



2023

# Annual Report

*Leading  
Technology  
Advancements  
in Completions*





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## A Letter From Our CEO

Liberty Energy had a tremendous 2023, raising the bar again and smashing the records we set in 2022 for all major financial and safety metrics. Fully diluted earnings per share in 2023 was \$3.15, annual revenue was \$4.7 billion, net income was \$556 million, and Adjusted EBITDA<sup>1</sup> was \$1.2 billion. Long-term returns for the year remained strong with 40% Adjusted Pre-Tax Return on Capital Employed (“ROCE<sup>2</sup>”) and 34% Cash Return on Capital Invested (“CROCI<sup>3</sup>”). In 2022, we saw strengthening business conditions throughout the year. 2023 began with exceptionally strong business conditions that gradually weakened throughout the year, as indicated by the roughly 20% decline in active rig and frac spread counts. Nevertheless, the Liberty team continued to grow our competitive advantage, allowing us to thrive even as macro conditions softened.



Our business revolves around partnering with the U.S. and Canada's leading oil and gas producers to unlock their vast underground shale oil and natural gas reserves through hydraulic fracturing. Our founders were pioneers of the shale revolution that began with natural gas 25 years ago. Liberty has been a leader in the effort to broaden the shale revolution to include oil production. These efforts have transformed the United States from the world's largest importer of oil and natural gas to a net exporter of oil and refined oil products and the world's largest exporter of natural gas today! Canada is the world's fourth largest producer of oil and natural gas and, together with the United States, is among the cleanest producers in the world. U.S. Shale production today represents the largest majority of our oil and gas production, representing nearly 60% of total U.S. energy production from all sources and nearly 10% of total global primary energy production! Energy enables all human activity, and we are proud to play a growing role in helping lift everyone's standard of living.

My most important job at Liberty is to help build a family of committed people who love their work and are passionate about building the best service company in our industry. This is our North Star, not a destination but a direction that we work towards daily. Priority number one is safety. Our Total Recordable Incident Rate (TRIR) in 2023 was 0.49, the lowest in our company history and 2X lower than industry average. Our frac and wireline crews work 24-7-365 from South Texas to Northeast British Columbia, from scorching summers to bone-chilling winter storms without pause as energy demand never stops. Operating safely and performing at a high level is a testament to our people and company culture.

The core of our operations takes place on our customer well locations with our high pressure (5,000 to 15,000 psi), high horsepower (40,000 to 70,000 horsepower) hydraulic fracturing fleets operating in concert with Liberty's wireline units, both of which are industry-leading. These teams and associated equipment must dance together flawlessly to make the magic happen. In this report, you will read

about our innovations in equipment technology that enable us to both raise operational quality while also switching from diesel-powered engines to our next-generation electric and natural gas-powered digiTechnologies<sup>SM</sup>. Natural gas is cheaper, cleaner, and has lower greenhouse gas intensity than diesel. Our ongoing fleet transformation is a win for Liberty, our customers, and the environment.

We are constantly striving to enhance the quality of our operations and the strength of our business. Vertical integration of our company has been vital for both of these objectives. Imagine the supply chain challenges of pumping nearly a billion pounds of sand underground weekly across over 40 North American locations, mostly in remote areas. All this sand must be moved safely and reliably from mines via rail and truck, natural gas must be continually supplied to power our fleets and an array of control systems and computational power must orchestrate fleet operations to maximize ultimate well production for our customers. And, of course, our customers want real-time data on operations with the ability to make on-the-fly changes in consultation with Liberty engineers. In other words, a lot of moving parts must robustly synchronize. Hence, our desire to control the critical links in the chain to maximize reliability, performance, and Liberty profitability. This report covers our new business, Liberty Power Innovations (LPI), which supplies natural gas to our fleets. You will also read about our new manufacturing capabilities to insource our key next-generation fleet technologies, advances in our sand logistics and mining, new technologies to better monitor and maintain our fleets, and software and training to enhance the lives and capabilities of Liberty team members.

Recruiting, training, and empowering passionate people is the key to Liberty's success and our future. Our field crews work two weeks on followed by two weeks off, compared to two weeks on and one week off at most of our competitors. We want our employees to create careers at Liberty, so we must give them time to rest, recharge, and spend time with their loved ones. Our driven HR team is always finding more interactive ways of enhancing the lives

of those at Liberty and their families. Promoting from within is another hallmark at Liberty, with over 300 internal promotions last year and over 1,000 employee-owners.

For the past seven years, Kimberlite has conducted detailed surveys of oil and gas producers to determine their view of frac service providers. Figure 1 shows a summary of their rankings for the top four frac companies across six major areas of service quality. I am proud to report that Liberty has ranked #1 in all six quality categories every year Kimberlite has conducted its survey! I explain these remarkable survey results by the passion that all Liberty family members bring to our mission every day.

We started Liberty with a simple business strategy that has always stayed the same: build the best service company in our industry, period. We also began with a simple mission: better human lives. This mission starts at home with Liberty team members and their families and flows into communities where we work. We focus on three broad pillars: poverty abatement, education, and veteran services. While we are passionate about our nonprofit endeavors, our most significant impact of bettering human lives is from our day job of relentlessly growing the supply of affordable, reliable, and secure energy. To read more about this, please see Liberty's 2024 *Bettering Human Lives Report* detailing our mission via an overview of energy, climate, poverty, and prosperity.

U.S. oil production has more than doubled over the last two decades, and natural gas produc-

tion has nearly doubled. Propane production has grown even faster, and this is my favorite hydrocarbon as it is the crucial fuel that will change the lives of more than two billion people who are still cooking their daily meals with wood, dung, or charcoal. Indoor air pollution from this practice kills two to three million people annually. We launched the Bettering Human Lives Foundation ([betteringhumanlives.org](http://betteringhumanlives.org)) to support innovation and help African entrepreneurs speed up access to life-saving, life-transforming clean cooking fuels. Our efforts are starting in Kenya and Ghana but will spread much wider. I strongly encourage you to read more about this foundation in this report. We hope to bring in broad support for this noble endeavor.

Thanks for your partnership and interest in Liberty Energy. I look forward to reporting next year on further progress in strengthening our company and pursuing our mission.

To bettering human lives,



Chris Wright  
Liberty Energy, Founder and CEO

<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure. Please see Appendix on page 48 for reconciliation and calculation of non-GAAP financial and operational measures.

<sup>2</sup> Adjusted Pre-Tax Return on Capital Employed is a non-GAAP operational measure. Please see Appendix on page 48 for reconciliation and calculation of non-GAAP financial and operational measures.

<sup>3</sup> Cash Return on Capital Invested is a non-GAAP operational measure. Please see Appendix on page 48 for reconciliation and calculation of non-GAAP financial and operational measures.

FIGURE 1

## Big 4 Performance Ratings Trend vs Industry Average (2017 to 2023)



Source: Kimberlite 2023 Hydraulic Fracturing Supplier Performance Report







# Safety & Training

Liberty views safety as a collective responsibility. We are proud to maintain a culture where all team members know others have their back – whether in the field, shop, or office. In 2023, we continued to build on our comprehensive training program, ensuring that the Liberty team adeptly navigated the intricacies of day-to-day operations.



# Liberty's Top 10

Liberty emphasizes a common-sense approach to safety. Over the last year, we have analyzed our internal data, spoken with our crews, and identified ten core concepts that positively impact our culture of safety. The Liberty Top 10 campaign, deployed across our operations, establishes simple, clear, and actionable directives that align with our belief that keeping it simple keeps it safe. In 2023, our total recordable incident rate (TRIR) was 2X lower than the industry average.

