

PIONEER
NATURAL RESOURCES

Q1 2023 EARNINGS

April 27, 2023



Forward-Looking Statements

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 armed conflict (including the war in Ukraine) 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 inflation and supply chain disruptions, and results of development and operating activities; the impact of a widespread outbreak of an illness, such as the COVID-19 pandemic, on global and U.S. economic activity, oil and gas demand, and global and U.S. supply chains; 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 environmental, social and governance goals; access to and cost of capital; the financial strength of (i) counterparties to Pioneer's credit facility and derivative contracts, (ii) issuers of Pioneer's investment securities and (iii) purchasers of Pioneer's oil, NGL and gas production and downstream sales of purchased commodities; 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, 2022 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.

Positioned For Continued Success

“ It has been my privilege serving as Pioneer’s CEO for over 23 years, and I am proud of the Company’s success, solidifying its position as the premier Permian operator. Rich is uniquely equipped to build on Pioneer’s success and lead the company forward.”

Scott D. Sheffield

Premier Permian Operator

Formed largest contiguous Permian Basin acreage position with decades of high return inventory



- Successfully integrated two acquisitions
- Most active driller and largest oil producer in the state of Texas¹

Strong Financial Performance

Initiated top-tier capital return framework with disciplined oil growth



- Streamlined cost structure and improved operational efficiencies
- Maintaining a fortress balance sheet

Focus on Sustainability

Committed to sustainable operations and reducing carbon emissions through time



- Led effort to reduce flaring in the Permian Basin
- Reducing emissions intensities; joined OGMP 2.0

Creating Differentiated Value

~\$950 Million

Free Cash Flow Generated
During First Quarter 2023¹

Increasing Base Dividend

14% to \$1.25
per share



(\$5.00 per share on an annualized basis)²

Q2 2023 Dividend³

\$3.34 Per
Share

(\$1.25 Base and \$2.09 Variable)



Oil production near
the top end of
Q1 guidance range






\$500 Million

Share Repurchases During the First Quarter

\$4 B

New Share Repurchase Authorization⁴

Solid Execution Drives Strong First Quarter Results

	 Oil Production	 BOE Production	 Free Cash Flow ¹	 Horizontal LOE	 Net Debt to EBITDAX ²
Q1 2023	361 MBOPD	680 MBOEPD	\$948 Million	\$3.56 /BOE	~0.5x
2023E					

Oil and total production near the top end of Q1 guidance

Refining Capital Return Framework

~\$27 Billion
5-year Free Cash Flow¹
(2023-2027)

