



**CHAMPIONX**

# Investor Day

Tuesday, March 7, 2023

## **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**

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 the appendix herein 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.

## **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 and adjusted 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, free cash flow to adjusted EBITDA ratio, adjusted net operating profit, and net debt 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, including net income (loss) attributable to ChampionX, cash flows from operating activities and total long-term debt is included in the appendix herein.

# Today's Presenters



**Soma Somasundaram**

President and  
Chief Executive Officer

**Deric Bryant**

Chief Operating Officer  
and President,  
Chemical Technologies

**Paul Mahoney**

President,  
Production & Automation  
Technologies

**Saurabh Nitin**

Senior Vice President,  
Emissions Technologies

**Ali Raza**

Senior Vice President  
and Chief Digital Officer

**Rob Galloway**

President, Drilling  
Technologies

**Ken Fisher**

Executive Vice President and  
Chief Financial Officer

**Motivated and  
passionate team  
focused on:**

Our purpose-driven journey  
Delivering for customers  
Creating value for our shareholders

# Today's Agenda

Time	Topic	Presenter
1 – 1:30 p.m.	<b>Welcome and ChampionX introduction</b>	Soma Somasundaram
1:30 – 3:30 p.m.	<b>Business presentations</b> Chemical Technologies Production & Automation Technologies	Deric Bryant Paul Mahoney
	Break – 15 minutes	
	Emissions Technologies Digital Technologies Drilling Technologies	Saurabh Nitin Ali Raza Rob Galloway
3:30 – 4:45 p.m.	<b>ChampionX Tradeshow and Interactive Exhibits</b>	
4:45 – 5:30 p.m.	<b>Financial summary and outlook</b> <b>Closing and Q&amp;A</b>	Ken Fisher Leadership Panel
5:30 – 6:30 p.m.	<b>Reception</b>	

# Key Messages You Will Hear Today

**1** Leading global energy production optimization solutions provider

**2** Attractive growth pathways across the business portfolio

**3** Well positioned to help decarbonize energy production operations

**4** Differentiated and sustainably strong free cash flow profile

**5** Capital allocation framework focused on value creation for shareholders

**Compelling  
Investment  
Opportunity**

**Investment  
aligned  
with driving  
through-cycle  
total returns  
for our  
shareholders**

# Clear Value Creation Since Our Merger



**Delivered \$125 million of targeted annualized cost synergies ahead of schedule**



**Built foundation to drive revenue synergies, which are growing**



**Achieved target 1x net debt / adjusted EBITDA level**



**Executed well to deliver targeted exit 2022 adjusted EBITDA margin of 18%**

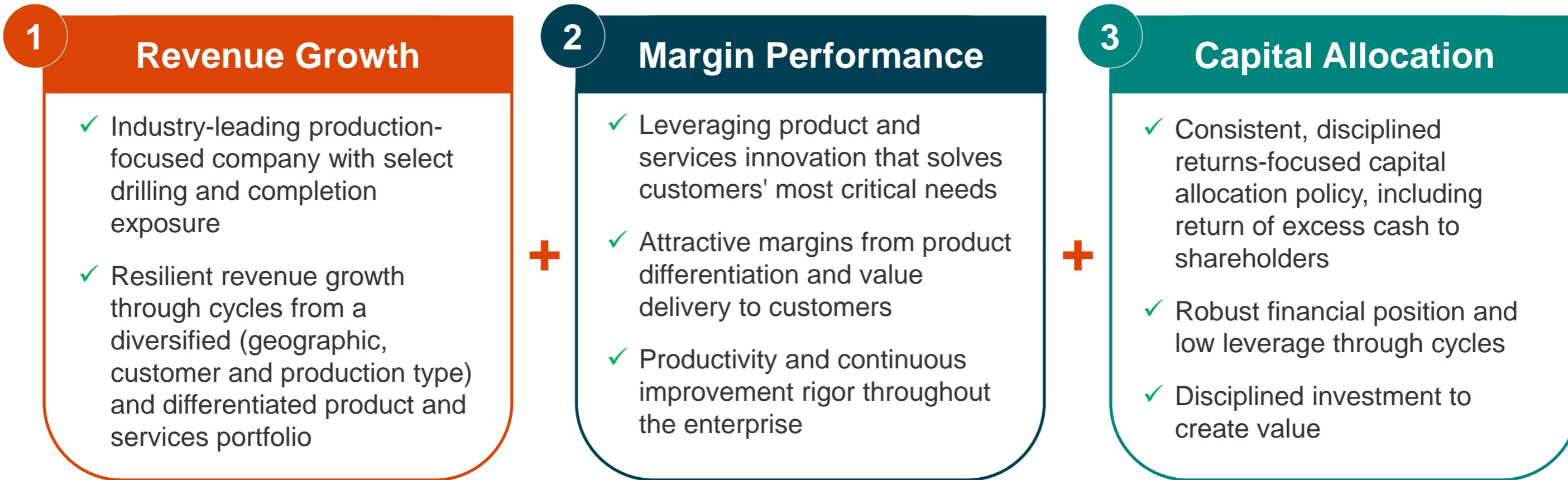


**Established leading presence in nascent emissions monitoring market**



**Implemented capital allocation framework to return excess capital to shareholders**

# ChampionX's Value-Creation Algorithm



## 2022-2025 Financial Framework

**High Single Digits Revenue CAGR**

**20%+ EBITDA Margin**

**≥ 60% of FCF as Capital Return**

**Grow revenues, expand margins, fund attractive growth, return excess capital**

# ChampionX By the Numbers

**7,300+** employees



more than **250**  
facilities around the world

**\$3.8B**

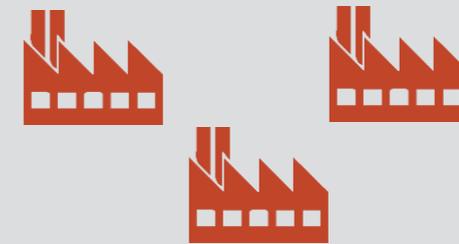
in 2022 revenue



**4,000+**  
employees working directly with  
customers every day



**400+**  
scientists & technologists



**40+**  
manufacturing  
locations

serving customers for

**140** years



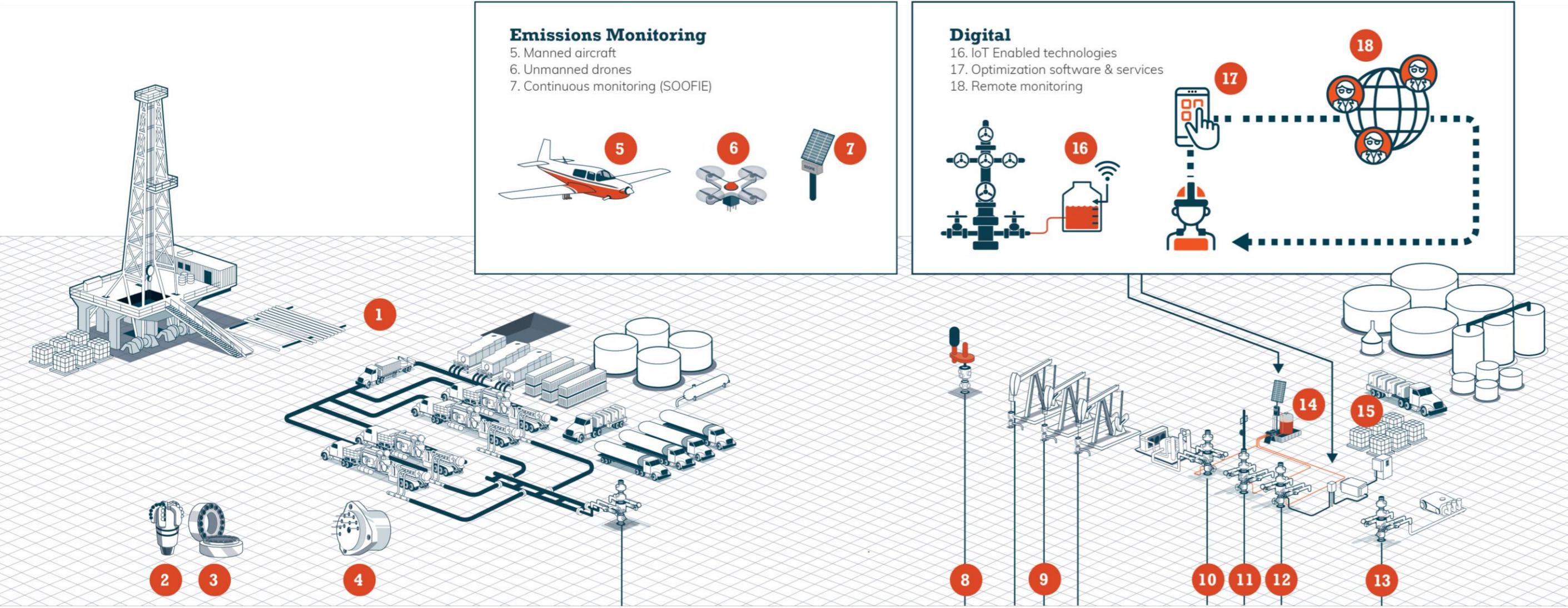
headquarters based in  
**The Woodlands, Texas**

