



Earnings Conference Call

First Quarter 2023

April 25, 2023

9:00am Central Time

Forward-Looking Statements

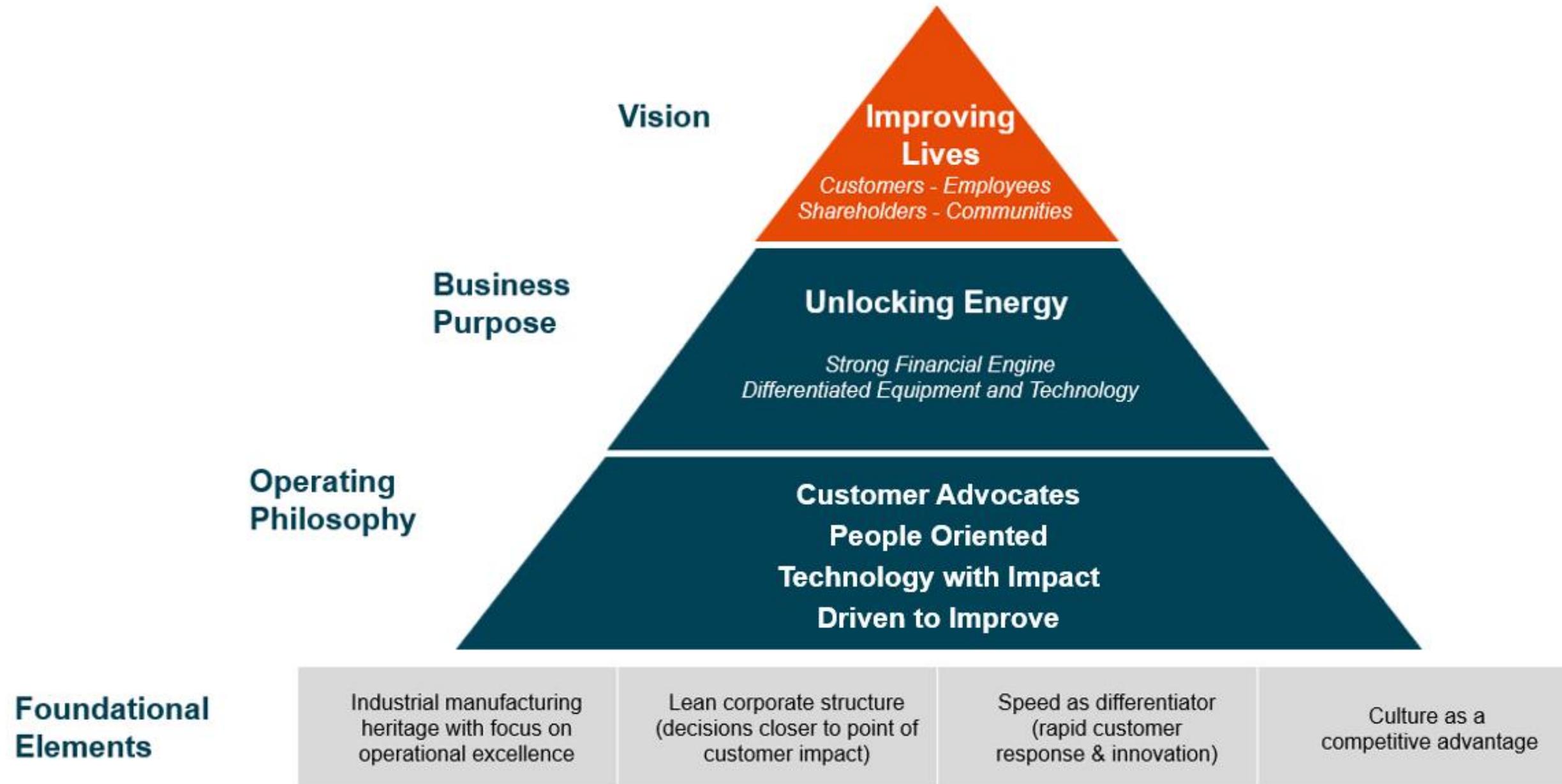
This investor presentation contains statements relating to future actions and results, which are "forward-looking statements" within the meaning of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, 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, 2022, 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

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. Non-GAAP financial measures should be considered only as supplemental to, and not as superior to financial measures prepared in accordance with GAAP. 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. A reconciliation of these non-GAAP measures to the comparable GAAP measures, including net income attributable to ChampionX, income before income taxes margin, cash flows from operating activities, and total debt, is included in the appendix herein and the financial tables accompanying our earnings release for the first quarter 2023 results.