Returning at least
75% of Free Cash Flow²



Base Dividend

Strong and growing base dividend increased to \$5.00 per share annually³



Variable Dividend

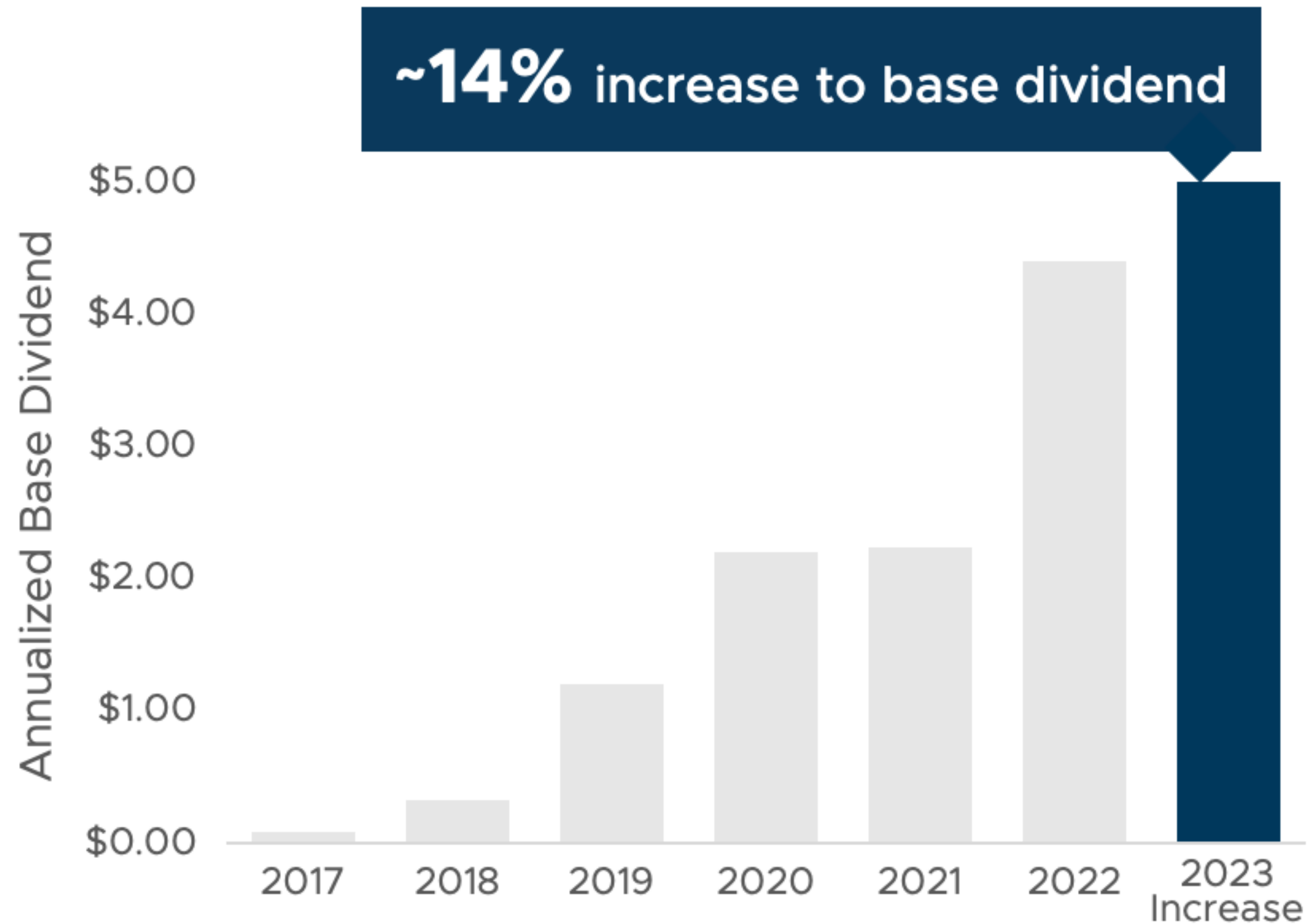
Supplemental cash returns



Share Repurchases

Opportunistic share repurchases

Committed To Growing Base Dividend



Increased base dividend to \$1.25/share¹



\$5.00/share
annualized

6 years

consecutive base
dividend increases



>2% base dividend yield²

Opportunistic Repurchases Enhance Value

— NEW —
\$4 B
Authorization¹

Share Repurchase Activity

\$500 MM
Executed
Q1 2023

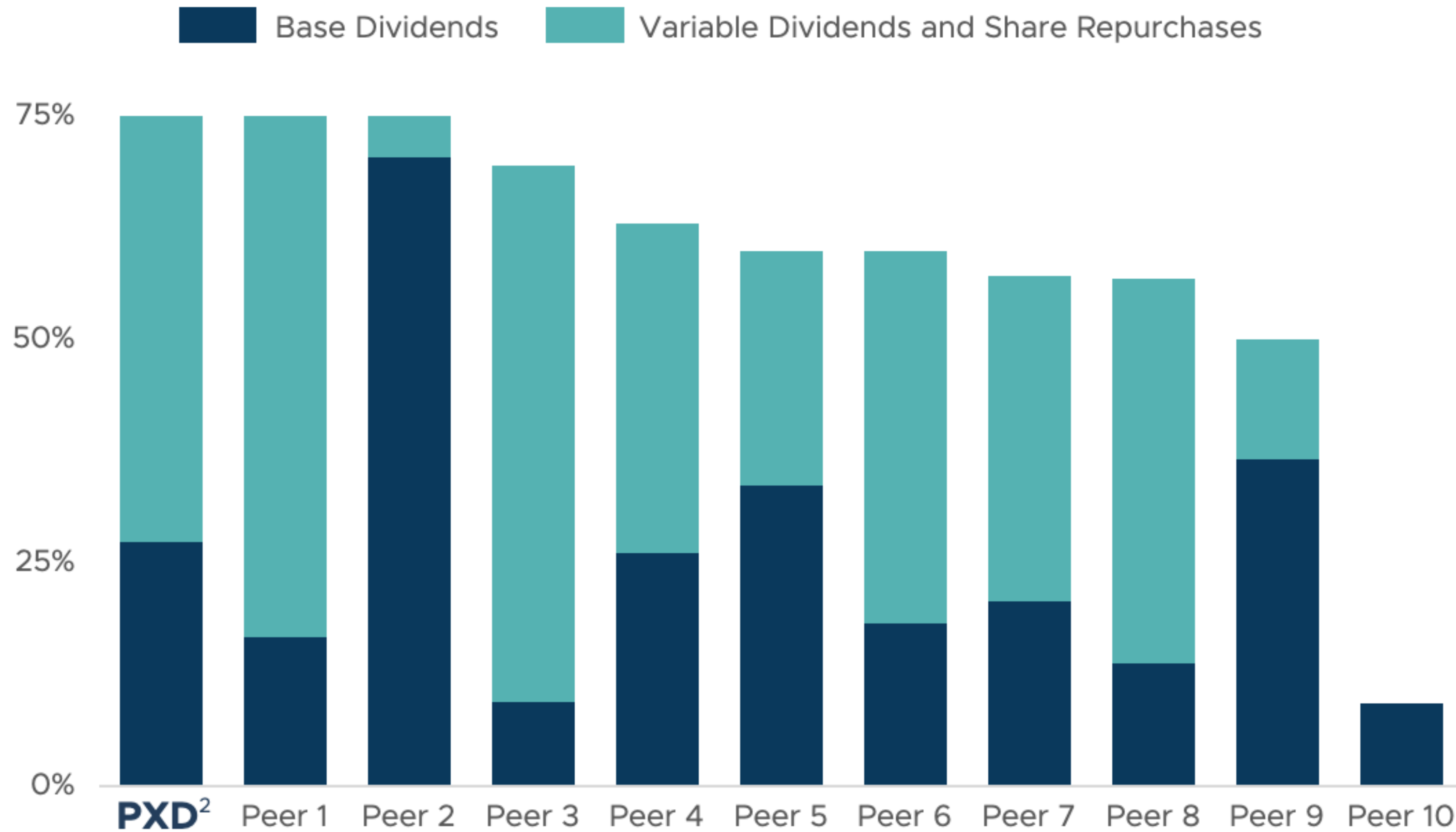
Average Price
\$206/share
Q1 2023

\$2.1 Billion
Executed
Since January 1, 2022²

Reduced Shares
Outstanding by
~4%
Since January 1, 2022²

Peer Leading Return Of Capital

Capital Return Frameworks as Percent of 2023E Free Cash Flow¹



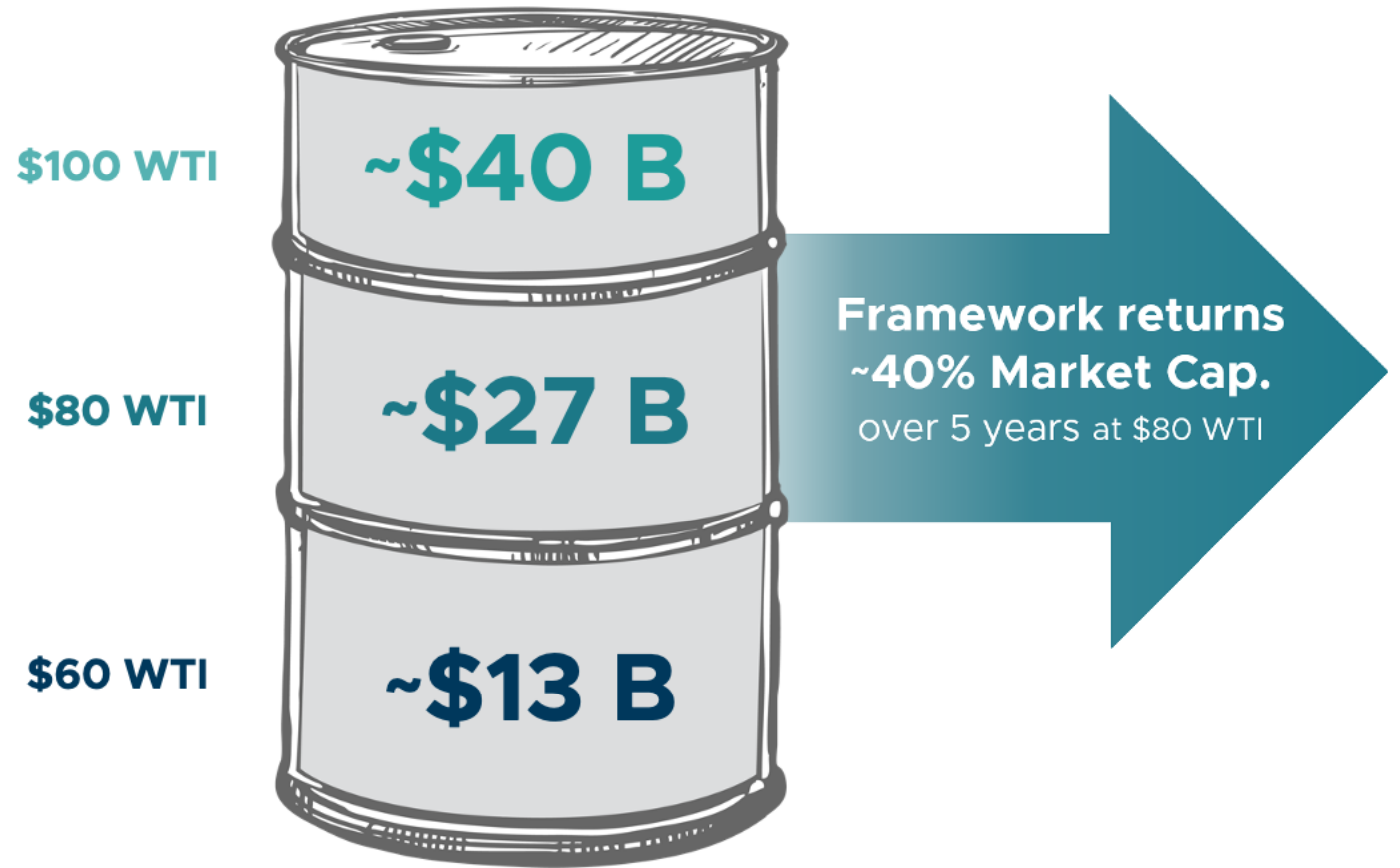
Framework Returns Peer Leading Free Cash Flow Percentage

- Top-tier capital returns supported by strong balance sheet
- Deep inventory of high-return wells provide durable return of capital

Compelling Free Cash Flow Through Cycle

- Durable free cash flow enables significant capital returns at various commodity prices
- Disciplined investment framework with oil growth of up to 5%
- Compelling free cash flow reflects the expected full impact of cash taxes