**60+**

Countries  
where we  
serve  
customers



# We Deliver Customer Value Across the Wellsite and Throughout the Life Cycle of the Well



**Emissions Monitoring**  
 5. Manned aircraft  
 6. Unmanned drones  
 7. Continuous monitoring (SOOFIE)

**Digital**  
 16. IoT Enabled technologies  
 17. Optimization software & services  
 18. Remote monitoring

**Drilling & Completion Technologies**

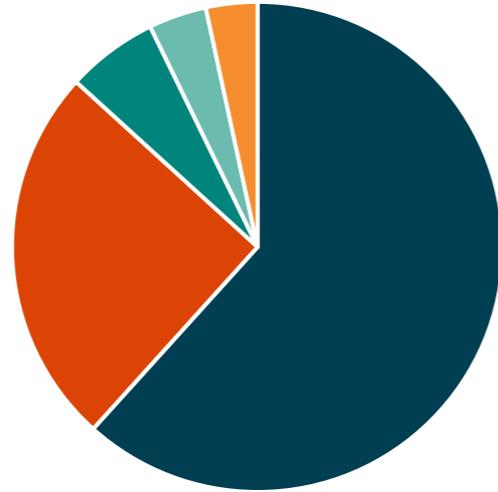
- 1. Drilling & completion chemicals
- 2. Diamond drill bit inserts
- 3. Diamond bearings
- 4. Quartz sensors

**Production Technologies**

- 8. Progressing cavity pumping systems (PCP)
- 9. Rod lift
- 10. Gas lift
- 11. Plunger lift
- 12. Electrical submersible pumping systems (ESP)
- 13. Jet lift
- 14. Chemical injection pumps
- 15. Production chemicals

# ChampionX Portfolio Overview

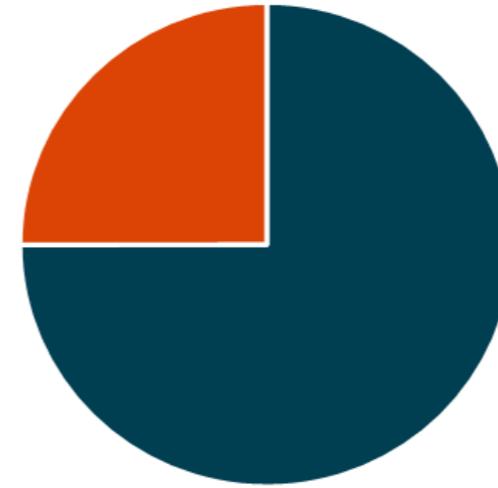
## Sales by Segment



**~87% from Production**

- PCT
- PAT
- DT
- RCT
- Cross Supply Agreement

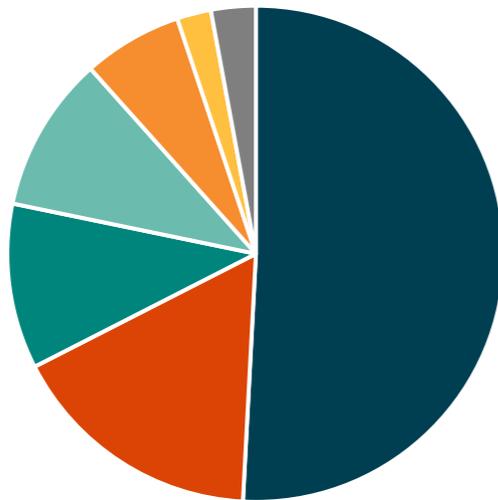
## Sales by End Market



**~26% from Offshore / Deepwater**

- Onshore
- Offshore / Deepwater

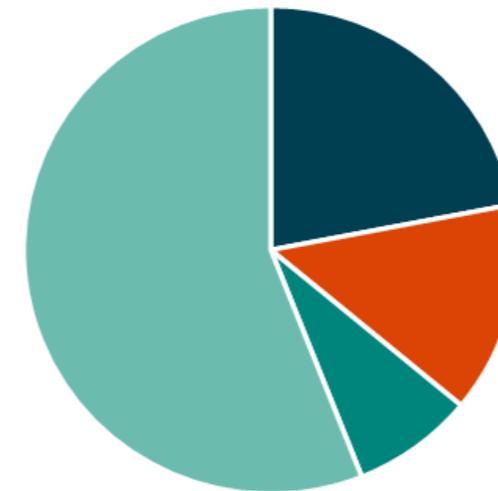
## Sales by Region



**~50% Outside the U.S.**

- United States
- Latin America
- Middle East & Africa
- Canada
- Europe
- Asia Pacific
- Australia/Other

## Sales by Customer



**~36% from IOC and NOC Customers**

- IOC
- NOC
- OFS
- Others

# Our Portfolio: Attractive Positions in Attractive Markets



	Production Chemical Technologies	Production & Automation Technologies	Drilling Technologies	Reservoir Chemical Technologies	Digital (Included in PAT Segment)
2022 Revenues (\$MM)	\$2,348	\$955	\$229	\$145	\$197
2022 Target Market Size Estimate	\$8B	\$11B	\$0.6B	\$2B	\$4.4B <sup>1</sup>
Key Market Drivers	Global Upstream & Midstream OPEX, Total Fluids Produced, Producing Well Count	Global Upstream CAPEX & OPEX, New Well Completions, Producing Well Count	Global Upstream CAPEX, Global Rig Count	Global Upstream CAPEX, New Well Completions	Global Upstream & Midstream CAPEX & OPEX, New Well Completions, Producing Well Count
ChampionX Competitive Moat	Industry Leading Technology, Best Service, Global Supply Assurance	Broadest Artificial Lift Portfolio, Industry Leading Brands, Best Service	Rapid Innovation, Best Technology, Best Speed	Differentiated Technology, Technical Support & Service	Domain Expertise, Installed Base, Predictive Models (Physics + AI)

