



Earnings Conference Call

Third Quarter 2021

October 28, 2021
8:00am Central Time

Forward-Looking Statements

This news release contains statements relating to future actions and results, which are "forward-looking statements" within the meaning of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, ChampionX's market position and growth opportunities. Forward-looking statements include, statements related to ChampionX's expectations regarding the performance of the business, financial results, liquidity and capital resources of ChampionX. Forward-looking statements are subject to inherent risks and uncertainties that could cause actual results to differ materially from current expectations, including, but not limited to, changes in economic, competitive, strategic, technological, tax, regulatory or other factors that affect the operation of ChampionX's businesses. You are encouraged to refer to the documents that ChampionX files from time to time with the Securities and Exchange Commission ("SEC"), including the "Risk Factors" in ChampionX's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, and in ChampionX's other filings with the SEC. Readers are cautioned not to place undue reliance on ChampionX's forward-looking statements. Forward-looking statements speak only as of the day they are made and ChampionX undertakes no obligation to update any forward-looking statement, except as required by applicable law.

Non-GAAP Measures

This investor presentation, and the related discussions, contains certain non-GAAP financial measures, which should be considered only as supplemental to, and not as superior to financial measures prepared in accordance with generally accepted accounting principles ("GAAP"). Please refer to our earnings release for third quarter 2021 results for a reconciliation of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP and definitions and calculation methodologies of defined terms used in this investor presentation. For additional information about our non-GAAP financial measures, see our filings with the SEC.