5-Year Cumulative Free Cash Flow¹



2023 Outlook

Production

357 - 372

MBOPD

670 - 700

MBOEPD

Capital Budget

Drilling, Completions & Facilities

\$4.45 B - \$4.75 B

Exploration, Environmental & Other

\$0.15 B - \$0.20 B

Cash Flow

Operating Cash Flow¹

~\$9.0 B

Free Cash Flow²

>\$4.0 B

2023 Operations Update

2023 Program

Average Rig Count: 24 - 26

~3 rigs in the southern joint venture area

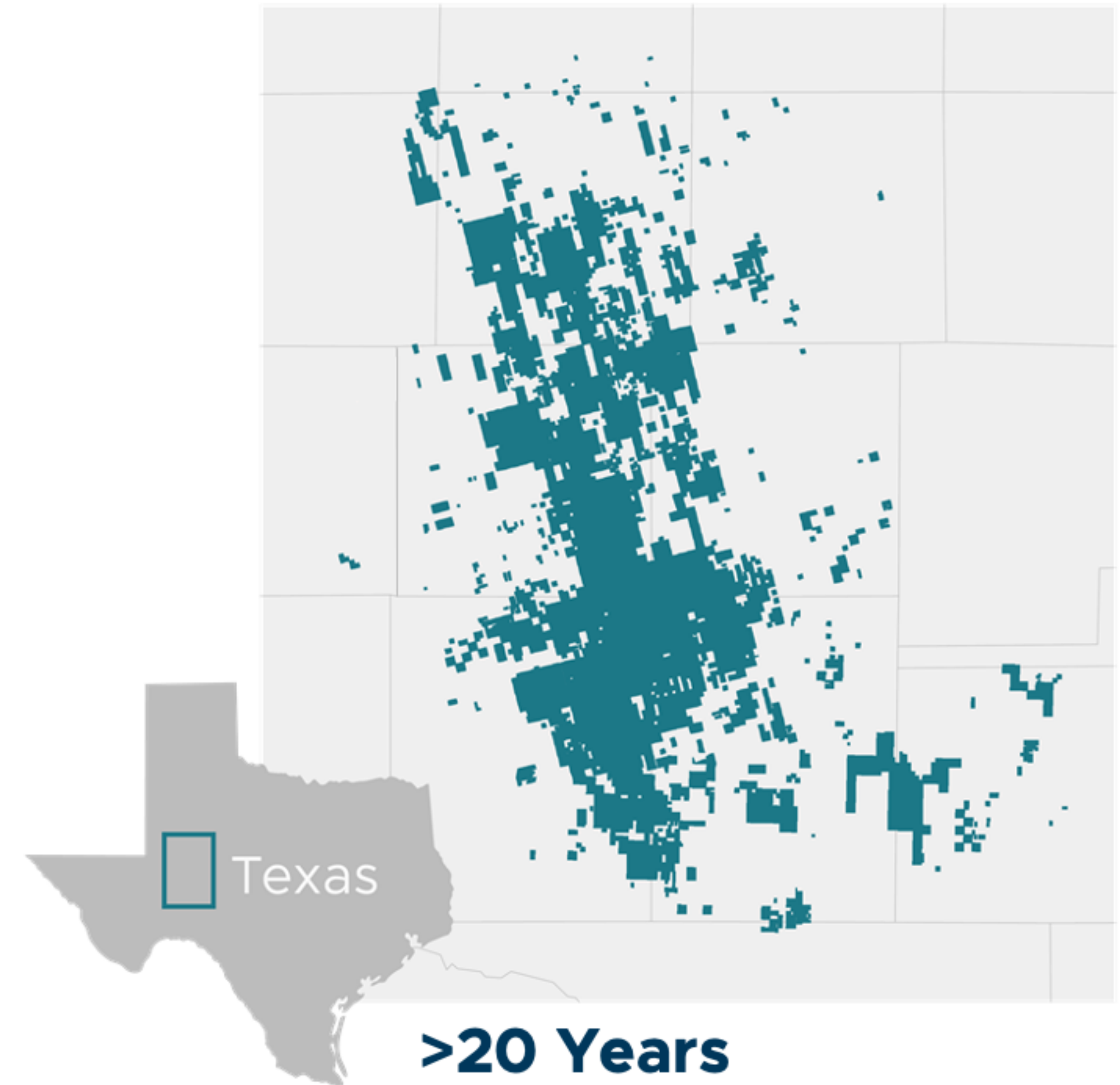
POP Count: 500 - 530

Average lateral length >11,000'

Large, contiguous acreage position allows for:

- Increased 15,000' lateral program with >100 wells expected to be placed on production in 2023
- Expanded utilization of simulfrac and localized sand operations driving further completions efficiency gains and savings
- Significant water infrastructure providing diversified network for water disposal and reuse

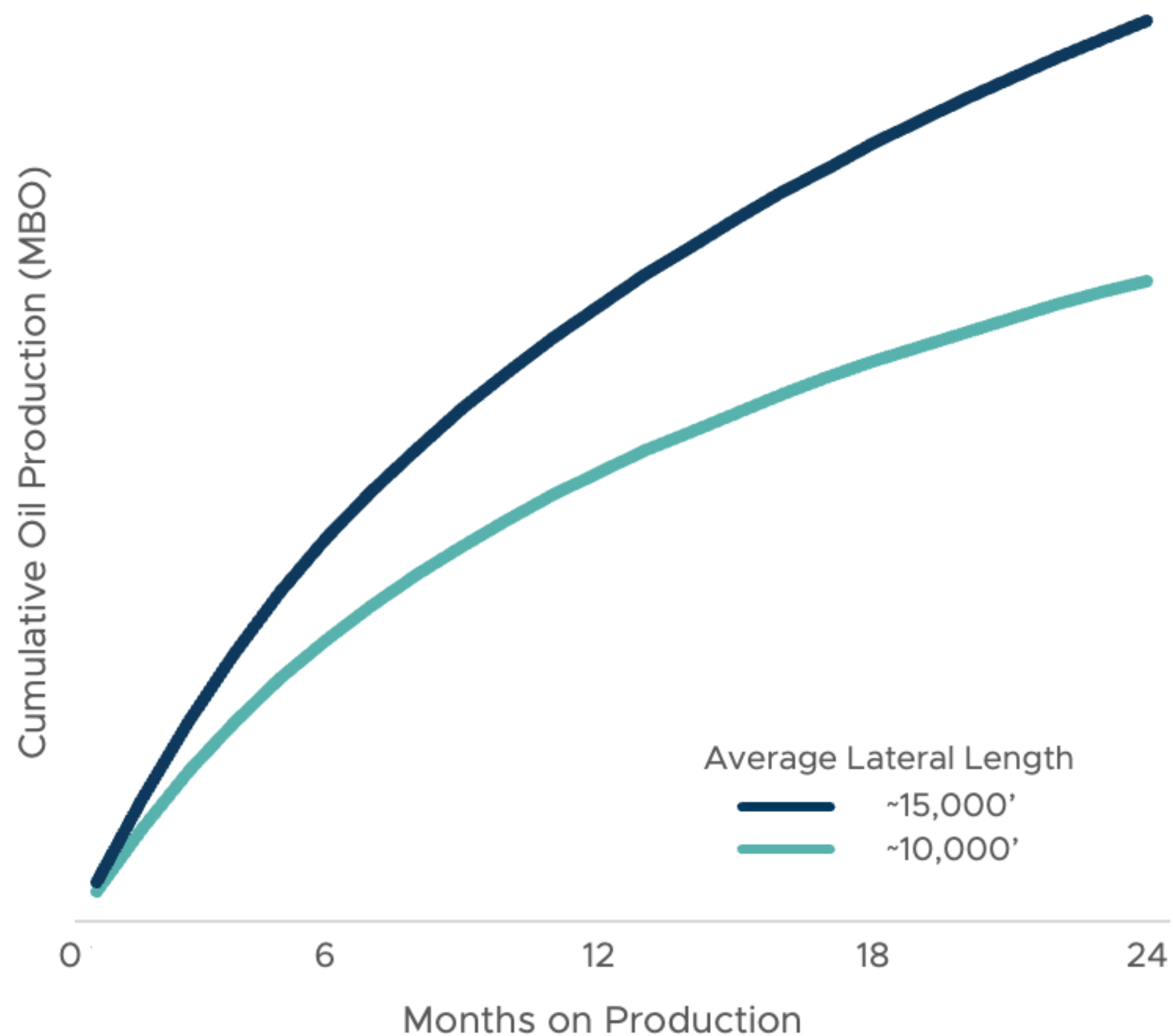
Top-tier, contiguous acreage position in the Midland Basin



>20 Years
High-Return Inventory

Increasing Lateral Lengths Strengthen Returns

Extended Lateral Length Productivity¹



~15%
Capital Savings²

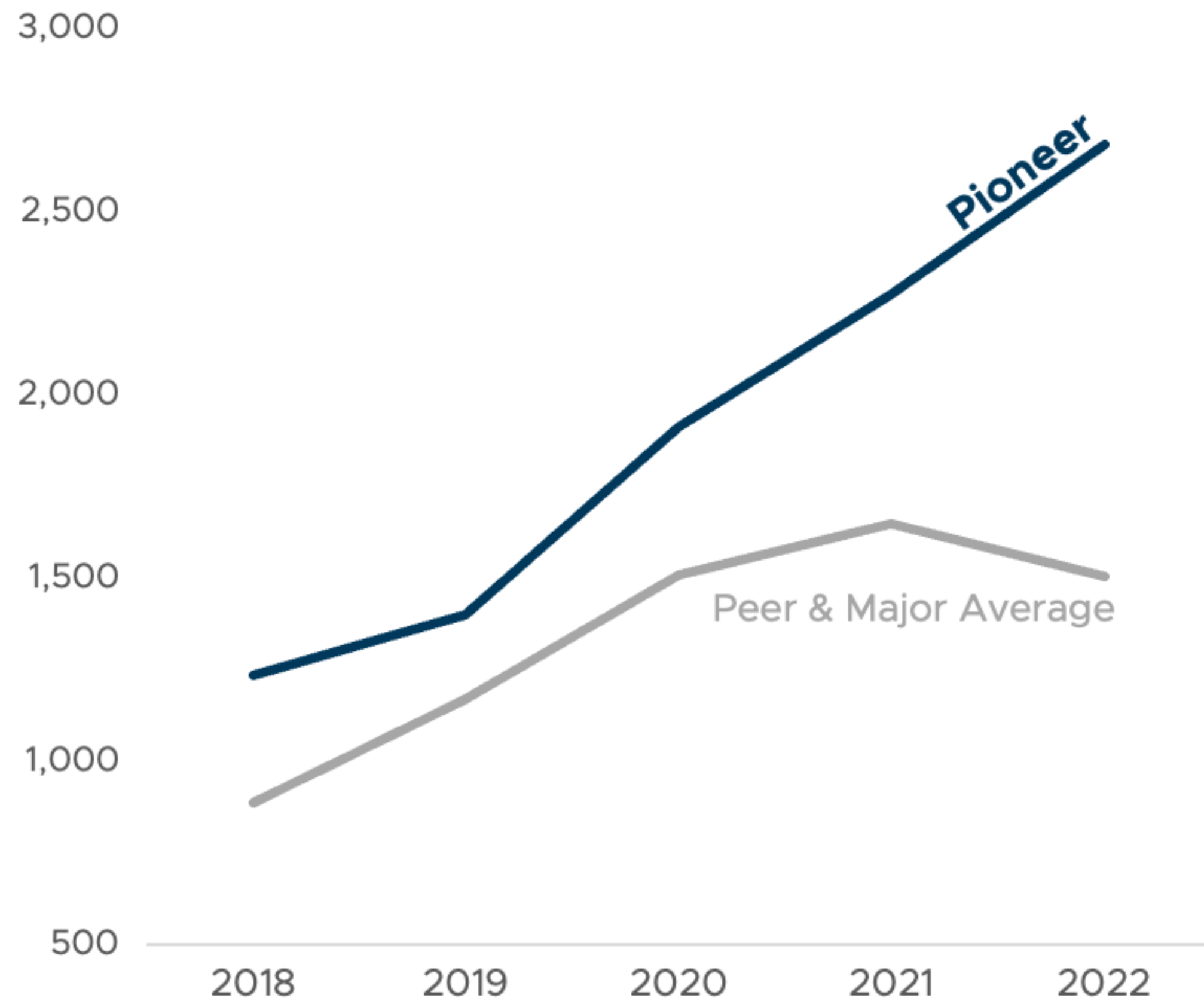
>20%
Higher IRR³

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

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

Peer Leading Efficiencies

Average Completed Feet Per Day¹
(Permian Basin)