01.

**Eyes on Path –**

Watch for slips, trips, and falls.

02.

**Proper PPE for the Task –**

Use your last line of defense.

03.

**Situational Awareness –**

Keep your head on a swivel.

04.

**Working at Heights –**

Tie off to safety harness every time.

05.

**Fit for Duty –**

Show up ready.

06.

**LOTO (Lock Out Tag Out) –**

Kill the energy.

07.

**Stop Work Authority –**

Trust your gut.

08.

**Drive Right –**

Follow the regulations.

09.

**Brother's Keeper –**

Keep an eye out for one another.

10.

**Proper Tool and Procedure for the Task –**

Take the time.

## Balancing Data with Human Factors

Our culture is, and always will be, people first. In an increasingly digitized world, we stay on top of technological advancements while maintaining the human touch. We expanded our ability to collect and analyze safety trends by implementing our Behavior Observation Card (BOC) app, simplifying reporting of potential hazards, unsafe behaviors, and safe behaviors.

While this data provides valuable and actionable insight, we carefully avoid allowing it to supersede the human element of our work. Our field safety representatives maintain routine communication with their crews, working to ensure everyone adheres to our procedures and the highest safety standards.





## Leading Liberty

Liberty believes in the quality of our people. We focus on development and promotion from within, fostering a highly passionate and dedicated workforce. As employees grow into leadership roles, they require additional skills and support to contribute to the success of their colleagues and teams. To set our leaders up for success, we built a course that addresses the unique challenges these employees face. The Leading Liberty program works hand in hand with our Training Department to provide a course structure that equips new and long-term leaders with the skills and tools they need to thrive.

Classes in the Leading Liberty program invite a range of employees from crew lead level up through

our executive team to come together as peers. Courses cover various topics: how to transition into a leadership role, tips on working with different personality types, and implementing conflict management skills. The program teaches that leadership is a journey, not a destination and that we must constantly evaluate and reflect on ourselves as leaders. As of publication, 81% of Liberty leadership have participated in the Leading Liberty program.

The Leading Liberty program remains dedicated to its mission to add value to its participants through continued support and engagement.





# 2023 Safety Stats

## Total Miles Driven

14,772,043

## Total Recordable Incident Rate (TRIR)

Lowest in company history and below industry average of 1.0

.49

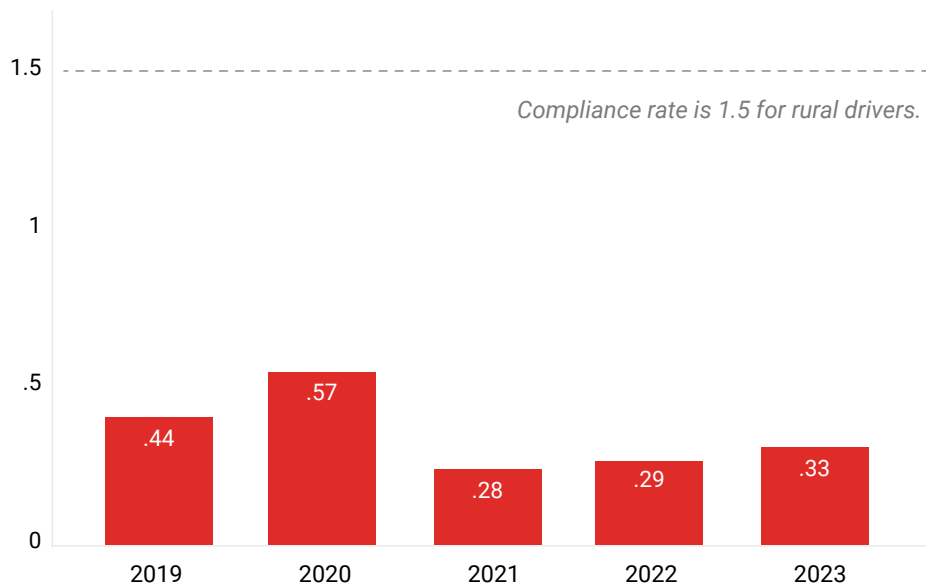
## Motor Vehicle Accident Rate (MVAR)

4.5X lower than compliance rate

.33

FIGURE 2

### Historical Motor Vehicle Accident Rate (MVAR)











# Vertical Integration

Vertical integration plays a crucial role in shaping the Liberty Energy narrative. Liberty's integrated completions portfolio allows us to control the critical components of hydraulic fracturing operations, including frac, wireline, proppant, chemical sourcing, delivery, and power generation. Owning greater control of a breadth of services provides a range of benefits, including a more diversified supply chain, reduced costs, quicker response to market changes, and stronger technical leadership.