Soma Somasundaram

President and Chief Executive Officer



How ChampionX is Improving Lives Every Day



◀ Our Woodlands Finance Team **filled more than 210 boxes of food (more than 5,400 pounds of food)** at a recent volunteer effort at the Montgomery County Food Bank.



◀ Our US Synthetic team **supported Utah Underwater Robotics** by recently hosting a program for student teams from local schools. The students learned problem-solving skills and project management techniques.



◀ Recently, our Asia Pacific Chemical Technologies **supported Lions Befrienders, a non-profit providing social care for vulnerable and isolated senior citizens living in Singapore.** They packed and delivered essential items for 55 seniors.



▲ ChampionX employees in Colombia **served the children at a local school with much needed supplies and encouragement.**



◀ Our analytical lab and sales team hosted a booth **at Midland Christian School's S.T.E.A.M. Night, an interactive fair for 200 students and their families.** Students created their own slime through a chemical reaction.

First Quarter 2023 ChampionX Highlights

Strong Adjusted EBITDA Margin and Free Cash Flow Momentum



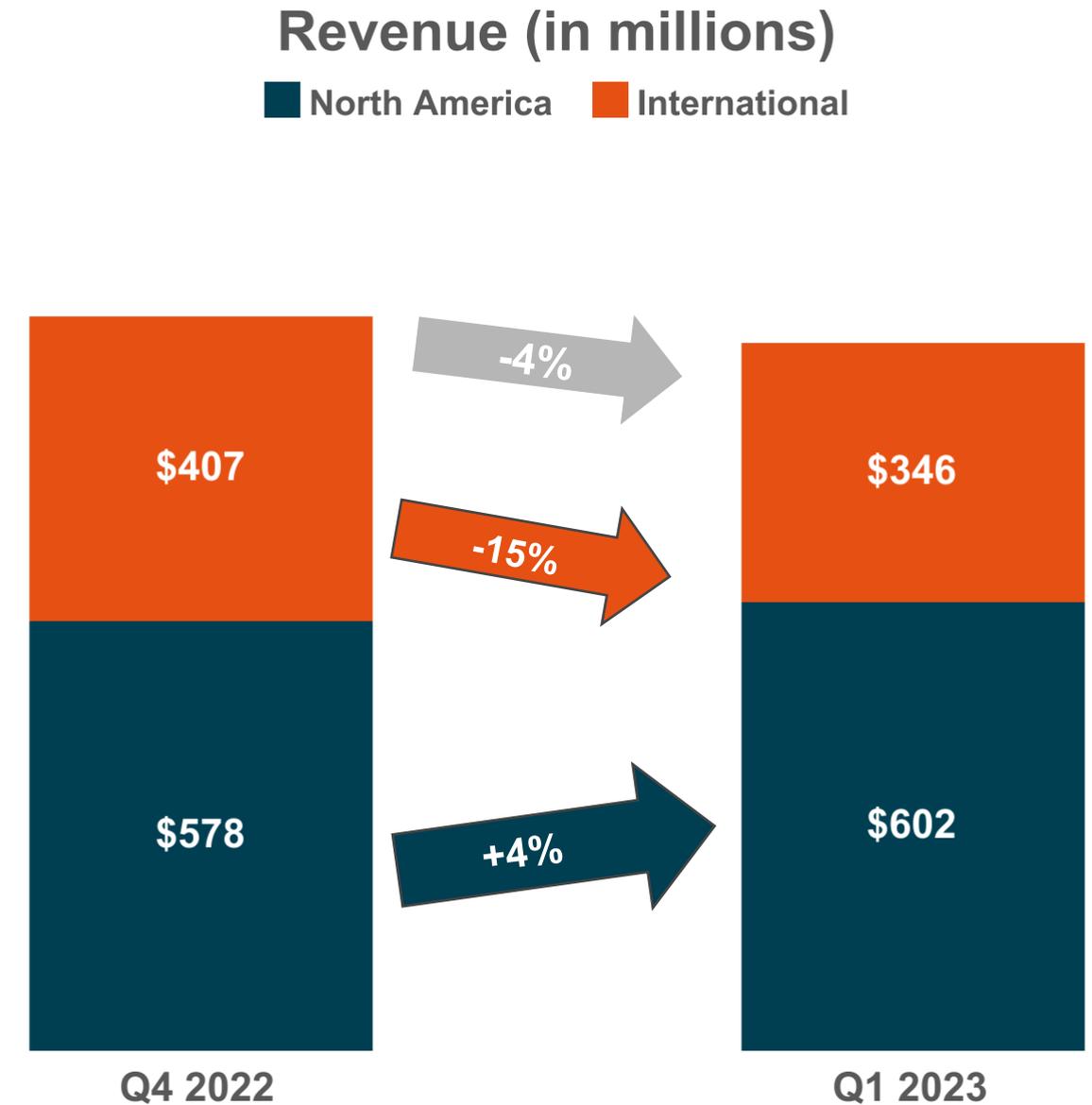
- **Positive adjusted EBITDA margin momentum**
 - Adjusted EBITDA margin of 18.5% is highest level since our transformational merger
 - Fourth consecutive quarter of sequential adjusted EBITDA margin improvement
 - We now expect to deliver an exit 2023 adjusted EBITDA margin greater than 20%
- **Strong free cash flow generation**
 - Free cash flow of \$69 million represented 39% of adjusted EBITDA
 - We still expect to convert at least 50% of our adjusted EBITDA to free cash flow in 2023
- **Continued commitment to return capital to shareholders**
 - Returned 80% of free cash flow to shareholders in the first quarter
 - We remain committed to returning at least 60% of free cash flow to shareholders in 2023