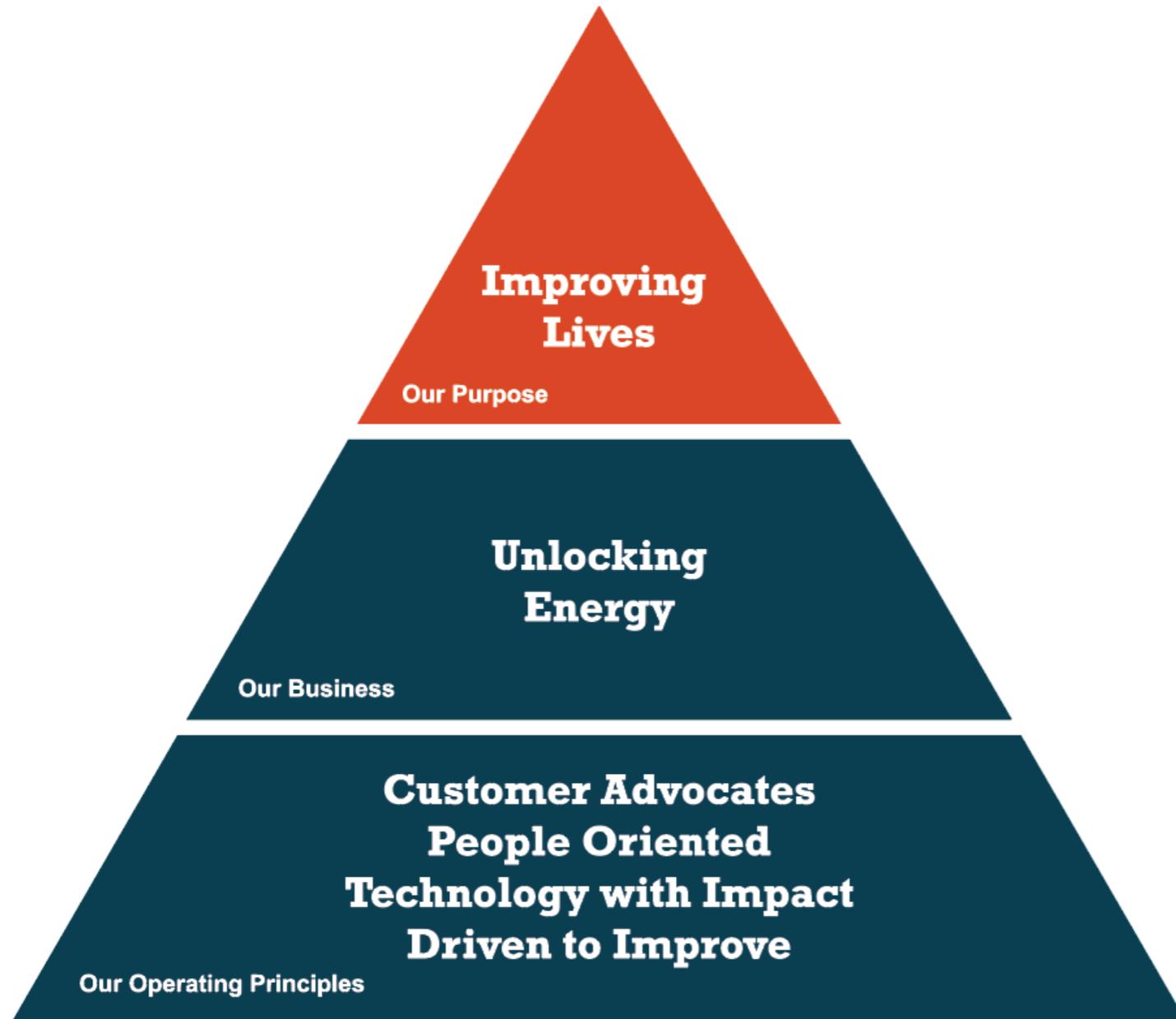
About Non-GAAP Measures

In addition to financial results determined in accordance with generally accepted accounting principles in the United States ("GAAP"), this presentation presents non-GAAP financial measures. Management believes that adjusted EBITDA, adjusted EBITDA margin, adjusted segment EBITDA, and adjusted segment EBITDA margin, provide useful information to investors regarding the Company's financial condition and results of operations because they reflect the core operating results of our businesses and help facilitate comparisons of operating performance across periods. In addition, free cash flow and free cash flow to adjusted EBITDA ratio are used by management to measure our ability to generate positive cash flow for debt reduction and to support our strategic objectives. Although management believes the aforementioned non-GAAP financial measures are good tools for internal use and the investment community in evaluating ChampionX's overall financial performance, the foregoing non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, other measures of financial performance prepared in accordance with GAAP. A reconciliation of these non-GAAP measures to the comparable GAAP measures is included in the financial tables accompanying our earnings release for the third quarter 2021 results.

Soma Somasundaram

President and Chief Executive Officer

Our Organizational Purpose Drives Us Every Day



United behind a
common purpose

Guided by our shared
culture and
operating principles

ESG Spotlight

ChampionX named a Best Energy Workplace winner by ALLY Energy

- On Oct. 26, ChampionX was named a Best Energy Workplace winner by ALLY Energy. We were selected from nearly 400 nominations globally from oil and gas, power and utilities, wind, solar, climate tech startups, and academia.
- This award was in recognition of our continuous improvement culture, employee survey feedback, our suite of benefits programs, our continuing education and development programs, our flex-work and family-friendly programs, our D&I programs, including Employee Resource Groups (ERGs), as well as our community projects.