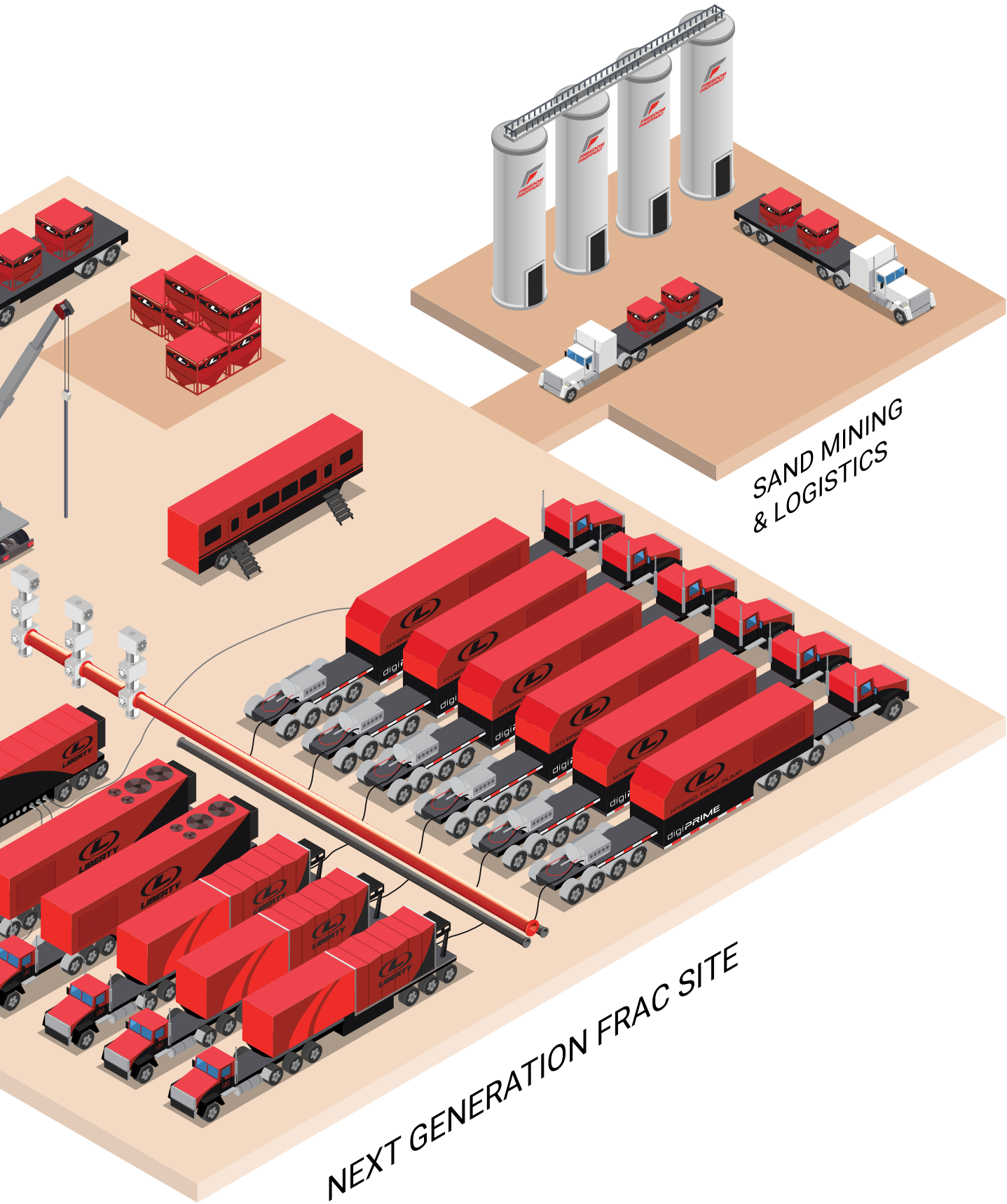
**Liberty Energy**  
Frac and Wireline

**Liberty Power Innovations**  
CNG services, power generation and field gas processing

**Freedom Proppant**  
Sand mines in the Permian Basin

**PropX**  
Logistics and sand delivery solutions





SAND MINING  
& LOGISTICS

NEXT GENERATION FRAC SITE





## digiTechnologies

Our fleet of digiTechnologies creates a modular system that can meet the requirements of any job. We provide precision and reliability by integrating two key system components: consistent baseload power and a highly responsive system capable of meeting changing demands throughout the job. Just as pumping a frac treatment demands finesse, our suite is a triumph of innovation and performance, providing an advanced solution built to ensure the ideal combination of components on location.

# digiPRIME



## HYBRID FRAC SYSTEM

The industry's first natural gas hybrid frac system concurrently generates the power required to electrify the entire site, including the blender, wireline, and proppant handling.

# digiFrac



## ELECTRIC FRAC SYSTEM

Liberty's electric frac system features the industry's first purpose-built power-agnostic electric pumps.

# digiWire



## ELECTRIC WIRELINE

Electric wireline unit fully compatible with both digiFrac<sup>SM</sup> and digiPrime<sup>SM</sup> pumps.

- Precise electric control.
- Electric power removes the emission generation from prime mover engines and eliminates common failure modes.

# digiPower



## NATURAL GAS POWER GENERATION

Powered by a Rolls Royce 20V4000 natural gas generator set, digiPower<sup>SM</sup> provides high thermal efficiency along with the lowest emissions and lowest fuel consumption available on the market.

- A modular platform that can be managed through a common bus distribution trailer.
- Flexibility to accommodate any amount of grid power available to supplement or replace our on-site electricity generation.



## Equipment Design & Manufacturing

Since its inception, Liberty has been at the forefront of equipment design. In 2018, we created a manufacturing division and acquired ST9. This acquisition provided Liberty with control over our pump design and manufacturing process, providing critical components, including the valves, seats, fluid ends, and power ends that comprise a pump. By bringing this in-house, Liberty took back control of the supply chain to the steel forging process, including specifying the various components' metallurgy. These changes provided visibility and control that is not possible through third-party providers. Rapid innovation driven by real-time feedback from the field, together with sophisticated instrumentation and monitoring, contribute to a faster product evolution.

In 2023 we launched our Liberty Advanced Equipment Technologies (LAET) division, further expanding our internal manufacturing capabilities to include complete equipment, specifically our mobile frac pump units including radiators, transmissions, and all other required components. Liberty plans to transition over 90% of our fleet to primarily natural gas-fueled by the end of 2024. Given the growing

demand for these units, we saw an opportunity to bring a portion of this manufacturing effort in-house, ensuring the same benefits we have seen in the pump components arena. Manufacturing centers in Texas and Oklahoma will improve our innovation cycle and deliver next-generation assets to our operations team. This integration will provide better visibility and quality control into the component supply chain, reduced costs, and seamless integration with existing Liberty assets.

We have carefully considered sizing our manufacturing centers to provide critical baseload capacity for the company while augmenting additional needs with our long-term third-party partners. This combination of internal capability paired with external partners allows us to optimize our capital spending to meet the needs of the business while innovating at the pace required to maintain our leadership position in the industry. We don't want to oversize this operation as we seek to provide stable employment despite industry downturns.





250 million data points daily.

Leverages AI and machine learning algorithms to detect subtle patterns.

FracPulse™ notifies operators of irregularities in real-time by analyzing telemetry data.

Allows operators to view current and historical data on gas substitution and manage engine parameters to maximize the natural gas displacement of diesel fuel.

Provides a summary of emissions data for all the wells and frac pads.

## Next Generation Maintenance

Maintenance is a vital part of operations and goes hand in hand with our equipment design. We are continuously deploying advanced functionalities throughout our fleet to optimize the monitoring and operation of our equipment and to provide a constant feedback loop to our design and supply chain teams. At Liberty, each of our crews has a dedicated maintenance team, facilitating improved communication between the field and the shop. This structure aligns with our focus on delivering superior service in the field by integrating how equipment is operated and maintained. It extends equipment life, reduces downtime, and reduces our cost of operations. For example, our patent-pending asset management platform, FracPulse, detects wear of fluid end valves and seats. Our AI machine-learning-driven algorithms trigger preventive maintenance events, helping our crews avoid failures predicted by a combination of factors that may not be obvious to equipment operators, ensuring minimal downtime disruptions.



## Supply Chain

Hydraulic fracturing has become increasingly efficient, leading to a continued trend of more hours and higher volumes pumped daily. We operate at a faster pace while doing more with less. These improvements benefit the surrounding communities, the environment, North American energy production, and Liberty's profitability.

We pride ourselves on our strong partnerships with various sand and last-mile trucking providers across North America. Our strategy emphasizes working closely with our supply partners to understand what makes our operations most efficient and how we can streamline our supply chains into one cohesive process. This partnership requires proactive open lines of communication for long-term accurate forecasting and daily interaction to ensure execution efficiencies.

The Liberty supply chain team oversees specified basins and crews committed to real-time monitoring of live jobs, making agile adjustments for optimal performance that reflect our dedication to

precision and efficiency. Our ability to quickly respond to changing demand facilitates our supplier partnerships and allows for the successful delivery of over 20 million tons of proppant and one million truckloads annually across North America. A unique and complex supply chain, choreographed in real-time behind the scenes, makes this possible.

To support our teams in achieving efficient and proactive execution, we have created a specialized, fully integrated supply chain platform tailored for frac operations. Liberty's Sentinel<sup>SM</sup> Logistics platform expands on the foundation PropX built with its PropConnect<sup>TM</sup> software. Sentinel provides real-time updates on truck driver selection and trip segment execution. This data is combined with driver trip data in our engineering database to provide accurate and timely executable data for our supply chain team. Sentinel's visibility and predictive analytics have allowed Liberty to maximize pick-up and delivery efficiencies while substantially reducing our overall active truck count. With Sentinel, we do more with less.



## SAND SCORPION®



The Liberty and PropX engineering teams have worked together over the past four years to develop a new process to transport and manage wet sand, sand that retains the moisture content created during the mining process. Drying sand is energy-intensive, which could be cost-prohibitive for new sand mines and impossible for mobile small mines built near frac operations. Wet sand handling technologies are a lower cost and lower emissions alternative in sand mining – an economic and environmental win.

