensure all Associates are familiar with our anti-bribery and anti-corruption policy.
- Reporting to the Board of Directors during its regularly scheduled meetings regarding environmental, health and safety issues.
- The Director of Health, Safety and Environmental reports directly to the General Counsel.



## Governance

- Our board of directors believes that sound governance practices and policies provide an important framework to assist it in fulfilling its duty to stockholders
- Bylaws recently amended to permit Eligible Stockholders to make nominations for election to the Board and to have those nominations included in the Company's proxy materials under certain circumstances
- Named executive officers agreed to implement base salary reductions of 33 – 55% during 2020
- Board compensation reduced by 25% during 2020





Appendix



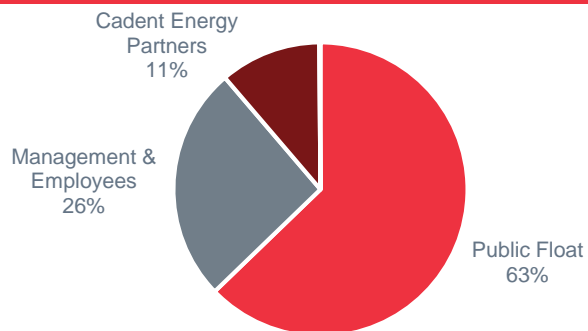


# Company Organizational Structure

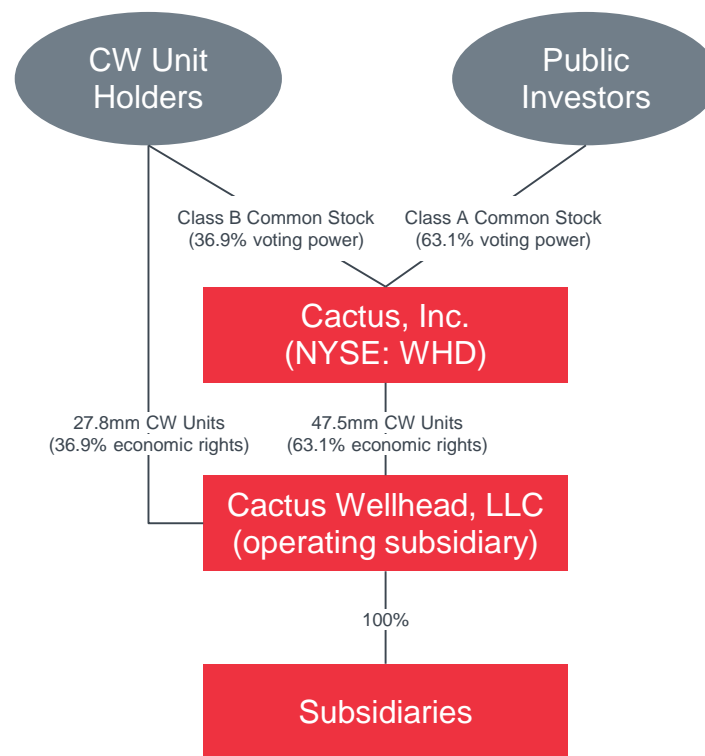
## Company Profile

Ticker	WHD (NYSE)
Class A Shares Outstanding <sup>(1)</sup>	47.5mm
Class B Shares Outstanding <sup>(1)</sup>	27.8mm
Total Shares Outstanding <sup>(1)</sup>	75.4mm
Market Capitalization <sup>(2)</sup>	~\$1.7bn
Finance Lease Obligations <sup>(3)</sup>	\$8.4mm
Cash and Cash Equivalents <sup>(3)</sup>	\$270.7mm
Quarterly Dividend Per Share	\$0.09
Annual Dividend Yield <sup>(2)</sup>	1.6%