2023 Operational Plan

3 Simulfrac Fleets

Improved efficiencies drive
~\$200 M avg. per well savings

Two localized sand mine deployments operating 1H 2023

~\$200 M
Avg. per well savings

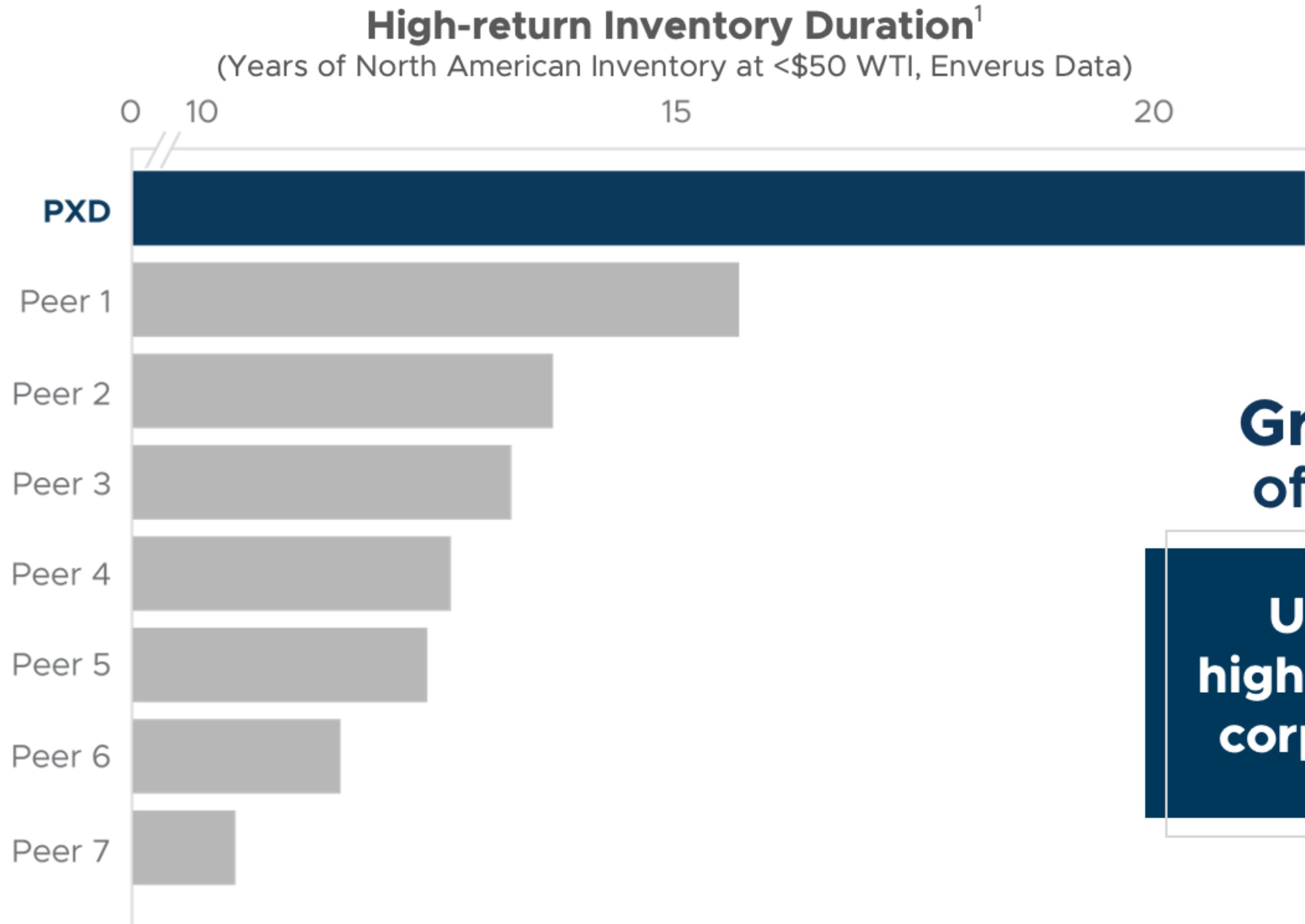
Completions fleets

100%

Electric or dual-fuel powered 2H 2023



Unmatched Acreage Quality And Depth Of Inventory

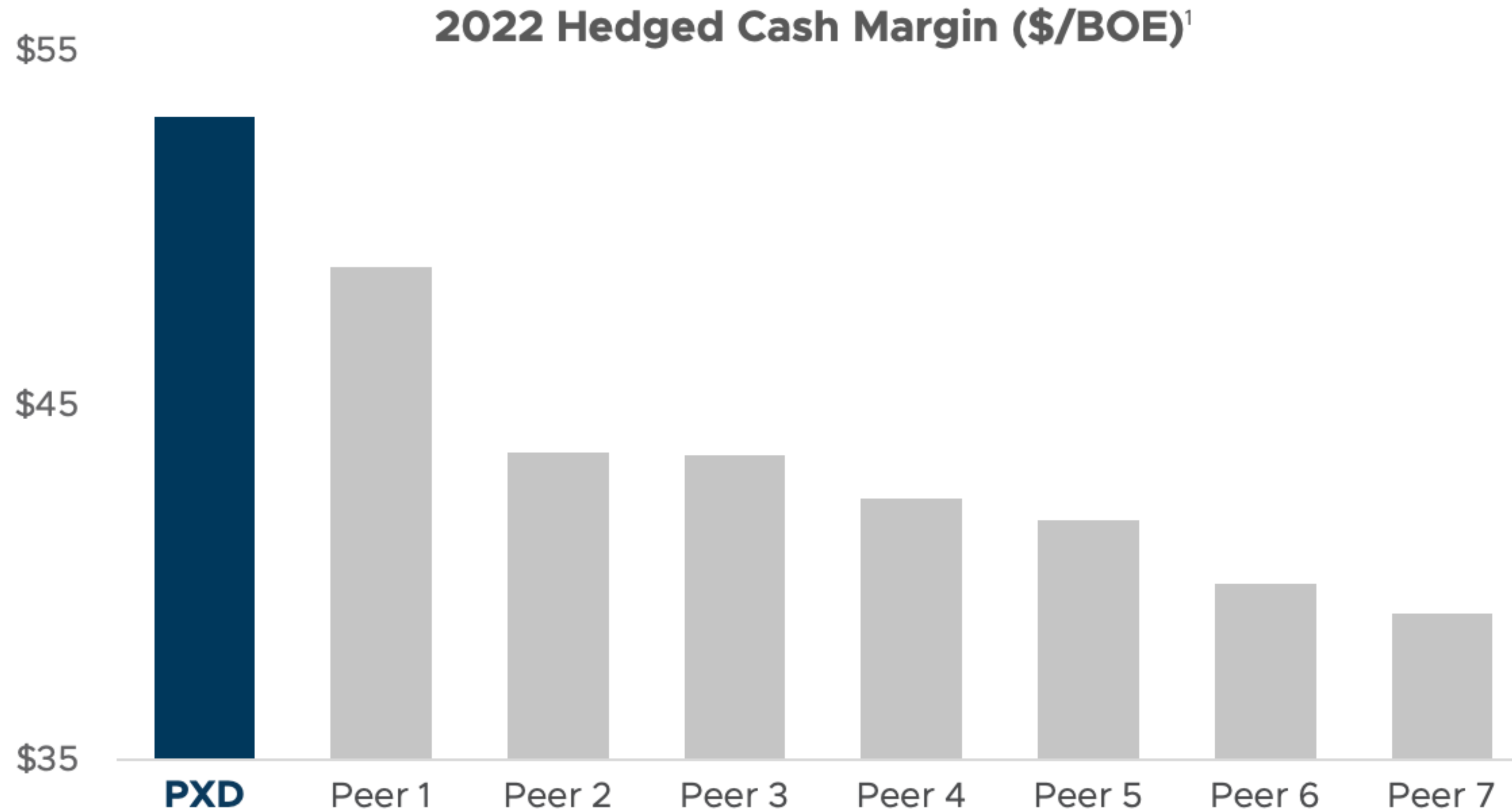


**Greater than 20 years
of high-return inventory**

**Unparalleled inventory of
high-return locations drive strong
corporate returns through cycle**

Best-In-Class Margins

Pioneer's high realized pricing and low cash costs drive best-in-class operating margins