**Distinctive strategic vision, operating philosophy, and Continuous Improvement culture**

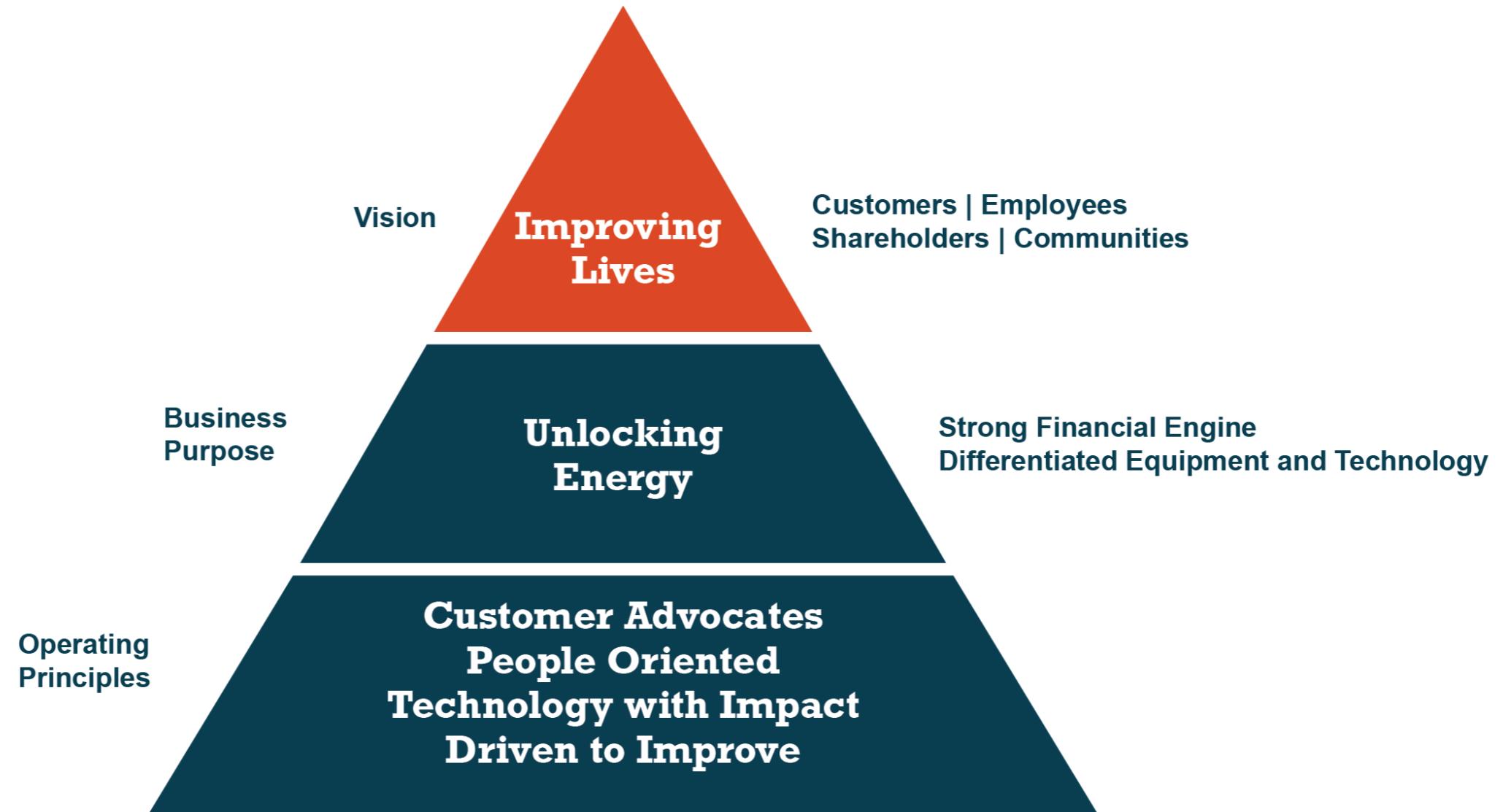
**Leading provider of energy production optimization solutions**

**Attractive organic growth opportunities**

**Uniquely positioned to help decarbonize energy production operations**

**Strong balance sheet and free cash flow profile through industry cycles**

**Clear capital allocation framework and attractive value creation algorithm for shareholders**



## Foundational Elements

Industrial manufacturing heritage with focus on operational excellence

Lean corporate structure (decisions closer to point of customer impact)

Speed as differentiator (rapid customer response & innovation)

Culture as a competitive advantage

# Customer Advocacy Manifests in Customer Satisfaction Rankings



## Top honors in EnergyPoint Research's 2022 Oilfield Products Customer Satisfaction Survey



#1 Artificial Lift



#1 Production Chemicals



#1 Surface  
Production  
Equipment



#1 Completion  
Fluids



#1 Intelligent  
Sensors & Controls

Results based on independent survey of more than 3,700 qualified respondents

# We are Proud to be ExxonMobil's 2022 Supplier of the Year



## First recipient of ExxonMobil global honor

- Annual award based on high-performance standards, service quality, and responsiveness to meet ExxonMobil's business needs
- Nominees evaluated criteria including on-time delivery, safety, responsiveness, service quality, innovation capabilities, and commitment to sustainability and diversity
- ChampionX supports global ExxonMobil Upstream activities, including U.S. and Guyana operations



**“As our inaugural supplier of the year, ChampionX exemplified performance and responsiveness to our business needs that were especially noteworthy for our major assets in Guyana and the Permian Basin. We value our ongoing collaboration with ChampionX and congratulate them on this notable recognition.”**

**– Pamela Skaufel  
ExxonMobil VP, Global Procurement**

*November 30, 2022*

## Increasing energy demand

- Global footprint and relationships with leading IOCs, NOCs, and Independents
- Incremental barrels require more production technologies

## Strong upstream capital discipline

- Increasing focus on existing production is driving higher OPEX spend
- Greater customer willingness to adopt new technologies

## Increasing production complexity

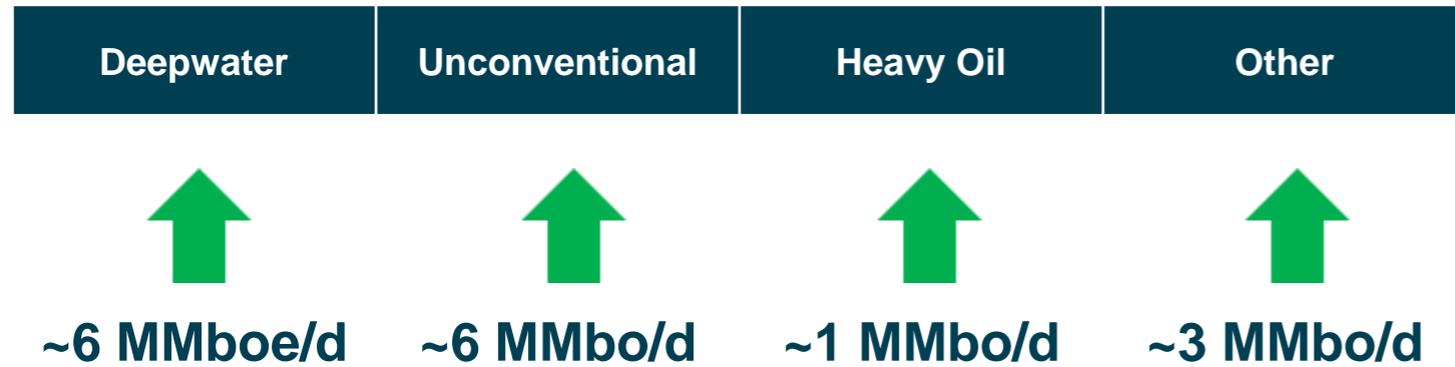
- Increasing need for Production Chemicals, Artificial Lift, and Digital Technologies to improve well productivity
- Significant demand for production optimization solutions

## Decarbonizing energy systems

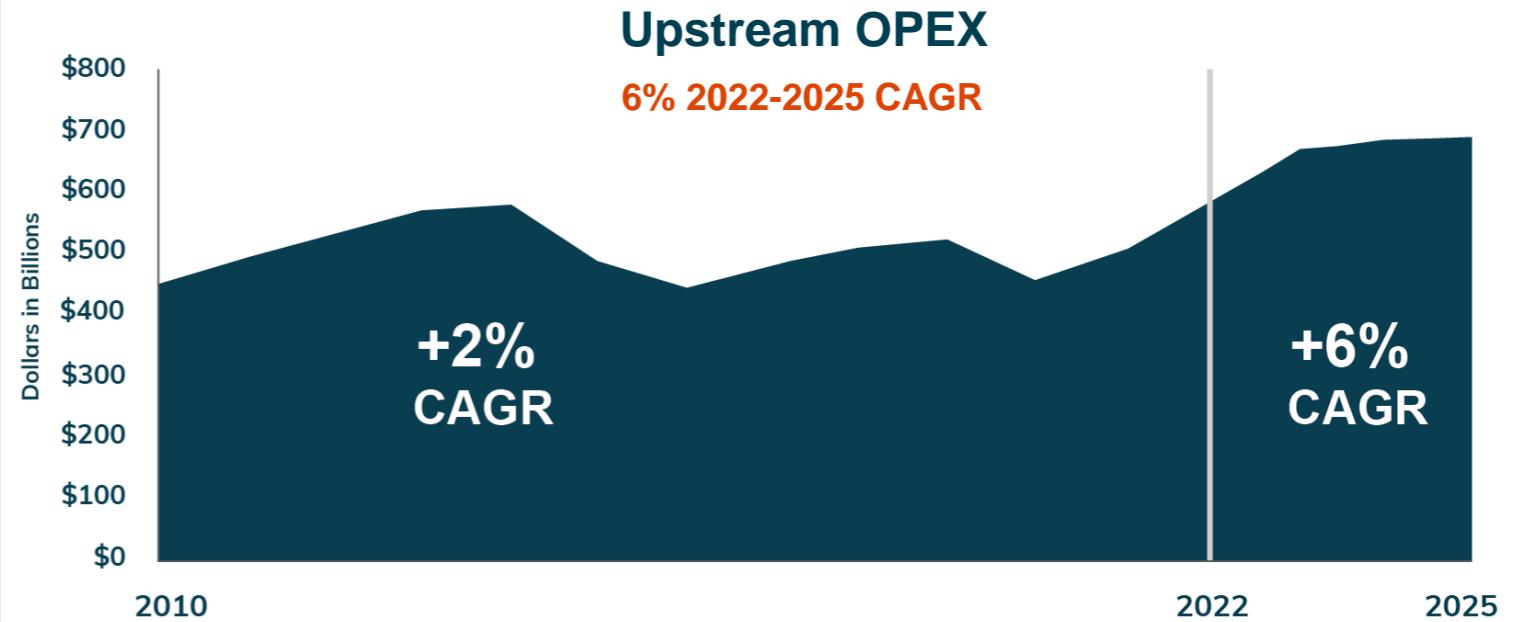
- Growing need for emissions monitoring and reduction technologies
- Demand for innovation to improve energy efficiency/productivity at well site