## Ownership Profile<sup>(4)</sup>



## Organizational Structure<sup>(1)</sup>



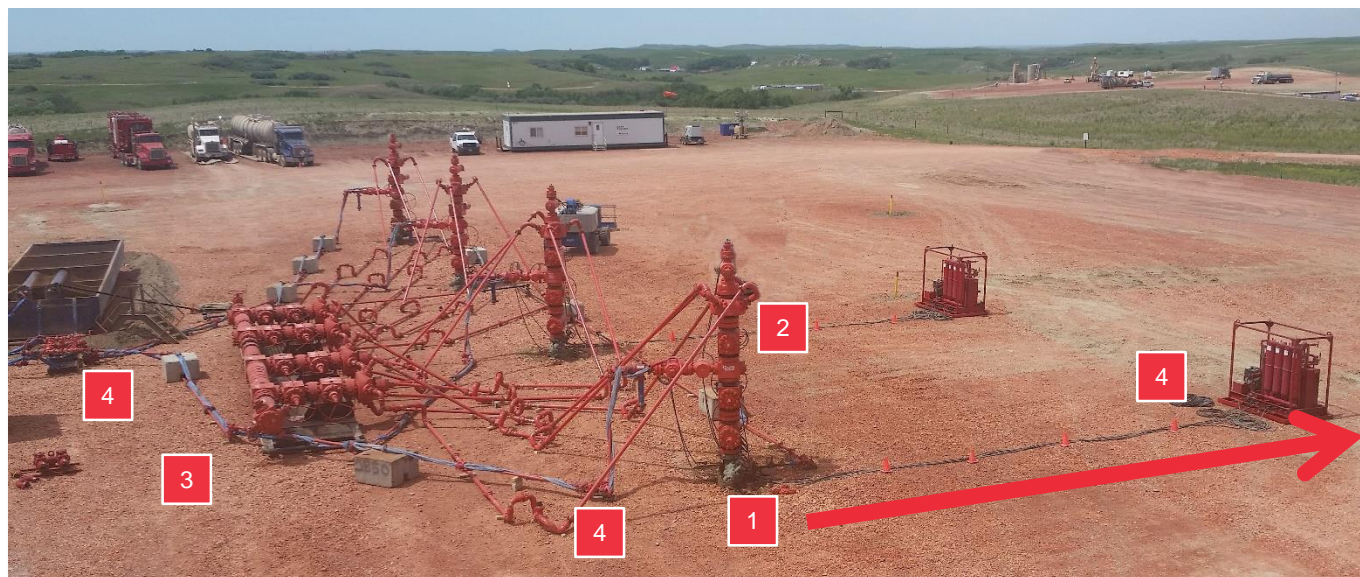
***Class A & Class B Shareholders Have Equal Voting Rights***

Source: Company filings.

1. As of September 3, 2020. Excludes effect of dilutive securities.  
 2. As of September 3, 2020. Market capitalization utilizes total shares outstanding.  
 3. As of June 30, 2020.  
 4. As of September 3, 2020. Management and employees made up of Cactus WH Enterprises and Lee Boquet.



# Cactus Equipment Positioned on a 4-Well Pad



## 1 Product Sold

- Wellheads are required by each well over production life
- One of the first pieces of equipment to be installed
- Cactus wellheads installed below surface

## 2 Equipment Rented

- Frac stacks are connected to the wellhead for the fracturing phase of a well
- Must reliably withstand all liquids and proppants that are pumped downhole to fracture

## 3 Equipment Rented

- Zipper manifolds used during the fracturing process
- Allow fracing to seamlessly shift from well to well without connecting and disconnecting high-pressure equipment

## 4 Services Provided

- Variety of equipment to install and service pressure control equipment, such as high-pressure flow iron, closing units, crane trucks, grease units and testing units

## Product Sold

- Production trees (not pictured above) are installed on the wellhead after the frac stacks are removed
- Manage the production flow over the life of the well



# Non-GAAP Reconciliation

## Important Disclosure Regarding Non-GAAP Measures

EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP. EBITDA and Adjusted EBITDA are supplemental non-GAAP financial measures that are used by management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. We define EBITDA as net income excluding net interest, income tax and depreciation and amortization. We define Adjusted EBITDA as EBITDA excluding severance expenses, revaluation of tax receivable agreement, (gain) loss on debt extinguishment, stock-based compensation, and equity offering expenses. We define Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of Revenue.

Our management believes EBITDA and Adjusted EBITDA are useful, because they allow management to more effectively evaluate our operating performance and compare the results of our operations from period to period without regard to financing methods or capital structure, or other items that impact comparability of financial results from period to period. EBITDA and Adjusted EBITDA should not be considered as alternatives to, or more meaningful than, net income or any other measure as determined in accordance with GAAP. Our computations of EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. We present EBITDA and Adjusted EBITDA because we believe they provide useful information regarding the factors and trends affecting our business.