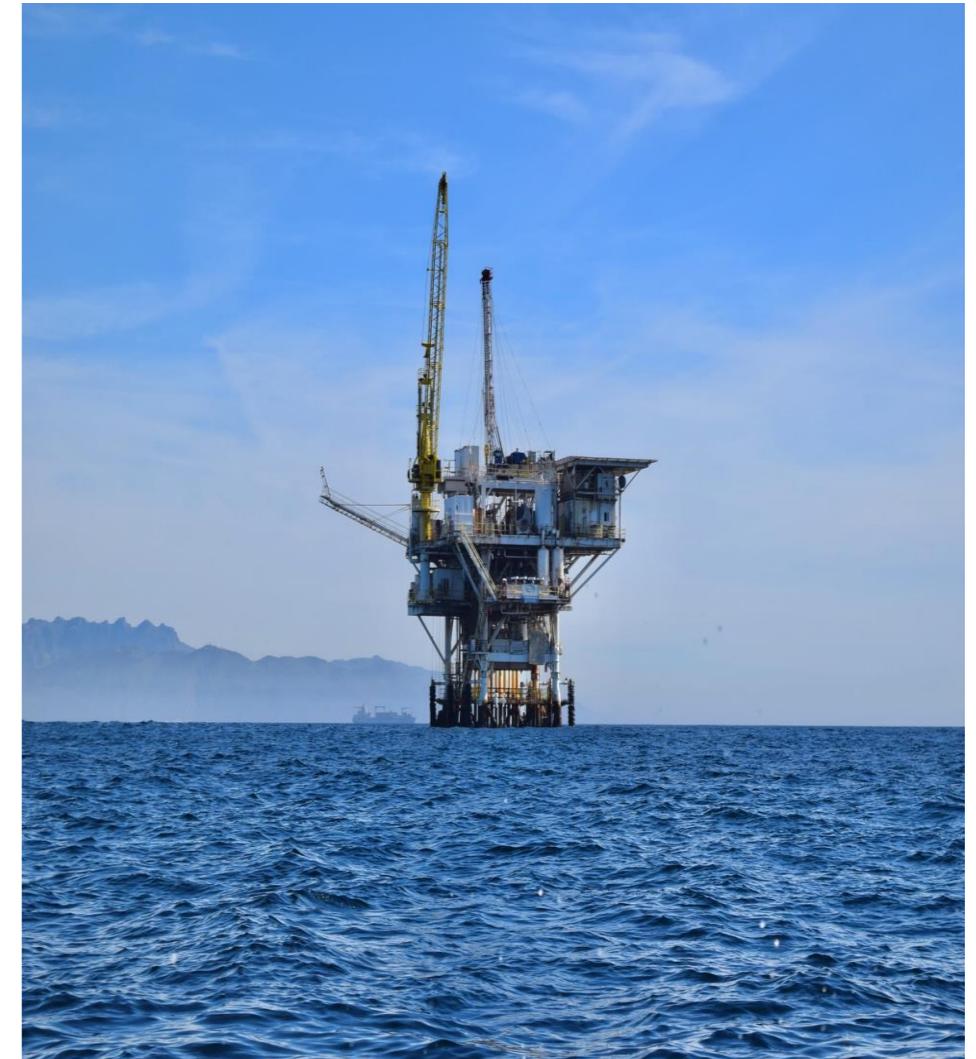
Supply Chain Innovation Drives Sustainability Benefits

Opportunity

- A ChampionX customer in Azerbaijan was using >670m³ of emulsion breakers* and >780m³ of antifoams*, both blended locally with imported raw materials and solvents
- ChampionX identified an opportunity to reduce the CO₂ emissions associated with land and sea-based transportation via supply chain innovation to locally source solvents

Outcome

- ChampionX successfully replaced the imported solvent with a locally sourced solvent, with no change in product quality or effectiveness
 - Generated **an annualized reduction of 291 metric tons of CO₂ emissions****
 - Equivalent to the CO₂ impact of **taking more than 63 cars off the road** in a year***
 - Sustainably improved our supply chain for these critical applications



* Based on 2020 average annual solvent volumes.

** Calculation based on ChampionX's internally developed methodology to calculate the carbon footprint of its chemical offerings consisting of both land and overseas transport from Rotterdam, Netherlands to Baku, Azerbaijan.

*** Based on 4.6 metric tons of CO₂ emitted per passenger car per year - [Greenhouse Gas Emissions from a Typical Passenger Vehicle | US EPA](#)