# Well Positioned To Benefit From CAPEX & OPEX Growth **CHAMPIONX**

16 million+ barrels per day of incremental production needed by 2030 to offset decline and meet demand



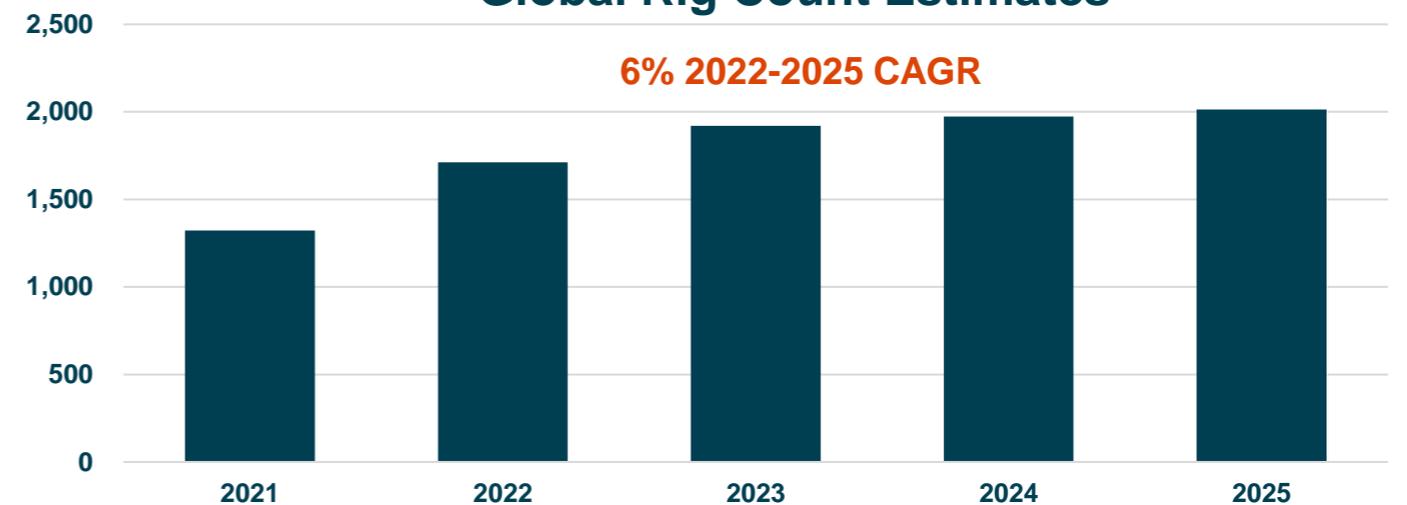
## Upstream OPEX Spending is Accelerating