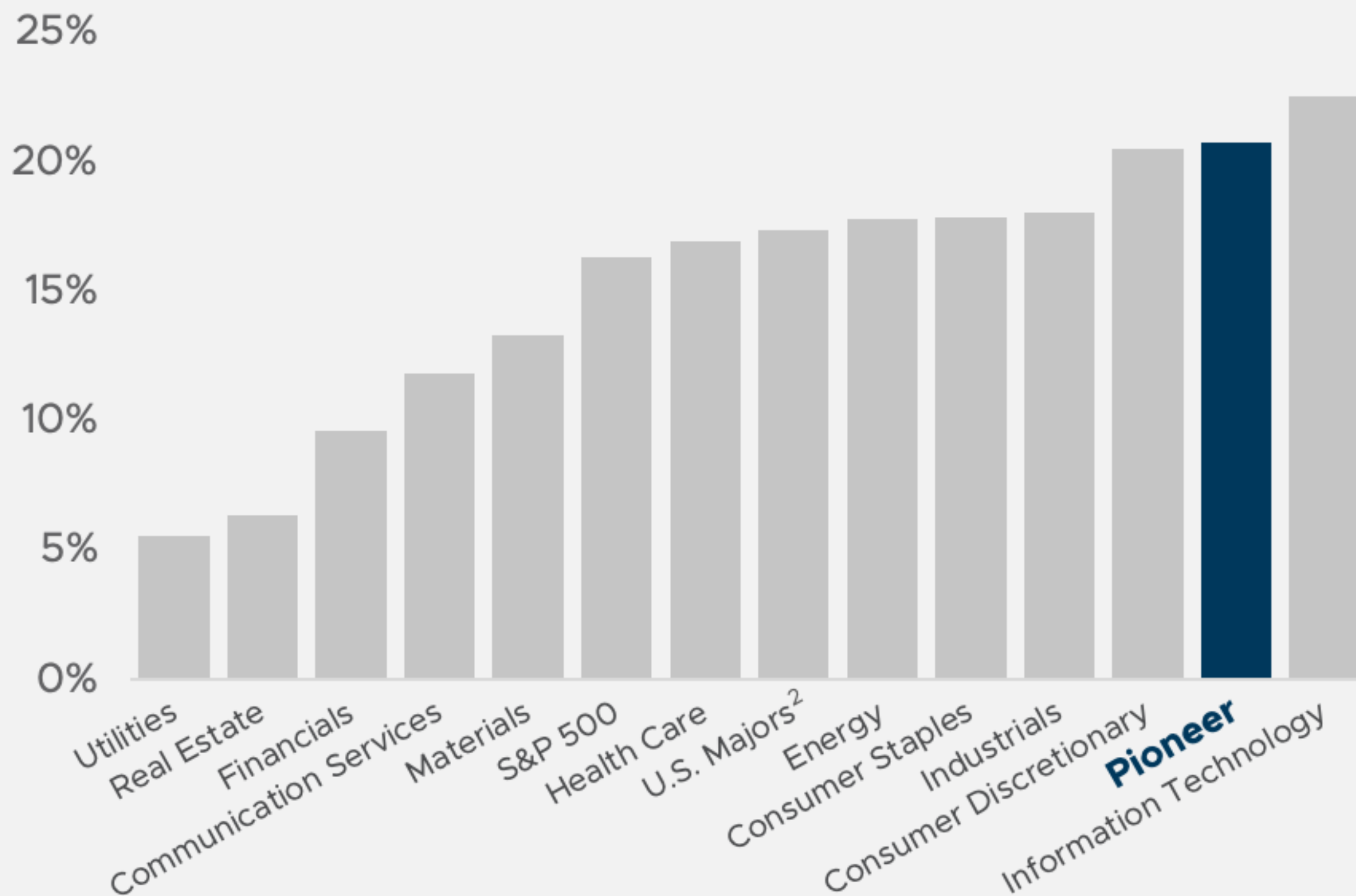


- Oil-weighted production supports top-tier price realizations
- Top-tier margins driven by low LOE, G&A and interest expense

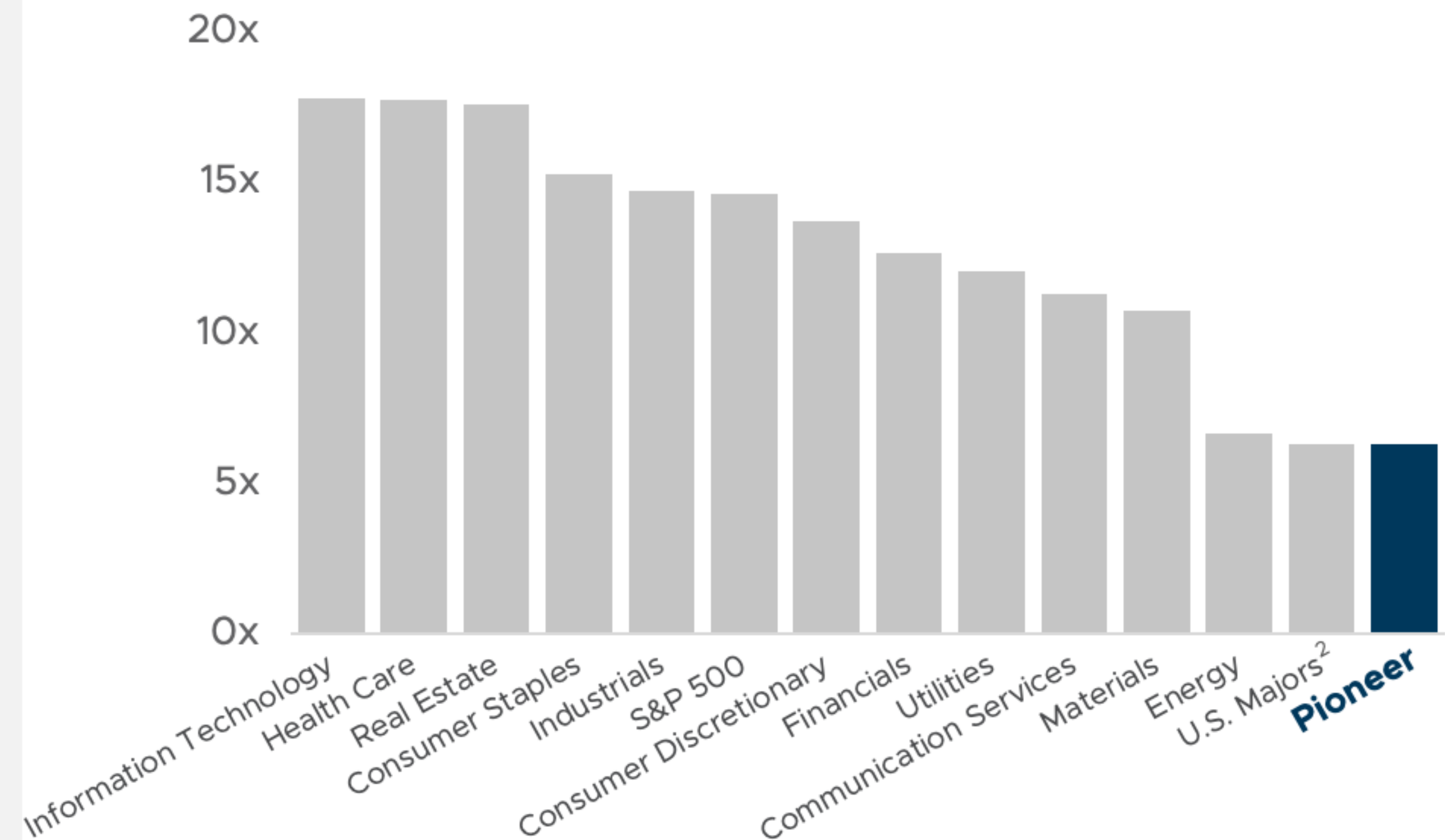
Unmatched Value Proposition

Top-tier corporate returns with compelling valuation

2023E Return On Capital Employed¹



2023E EV/EBITDAX¹



Leading Sustainability Plan

2022 Sustainability Highlights

- Partnered with NextEra Energy Resources to develop a 140 MW wind generation facility
- 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
- MSCI increased ESG rating to “A-Rating”