Ken Fisher

Executive Vice President & Chief Financial Officer

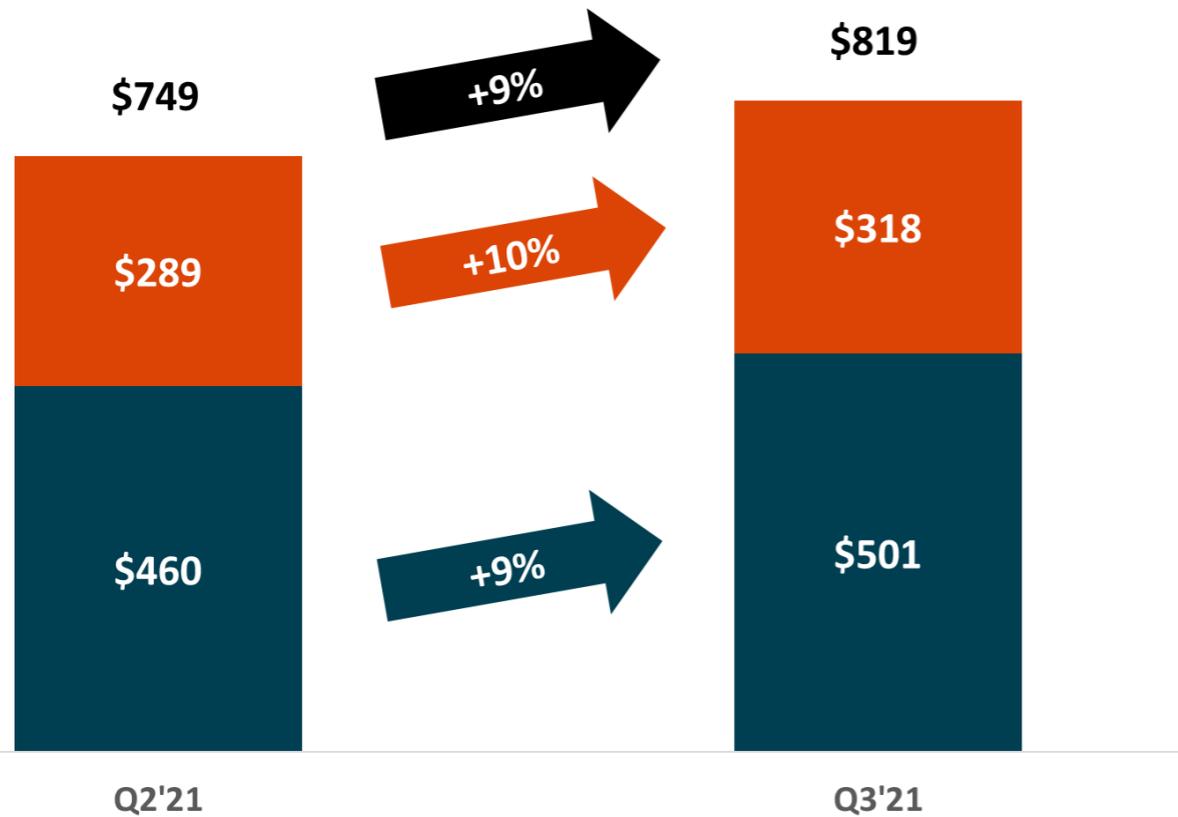
- Strong top-line revenue growth, up 9% sequentially
 - North America up 9% sequentially
 - International up 10% sequentially
- Adjusted EBITDA of \$124 million, up 17% sequentially
 - Selling price increases and synergies/productivity helping offset raw materials and logistics inflation
- Adjusted EBITDA margin of 15.1%, up 100 basis points sequentially
- Closed sale of Corsicana, TX facility, yielding \$63 million net cash proceeds; redeemed senior notes with proceeds
 - Reduces ongoing structural costs
- Strong working capital performance and free cash flow generation