## Global E&P CAPEX Estimates

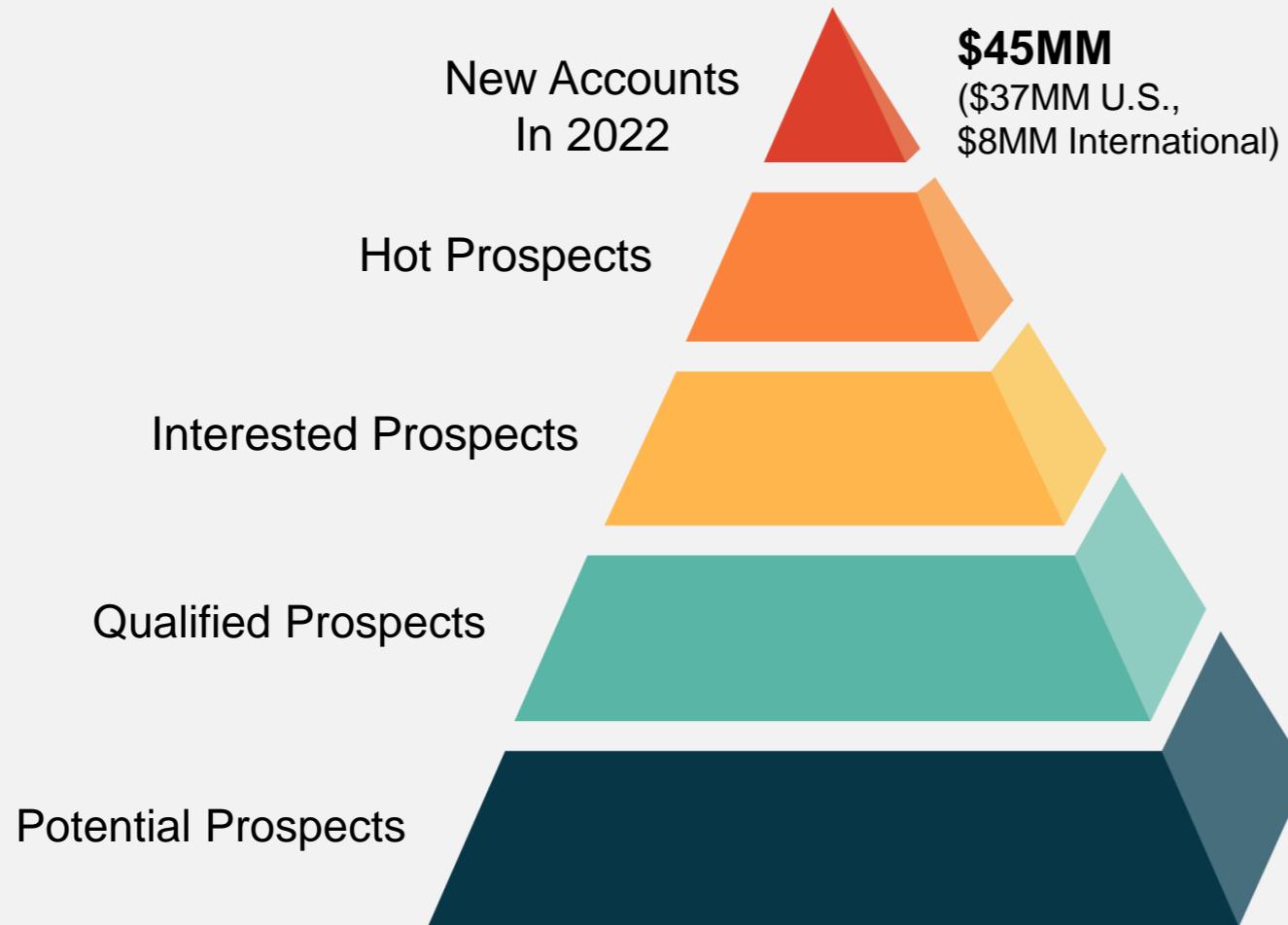


## Global Rig Count Estimates

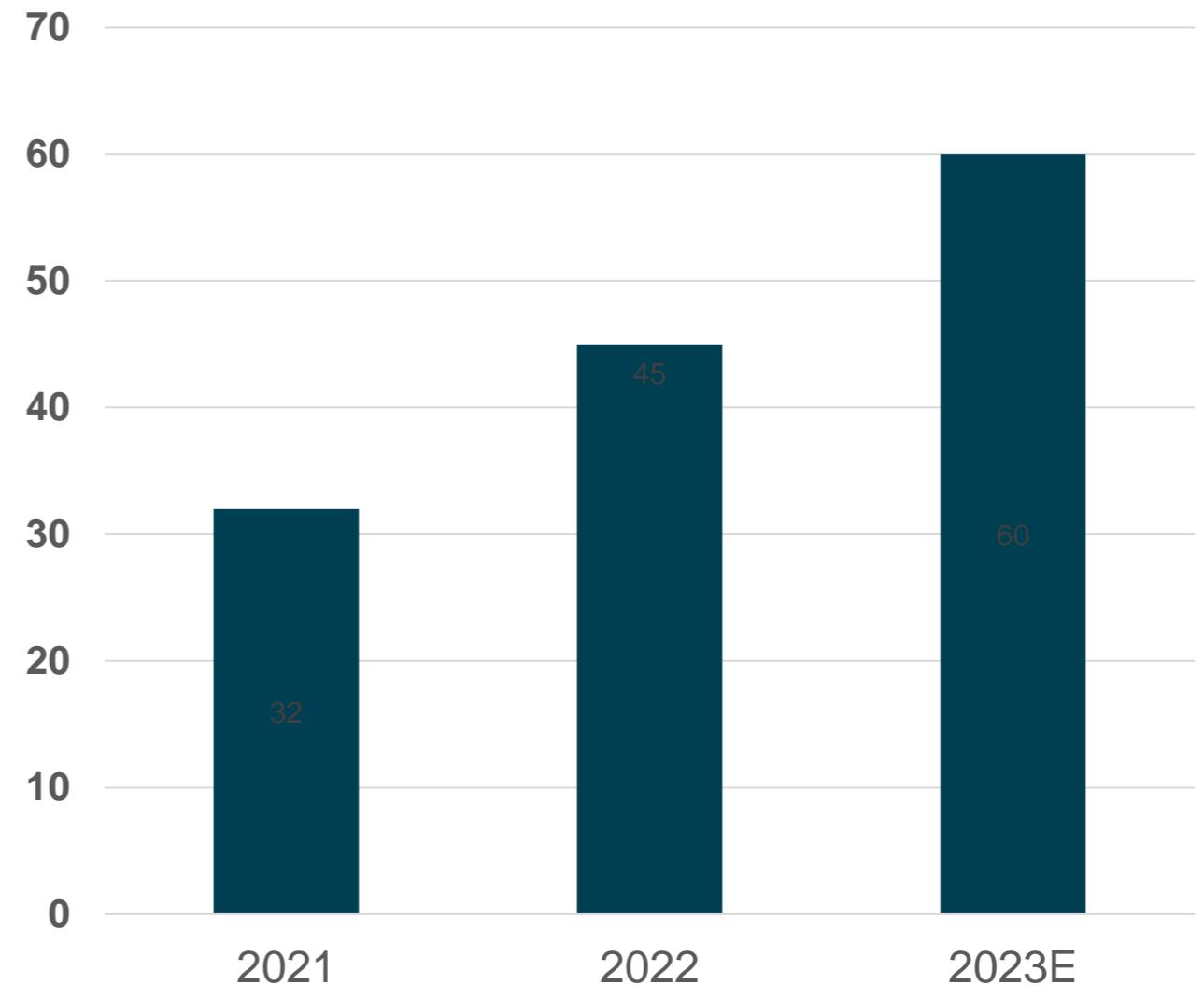


## Opportunity Pipeline Significantly Increased in 2022 Compared to 2021

Current Opportunity Pipeline: **\$397 million**  
(US: \$225MM; International: \$172MM)



## New Wins Increased 41% in 2022 Compared to 2021



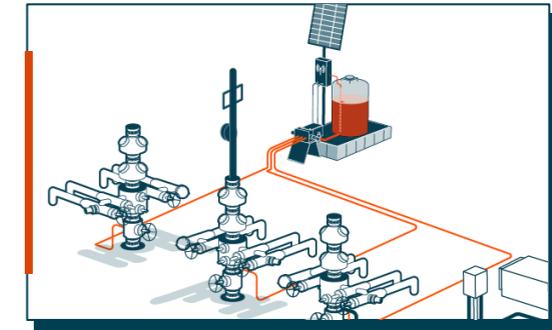
# Bringing Together Our Portfolio to Deliver Customer Value and Drive ChampionX Growth



## Case Study: IOC Major Onshore Asset

### Full suite of ChampionX technologies deployed

- Digital 'Expert in a box': Edge / artificial intelligence
- XSPOC solution for broad production software suite
- ESP surface & downhole tools
- Corrosion-resistant sucker rods
- Rod pump downhole tools
- Intelligent Chemical injection (multi-well, accurate dosage control, etc.)
- Chemistry solutions
- Plunger-assisted gas lift analytics & autonomous control



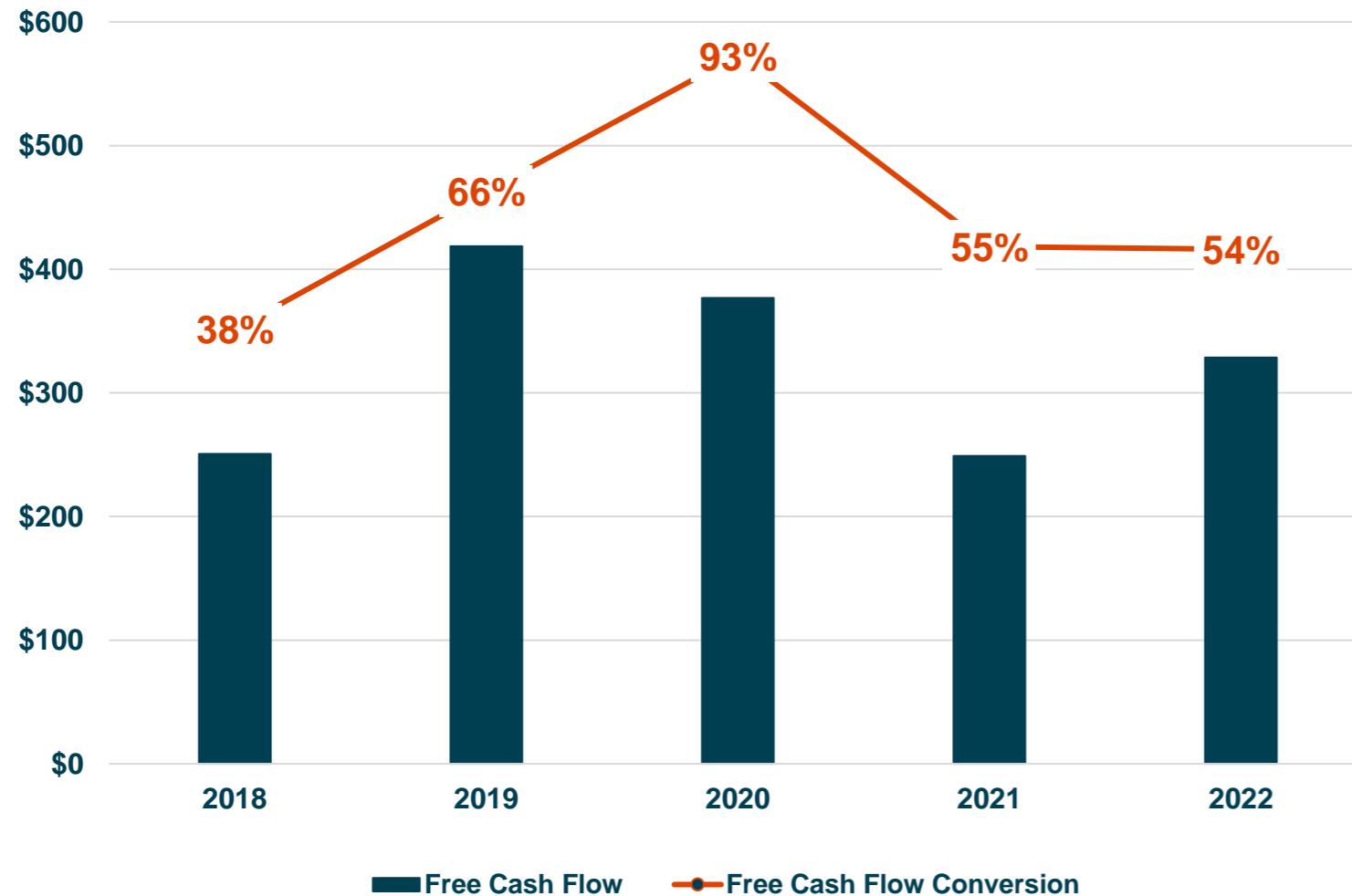
### Value to Customer

- **84% reduction** in intervention downtime
- **Estimated \$54 million** annual productivity improvement (based on \$70/bbl WTI)