For more information, please visit pxd.com/sustainability

Environmental Targets¹

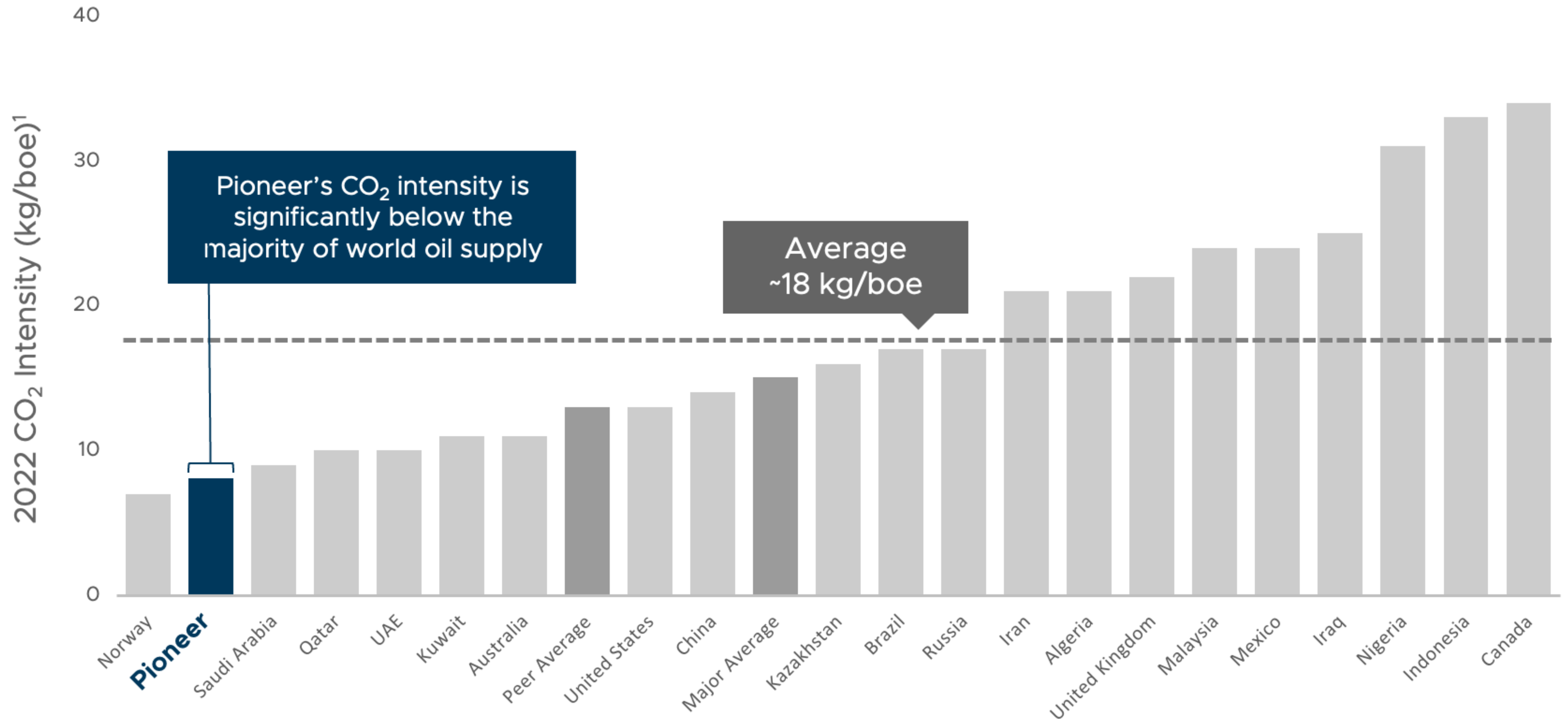
Reduce *GHG emissions* intensity
50% by 2030
(Scope 1 and Scope 2)

Reduce *methane emissions* intensity
75% by 2030

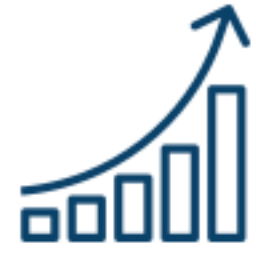
Limit annual *flaring intensity* to
less than 1%

Reduce *freshwater* in completions to
20% by 2026

Providing Affordable Energy With Low Emissions



Enhancing Shareholder Value



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

PIONEER
NATURAL RESOURCES

SUPPLEMENTAL SLIDES



Q2 2023 Dividend Declaration

Q2 2023 Variable Dividend Calculation

	\$ Millions
Q1 2023 Free Cash Flow ¹	948
Base Dividend	(293)
Q1 2023 Post Base Dividend Free Cash Flow	655
Percent Distribution	75%
Q2 2023 Variable Dividend	491

Q2 2023 Declared Dividend Payments

	\$ Per Share
Base Dividend	1.25
Variable Dividend	2.09
Q2 2023 Declared Base-plus-variable Dividend	3.34

Base-plus-variable Dividend Details

- Payable June 21, 2023
- Stockholders of record on June 1, 2023

Q1 2023 Summary

Q1 2023 Adjusted Earnings

	\$ Millions (After Tax)	\$ Per Diluted Share
Net income attributable to common stockholders	1,222	5.00
Noncash mark-to-market (MTM) adjustments:		
ProPetro investment loss (\$53 MM pretax)	41	0.17
Derivative loss, net (\$36 MM pretax)	28	0.11
Adjusted income excluding noncash MTM adjustments	1,291	5.28
Unusual items:		
Impairment of long-lived assets (\$11 MM pretax) ¹	8	0.03
Net gain on settlement of convertible debt conversion option derivatives (\$7 MM pretax) ²	(5)	(0.02)
Gain on disposition of assets, net (\$24 MM pretax) ³	(19)	(0.08)
Adjusted income excluding noncash MTM adjustments and unusual items	1,275	5.21

Q1 2023 Guidance vs. Results

	Guidance	Results of Operations
Average Daily Production Volume (MBOEPD)	659 - 687	680
Average Daily Oil Production Volume (MBOPD)	349 - 364	361
Production Costs per BOE	\$11.75 - \$13.25	\$10.82
DD&A per BOE	\$10.50 - \$12.00	\$10.84
Exploration & Abandonment (\$ MM)	\$10 - \$20	\$15
G&A (\$ MM)	\$78 - \$88	\$84
Interest Expense (\$ MM)	\$27 - \$32	\$28
Other Expense (\$ MM) ⁴	\$20 - \$40	\$30
Cash Flow Impact from Firm Transportation (\$ MM)	(\$90) - (\$50)	(\$54)
Cash Taxes (\$ MM) ⁵	\$70 - \$100	-
Current Income Tax Provision (\$ MM) ⁶		\$225
Effective Tax Rate (%)	22% - 27%	22%

1) Represents impairment expense to adjust the carrying values of two unoccupied field offices to their estimated sales prices. 2) Represents a realized net derivative gain on settled convertible debt conversion options. 3) Represents gains on nonmonetary transactions in which the Company exchanged ownership interests in certain developed and undeveloped properties in the Midland Basin with unaffiliated third parties. 4) Excludes \$11 million of impairment expense related to two unoccupied field offices to their estimated sales prices. 5) The Company's first quarter 2023 estimated income tax payments were paid in April 2023. 6) Current income tax provision represents current period expected taxes based on forecasted 2023 earnings and is deducted from the Company's calculation of free cash flow.

Q2 2023 Guidance

Production (MBOEPD)	674 - 702
Oil Production (MBOPD)	357 - 372
Production Costs (\$/BOE)	\$11.00 - \$12.50
DD&A (\$/BOE)	\$10.50 - \$12.00
Exploration & Abandonment (\$ MM)	\$10 - \$20
G&A (\$ MM)	\$78 - \$88
Interest Expense (\$ MM)	\$39 - \$44
Other Expense (\$ MM)	\$20 - \$40
Cash Flow Impact from FT (\$ MM)	(\$70) - (\$30)
Current Income Tax Provision (\$ MM)	\$200 - \$275
Effective Tax Rate (%)	22% - 27%

Production By Commodity

		Q1 '22	Q2 '22	Q3 '22	Q4 '22	Q1 '23
Production	Oil (BOPD)	355,270	347,964	354,043	350,608	361,316
	NGL (BOEPD)	152,929	160,183	162,372	165,533	167,486
	Gas (MCFPD)	777,343	808,181	841,005	872,589	909,831
	Total (BOEPD)	637,756	642,844	656,582	661,573	680,440

Q1 2023 Cash Margin (\$/BOE)

