

A photograph of an oil drilling rig at night, illuminated by its own lights against a dark blue sky with some clouds. The rig is located in a desert-like environment with sparse vegetation.

PIONEER  
NATURAL RESOURCES

# Goldman Sachs

## Global Energy and Clean Technology Conference

January 5, 2023



# Forward-Looking Statements

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Except for historical information contained herein, the statements in this news release are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements and the business prospects of the Company are subject to a number of risks and uncertainties that may cause the Company's actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things, volatility of commodity prices; product supply and demand; the impact of a widespread outbreak of an illness, such as the COVID-19 pandemic, on global and U.S. economic activity and oil and gas demand; the impact of armed conflict and political instability on economic activity and oil and gas supply and demand; competition; the ability to obtain drilling, environmental and other permits and the timing thereof; the effect of future regulatory or legislative actions on Pioneer or the industry in which it operates, including potential changes to tax laws; the ability to obtain approvals from third parties and negotiate agreements with third parties on mutually acceptable terms; potential liability resulting from pending or future litigation; the costs, including the potential impact of cost increases due to supply chain disruptions and inflation, and results of development and operating activities; the risk of new restrictions with respect to development activities, including potential changes to regulations resulting in limitations on the Company's ability to dispose of produced water; availability of equipment, services, resources and personnel required to perform the Company's development and operating activities; access to and availability of transportation, processing, fractionation, refining, storage and export facilities; Pioneer's ability to replace reserves, implement its business plans or complete its development activities as scheduled; the Company's ability to achieve its emissions reductions, flaring and other ESG goals; access to and cost of capital; the financial strength of (i) counterparties to Pioneer's credit facility and derivative contracts, (ii) issuers to Pioneer's investment securities and (iii) purchasers of Pioneer's oil, NGL and gas production and downstream sales of purchased oil and gas; uncertainties about estimates of reserves, identification of drilling locations and the ability to add proved reserves in the future; the assumptions underlying forecasts, including forecasts of production, operating cash flow, well costs, capital expenditures, rates of return, expenses, and cash flow from downstream purchases and sales of oil and gas, net of firm transportation commitments; tax rates; quality of technical data; environmental and weather risks, including the possible impacts of climate change on the Company's operations and demand for its products; cybersecurity risks; the risks associated with the ownership and operation of the Company's water services business and acts of war or terrorism. These and other risks are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, and other filings with the United States Securities and Exchange Commission. In addition, the Company may be subject to currently unforeseen risks that may have a materially adverse effect on it. Accordingly, no assurances can be given that the actual events and results will not be materially different than the anticipated results described in the forward-looking statements. The Company undertakes no duty to publicly update these statements except as required by law.

# Pioneer At A Glance

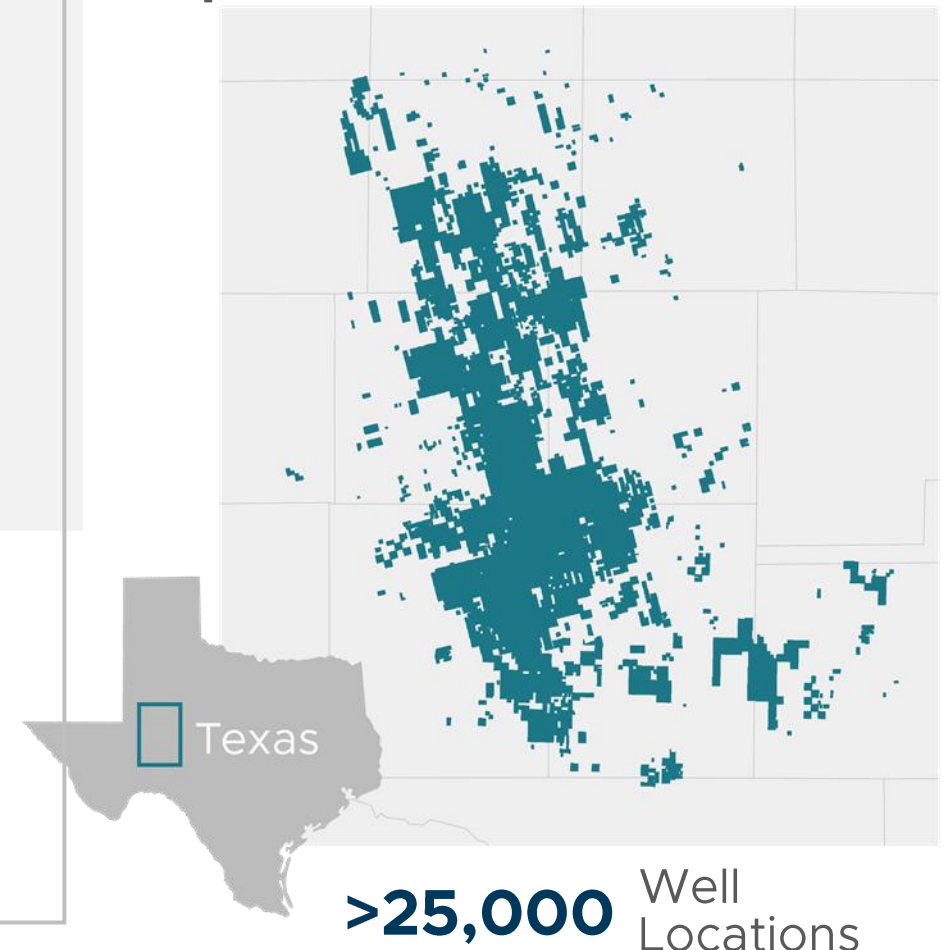
## Midland Basin Pure-Play Independent

- Largest contiguous Permian Basin acreage position
- Enhanced economic thresholds drive improved productivity and returns
- Low-cost, high-return horizontal development generates peer-leading margins
- Moderate oil growth
- Focused on free cash flow<sup>1</sup> generation supporting best-in-class cash return strategy

## Returning ~80% of Free Cash Flow<sup>1</sup> through Dividends

- Quarterly base dividend of \$1.10 per share, \$4.40 annualized
- Returning up to 75% of quarterly free cash flow after deducting the base dividend
- Share repurchases increase return of capital above 80% of free cash flow

Top-tier, contiguous acreage position in the Midland Basin



# Creating Differentiated Value

**~\$7.5** Billion Returned to Shareholders 2022<sup>1</sup>



2022 Dividends  
**>\$26 Per Share**

Represents a >12% Annualized Dividend Yield<sup>2</sup>

**~\$1.5 B**

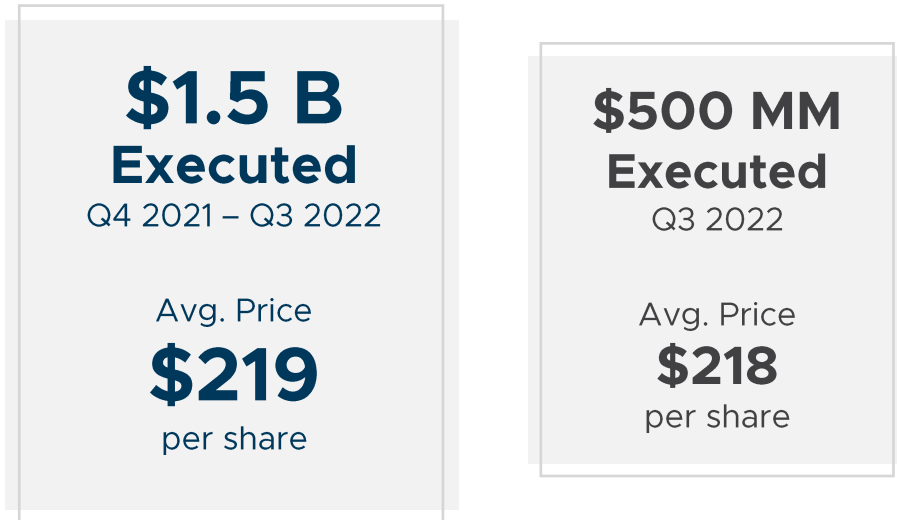
Share Repurchases Since Q4 2021<sup>3</sup>