The transportation and handling of wet sand is made possible by PropX's second-generation sand delivery system, the Sand Scorpion®. This system is purpose-built for wet sand, ensuring consistent on-site product delivery while allowing a broader range of sand sources and moisture contents. The integration of this system reduces operating costs, enhances safety by eliminating silica dust exposure, and improves mine accessibility. The Sand Scorpion is a highly versatile sand handling system; integrated with Liberty's robust supply chain network, we can source any proppant from any sand mine or transload facility capable of loading box delivery systems. Proving the ability to add wet and proximity mining to the Liberty supply network, the Sand Scorpion raises the bar for efficiency, cost-savings, and safety. This addition has allowed Liberty to adapt to the ever-changing proppant supply and logistics landscape, creating a model that can efficiently utilize as many options as possible.



## Streamlining Proppant Logistics with **SENTINEL**

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Using real-time data to enhance proppant delivery execution.

Liberty's Sentinel platform is an advanced system that harnesses real-time data from every frac location to precisely predict on-site proppant inventory for the upcoming 24-hours. This comprehensive data set considers current on-site sand inventory levels, consumption rate trends, proppant truck count, truck locations, loading facility wait times, traffic conditions, and weather updates to forecast sand volumes to ensure our team is optimizing inventory levels on location. Utilizing Sentinel, we execute proppant delivery, monitor frac location and road conditions in real-time, and analyze all data points in-house to create a streamlined and cohesive process. The strategic combination of the entire Proppant Supply Chain (Freedom Proppant, 3rd Party, Wet & Dry) and Logistics (Trucking and PropX Delivery System) eliminates supply interruptions, stabilizes costs, and maximizes safety, reflecting our commitment to excellence and efficient execution.







## SENTINEL Difference

**90%** reduction in proppant delivery downtime, leading to emission reductions.

**35%** decrease in drivers needed for a job, lowering Liberty's footprint on the road.

**33%** decrease in total time required to deliver a load of proppant.

Leverage real-time data from each frac location.

Understand the cadence of every job and proactively plan for proppant delivery.









# People & Culture

We pride ourselves in building a workplace where everyone feels heard, respected, and included. Our commitment to our employees includes ensuring everyone can contribute to and shape their futures, Liberty's future, and our customers' futures.

Liberty believes a diverse workforce is more than beneficial— it is essential. We enrich our collective knowledge, creativity, and problem-solving capabilities by welcoming individuals from various backgrounds, perspectives, and experiences.

Liberty's community culture empowers each team member to help shape our narrative and values, regardless of background, ensuring that everyone has the chance to rise, innovate, and lead.





## Women of Inspiration Series

Our Women of Inspiration series was launched in 2022. To date, we have welcomed six unique guests, providing valuable insight from diverse voices within our community. This program will continue to offer encouragement and support to help our team flourish.



## Support for Liberty Families

On day one, every employee - and their families - has access to our full suite of benefits, a robust network of spouses to offer support, and opportunities to meet other Liberty families in their districts. Unique to Liberty, our spouse network is built and managed by Liberty families, providing the relationships and networking that connect the broader Liberty family.



## Flexible Work Schedules

Liberty offers a flexible work schedule for our non-rotational employees. We base these schedules on practicality and business needs at each location. Our rotational employees work a schedule that is two weeks on and two weeks off, which is dramatically more family-friendly than our industry's typical schedule of two weeks on and one week off.

## A Family-First Approach to Benefits

At Liberty Energy, our unique approach to benefits goes beyond providing traditional offerings focused solely on the employee. We recognize that the well-being of team members directly correlates with the health and happiness of their families, who are no less important than our employees.

As part of our commitment to the families of our team members, Liberty proudly offers comprehensive medical, dental, vision, and supplemental coverage. And, true to style, we have gone above and beyond to make an impact on our families' lives.

A few examples include:

- The Wellness Rewards Program is offered through our Liberty mobile app and used by 76% of Liberty employees.
- Heart health monitoring and digital coaching that drives lifestyle change in the field and at home.
- Legal plans that allow convenient and affordable legal protection for life's big and small moments.
- Direct contact with the Benefits Team through our mobile app for employees, spouses, and dependents during crisis or life events.
- Dedicated HR representative for each basin, 24-hour, or less, response time.
- Childcare benefits through Bright Horizons, with local options for employees.

Our family-first approach to benefits is a compassionate and responsible choice. We want every employee to know that they matter, their family matters, and we are here to support them.

**44% of employees are minorities**

**Over 300 internal promotions in 2023**

**Our corporate offices are 39% women, with 22% of our management roles held by women**

**Veterans make up 11% of our workforce**

## Featured Employees



### Madison Holloway

#### Low Carbon and Sustainability Lead

Madison began her career as a Field Engineer at Liberty Energy in 2017 after graduating from Texas A&M University (Gig Em Ags) with a degree in Petroleum Engineering. After spending two years in the Williston Basin, she co-authored Liberty's White Paper "The Shale Revolution: Frac Fleet Emissions" and now works out of Liberty's Denver office under the Liberty Advanced Equipment Technology umbrella. During her free time, she enjoys hiking, hanging out with her dog, and attending as many Red Rocks concerts as possible.

*"Liberty has provided me with many wonderful opportunities to grow and progress in my career, which I will be forever grateful for. I am now in a position that I am incredibly passionate about and take so much pride in. More importantly, though, because of the culture at Liberty, I was able to make lifelong friends who have been with me every step of the way."*





## Pedro Hernandez Lopez

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### LPI Director of Operations

Pedro's career began in 2005 as a Wireline Field Engineer in Venezuela. Over the years, he has worked across three diverse countries and forged connections with wonderful people. Outside of work, he enjoys spending quality time with his wife and three sons, immersing themselves in the beauty of the Rocky Mountains.

*"Joining the Liberty family in 2021 was a thrilling experience from day one. Initially, I was part of the wireline team and have recently transitioned to the LPI organization, where I eagerly anticipate the tremendous growth ahead. I firmly believe that Liberty's philosophy of prioritizing employees first is the foundation of our organization. Building strong friendships at Liberty has reinforced the feeling of working with family."*



## Priscilla Lujan

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### Odessa Office Manager

Priscilla was born in the small town of Andrews, Texas. She moved to Odessa in the 3rd grade when her Dad received a transfer to the area to work in the oilfield. Working in the oilfield had always captivated her, ingrained in her memory since childhood. Her passions are spending quality time with her family and watching a variety of sports. Priscilla loves bringing laughter to others and extending a helping hand whenever possible.

*"Liberty has been one of the biggest blessings to me. This company has a way of pouring into their employees and making you feel valued. I've been able to learn and grow alongside the phenomenal team that we have. They strive to help make me better every day; I couldn't ask for more. I'm thankful Liberty took a chance on me and I'm hopeful about what's to come."*









# Community

At Liberty, we firmly believe in making a positive impact in our communities, and our commitment to education, poverty alleviation, and supporting veterans exemplifies our unwavering dedication to creating a better future for all.

Total dollars donated

**\$1,385,146**

Total hours volunteered

**2,126**

Organizations supported  
by Love, Liberty

**48**

*Love, Liberty is our donation matching program, allowing us to support the organizations most important to our employees.*





## Canada Indigenous Relations

In the spirit of fostering meaningful connections and cultural understanding, our commitment to Indigenous relations and community involvement has been at the forefront of our endeavors throughout the past year. Over the past year, we have dedicated time to immerse ourselves within Indigenous communities, gaining invaluable insights into their unique cultures and experiences. One notable highlight was our active participation in the Blueberry River First Nation culture camp, where we not only donated our support but also engaged in the deep traditions. Additionally, our involvement extended to the heartwarming celebration of togetherness at the Halfway River First Nation Christmas dinner, where contributions and participation echoed our dedication to building bridges of understanding. As we reflect on the past year, we are inspired by the connections we've forged and look forward to continuing our collaborative journey towards fostering positive Indigenous relations.