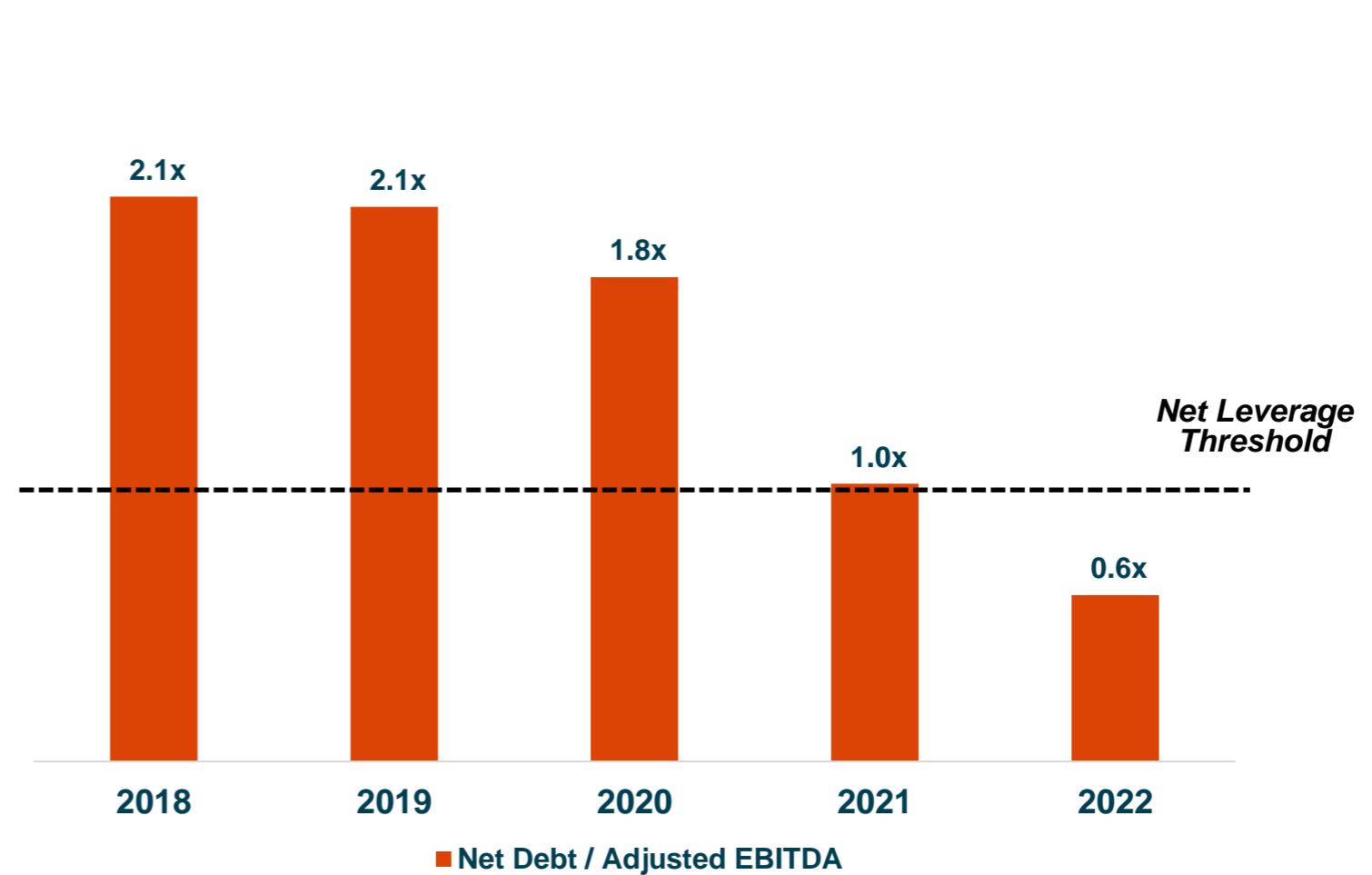
Increased growth opportunities for ChampionX by leveraging our full suite of technologies to deliver strong customer returns

# Strong Free Cash Flow Profile and Balance Sheet **CHAMPIONX**

## FCF / Adjusted EBITDA Conversion



## Net Leverage



FCF conversion = free cash flow / Adjusted EBITDA. Net Debt = Gross Debt less cash and cash equivalents on face of balance sheet. See Appendix for reconciliation of non-GAAP financial metrics, including net debt, free cash flow and Adjusted EBITDA

# ChampionX Capital Allocation Framework

Committed to Value Creation for our Shareholders



## Strong Balance Sheet Provides Flexibility ...

**Consistent,  
Strong Cash  
from  
Operations**

**\$413 MM**  
**Trailing 4  
Quarters**  
**~11% of Revenue**

**Target  
1x Net Debt /  
Adjusted  
EBITDA**

Debt <sup>(1)</sup>	\$628
Less: Cash	250
<b>Net Debt</b>	<b>\$378</b>

**~0.6x Trailing 4 Qtrs. Adjusted EBITDA**

**Ample  
Liquidity**

Cash	\$250
Credit Facility Availability <sup>(1)</sup>	638
<b>Liquidity</b>	<b>\$889</b>

## ... To Fund Our Capital Allocation Priorities

- 1 Maintain 1x Net Debt / EBITDA, through-the-cycle**
- 2 Fund internal investment**
  - Maintenance capital
  - Growth capital
  - Investments in innovation
  - Highest ROI investments
- 3 Pay sustainable, growing dividend**
  - Recently increased to \$0.085/share
  - Expect to grow over time with free cash flow growth
- 4 Pursue value-creating acquisitions**
  - Disciplined M&A framework
  - Strategic, tuck-in opportunities that add to our capabilities and growth profile
  - Drive returns above cost of capital
- 5 Return excess capital to shareholders**
  - \$750 million share repurchase authorization
  - \$180 million repurchased in 2022

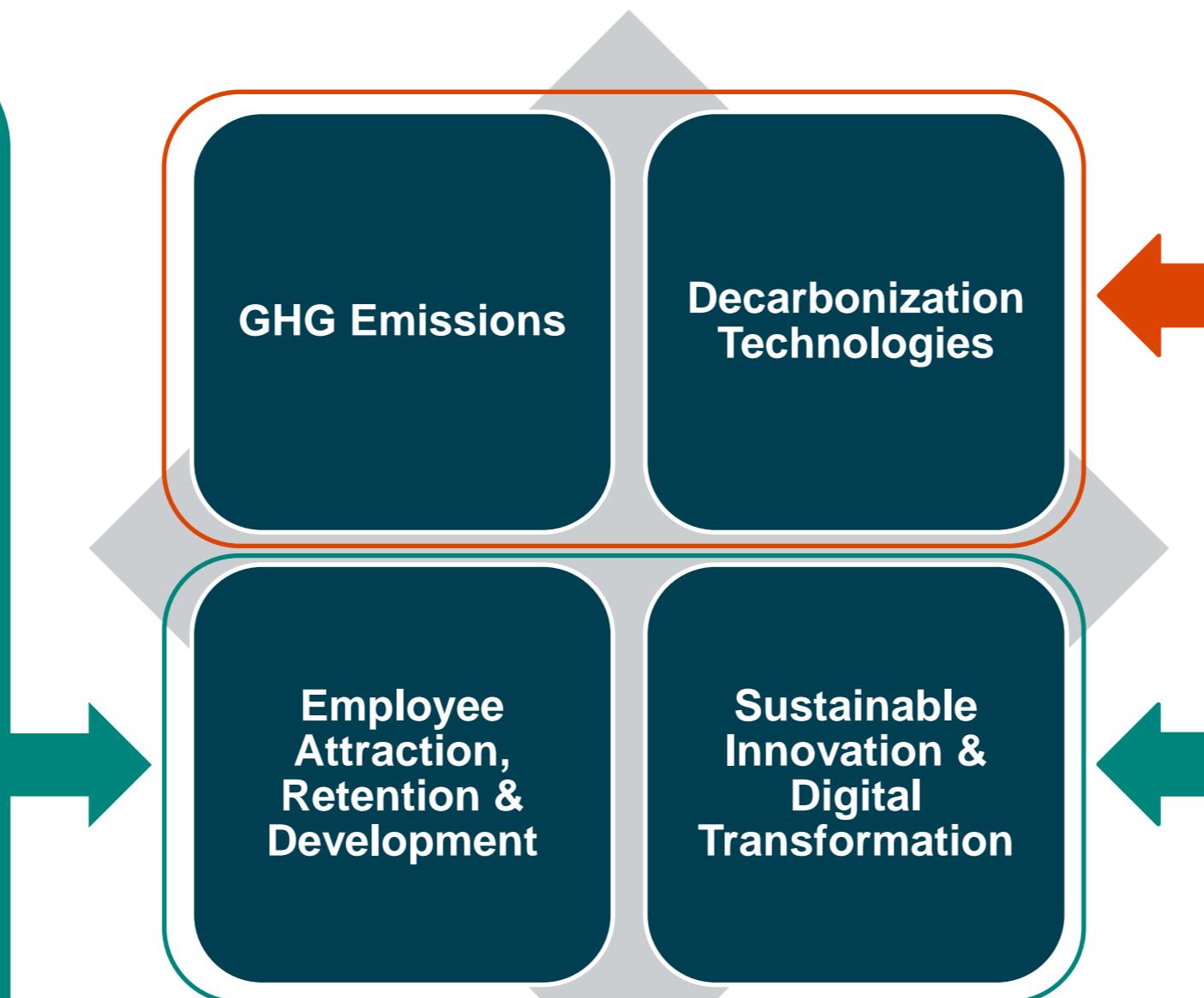
Note: USD in millions. Certain numbers may not add up due to rounding of numbers.  
(1) Debt = debt on face of balance sheet at December 31, 2022.