**140 Megawatt**  
Wind Generation Project  
Partnering with NextEra Energy

# Opportunistic Share Repurchases

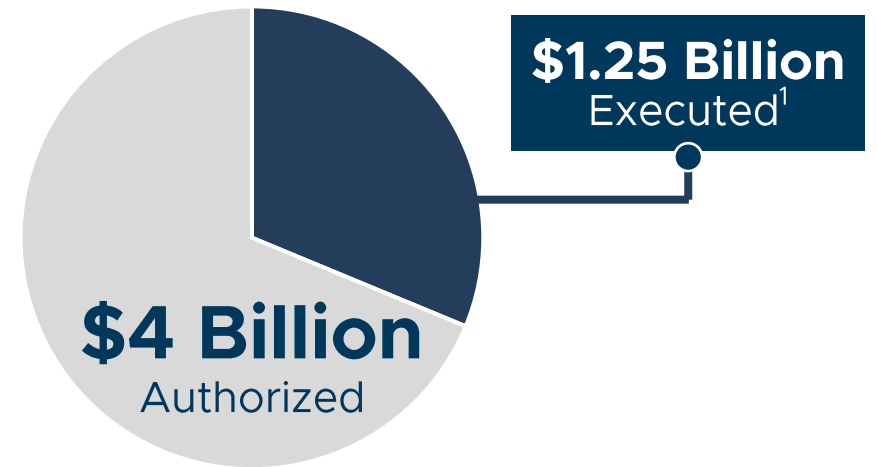
## Share Repurchase Activity



Reduced Shares Outstanding by  
**~3%**

Since Q4 2021<sup>1</sup>

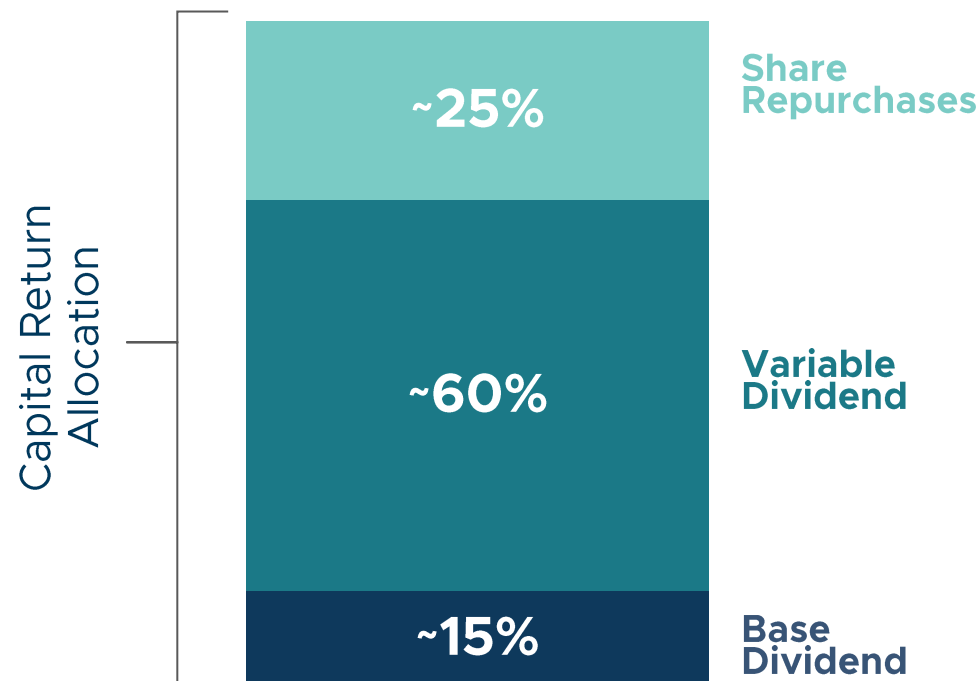
## Remaining Authorization



**\$500 MM Executed in Q3**  
Aggressive During Market Dislocations

# Committed To Significant Return Of Capital

Returning ~\$1.9 B of  
Q3 2022 cash flow to shareholders



**Represents ~108% of Q3 Free Cash Flow<sup>1</sup>**

**>12% annualized return<sup>2</sup>**  
when including Q3 share repurchases



## (1) Base Dividend

Strong and growing base dividend;  
\$4.40 per share annually



## (2) Variable Dividend

Up to 75% of post base  
dividend FCF returned  
to shareholders



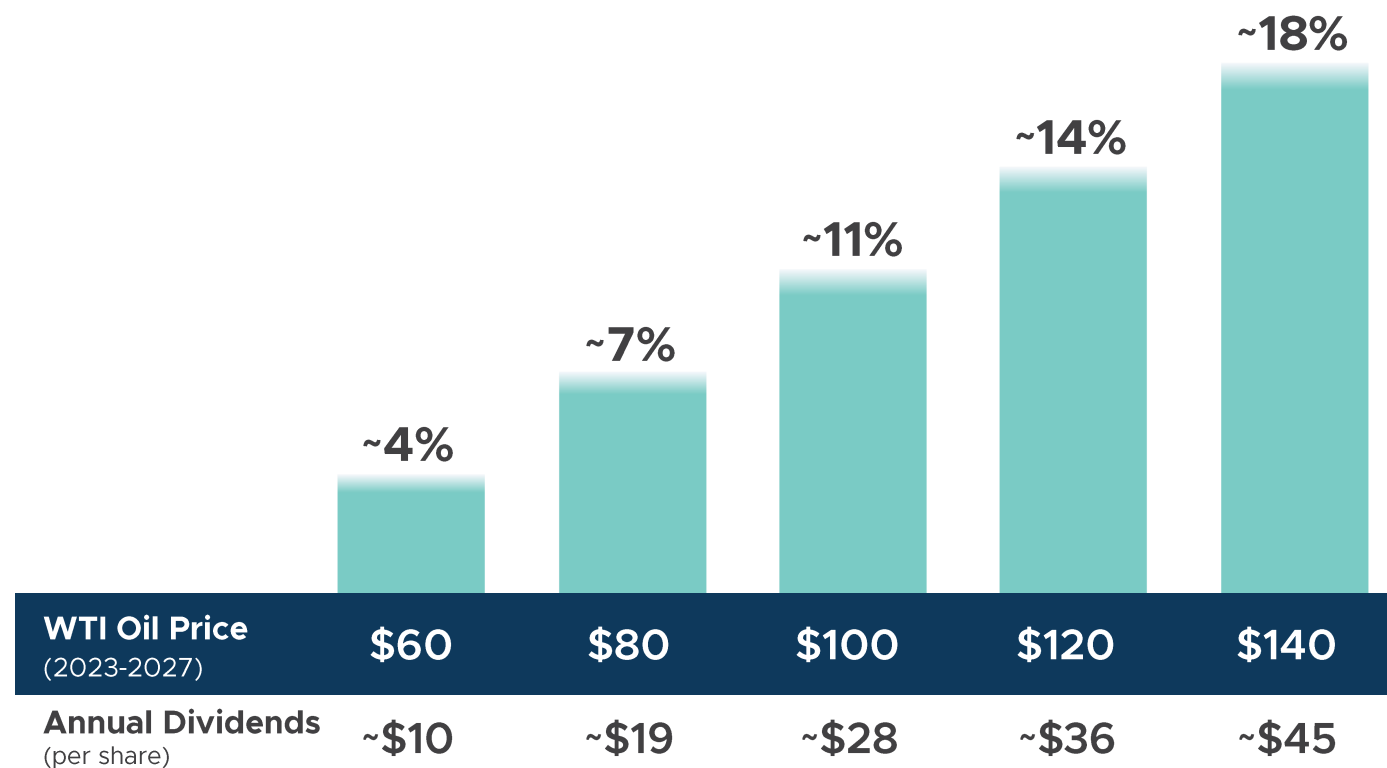
## (3) Share Repurchases

Balance sheet strength  