Third Quarter 2021 Financial Results

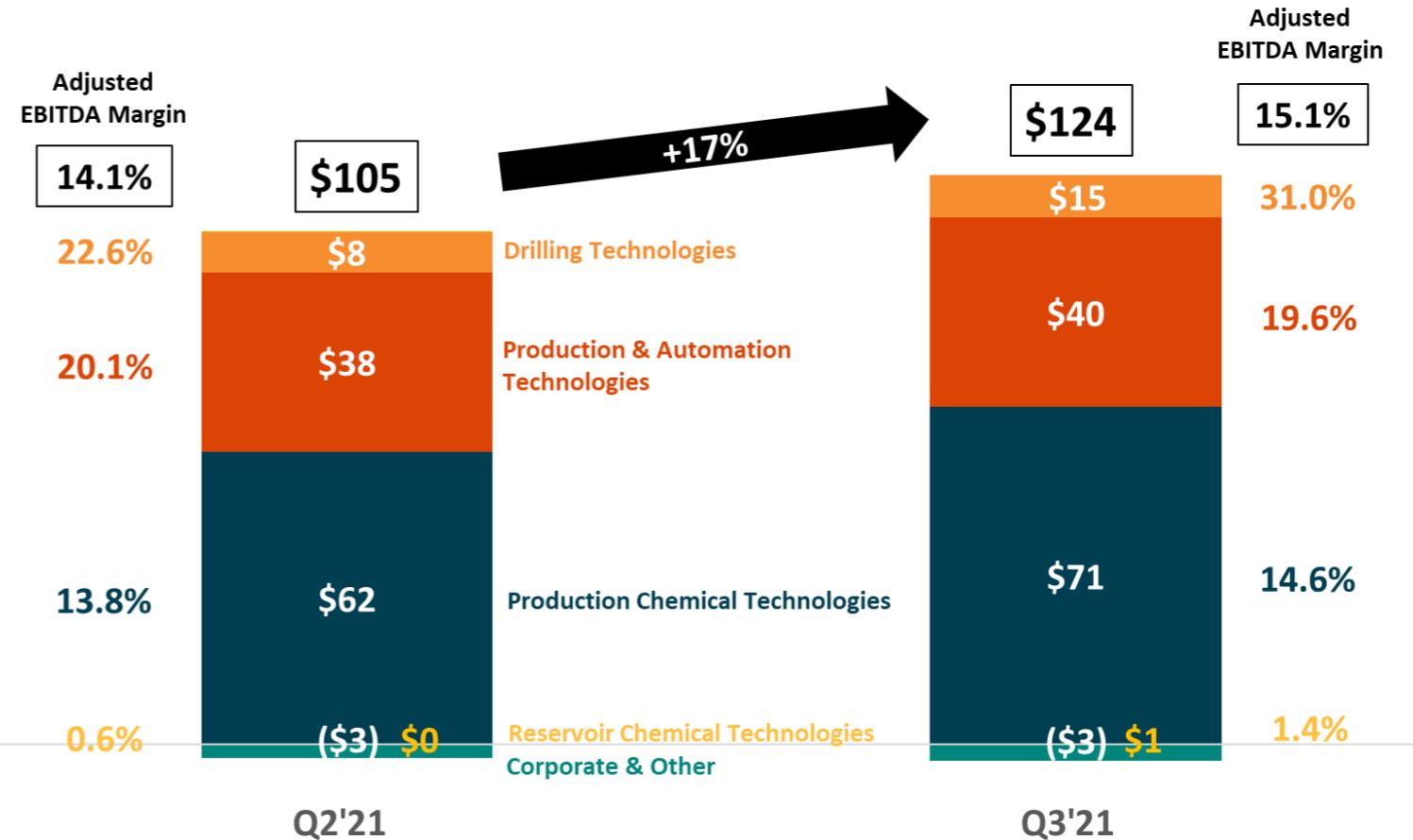


Revenue (in millions)

■ North America ■ International



Adjusted EBITDA (in millions)



- Continued geographically broad-based revenue growth momentum
- Q3 adjusted EBITDA margin improvement despite raw materials and logistics challenges