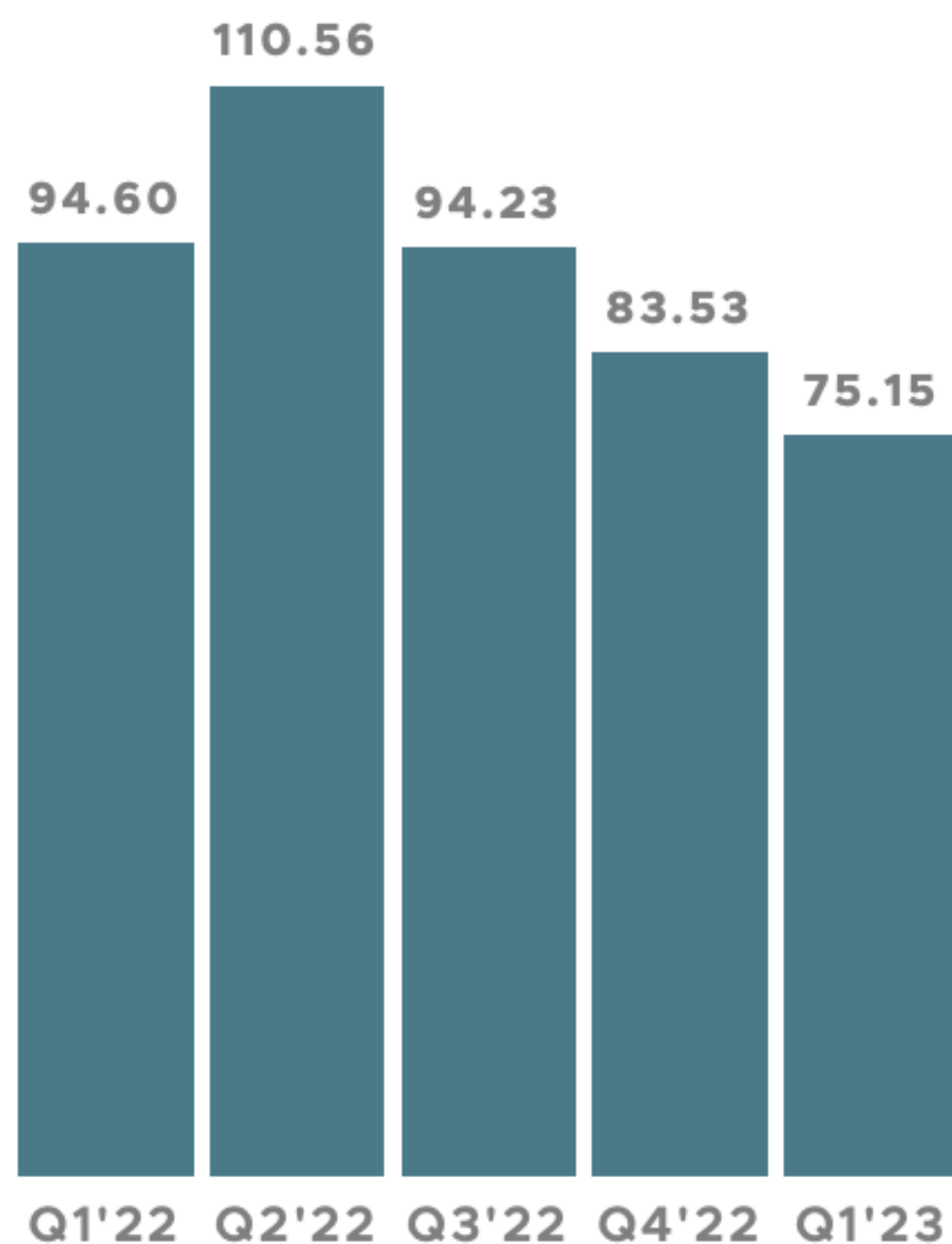
Realized Price (ex-derivatives)

\$51.69

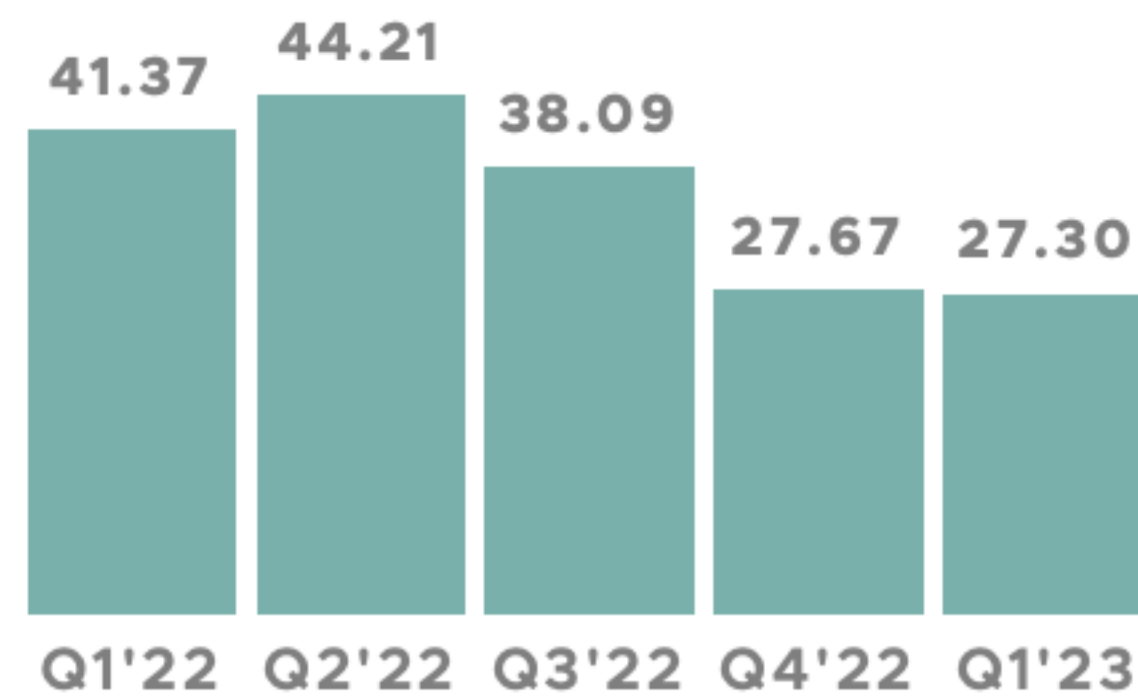
Cash Margins

\$40.87

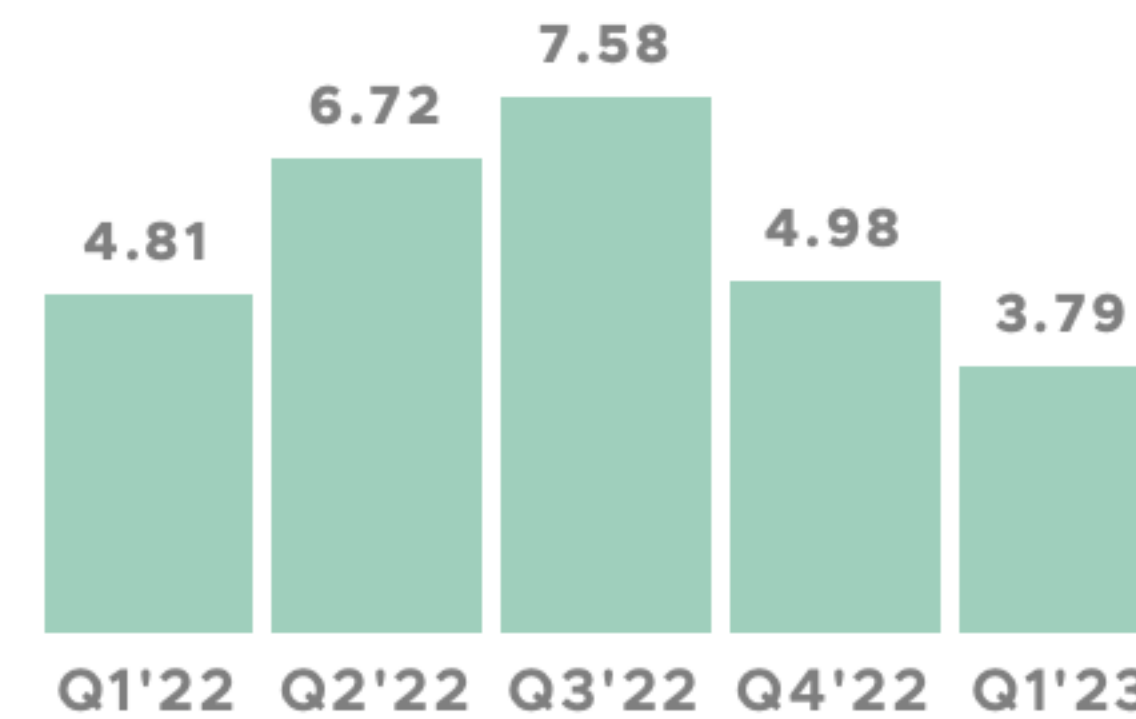
Price Realizations



Oil (\$/BBL)