provides ability to return  
additional FCF

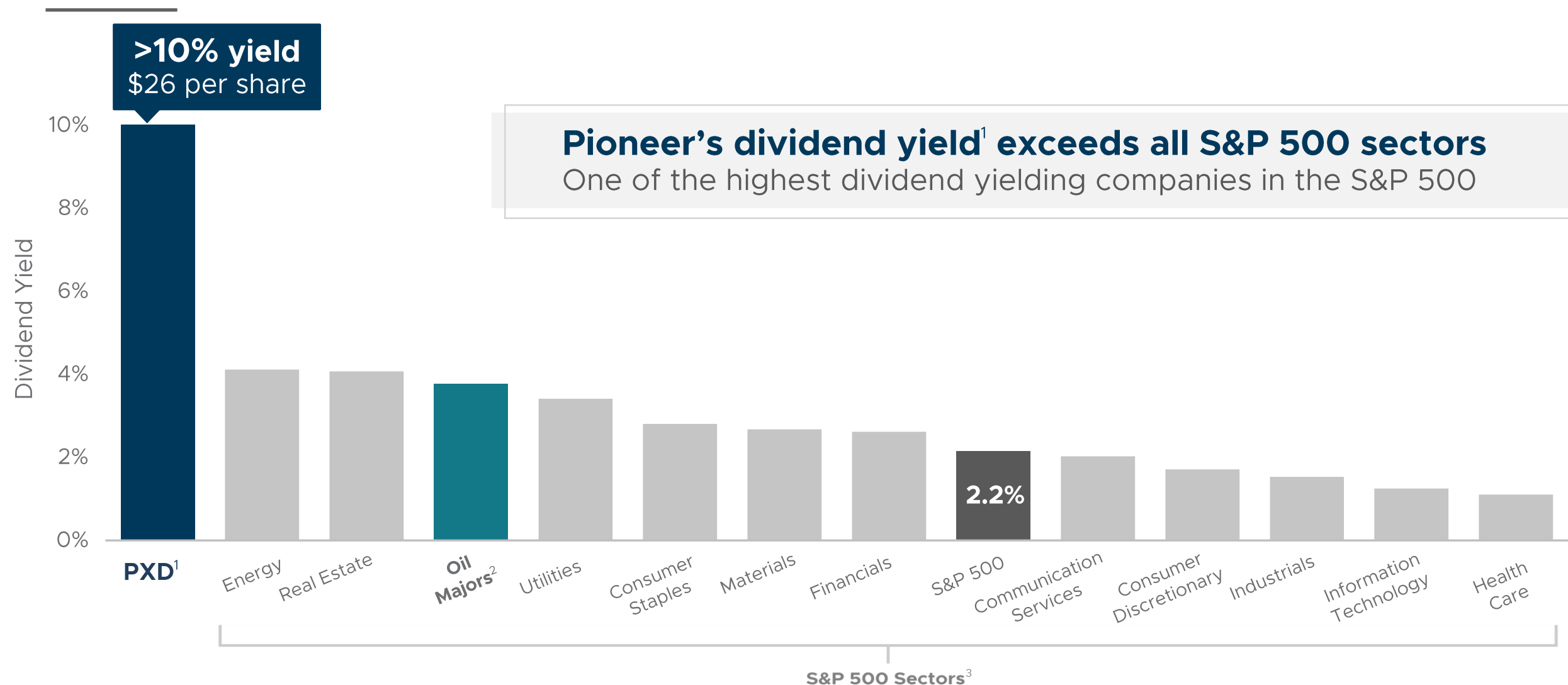
# Resilient Dividends Through Cycle

- Durable free cash flow enables significant dividends<sup>2</sup> at various commodity prices
- Disciplined investment framework with oil growth of up to 5%
- Compelling free cash flow and dividend outlook reflect the expected full impact of cash taxes

Expected Average Annual Dividend Yield<sup>1</sup>



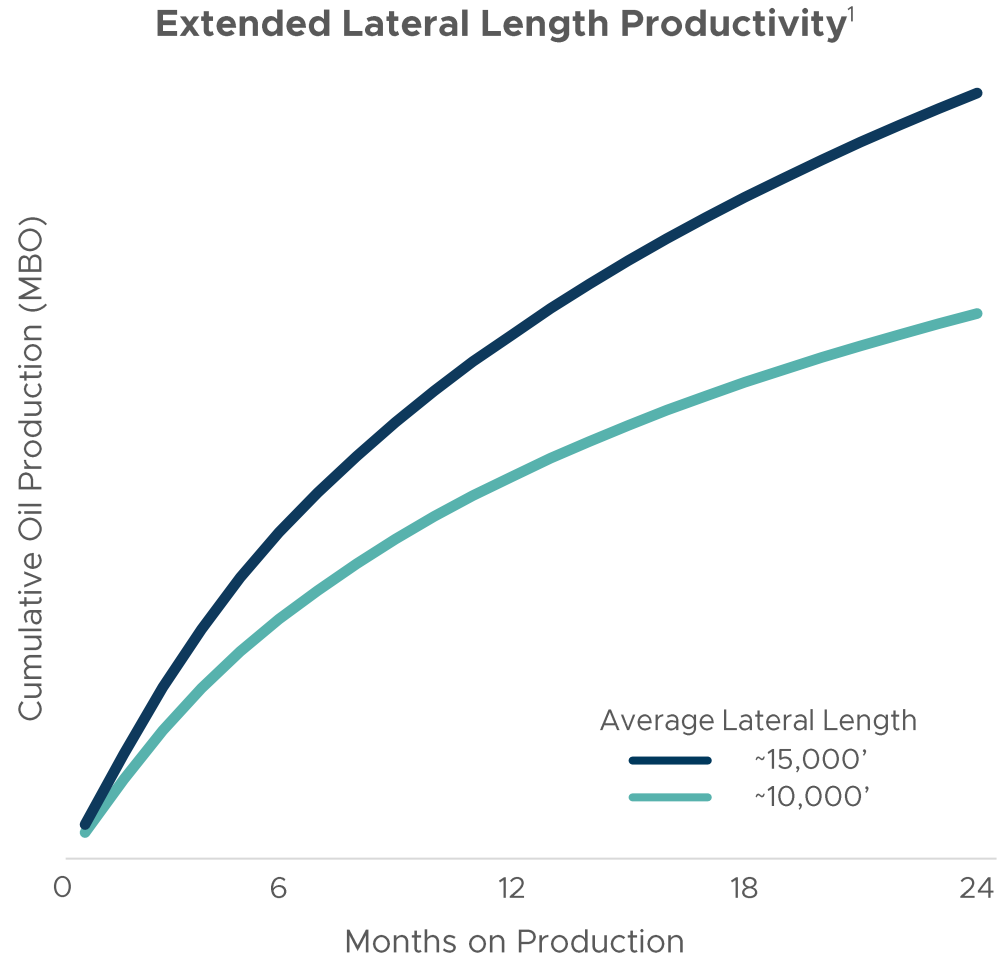
# Positioned For A Leading Dividend Yield Across Sectors



1) Includes dividends paid or declared for payment during 2022 and reflects Pioneer's stock price as of 10/20/2022. Future dividends are subject to board approval; see supplemental slides.  
2) Source: Bloomberg as of 10/20/2022. Oil Majors Includes: BP, CVX, SHEL, TTE and XOM. 3) Source: Bloomberg as of 10/20/2022. Dividend yields represent average of sector constituents.