# Purposeful Approach To Our ESG Priorities



## Best Energy Workplace

ALLY Energy named ChampionX a Best Energy Workplace based on our culture, employee survey feedback, family-friendly and flex-work programs, D&I efforts, community projects, and other efforts to be an employer of choice. The global competition drew nearly 400 nominations of leaders, teams, and companies within the oil and gas industry.



**Strategic Acquisitions**  
Have Expanded our Emissions Detection and Decarbonization Portfolio  
– Scientific Aviation, Leak Surveys Inc., Tomson Technologies

**Product innovations focused on reducing carbon footprint of producing assets** – HIGH RISE Pumps, Multi-Well Chemical Injection Control

**Digital innovations driving increased efficiencies** – predicting failures, XSPOC production optimization

ChampionX named Highly Commended in ESG Champion of the Year awards at Oil & Gas Middle East Awards 2023



ChampionX CEO received DEI Champion Award from Energy Workforce & Technology Council

# How ChampionX is Improving Lives Every Day



◀ Our Malaysia team marked **1.5 million safe hours with no LTIs by releasing hundreds of endangered turtles** into Mak Nik Bay.



◀ Our Australia team supported Conservation Volunteering Australia to **pick up trash near the Brisbane River.**



▲ ChampionX families in Bahrain recently participated in a **local beach clean-up drive.**



◀ Our Essence ERG hosted a blood drive through the **Gulf Coast Regional Blood Center**, collecting enough blood to save up to 54 lives.



▲ Our UNBRIDLED ESP Systems team came together to improve lives recently – **building a new fence and improving landscaping at the Ronald McDonald House in Tulsa, OK.**



▲ The ChampionX Law Department team recently spent a rewarding afternoon working on **Improving Lives at the Montgomery County Food Bank in Texas.**



▲ Following the recent devastating earthquakes in Turkey, our Qatar-based team, with support from some of our Oman team, delivered **donated children's gloves, baby formula, flashlights and hundreds of batteries to the global Turkey earthquake relief effort.**

# Key Messages You Will Hear Today

1

Leading global energy production optimization solutions provider

2

Attractive growth pathways across the business portfolio

3

Well positioned to help decarbonize energy production operations

4

Differentiated and sustainably strong free cash flow profile

5

Capital allocation framework focused on value creation for shareholders

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# Chemical Technologies

Deric Bryant

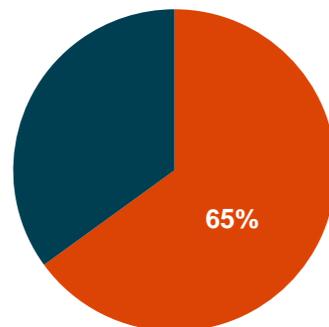
## 2022 Revenue

**\$2.5B**

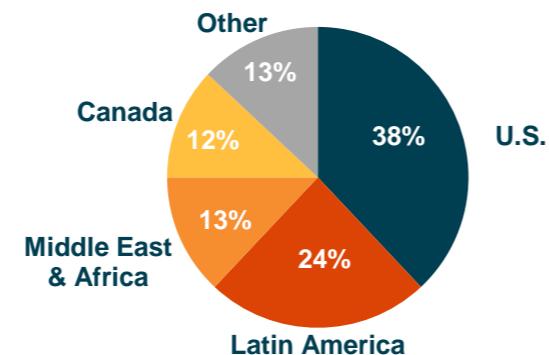
(+26% increase, YoY)

- Global leading provider – **broad range of chemical solutions and services** required onshore and offshore in the reservoir, production and midstream
- Operate across **all production markets** assisting in production assurance, oil/water separation and treatment, asset integrity and flow maximization
- Greater than 60% of our employees have **direct customer facing roles** providing consultations, field services and troubleshooting support
- Global ecosystem** of laboratory, manufacturing, and service capabilities