## ACE Scholarships

ACE Scholarships is committed to helping low-income parents provide an excellent education for their children. ACE raises money to award financial scholarships, enabling students to attend the school of their choice. We are proud to be long-time partners with ACE, awarding over 1,000 scholarships over our 13-year partnership.

2023 Contributions:

Total Donations: **\$811,440**  
Funding **325** Scholarships





“ DRMR is an event that is very special to me. I am grateful that I have been able to help create this event and participate in it by rowing an individual marathon three years in a row. It always amazes me how our community can unite to support our Veterans. This year, we had incredible support from the Liberty Family. Liberty entered the event this year with several teams, and it was awesome to witness the comradery they brought to the row and to support our Veterans. ”

– Grace Bol, Co-Founder DRMR

## Death Row Marathon Row

The Death Row Marathon Row (DRMR) is an exceptional event co-founded by Liberty Account Representative Grace Bol. It was a natural partnership for Liberty and an exciting opportunity to support one of our employees pushing for positive change in her community.

Embodying Liberty’s competitive all-in spirit, participants row 42,195 meters (that’s 26.2 miles) to raise funds and awareness for veterans’ health. In 2023, the event benefited the Heart and Armor Foundation, an organization working hard to put progress over politics and advance outcomes for veterans, their families, and their health.

American veterans have been willing to serve with distinction, self-sacrifice, and devotion to our country and one another through the most challenging conditions. They represent true character at its best. To show our support to DRMR, the Heart and Armor Foundation, and our nation’s veterans, Liberty was the presenting sponsor of the 2023 event. The Death Row Marathon Row serves as a powerful reminder of the resilience and determination displayed by veterans and the importance of supporting their mental health.





## Houston Books Between Kids

Liberty's Houston office spent the afternoon sorting donated books with Books Between Kids, a non-profit organization serving Houston's at-risk children by providing them with books to build their own home libraries.



## Denver Colorado Youth Outdoors Energy Week

The Denver team dedicated a day to Colorado Youth Outdoors' Energy Week, constructing 700 yards of fencing for the organization's property. It's wonderful to engage in outdoor activities while supporting CYO's goal of fostering connections through traditional outdoor recreation.





## Calgary Food Bank

The Calgary team volunteered at the Calgary Food Bank, assisting in the assembly of hampers as members of the distribution team. These hampers play a crucial role in promptly alleviating hunger within the neighboring communities.



## Oklahoma Regional Food Bank

The Liberty team in El Reno came together to pack 2,166 food bags, supplying 5,565 meals to families combating hunger in Oklahoma. Throughout the year our team has spent over 200 hours at the Oklahoma Regional Food Bank.

## Bettering Human Lives Foundation

In 2024, Liberty launched the Bettering Human Lives (BHL) Foundation with an initial commitment of \$1 million. The mission of the BHL Foundation is rooted in the conviction that clean cooking has the power to transform lives. Currently, one-third of the global population relies on open fires or polluting stoves for meal preparation, contributing to poor health and premature deaths and hindering human potential. This issue is urgent, and the foundation is committed to increasing access to clean cooking fuels.

The Bettering Human Lives Foundation aims to achieve its mission by directly supporting innovators and entrepreneurs in Africa and Asia, enabling them to establish and expand their businesses in the clean cooking sector. By fostering solutions at the grassroots level, the foundation seeks to empower communities and provide families with a viable pathway out of poverty through access to modern, clean energy.

The foundation's initiatives will include financial support, mentorship programs, and partnerships with local businesses to advance clean cooking solutions. Liberty Energy invites collaboration from like-minded entities, philanthropists, and individuals who share the vision of a world where everyone cooks over clean-burning stoves, leading to improved health, economic prosperity, and a brighter future.





Cooking amidst harmful smoke from traditional fuels such as wood, dung, agricultural waste, and charcoal is **life threatening**.

Worldwide, **2.3 billion** people - predominately women and girls cook today using these harmful fuels.



Household air pollution kills an estimated **3.2 million people** per year. In 2020 it claimed over 237,000 children under 5 - more than the combined annual toll of HIV, tuberculosis, and malaria.

Gathering fuel **consumes considerable time** for women and children – preventing them from pursuing education and other productive activities.









# Business Strategy

Since the founding of Liberty, our goal has been simple: to deliver superior returns over business cycles. Our strategy is simple: create a company culture that attracts and retains the best employees, encourage innovation and leadership from all levels of the company, and align compensation with Liberty's goals – all to keep relentlessly focused on providing the best service to our customers day in and day out. We partner with our customers and vendors to deliver energy to the world in the cleanest most cost-effective way we can. We invest in technology and assets that expand our competitive advantage and deliver a high rate of return, manage a fortress-like balance sheet to capitalize on unique opportunities as they arise, and prioritize free cash flow generation supporting an industry-leading return of capital strategy.

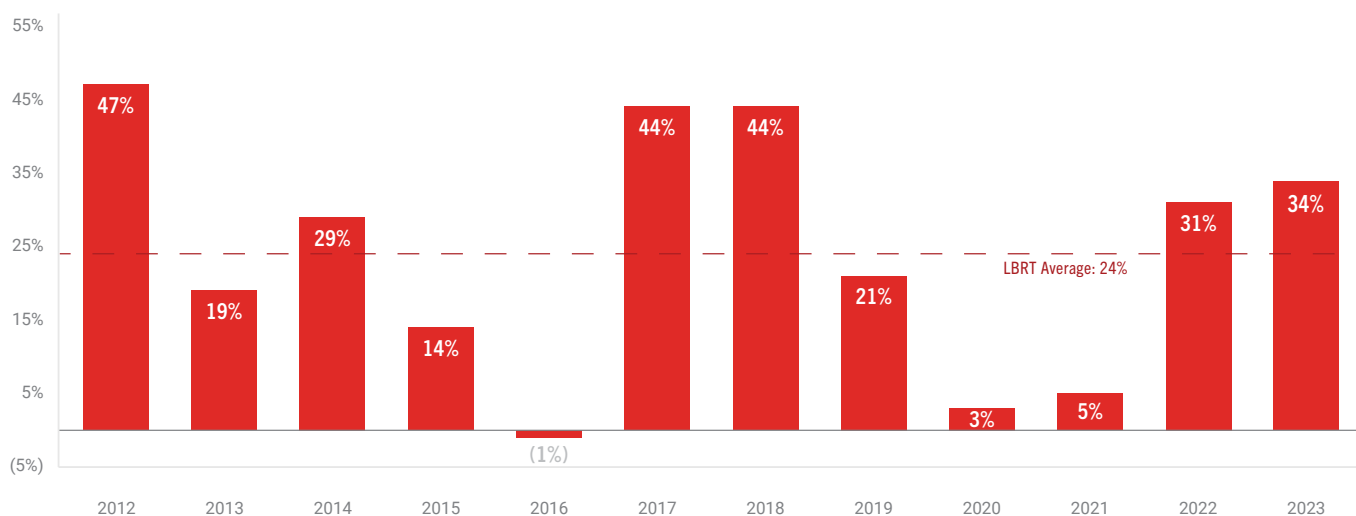
The financial impact of our strategy is highlighted by our 12-year average CROCI<sup>3</sup> of 24%, nearly 50% higher than the S&P 500. We are proud to have delivered strong returns for our investors over these dozen years, through a period stressed by multiple oil and gas cyclical downturns, reduced capital flow into the energy sector, and intense political pressure.