# Increasing Lateral Lengths Strengthen Returns



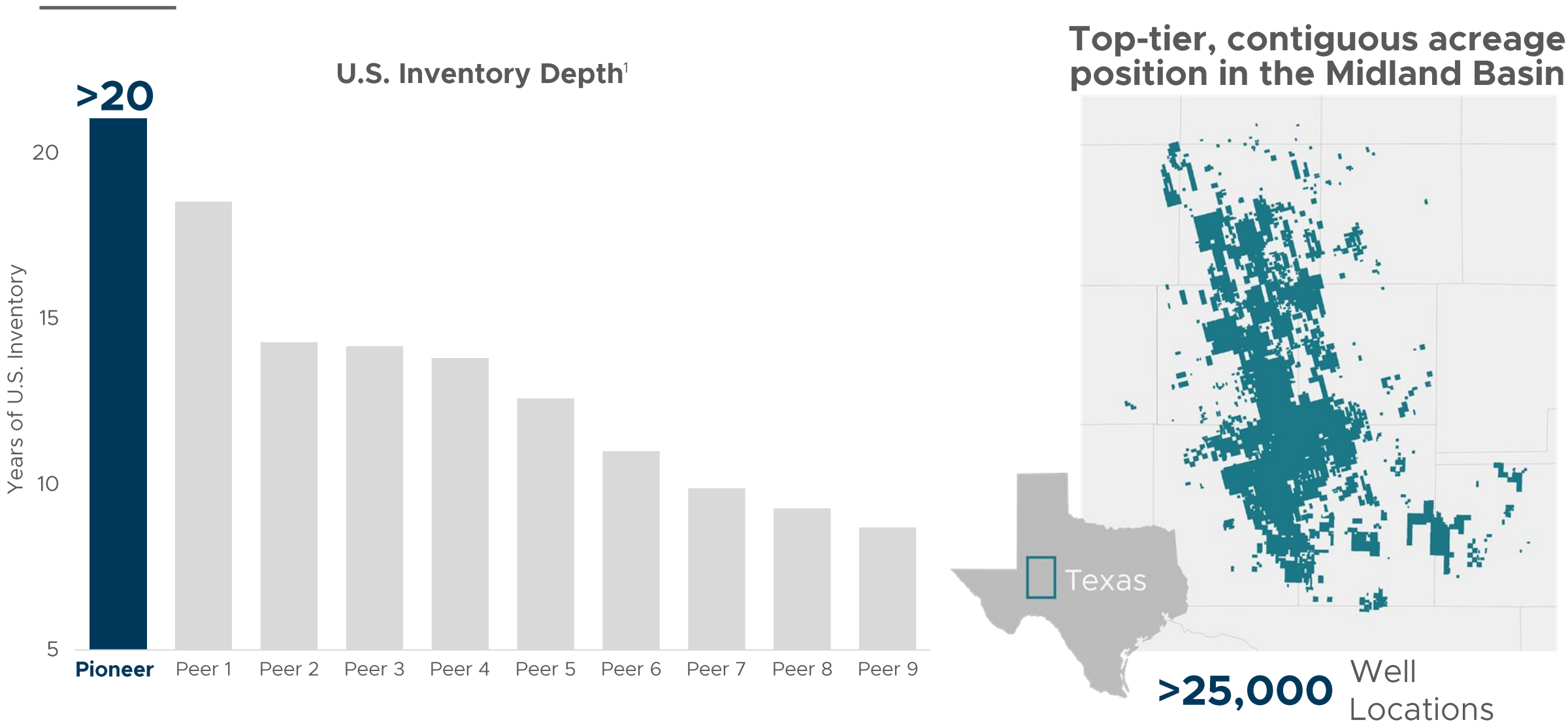
**~15%**  
Capital Savings<sup>2</sup>

**>20%**  
Higher IRR<sup>3</sup>

Lower cost per foot and strong productivity **generates superior returns on long lateral development**

Over 1,000 locations with **>15,000' laterals**

# Pioneer's Deep Inventory Of High-Quality Locations



1) Enverus Prism Corporate Level Inventory Life <\$50 WTI and 20:1 WTI:HH, as of 10/20/2022. Peers Include: APA, CLR, CTRA, DVN, EOG, FANG, MRO, OVV and OXY.

# Industry Leading Acreage Quality And Depth Of Inventory

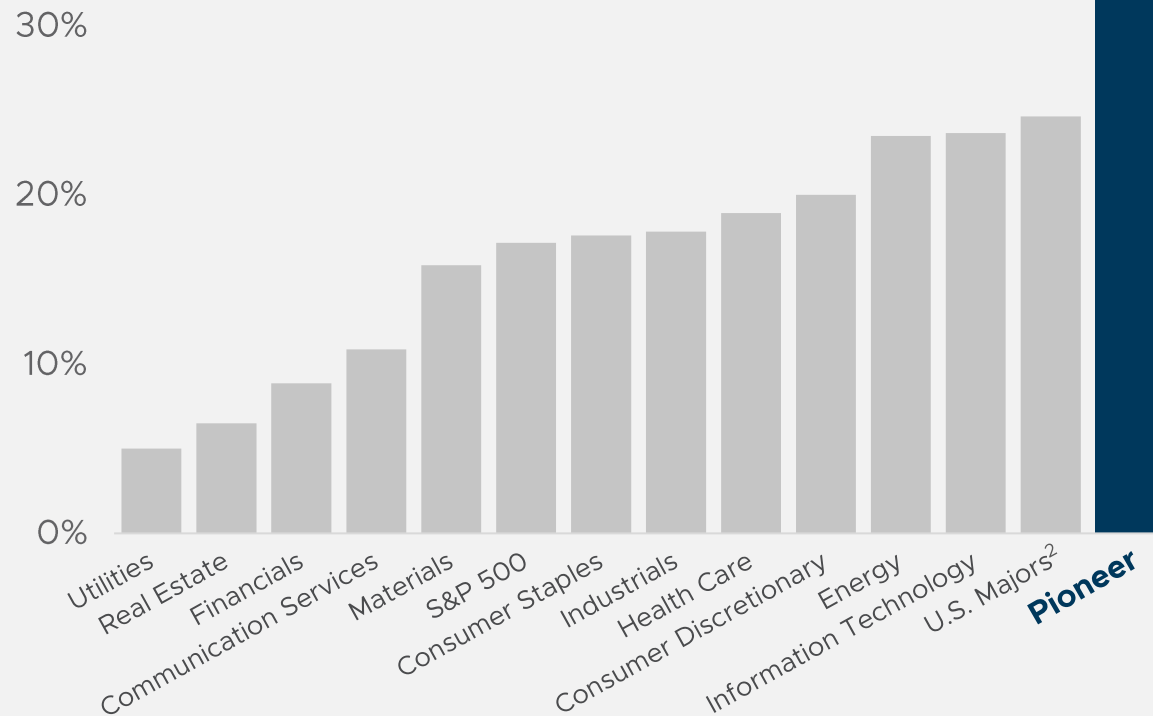


- Largest inventory of highly economic wells drives sustainable and peer-leading free cash flow per BOE
- Oil weighted production generates strong margins through high realized pricing
- Low leverage provides financial flexibility for share repurchases to supplement base and variable dividends