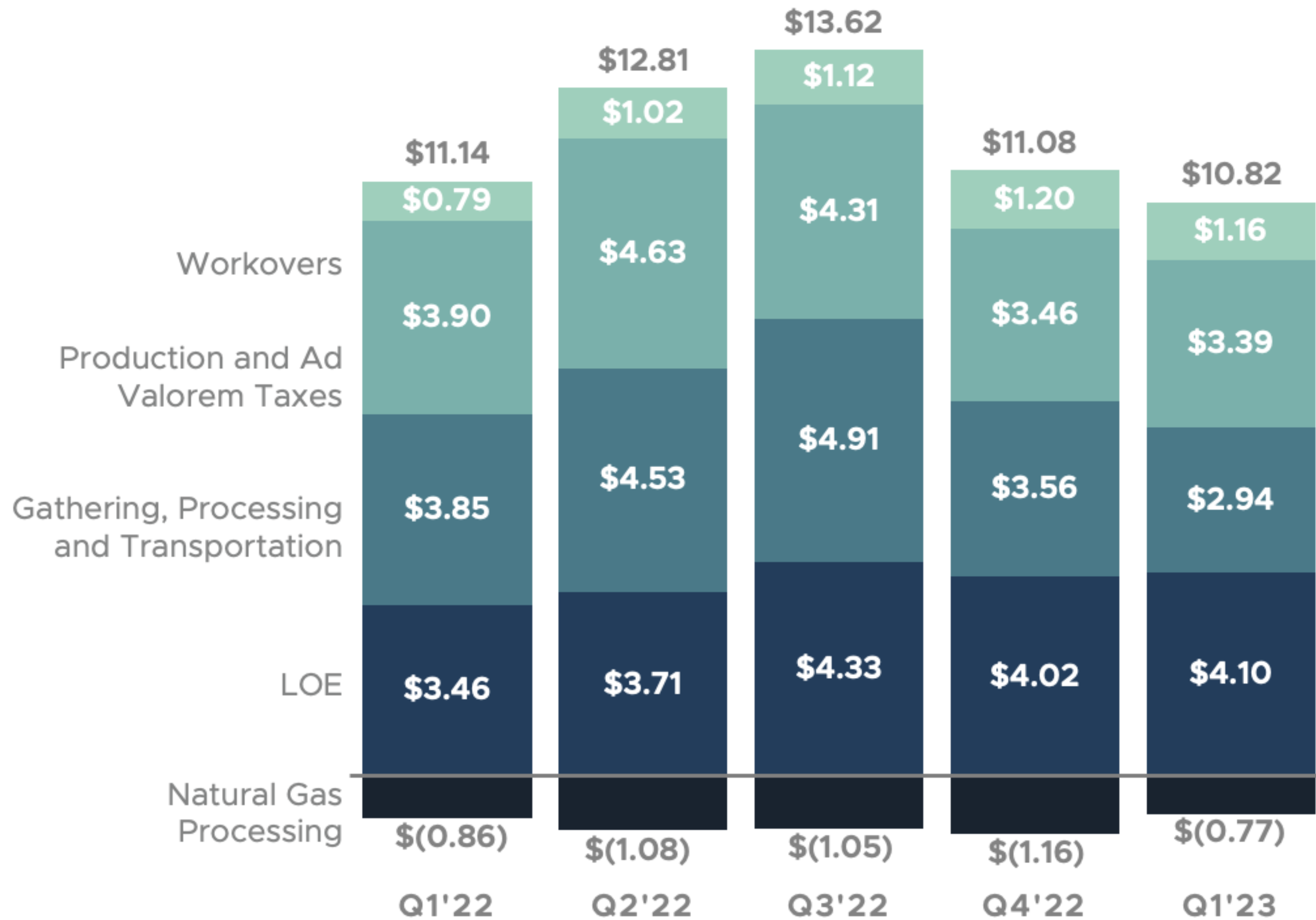
NGL (\$/BBL)¹



Gas (\$/MCF)

NYMEX calendar month average	94.29	108.41	91.56	82.64	76.21	94.29	108.41	91.56	82.64	76.21	4.96	6.76	8.20	6.26	3.44
NYMEX differential	0.31	2.15	2.67	0.89	(1.06)	(52.92)	(64.20)	(53.47)	(54.97)	(48.91)	(0.15)	(0.04)	(0.62)	(1.28)	0.35
Realized prices	94.60	110.56	94.23	83.53	75.15	41.37	44.21	38.09	27.67	27.30	4.81	6.72	7.58	4.98	3.79

Production Costs (Per BOE)



Q1 2023 compared to Q4 2022:

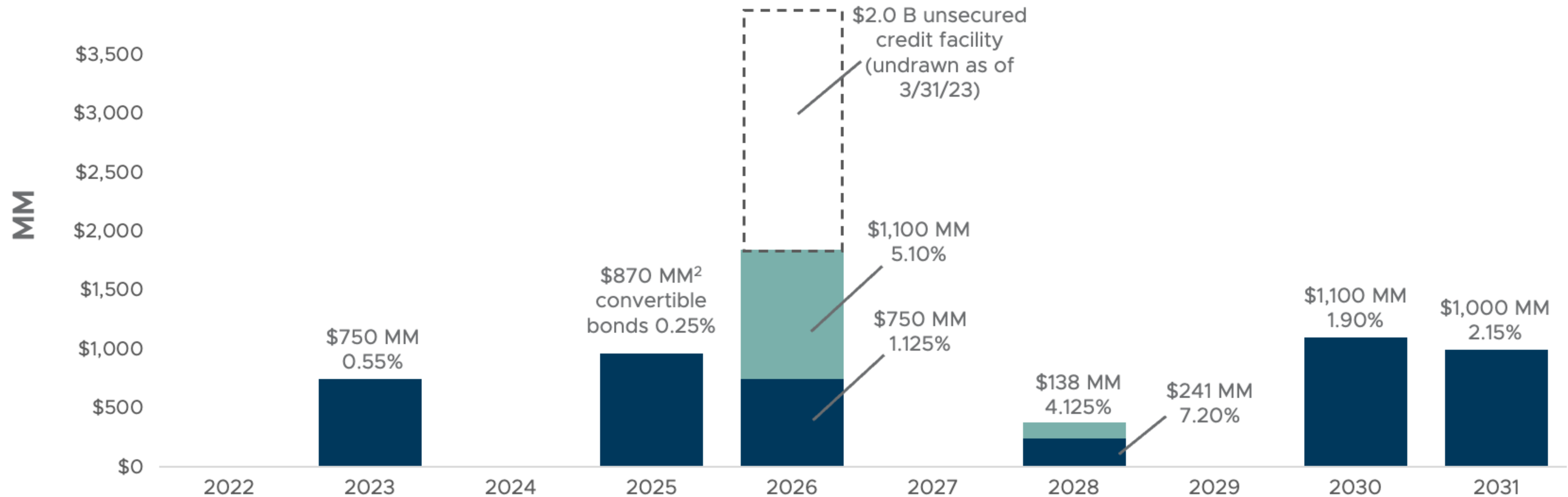
- Production taxes declined due to lower commodity prices during the quarter
- GP&T decreased primarily due to lower commodity prices during the quarter

Liquidity Position

March 31, 2023 Liquidity Position

Net debt (reflects cash on hand of \$1.2 B)	\$4.7 B
Unsecured credit facility availability	\$2.0 B
Net debt-to-book capitalization	18%

Maturities and Balances¹



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:

	Q1'23 (\$ Millions)
Net income attributable to common stockholders	1,222
Participating share-based earnings	(3)
Basic net income attributable to common stockholders	1,219
Adjustment to after-tax interest expense to reflect the dilutive impact attributable to convertible senior notes	1
Diluted net income attributable to common stockholders	1,220

	Q1'23 (Shares in Millions)
Weighted average common shares outstanding:	
Basic weighted average shares outstanding	235
Convertible senior notes dilution	9
Diluted weighted average shares outstanding	244

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.

	Three Months Ended March 31, 2023 (\$ Millions)
Net income	1,222
Depletion, depreciation and amortization	664
Exploration and abandonments	15
Accretion of discount on asset retirement obligations	4
Interest expense	28
Income tax provision	335
Gain on disposition of assets, net	(25)
Derivative-related activity	36
Amortization of stock-based compensation	23
Investment valuation adjustments	53
Other	51
EBITDAX¹	2,406
Cash interest expense	(25)
Current income tax provision	(225)
Discretionary cash flow²	2,156
Cash exploration expense	(15)
Changes in operating assets and liabilities	173
Net cash provided by operating activities	2,314

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; noncash 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, 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 first quarter of 2023 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 investment in affiliate and (ii) the Company's derivative positions, and unusual items is as follows:

	Three Months Ended March 31, 2023	
	\$ Millions (After Tax)	\$ Per Diluted Share
Net income attributable to common stockholders	1,222	5.00
Noncash mark-to-market (MTM) adjustments:		
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Gain on disposition of assets, net (\$24 MM pretax) ³	(19)	(0.08)
Adjusted income excluding noncash MTM adjustments and unusual items	1,275	5.21

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 expenditures.

Capital expenditures are costs incurred excluding acquisitions, asset retirement obligations, capitalized interest, geological and geophysical G&A, information technology, corporate facilities and vehicles.

	Three Months Ended March 31, 2023 (\$ Millions)
Net cash provided by operating activities	2,314
Changes in operating assets and liabilities	(173)
Capital expenditures	(1,193)
Free cash flow	948

Additional Information

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.

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) is an economic evaluation metric the Company utilizes to evaluate projects.