In 2023, we achieved our second consecutive year of record earnings per share. We did so during a time where the industry softened throughout the year. Our ability to execute for our clients in fluctuating markets with superior performance makes us the partner of choice, and helped insulate us from the full weight of the declining market we saw in 2023. We delivered the highest daily pumping efficiencies recorded in Liberty's history, driving strong profits and free cash flow. We simultaneously responded to markets prudently, retiring horsepower when industry activity softened, preserving strong returns across the remainder of the full fleet. For the full year, total sales were \$4.7 billion and Adjusted EBITDA<sup>1</sup> was \$1.2 billion. Over the same period, we spent \$576 million in net capital expenditures<sup>2</sup> expanding our competitive advantage and returned an impressive \$241 million to shareholders through buybacks and cash dividends.

FIGURE 3

### Cash Return on Capital Invested<sup>3</sup>



### Selected Financial Data

(In millions)	2023	2022	2021
Total Revenue	\$4,748	\$4,149	\$2,471
Total Gross Profit <sup>4</sup>	\$1,399	\$1,000	\$221
Pre-Tax Net Income (Loss)	\$735	\$400	\$(178)
Adjusted EBITDA <sup>1</sup>	\$1,213	\$860	\$121

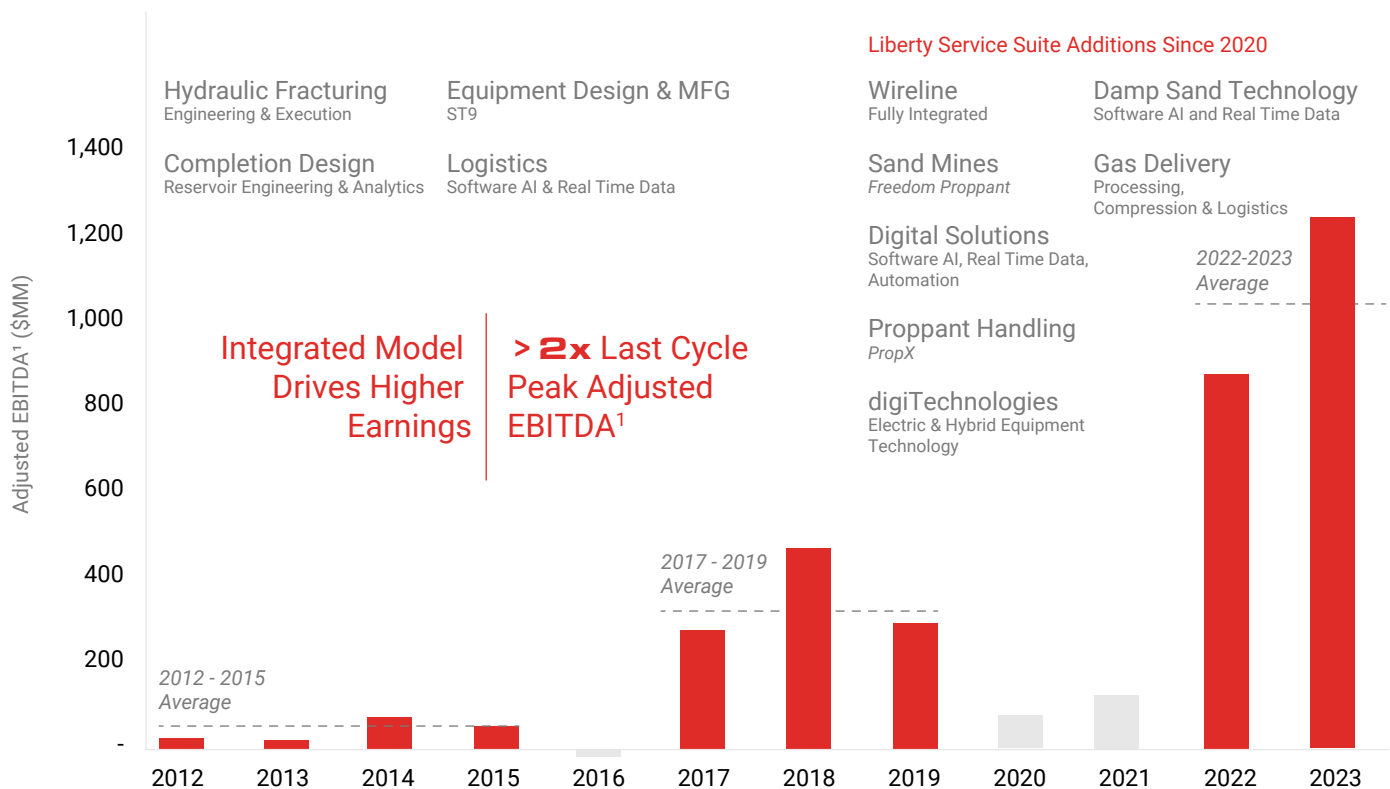
# Leading Edge Technology & Expanded Services Underpins Profitability

Throughout our 12 year history, Liberty has operated in a series of cycles interrupted by two exogenous and unusual downturns, the OPEC price war on U.S. shale beginning in late 2014 and the COVID-19 pandemic in 2020. Our growth over the years has been substantial though lumpy during the depths of the cycles. In our first four operating years from 2012-2015, our average annual Adjusted EBITDA<sup>1</sup> was approximately \$41 million. By the 2017 to 2019 period following OPEC's price war on U.S. Shale, we had grown our average annual Adjusted EBITDA<sup>1</sup> 8-fold, owing to our forward-thinking investment in dual fuel, Quiet Fleet® technology

and the opportunistic acquisition of Sanjel's U.S. assets in 2016. During the depths of the COVID-19 downturn when industry activity almost completely halted, we acquired SLB's North American completions business. Since then, our annual average Adjusted EBITDA<sup>1</sup> in the last two years is now over \$1 billion, more than 3 times the prior 2017 to 2019 period, driven by the vertical integration, software and scale that bolstered our efficiencies and earnings potential. This change is depicted in Figure 4, providing a visual representation of how we've raised the bar of profitability and potential by building long-lasting competitive advantages.

FIGURE 4

## Expansion of Integrated Services Drives Higher Earnings





The image shows a gas station canopy with the Liberty Power Innovations logo and name. The logo consists of a stylized 'LPI' in red and orange. The name 'Liberty Power Innovations' is written in red. A white semi-truck is parked at a gas pump under the canopy. In the background, there are other trucks and utility poles under a clear blue sky.