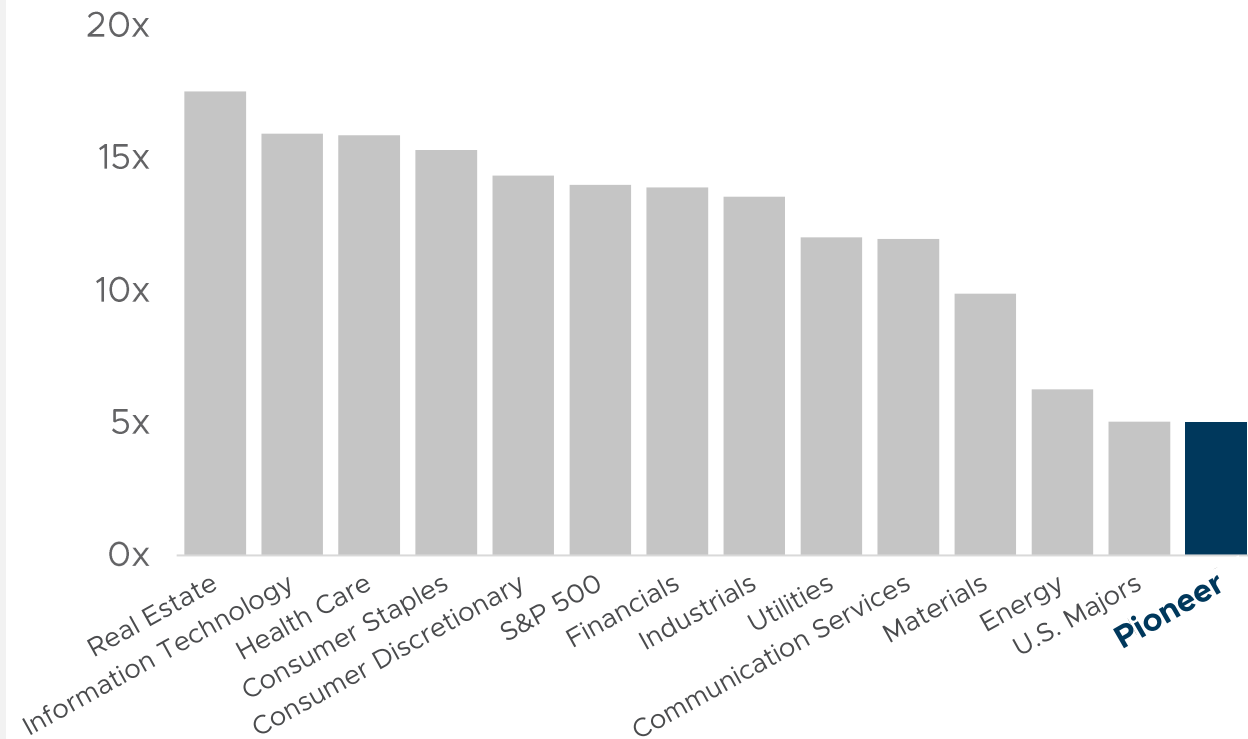
# Unmatched Value Proposition

Market leading corporate returns with compelling valuation

2022E Return On Capital Employed<sup>1</sup>



2022E EV/EBITDAX<sup>1</sup>





# Leading Sustainability Plan

## 2022 Sustainability Report Highlights

- Joined the Oil and Gas Methane Partnership (OGMP) 2.0 Initiative
- Accelerated Zero Routine Flaring Target to 2025
- Strengthened Freshwater Reduction Goal to 20% by 2026



For more information please visit  
[pxd.com/sustainability](https://pxd.com/sustainability) or  
[pxd.com/reports/2021-climate-risk-report](https://pxd.com/reports/2021-climate-risk-report)

**Pioneer's 2022 Climate Risk Report Published in December**

## Environmental Targets<sup>1</sup>

Reduce *GHG emissions* intensity  
**50% by 2030**  
(Scope 1 and Scope 2)

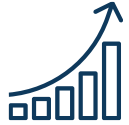
Reduce *methane emissions* intensity  
**75% by 2030**

Limit annual *flaring intensity* to  
**less than 1%**

Reduce *freshwater* in completions to  
**20% by 2026**

# Enhancing Shareholder Value

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**Focus on Returns** – Strong return on capital employed supports significant free cash flow generation



**Return of Capital** – Durable shareholder returns through dividends and share repurchases



**Long Duration Inventory** – Greater than twenty years of high-quality, high-return locations



**Preserve Strong Balance Sheet** – Low leverage provides financial and operational flexibility



**ESG Leadership** – Continued focus on high ESG standards and industry-leading practices



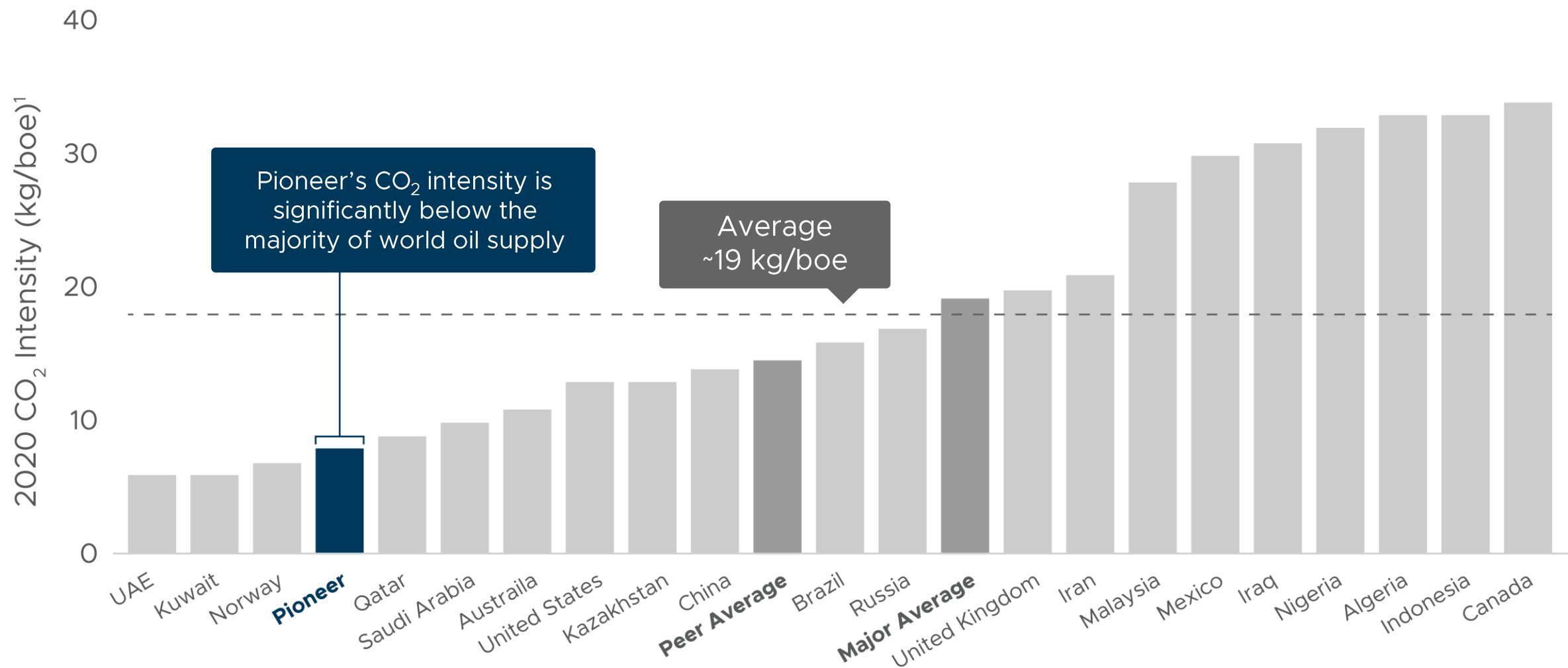
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# SUPPLEMENTAL SLIDES





# Providing Affordable Energy With Low Emissions



1) Source: RystadEnergy research and analysis, RystadEnergy Upstream EmissionsCube October 2021. Majors include: BP, CVX, SHEL, TTE and XOM. Peers Include: APA, CLR, COP, CTRA, DVN, EOG, FANG, HES, MRO, OVV and OXY.