Ken Fisher

Executive Vice President & Chief Financial Officer

First Quarter 2023 Financial Highlights

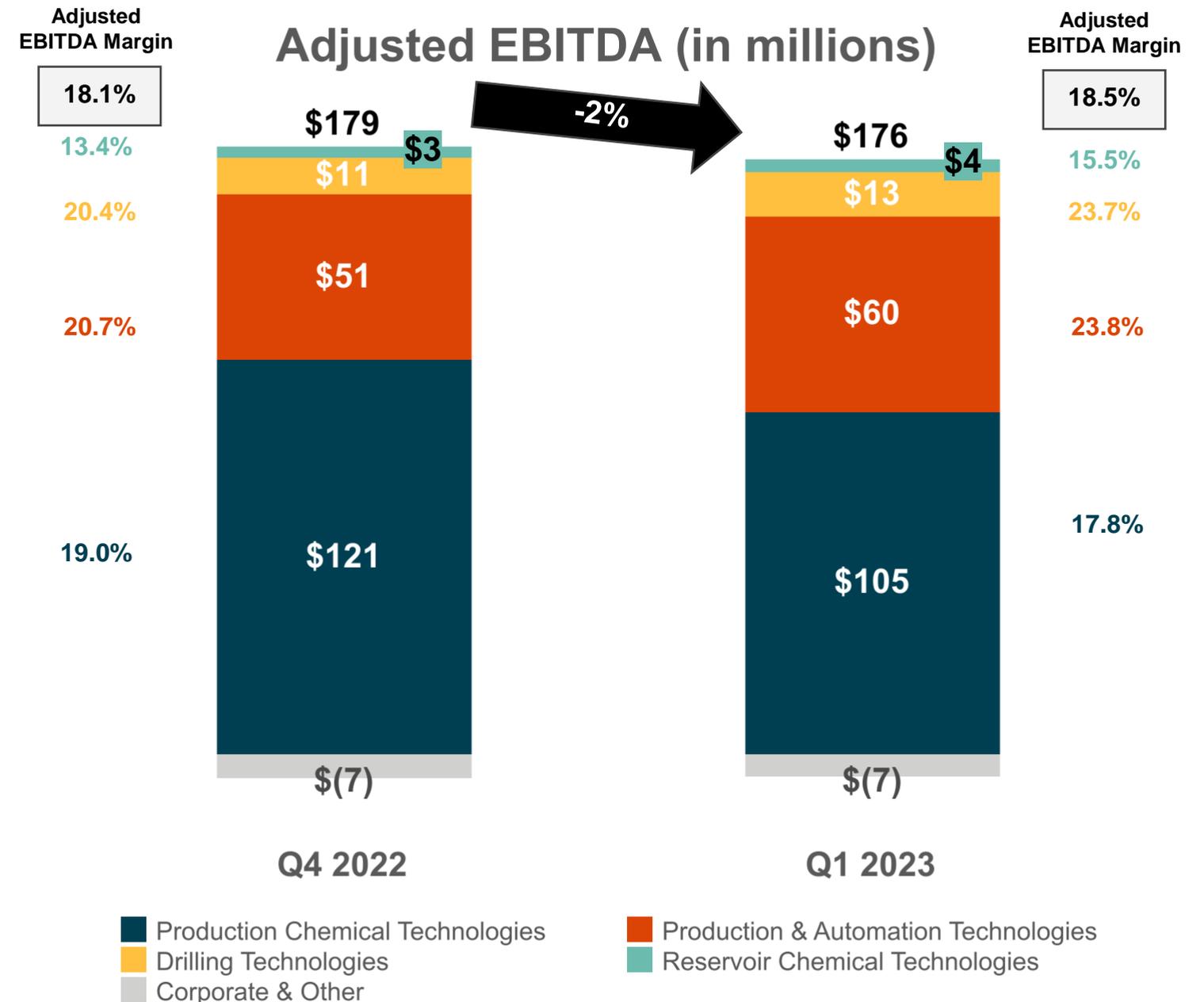
- Strong year-over-year revenue growth
 - Up 10% year-over-year
 - Down 4% sequentially, driven by normal international seasonality
- North America revenue up 9% year-over-year
 - Up 4% sequentially, with all four business segments posting top-line growth
- International revenue up 10% year-over-year
 - Down 15% sequentially, driven by normal international seasonality year-over-year