Liberty Power Innovations

## Creating Significant Value for Shareholders

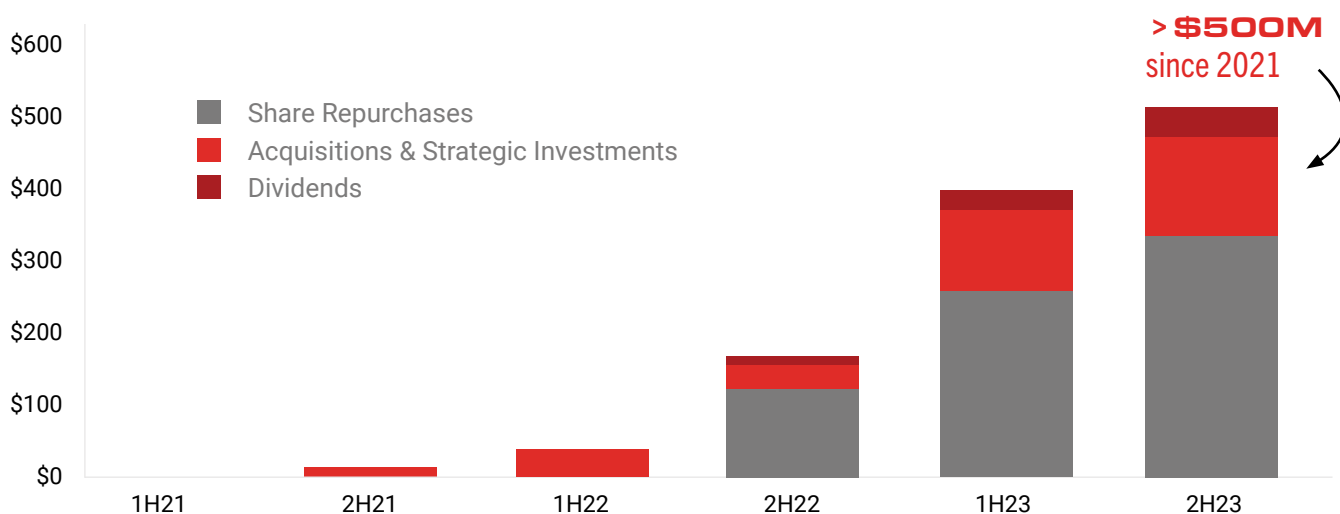
Our long-term strategy has built the company to a size that delivers sizable cash flows. We're well positioned to capitalize on our competitive advantages to accelerate our growth potential and continue to execute on a leading return of capital program. The cumulative uses of cash since COVID-19 as outlined in Figure 5, are dominated by share repurchases, followed by acquisitions and strategic investments, and cash dividends. Since we reinstated our share repurchase program in July of 2022, we have reduced the number of our outstanding shares at attractive prices by an impressive 11.7% through 2023, raising the per share value for each of our shareholders. We added Siren Energy to accelerate

the expansion of LPI. We've made strategic investments in energy businesses focused on geothermal (Fervo), small modular nuclear reactors (Oklo), and battery technologies (Natron), all of which we believe have a pathway to economic success as global energy needs continue to rise and demand diversification. We've also partnered with Tamboran through investment and upcoming frac operations to unlock value in Australia's Beetaloo Basin. Our cash dividends are the final leg of value creation for our investors. We reinstated our dividend in Q4 of 2022 after the COVID-19 downturn suspension and most recently increased it by 40% in Q4 of 2023.



FIGURE 5

### Cumulative Uses of Excess Cash (2021 to 2023)



<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure. Please see Appendix on page 48 for reconciliation and calculation of non-GAAP financial and operational measures.

<sup>2</sup> Net capital expenditures include investing cash flows from purchase of property and equipment, excluding acquisitions, net of proceeds from the sales of assets.

<sup>3</sup> Cash return on capital invested and return on capital employed are derived in part from non-GAAP financial measures. Please see Appendix on page 48 for reconciliation and calculation of non-GAAP financial and operational measures.

<sup>4</sup> Gross Profit is calculated as revenues less cost of goods sold exclusive of depreciation, depletion, and amortization.





# Growth Strategy

Liberty has been at the forefront of servicing the changing needs of our customers, be it through our expertise in underground reservoir fluid flow and fracture networks, our early drive into dual fuel and quiet equipment technologies, and now our investment in digiTechnologies and LPI.

As we look forward, our strategy remains the same: build exceptionally strong relationships, maintain resilient revenue streams, and widen our competitive advantage. Today's focus is on investing in Liberty-designed next generation fleet technology and owning the supportive infrastructure to control critical technology that will drive high efficiencies over the next decade, particularly in those areas not yet well developed in the oilfield like natural gas fuel supply. Owning these assets, from power generation to pump technology to the virtual pipeline of

CNG delivery and logistics, provides an immense opportunity in an ever-changing market for energy. The generational shift within the oilfield towards natural gas fueled equipment has raised the demand for Liberty's digiTechnologies and requires the surety of natural gas for fuel. Liberty is at the center of innovation in equipment technology. Our proprietary pump technologies comprise our digi-Fleets, enabling bespoke solutions for each client based on their respective needs that span fleet electrification accessing microgrid power to simply natural gas fueled equipment capitalizing on the economic benefit of a substantial diesel to gas fuel cost arbitrage. By the end of the 2024, we expect approximately 90% of our fleets will be primarily powered by natural gas. Within the next 5-7 years, our entire fleet will likely consist of low emissions, natural gas-fueled digiFleets.



In 2023, we launched LPI to vertical integrate CNG compression, delivery and logistics, field gas treating and processing and power generation services. During the year, we acquired Siren Energy to accelerate the expansion of LPI. We launched LPI to initially support the generational shift in oilfield fuel from diesel to natural gas but the versatility of the assets we are investing in, such as our digiPower mobile power generation, natural gas compression capacity, and CNG logistics and delivery capabilities, could potentially unlock an array of opportunity beyond the oilfield, particularly as the demand for energy continues to rise.

Natural gas is by far the fastest growth energy source in the world. Even the lucky 1 billion are demanding AI solutions and other high energy-intensive technologies important to modern day living.

At the same time, we find ourselves in an environment where public policies are destabilizing the grid. Liberty has the potential to support the rising need for reliable energy with our mobile, modular, scalable power generation assets supported by a virtual pipeline of CNG fuel and logistics.

These investments reinforce sustainable long-term competitive advantages and expand our ability to drive strong free cash flow. The demand for low-emission, high efficiency solutions is on the rise, and there remain only a handful of companies that are capable of investing in differential technologies that truly move the needle. And there is only one that owns the entire value chain and can chart its own destiny – and that is Liberty.





# Appendix

## Reconciliation of Historical Net Income (Loss) to EBITDA & Adjusted EBITDA<sup>1</sup>

\$ In millions	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Net income (loss)</b>	<b>\$556</b>	<b>\$400</b>	<b>\$(187)</b>	<b>\$(161)</b>	<b>\$75</b>	<b>\$249</b>	<b>\$169</b>	<b>\$(61)</b>	<b>\$(9)</b>	<b>\$35</b>	<b>\$9</b>	<b>\$26</b>
Depreciation, depletion, and amortization	\$422	\$323	\$263	\$180	\$165	\$125	\$81	\$41	\$36	\$22	\$13	\$6
Interest expense, net	\$28	\$23	\$16	\$15	\$15	\$17	\$13	\$6	\$6	\$4	\$1	\$-
Income tax expense (benefit)	\$178	\$(1)	\$9	\$(31)	\$14	\$40	\$-	\$-	\$-	\$-	\$-	\$-
<b>EBITDA</b>	<b>\$1,184</b>	<b>\$745</b>	<b>\$101</b>	<b>\$3</b>	<b>\$269</b>	<b>\$432</b>	<b>\$263</b>	<b>\$(13)</b>	<b>\$33</b>	<b>\$60</b>	<b>\$23</b>	<b>\$32</b>
Stock based compensation expense	\$33	\$23	\$20	\$17	\$14	\$5	\$-	\$-	\$-	\$-	\$-	\$-
Fleet start-up and lay-down costs	\$2	\$17	\$3	\$12	\$5	\$10	\$14	\$4	\$1	\$5	\$3	\$-
Transaction, severance and other costs	\$2	\$6	\$15	\$21	\$-	\$1	\$4	\$6	\$-	\$-	\$-	\$-
(Gain) loss on disposal of assets	\$(7)	\$(5)	\$1	\$-	\$3	\$(4)	\$-	\$(3)	\$-	\$-	\$-	\$-
Provision for credit losses	\$1	\$-	\$-	\$5	\$1	\$-	\$-	\$-	\$6	\$-	\$-	\$-
(Gain) loss on remeasurement of liability under tax receivable agreements	\$(2)	\$76	\$(19)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
(Gain) on investments	\$-	\$(2)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>Adjusted EBITDA</b>	<b>\$1,213</b>	<b>\$860</b>	<b>\$121</b>	<b>\$58</b>	<b>\$291</b>	<b>\$444</b>	<b>\$281</b>	<b>\$(6)</b>	<b>\$41</b>	<b>\$65</b>	<b>\$26</b>	<b>\$32</b>