# Q3 2022 Dividend Declaration

## Q4 2022 Variable Dividend Calculation

	\$ Millions
Q3 2022 Free Cash Flow <sup>1</sup>	1,729
Base Dividend	(263)
<b>Q3 2022 Post Base Dividend Free Cash Flow</b>	<b>1,466</b>
Percent Distribution	~75%
<b>Q4 2022 Variable Dividend</b>	<b>1,100</b>

## Q4 2022 Declared Dividend Payments

	\$ Per Share
Q4 2022 Base Dividend	1.10
Q4 2022 Variable Dividend	4.61
<b>Q4 2022 Declared Base-plus-variable Dividend</b>	<b>5.71</b>

## Base-plus-variable Dividend Details

- Payable December 15, 2022
- Stockholders of record on November 30, 2022

# Q3 2022 Summary

## Q3 2022 Adjusted Earnings

	\$ Millions (After Tax)	\$ Per Diluted Share
Net income attributable to common stockholders	1,984	7.93
<b>Noncash mark-to-market (MTM) adjustments:</b>		
Derivative gain, net (\$135 MM pretax)	(105)	(0.42)
ProPetro investment loss (\$32 MM pretax)	25	0.10
<b>Adjusted income excluding noncash MTM adjustments</b>	<b>1,904</b>	<b>7.61</b>
<b>Unusual items:</b>		
Charitable contributions – Ukraine humanitarian support (\$10 MM pretax)	8	0.03
Gain on disposition of assets (\$34 MM pretax) <sup>1</sup>	(27)	(0.11)
Gain on settlement of convertible debt conversion option derivatives (\$17 MM pretax) <sup>2</sup>	(13)	(0.05)
<b>Adjusted income excluding noncash MTM adjustments and unusual items</b>	<b>1,872</b>	<b>7.48</b>

## Q3 2022 Guidance vs. Results

	Guidance	Results of Operations
Average Daily Production Volume (MBOEPD)	635 - 660	657
Average Daily Oil Production Volume (MBOPD)	345 - 360	354
Production Costs per BOE	\$12.00 - \$13.50	\$13.62
DD&A per BOE	\$10.50 - \$12.00	\$10.61
Exploration & Abandonment (\$ MM)	\$10 - \$20	\$8
G&A (\$ MM) <sup>3</sup>	\$75 - \$85	\$80
Accretion of Discount on Asset Retirement Obligations (\$ MM)	\$3 - \$6	\$4
Interest Expense (\$ MM)	\$30 - \$35	\$30
Other Expense (\$ MM)	\$20 - \$40	\$36
Cash Flow Impact from Firm Transportation (\$ MM) <sup>4</sup>	(\$100) – (\$60)	(\$135)
Current Income Tax Provision (\$ MM)	\$300 - \$350	\$308
Effective Tax Rate (%) <sup>5</sup>	22% - 27%	20%

1) Represents realized gains on the sale of certain undeveloped acreage in the Midland Basin. 2) Represents a realized net derivative gain on exercised convertible debt conversion options. 3) Excludes charitable donations of \$10 million made to various Ukraine humanitarian aid organizations in response to the Russia/Ukraine conflict. 4) Cash flow impact from firm transportation is outside of guidance primarily due to month over month decreases in oil prices that resulted in oil purchased and in transit via pipeline to the Gulf Coast or in the Gulf Coast storage being sold in the subsequent month at lower oil prices. 5) Effective tax rate is lower than expected primarily due to the recognition of state research and development credits.

# Production By Commodity

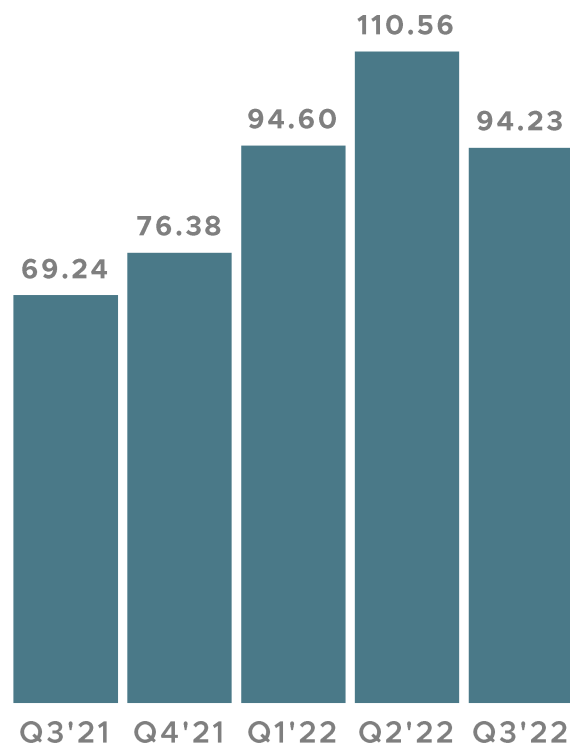
		Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22
Total Permian Basin	Oil (BOPD)	388,820	393,453	355,540	348,033	354,026
	NGL (BOEPD)	156,863	161,648	152,788	160,243	162,360
	Gas (MCFPD)	780,515	792,124	777,265	808,264	840,639
	<b>Total (BOEPD)</b>	<b>675,770</b>	<b>687,121</b>	<b>637,872</b>	<b>642,987</b>	<b>656,491</b>
Other Assets	Oil (BOPD)	9	14	(270)	(69)	17
	NGL (BOEPD)	10	3	141	(60)	12
	Gas (MCFPD)	32	26	78	(83)	366
	<b>Total (BOEPD)</b>	<b>23</b>	<b>22</b>	<b>(116)</b>	<b>(143)</b>	<b>91</b>
Total Operations	Oil (BOPD)	388,829	393,467	355,270	347,964	354,043
	NGL (BOEPD)	156,873	161,651	152,929	160,183	162,372
	Gas (MCFPD)	780,547	792,150	777,343	808,181	841,005
	<b>Total (BOEPD)</b>	<b>675,793</b>	<b>687,143</b>	<b>637,756</b>	<b>642,844</b>	<b>656,582</b>

## Q3 2022 Cash Margin (\$/BOE)

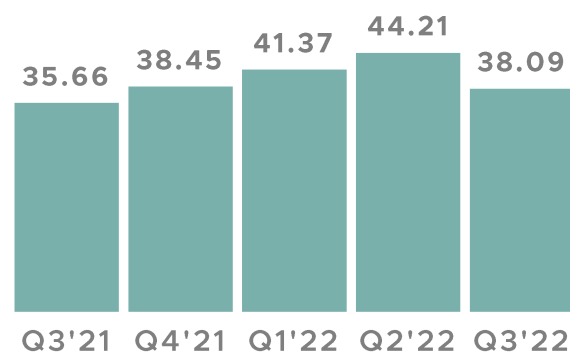
Realized Price (ex-derivatives)  
**\$69.93**

Cash Margins  
**\$56.31**

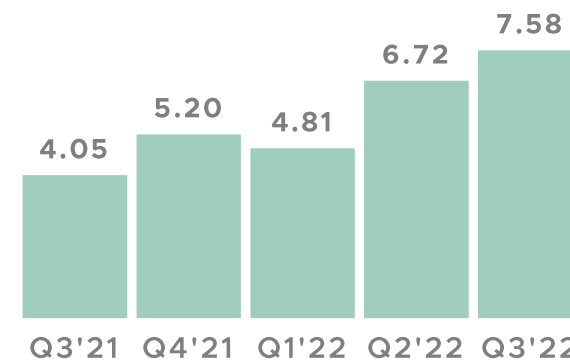
# Price Realizations



Oil (\$/BBL)



NGL (\$/BBL)<sup>1</sup>



Gas (\$/MCF)