First Quarter 2023 Financial Highlights *(continued)*



- Adjusted EBITDA of \$176 million
 - Down 2% sequentially, and up 41% year-over-year, on higher sales volumes and pricing realization
- Adjusted EBITDA margin of 18.5%
 - Up 38 basis points sequentially
 - Up 410 basis points year-over-year
 - Driven by improvements in productivity, cost management and pricing realization



Financial Position

Utilizing Strong Free Cash Flow Profile To Return Capital To Shareholders



- Financial liquidity of \$915 million
 - Cash on hand and available revolving credit facility
- 0.5x net debt to trailing 12 months adjusted EBITDA
 - Repaid \$27 million of debt in the first quarter
- Delivering on commitment to return capital to shareholders
 - Returned \$55 million, 80% of Q1 free cash flow to shareholders via:
 - \$15 million regular cash dividend payment
 - \$40 million of share repurchases

On a consolidated basis in the second quarter of 2023, we expect:

- Revenue of \$970 million to \$1.0 billion
 - Expect seasonal rebound in our international businesses and continued positive momentum in our shorter-cycle North American businesses
- Adjusted EBITDA of \$182 million to \$190 million
- We now expect to deliver an exit 2023 adjusted EBITDA margin greater than 20%

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

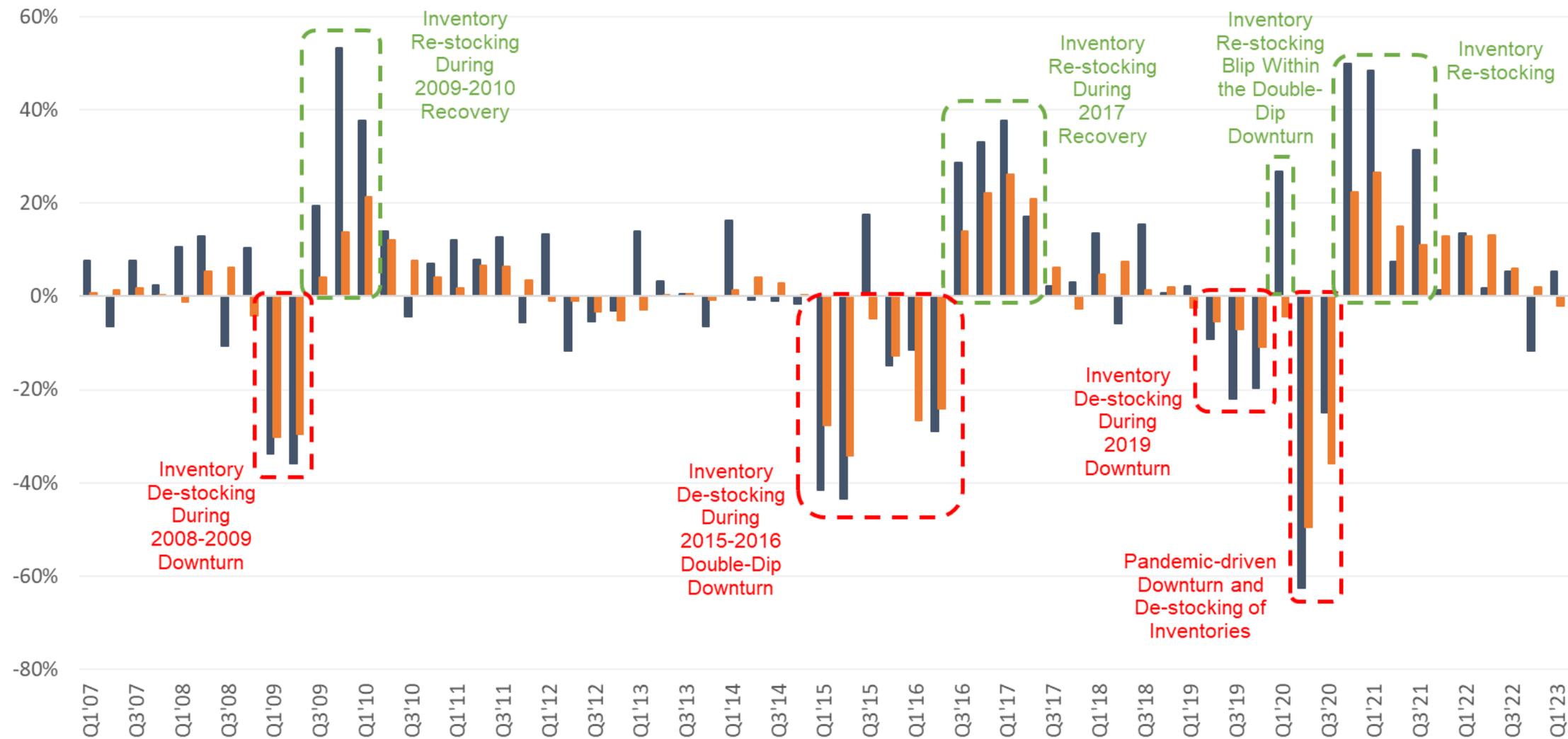
Appendix

Drilling Technologies

Polycrystalline Diamond Cutter De-stocking and Re-stocking Cycles



- Drilling Technologies Revenue % Change (q/q)
- US Rig Count % Change (q/q)



Reconciliations of GAAP to non-GAAP Financial Measures



(in thousands)	Three Months Ended		
	March 31,	December 31,	March 31,
	2023	2022	2022
Net income attributable to ChampionX	\$ 63,532	\$ 67,857	\$ 36,702
Pre-tax adjustments:			
Loss on disposal group (1)	12,965	1,978	—
Russia sanctions compliance and impacts (2)	521	(2,909)	—
Restructuring and other related charges	4,399	(16,784)	9,107
Goodwill impairment	—	39,617	—
Merger integration costs	245	1,001	5,241
Acquisition costs and related adjustments (3)	(3,512)	(7,112)	(3,512)
Intellectual property defense	—	27	363