## Calculation of Historical Cash Return on Capital Invested<sup>3</sup>

\$ In millions	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$1,213</b>	<b>\$860</b>	<b>\$121</b>	<b>\$58</b>	<b>\$291</b>	<b>\$444</b>	<b>\$281</b>	<b>\$(6)</b>	<b>\$41</b>	<b>\$65</b>	<b>\$26</b>	<b>\$32</b>	
<b>Total Assets</b>	<b>\$3,034</b>	<b>\$2,576</b>	<b>\$2,041</b>	<b>\$1,890</b>	<b>\$1,283</b>	<b>\$1,117</b>	<b>\$852</b>	<b>\$452</b>	<b>\$297</b>	<b>\$332</b>	<b>\$175</b>	<b>\$107</b>	<b>\$36</b>
Add back: Accumulated depreciation, depletion, and amortization	\$1,502	\$1,142	\$863	\$623	\$456	\$307	\$198	\$117	\$77	\$41	\$19	\$6	\$-
Less: Accounts payable and accrued liabilities	\$572	\$610	\$528	\$312	\$227	\$219	\$220	\$119	\$53	\$99	\$27	\$13	\$2
<b>Total Gross Capital Invested</b>	<b>\$3,963</b>	<b>\$3,108</b>	<b>\$2,375</b>	<b>\$2,200</b>	<b>\$1,513</b>	<b>\$1,204</b>	<b>\$830</b>	<b>\$451</b>	<b>\$321</b>	<b>\$273</b>	<b>\$167</b>	<b>\$100</b>	<b>\$34</b>
<b>Average Gross Capital Invested<sup>4</sup></b>	<b>\$3,536</b>	<b>\$2,742</b>	<b>\$2,288</b>	<b>\$1,857</b>	<b>\$1,358</b>	<b>\$1,017</b>	<b>\$640</b>	<b>\$386</b>	<b>\$297</b>	<b>\$220</b>	<b>\$134</b>	<b>\$67</b>	
<b>Cash Return on Capital Invested<sup>3</sup></b>	<b>34 %</b>	<b>31%</b>	<b>5%</b>	<b>3%</b>	<b>21%</b>	<b>44%</b>	<b>44%</b>	<b>(1)%</b>	<b>14%</b>	<b>29%</b>	<b>19%</b>	<b>47%</b>	

## Calculation of Adjusted Pre-Tax Return on Capital Employed<sup>2</sup>

\$ In millions	2023	2022	2021
<b>Capital Employed</b>			
Net income	\$556	\$400	
Add back: Income tax expense (benefit)	\$178	\$(1)	
Less: (gain) loss on remeasurement of liability under tax receivable agreements <sup>5</sup>	\$(2)	\$76	
<b>Adjusted Pre-tax net income (loss)</b>	<b>\$733</b>	<b>\$476</b>	
Total debt, net of discount	\$140	\$218	\$122
Total equity	\$1,841	\$1,497	\$1,230
<b>Total Capital Employed</b>	<b>\$1,981</b>	<b>\$1,716</b>	<b>\$1,353</b>
<b>Average Capital Employed<sup>6</sup></b>	<b>\$1,849</b>	<b>\$1,534</b>	
<b>Adjusted Pre-Tax Return on Capital Employed<sup>7</sup></b>	<b>40 %</b>	<b>31%</b>	

<sup>1</sup> Adjusted EBITDA is not presented in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). Please see the table above for a Reconciliation of net Income (loss) to EBITDA and Adjusted EBITDA, its most directly comparable to U.S. GAAP financial measure.

<sup>2</sup> Adjusted Pre-Tax Return on Capital Employed ("ROCE") is an operational measure. Please see the table above for a Calculation of Adjusted Pre-Tax Return on Capital Employed. Certain amounts in the table above may not sum to the amounts presented due to the cumulative effects of rounding.

<sup>3</sup> Cash Return on Capital Invested ("CROCI") is an operational measure. CROCI is the ratio of Adjusted EBITDA, as reconciled above, for the year then ended to Average Gross Capital Invested. Please see the table

above for a calculation of Cash Return on Capital Invested.

<sup>4</sup> Average Gross Capital Invested is the simple average of Gross Capital Invested as of the end of the current year and prior year.

<sup>5</sup> Loss on remeasurement of the liability under tax receivable agreements is a result of the release of the valuation allowance on the Company's deferred tax assets and should be excluded in the determination of pre-tax return on capital employed.

<sup>6</sup> Average Capital Employed is the simple average of Total Capital Employed as of the end of the current year and prior year.

<sup>7</sup> Adjusted Pre-Tax Return on Capital Employed is the ratio of adjusted pre-tax net income for the twelve months ended December 31, 2023 and 2022 to Average Capital Employed.





## Shares Listed

New York Stock Exchange  
Symbol: LBRT

## Transfer Agent & Registrar

Equiniti Trust Company, LLC ("EQ")  
55 Challenger Road, Floor 2  
Ridgefield Park, NJ 07660

EQ Shareholder Services Call Center  
Toll Free: 800.937.5449  
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Monday-Friday  
Email: [helpAST@equiniti.com](mailto:helpAST@equiniti.com)

## Investor Relations Contact Information

To contact Liberty's investor relations department, stockholders may call the company at 303-515-2851 or send a message via email to [IR@libertyenergy.com](mailto:IR@libertyenergy.com).

# Forward Looking Statement

In order to utilize the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 and the general doctrine of cautionary statements, Liberty is providing the following cautionary statement. This report contains certain forecasts, projections, and forward looking statements—that is, statements related to future, not past events and circumstances with respect to the financial condition, results of operations and businesses of Liberty and certain of the plans and objectives of Liberty with respect to these items. For this purpose, any statement that is not a statement of historical fact should be considered a forward looking statement. These statements may generally, but not always, be identified by the use of words such as 'will', 'expects', 'is expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'anticipates', 'plans', 'we see' or similar expressions; however, the absence of these words does not mean that the statements are not forward looking. These forward looking statements are subject to certain risks, uncertainties, and assumptions, including those disclosed from time to time in Liberty's filings with the Securities and

Exchange Commission (the "SEC"). As a result of these factors, actual results may differ materially from those indicated or implied by such forward looking statements. Any forward looking statement speaks only as of the date on which it is made, and, except as required by law, we do not undertake any obligation to update or revise any forward looking statement, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for us to predict all such factors. When considering these forward looking statements, you should keep in mind the risk factors and other cautionary statements in "Item 1A. Risk Factors" included in Liberty's latest Annual Report on Form 10-K and in our other public filings with the SEC. All forward looking statements, expressed or implied, included in this report are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.





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