Integration & Synergy Capture Update

Merger Synergies On Track, Contributing To Margin Expansion

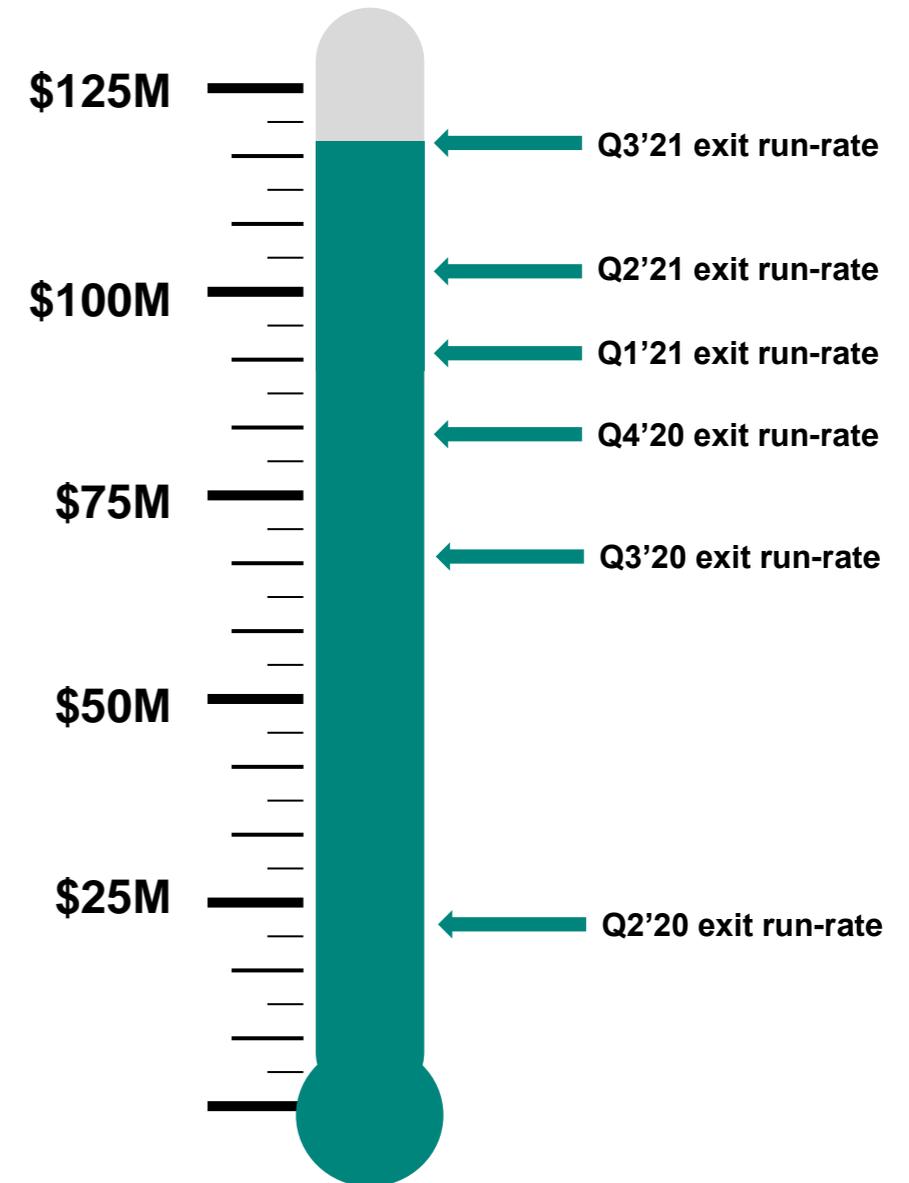
Cost synergies

- Cost synergies execution tracking ahead of schedule in achieving the full targeted cost synergies of \$125 million within 24 months of merger
 - Exited the third quarter at a \$118 million run rate
- Separation from Ecolab has been successfully completed

Revenue synergies

- Continued positive momentum for our production-oriented joint sell efforts, contributing to strong topline growth
- Recent customer wins in:
 - North America: Permian, Eagle Ford, Mid-Continent, Rockies, Canada
 - International: Egypt, Angola, Romania

Cost Synergy Annualized Run-Rate Tracker



Financial Position

Continuing Strong FCF Generation Is Strengthening The Balance Sheet

- Free cash flow of \$67 million
 - 54% of Adjusted EBITDA (53% year-to-date)
 - 8% of Revenue
- Financial liquidity of \$613 million
 - Cash on hand and available revolving credit facility
- Continuing debt reduction
 - Repaid \$97 million of debt during the third quarter
 - Repaid approximately \$326 million of debt since merger
- Net debt to trailing twelve months EBITDA = 1.2x
 - Targeting ~1x through continued debt reduction

On a consolidated basis in the fourth quarter of 2021, we expect:

- Revenue of \$820 million to \$860 million
 - International:
 - Continued volumes improvement in our international operations
 - North America:
 - We expect normal seasonality in our North American businesses into the year-end holidays
 - Moderating U.S. land rig count growth in North American drilling-oriented businesses
- Adjusted EBITDA of \$130 million to \$140 million
- We still expect exit 2021 adjusted EBITDA margin to exceed exit 2020 level, driven by volume and price improvements, and further realization of cost synergies
- Interest expense and depreciation & amortization similar to the third quarter

Note: This presentation also contains certain forward-looking non-GAAP financial measures, including adjusted EBITDA. Due to the forward-looking nature of the aforementioned non-GAAP financial measure, management cannot reliably or reasonably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures, such as net income. Accordingly, we are not able 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 these non-GAAP measures in the future could be significant.

Soma Somasundaram

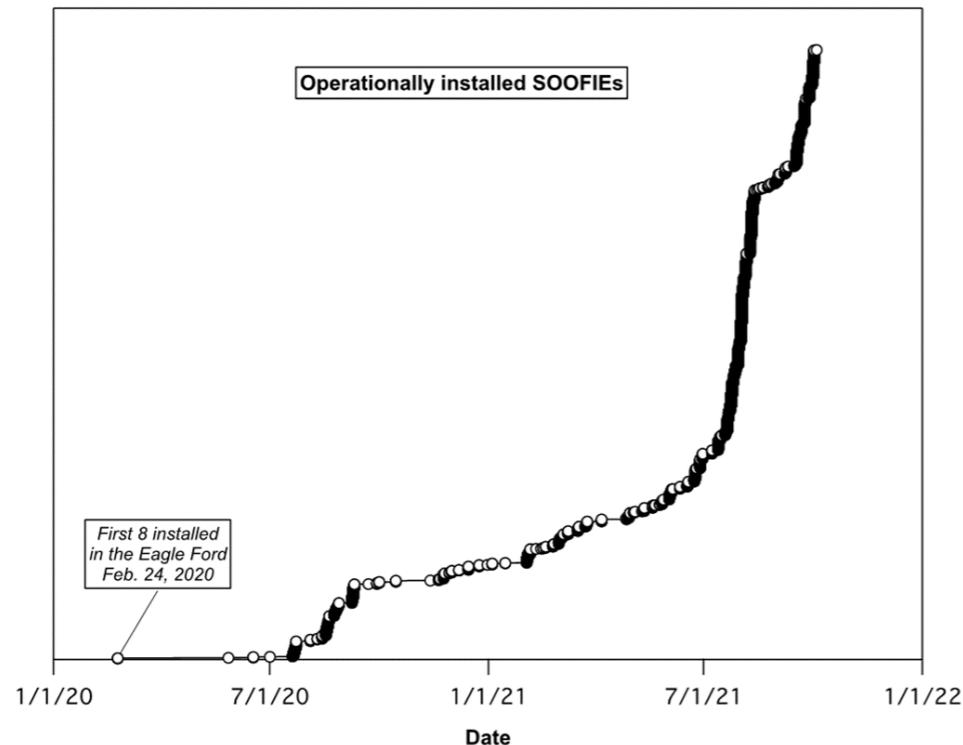
President and Chief Executive Officer

Our Emissions Management Growth Opportunity



Expected market CAGR: 20%*

Growth of installed SOOFIEs (ChampionX continuous methane monitoring system)



Launching Scientific Aviation Labs An Advanced Emissions Research Lab

- Focused on applied research in emissions
- Industry thought leader and global center of expertise for methane emissions
- Partnerships with external R&D institutes
- Generates new product ideas to effectively solve emissions problems



Example recognition by industry operators

“Crestwood has selected Scientific Aviation’s SOOFIE device while evaluating additional next-generation applications as part of its ongoing initiatives to find more robust and faster ways to detect and mitigate emissions. Based on results from the pilot program, Crestwood aims to deploy continuous methane emissions monitoring at key operations while improving its emissions performance by the fourth quarter 2022.”

Crestwood Equity Partners LP, October 26, 2021

Appendix

Drilling Technologies – Polycrystalline Diamond Cutter De-stocking and Re-stocking Cycles