(\$ in thousands)	LTM	Year Ended				
	June 30,	December 31,				
	2020	2019	2018	2017	2016	2015
Net income (loss)	\$109,300	\$156,303	\$150,281	\$66,547	(\$8,176)	\$21,224
Interest (income) expense, net	(1,396)	(879)	3,595	20,767	20,233	21,837
Income tax (benefit) expense	31,010	32,020	19,520	1,549	809	784
EBIT	138,914	187,444	173,396	88,863	12,866	43,845
Depreciation and amortization	42,097	38,854	30,153	23,271	21,241	20,580
<b>EBITDA</b>	<b>\$181,011</b>	<b>\$226,298</b>	<b>\$203,549</b>	<b>\$112,134</b>	<b>\$34,107</b>	<b>\$64,425</b>
Severance expenses	1,864	-	-	-	-	-
Revaluation of tax receivable agreement liability	(6,646)	(5,336)	-	-	-	-
Secondary offering related expenses	-	1,042	-	-	-	-
(Gain) loss on debt extinguishment	-	-	4,305	-	(2,251)	(1,640)
Stock-based compensation	7,631	6,995	4,704	-	361	359
<b>Adjusted EBITDA</b>	<b>\$183,860</b>	<b>\$228,999</b>	<b>\$212,558</b>	<b>\$112,134</b>	<b>\$32,217</b>	<b>\$63,144</b>
<b>Revenue</b>	<b>\$521,733</b>	<b>\$628,414</b>	<b>\$544,135</b>	<b>\$341,191</b>	<b>\$155,048</b>	<b>\$221,395</b>
<i>Adjusted EBITDA Margin</i>	35.2%	36.4%	39.1%	32.9%	20.8%	28.5%



# Non-GAAP Reconciliation

## Important Disclosure Regarding Non-GAAP Measures

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Our management believes EBITDA and Adjusted EBITDA are useful, because they allow management to more effectively evaluate our operating performance and compare the results of our operations from period to period without regard to financing methods or capital structure, or other items that impact comparability of financial results from period to period. EBITDA and Adjusted EBITDA should not be considered as alternatives to, or more meaningful than, net income or any other measure as determined in accordance with GAAP. Our computations of EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. We present EBITDA and Adjusted EBITDA because we believe they provide useful information regarding the factors and trends affecting our business.

(\$ in thousands)	Year Ended	
	December 31,	
	2017	2016
<b>Revenues</b>		
Product revenue	\$189,091	\$77,739
Rental revenue	77,469	44,372
Field service and other revenue	74,631	32,937
<b>Total revenues</b>	<b>\$341,191</b>	<b>\$155,048</b>
<b>Costs and expenses</b>		
Cost of product revenue	\$124,030	\$62,766
Cost of rental revenue	40,519	33,990
Cost of field service and other revenue	60,602	28,470
Selling, general and administrative expenses	27,177	19,207
<b>Total costs and expenses</b>	<b>\$252,328</b>	<b>\$144,433</b>
<b>Income from operations</b>	<b>\$88,863</b>	<b>\$10,615</b>
<b>Depreciation and amortization</b>		
Product depreciation and amortization	\$3,169	\$2,869
Rental depreciation and amortization	14,912	15,121
Field service and other depreciation and amortization	4,786	2,659
Selling, general and administrative expense depreciation and amortization	404	592
<b>Total depreciation and amortization</b>	<b>\$23,271</b>	<b>\$21,241</b>
<b>EBITDA</b>		
Product EBITDA	\$68,230	\$17,842
Rental EBITDA	51,862	25,503
Field Service EBITDA	18,815	7,126
Selling, general and administrative expense EBITDA	(26,773)	(18,615)
<b>Total EBITDA</b>	<b>\$112,134</b>	<b>\$31,856</b>
Stock-based compensation	-	361
<b>Total Adjusted EBITDA</b>	<b>\$112,134</b>	<b>\$32,217</b>





# Investor Relations Contact

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