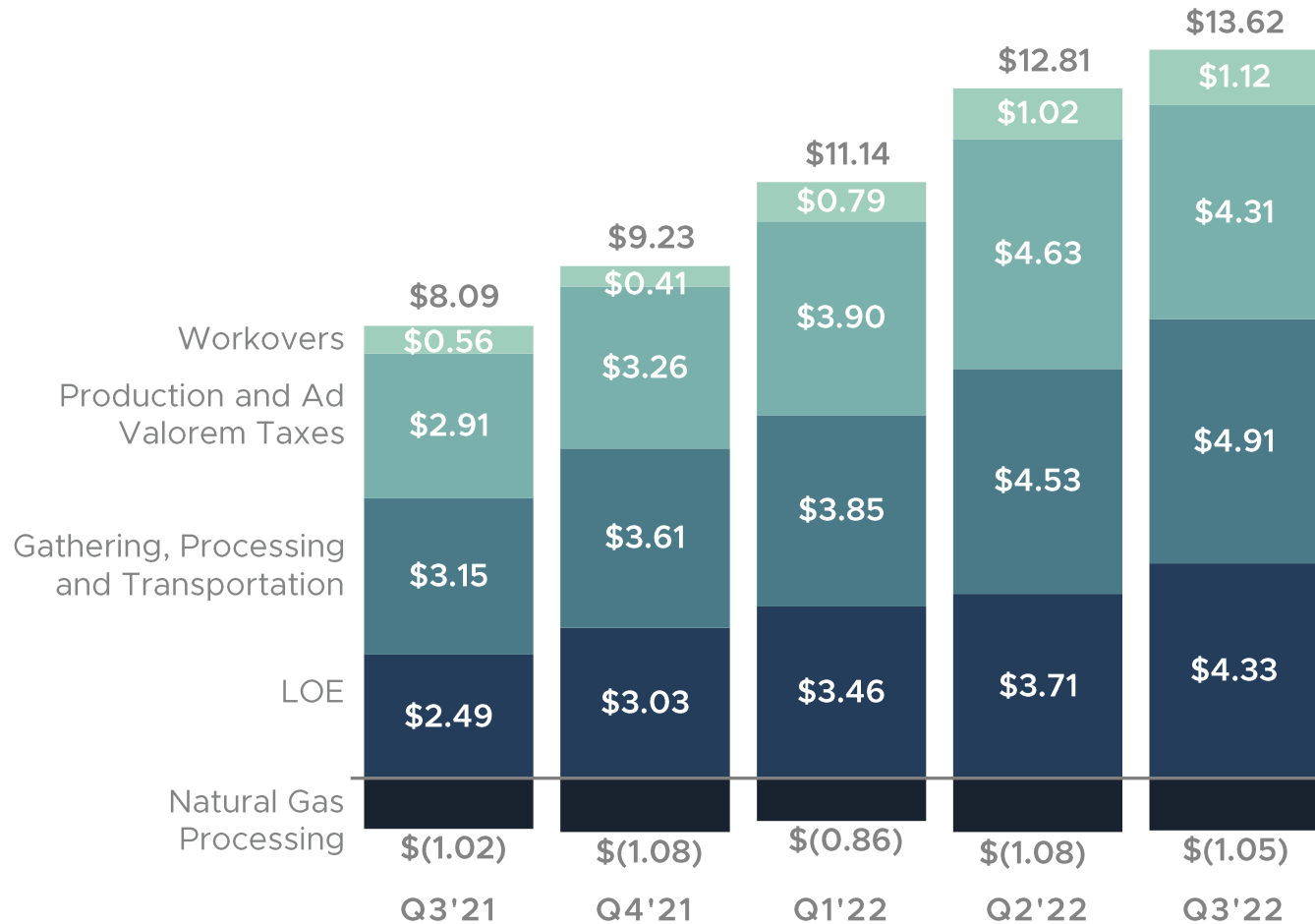
NYMEX calendar month average	70.56	77.19	94.29	108.41	91.56
NYMEX differential	(1.32)	(0.81)	0.31	2.15	2.67
Realized prices	<b>69.24</b>	<b>76.38</b>	<b>94.60</b>	<b>110.56</b>	<b>94.23</b>

70.56	77.19	94.29	108.41	91.56
(34.90)	(38.74)	(52.92)	(64.20)	(53.47)
<b>35.66</b>	<b>38.45</b>	<b>41.37</b>	<b>44.21</b>	<b>38.09</b>

4.02	5.84	4.96	6.76	8.20
0.03	(0.64)	(0.15)	(0.04)	(0.62)
<b>4.05</b>	<b>5.20</b>	<b>4.81</b>	<b>6.72</b>	<b>7.58</b>



# Production Costs (Per BOE)



## 3Q 2022 compared to 2Q 2022:

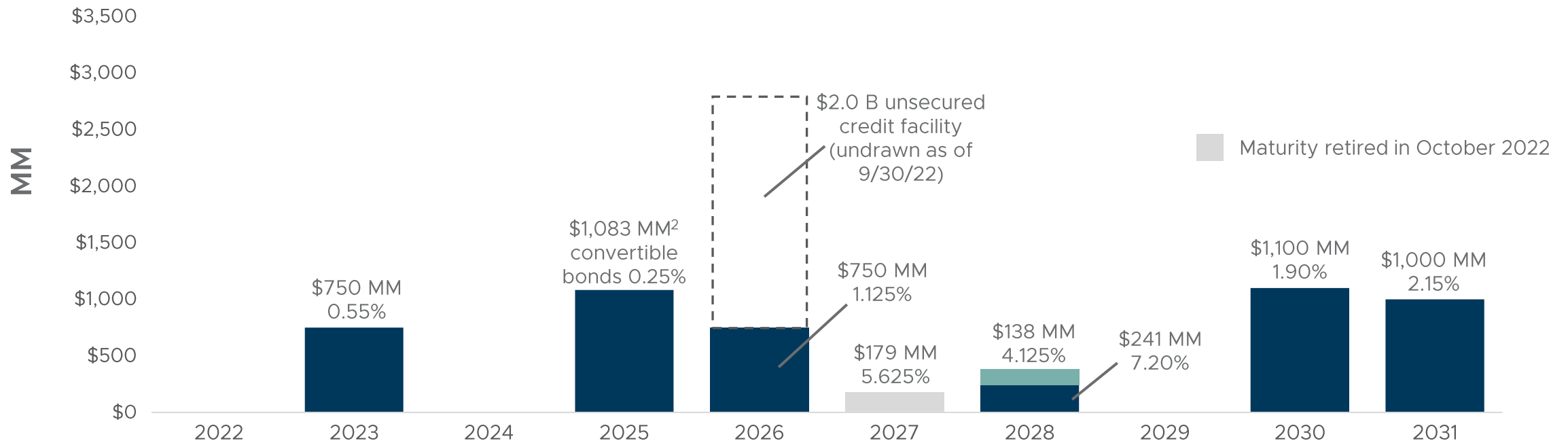
- GP&T increased due to gas processing plant electricity costs
- LOE increased as a result of electricity costs and inflation

# Liquidity Position

## September 30, 2022 Liquidity Position

Net debt (reflects cash on hand of \$1.3 B)	\$3.9 B
Short-term commercial paper investments	\$0.4 B
Unsecured credit facility availability	\$2.0 B
Net debt-to-book capitalization	15%

## Maturities and Balances<sup>1</sup>



# Supplemental Earnings Per Share Information

The Company uses the two-class method of calculating basic and diluted earnings per share. Under the two-class method of calculating earnings per share, generally acceptable accounting principles ("GAAP") provide that share-based awards with guaranteed dividend or distribution participation rights qualify as "participating securities" during their vesting periods. During periods in which the Company realizes net income attributable to common stockholders, the Company's basic net income per share attributable to common stockholders is computed as (i) net income attributable to common stockholders, (ii) less participating share-based earnings (iii) divided by weighted average basic shares outstanding. The Company's diluted net income per share attributable to common stockholders is computed as (i) basic net income attributable to common stockholders, (ii) plus the reallocation of participating earnings, if any, (iii) plus the after-tax interest expense associated with the Company's convertible senior notes that are assumed to be converted into shares (iv) divided by weighted average diluted shares outstanding. During periods in which the Company realizes a net loss attributable to common stockholders, securities or other contracts to issue common stock would be dilutive to loss per share; therefore, conversion into common stock is assumed not to occur.