Tax impact of adjustments	(4,561)	3,848	(2,352)
Adjusted net income attributable to ChampionX	73,589	87,523	45,549
Tax impact of adjustments	4,561	(3,848)	2,352
Net income (loss) attributable to noncontrolling interest	(388)	(1,588)	1,471
Depreciation and amortization	56,710	64,119	57,699
Provision for income taxes	28,669	21,008	6,394
Interest expense, net	12,466	11,622	11,363
Adjusted EBITDA	\$ 175,607	\$ 178,836	\$ 124,828

Free Cash Flow

Cash flows from operating activities	\$ 92,378	\$ 195,093	\$ (43,125)
Less: Capital expenditures, net of proceeds from sale of fixed assets	(23,025)	(26,463)	(17,866)
Free cash flow	\$ 69,353	\$ 168,630	\$ (60,991)

(in thousands)	Three Months Ended		
	March 31,	December 31,	March 31,
	2023	2022	2022
Income before income taxes:			
Segment operating profit (loss):			
Production Chemical Technologies	\$ 66,314	\$ 96,418	\$ 31,263
Production & Automation Technologies	34,792	18,104	24,710
Drilling Technologies	11,887	9,426	15,220
Reservoir Chemical Technologies	1,987	(16,884)	(3,469)
Total segment operating profit	114,980	107,064	67,724
Corporate and other	10,701	8,165	11,794
Interest expense, net	12,466	11,622	11,363
Income before income taxes	<u>\$ 91,813</u>	<u>\$ 87,277</u>	<u>\$ 44,567</u>

Operating profit margin / income before income taxes margin:

Production Chemical Technologies	11.2 %	15.1 %	6.1 %
Production & Automation Technologies	13.8 %	7.4 %	11.2 %
Drilling Technologies	21.0 %	17.5 %	26.8 %
Reservoir Chemical Technologies	7.7 %	(65.7)%	(8.7)%
ChampionX Consolidated	9.7 %	8.9 %	5.1 %

(1) Amounts represent the loss recorded to properly adjust the carrying value of our CT Russia Business to the lower of carrying value or fair value less costs to sell.

(2) Includes charges incurred related to legal and professional fees to comply with, as well as additional foreign currency exchange losses associated with, the sanctions imposed in Russia.

(3) Includes revenue associated with the amortization of a liability established as part of the Merger, representing unfavorable terms under the Cross Supply Agreement, as well as costs incurred for the acquisition of businesses.