The Company's net income attributable to common stockholders is reconciled to basic and diluted net income attributable to common stockholders as follows:

	Q3'22 (\$ Millions)
Net income attributable to common stockholders	1,984
Participating share-based earnings	(4)
<b>Basic net income attributable to common stockholders</b>	<b>1,980</b>
Adjustment to after-tax interest expense to reflect the dilutive impact attributable to convertible senior notes	1
<b>Diluted net income attributable to common stockholders</b>	<b>1,981</b>

	Q3'22 (Shares in Millions)
<b>Weighted average common shares outstanding:</b>	
Basic weighted average shares outstanding	239
Convertible senior notes dilution	11
<b>Diluted weighted average shares outstanding</b>	<b>250</b>

# Supplemental Non-GAAP Financial Measures

EBITDAX and discretionary cash flow ("DCF") (as defined below) are presented herein and reconciled to the GAAP measures of net income and net cash provided by operating activities, because of their wide acceptance by the investment community as financial indicators of a company's ability to internally fund exploration and development activities and to service or incur debt. The Company also views the non-GAAP measures of EBITDAX and DCF as useful tools for comparisons of the Company's financial indicators with those of peer companies that follow the full cost method of accounting. EBITDAX and DCF should not be considered as alternatives to net income or net cash provided by operating activities, as defined by GAAP.

	Q3 '22 (\$ Millions)
Net income	1,984
Depletion, depreciation and amortization	641
Exploration and abandonments	8
Accretion of discount on asset retirement obligations	4
Interest expense	30
Income tax provision	510
Gain on disposition of assets, net	(35)
Derivative-related activity	(135)
Amortization of stock-based compensation	20
Investment valuation adjustments	32
Other	28
<b>EBITDAX<sup>1</sup></b>	<b>3,087</b>
Cash interest expense	(28)
Current income tax provision	(308)
<b>Discretionary cash flow<sup>2</sup></b>	<b>2,751</b>
Cash exploration expense	(8)
Changes in operating assets and liabilities	208
<b>Net cash provided by operating activities</b>	<b>2,951</b>

1) "EBITDAX" represents earnings before depletion, depreciation and amortization expense; exploration and abandonments; accretion of discount on asset retirement obligations; interest expense; income taxes; net gain on the disposition of assets; noncash derivative-related activity; amortization of stock-based compensation; noncash valuation adjustments on investment in affiliate and other noncash items. 2) Discretionary cash flow equals cash flows from operating activities before changes in operating assets and liabilities, net of effects of acquisitions and cash exploration expense.



# Supplemental Non-GAAP Financial Measures

Adjusted income attributable to common stockholders excluding noncash mark-to-market ("MTM") adjustments and unusual items are presented in this earnings release and reconciled to the Company's net income attributable to common stockholders (determined in accordance with GAAP), as the Company believes these non-GAAP financial measures reflect an additional way of viewing aspects of the Company's business that, when viewed together with its GAAP financial results, provide a more complete understanding of factors and trends affecting its historical financial performance and future operating results, greater transparency of underlying trends and greater comparability of results across periods. In addition, management believes that these non-GAAP financial measures may enhance investors' ability to assess the Company's historical and future financial performance. These non-GAAP financial measures are not intended to be a substitute for the comparable GAAP financial measure and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP. Noncash MTM adjustments and unusual items may recur in future periods; however, the amount and frequency can vary significantly from period to period.

The Company's third quarter of 2022 net income attributable to common stockholders as determined in accordance with GAAP is reconciled to income adjusted for noncash MTM adjustments including (i) the Company's derivative positions and (ii) the Company's equity investments, and unusual items is as follows:

	Three Months Ended September 30, 2022	
	\$ Millions (After Tax)	\$ Per Diluted Share
Net income attributable to common stockholders	1,984	7.93
<b>Noncash mark-to-market (MTM) adjustments:</b>		
Derivative gain, net (\$135 MM pretax)	(105)	(0.42)
ProPetro investment loss (\$32 MM pretax)	25	0.10
<b>Adjusted income excluding noncash MTM adjustments</b>	<b>1,904</b>	<b>7.61</b>
<b>Unusual items:</b>		
Charitable contributions – Ukraine humanitarian support (\$10 MM pretax)	8	0.03
Gain on disposition of assets (\$34 MM pretax) <sup>1</sup>	(27)	(0.11)
Gain on settlement of convertible debt conversion option derivatives (\$17 MM pretax) <sup>2</sup>	(13)	(0.05)
<b>Adjusted income excluding noncash MTM adjustments and unusual items</b>	<b>1,872</b>	<b>7.48</b>

1) Represents realized gains on the sale of certain undeveloped acreage in the Midland Basin. 2) Represents a realized net derivative gain on exercised convertible debt conversion options.

# Supplemental Non-GAAP Financial Measures

Free cash flow ("FCF") is a non-GAAP financial measure. As used by the Company, FCF is defined as net cash provided by operating activities, adjusted for changes in operating assets and liabilities, less capital expenditures. The Company believes this non-GAAP measure is a financial indicator of the Company's ability to internally fund acquisitions, debt maturities, dividends and share repurchases after capital.

Capital expenditures exclude acquisitions, asset retirement obligations, capitalized interest, geological and geophysical G&A, information technology and corporate facilities.

	Three Months Ended September 30, 2022 (\$ Millions)	Nine Months Ended September 30, 2022 (\$ Millions)
Net cash provided by operating activities	2,951	8,750
Changes in operating assets and liabilities	(208)	719
Capital expenditures	(1,014)	(2,762)
<b>Free cash flow</b>	<b>1,729</b>	<b>6,707</b>

# Additional Information

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Due to the forward-looking nature of EBITDAX and projected free cash flow used herein, management cannot reliably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures, such as changes in operating assets and liabilities. Accordingly, Pioneer is unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures. Amounts excluded from this non-GAAP measure in future periods could be significant.

Return on Capital Employed (“ROCE”) is a non-GAAP financial measure. As used by the Company, ROCE is net income adjusted for tax-effected noncash MTM adjustments, unusual items and interest expense divided by the summation of average total equity (adjusted for net noncash MTM adjustments, unusual items and interest expense) and average net debt. Forecasted ROCE is a non-GAAP financial measure. Due to its forward-looking nature, management cannot reliably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures. Accordingly, Pioneer is unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures. Amounts excluded from this non-GAAP measure in future periods could be significant.

Future dividends, whether base or variable, are authorized and determined by the Company's board of directors in its sole discretion. Decisions regarding the payment of dividends are subject to a number of considerations at the time, including without limitation the Company's liquidity and capital resources, the Company's results of operations and anticipated future results of operations, the level of cash reserves the Company maintains to fund future capital expenditures or other needs, and other factors the board of directors deems relevant. The Company can provide no assurance that dividends will be authorized or declared in the future or the amount of any future dividends. Any future variable dividends, if declared and paid, will by their nature fluctuate based on the Company's free cash flow, which will depend on a number of factors beyond the Company's control, including commodities prices.

The Company has included in this presentation a number of estimates, including information regarding future cashflow before working capital changes and free cash flow. These amounts are based on the Company's internal financial model prepared by management and used to assist in the management of its business. Pioneer's financial models are not prepared with a view to public disclosure or compliance with GAAP, any guidelines of the SEC or any other body. The financial models reflect numerous assumptions, in addition to those noted in this presentation, with respect to general business, economic, market and financial conditions and other matters. As one example, the models assume no changes to current tax laws or rates. These assumptions regarding future events are difficult if not impossible to predict, and many are beyond Pioneer's control. Accordingly, there can be no assurance that the assumptions made by management in preparing the financial models will prove accurate. It is expected that there will be differences between actual and estimated or modeled results, and actual results may be materially greater or less than those contained in the Company's financial models.

Internal rate of return (IRR) and discounted return on investment (DROI) are economic evaluation metrics the Company utilizes to evaluate projects.