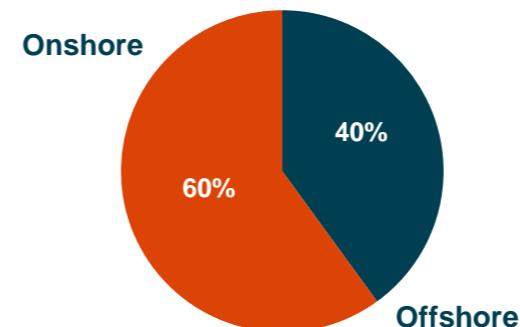
### % Total ChampionX<sup>1</sup>



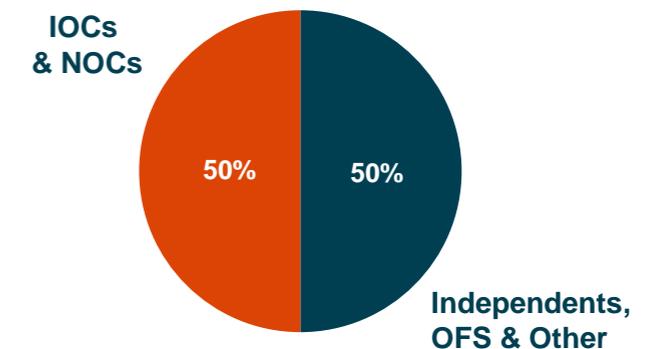
### Geography<sup>1</sup>



### Onshore/Offshore Revenue<sup>1</sup>



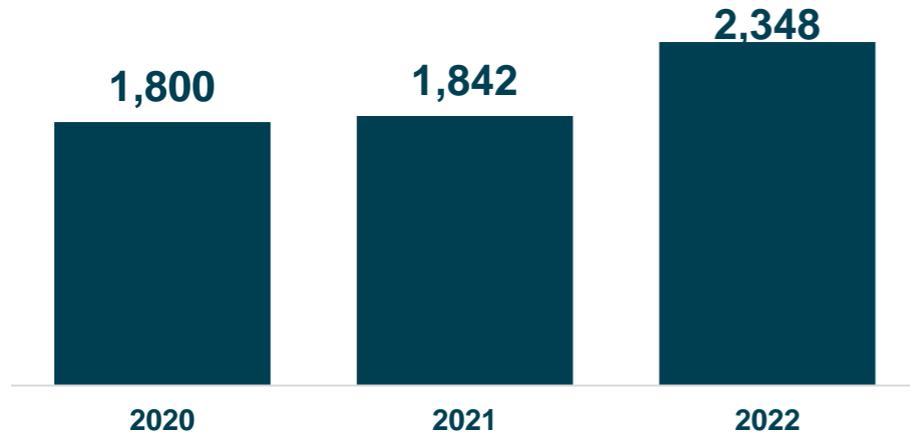
### Customer Mix<sup>1</sup>



# Segment Financial Trends

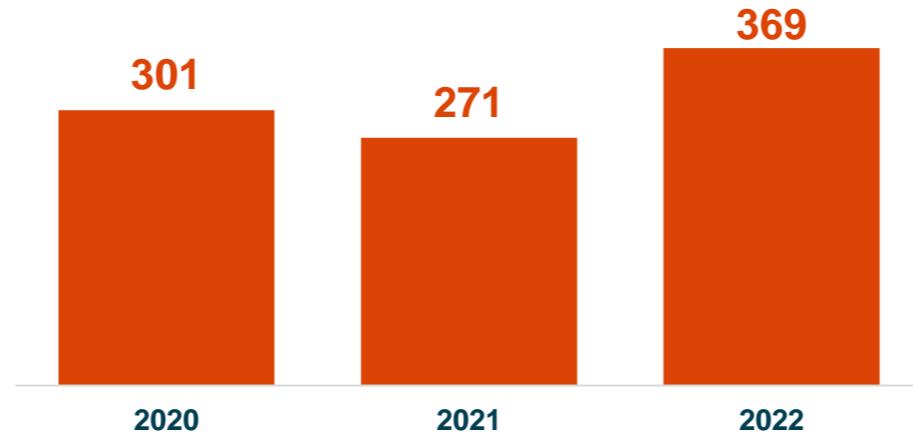
## PCT Revenue

In Millions

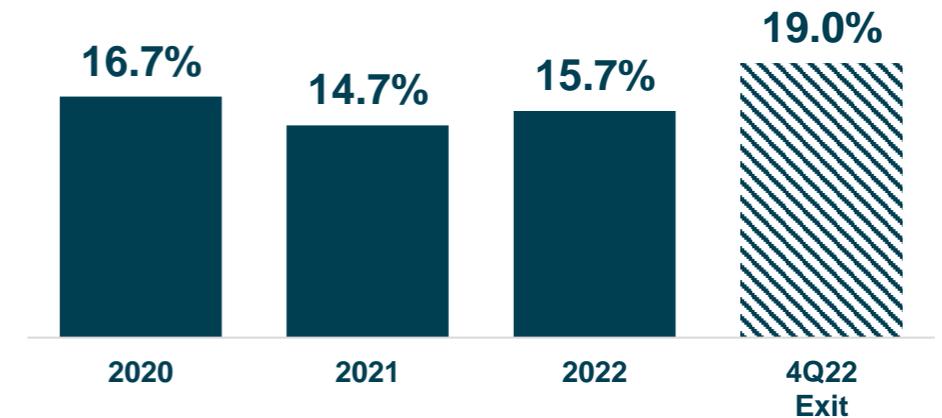


## PCT Adjusted EBITDA

In Millions

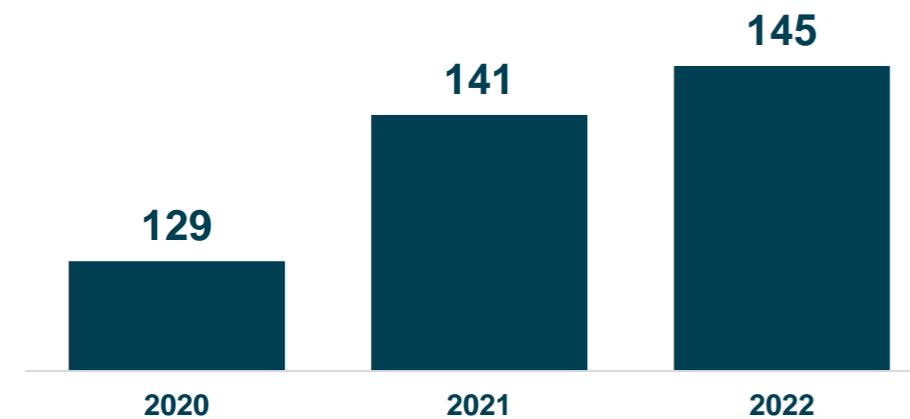


## PCT Adjusted EBITDA Margin



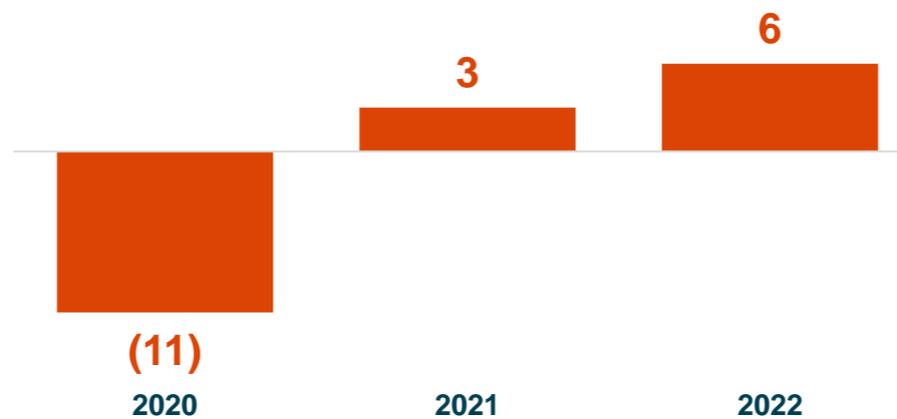
## RCT Revenue

In Millions

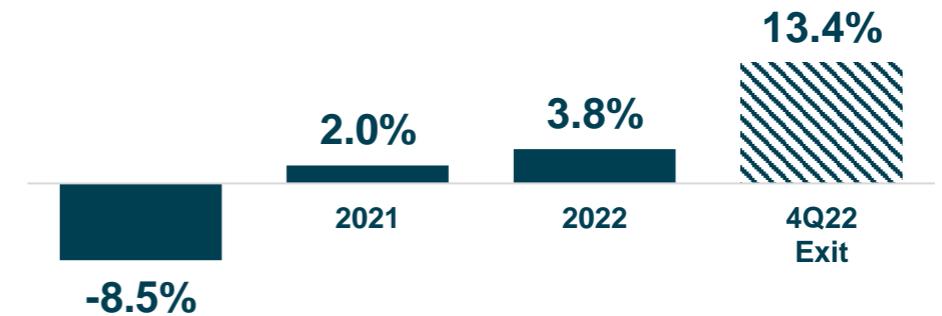


## RCT Adjusted EBITDA

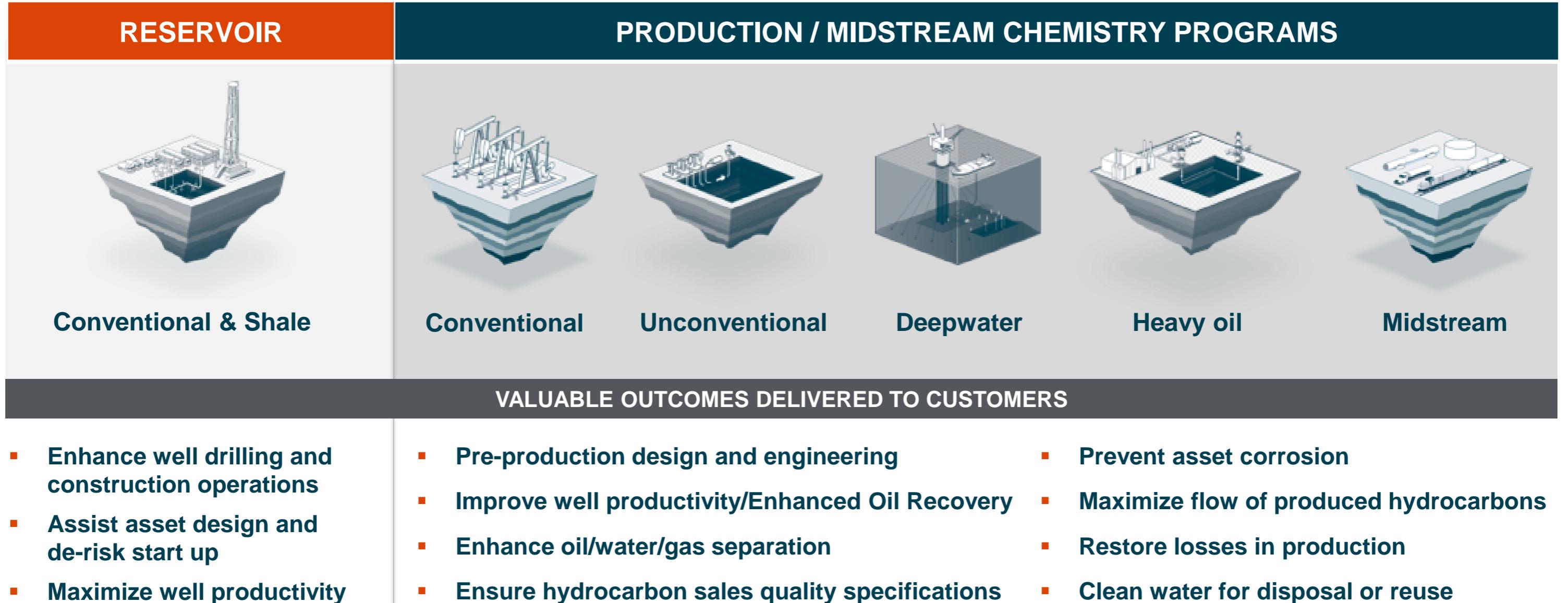
In Millions



## RCT Adjusted EBITDA Margin



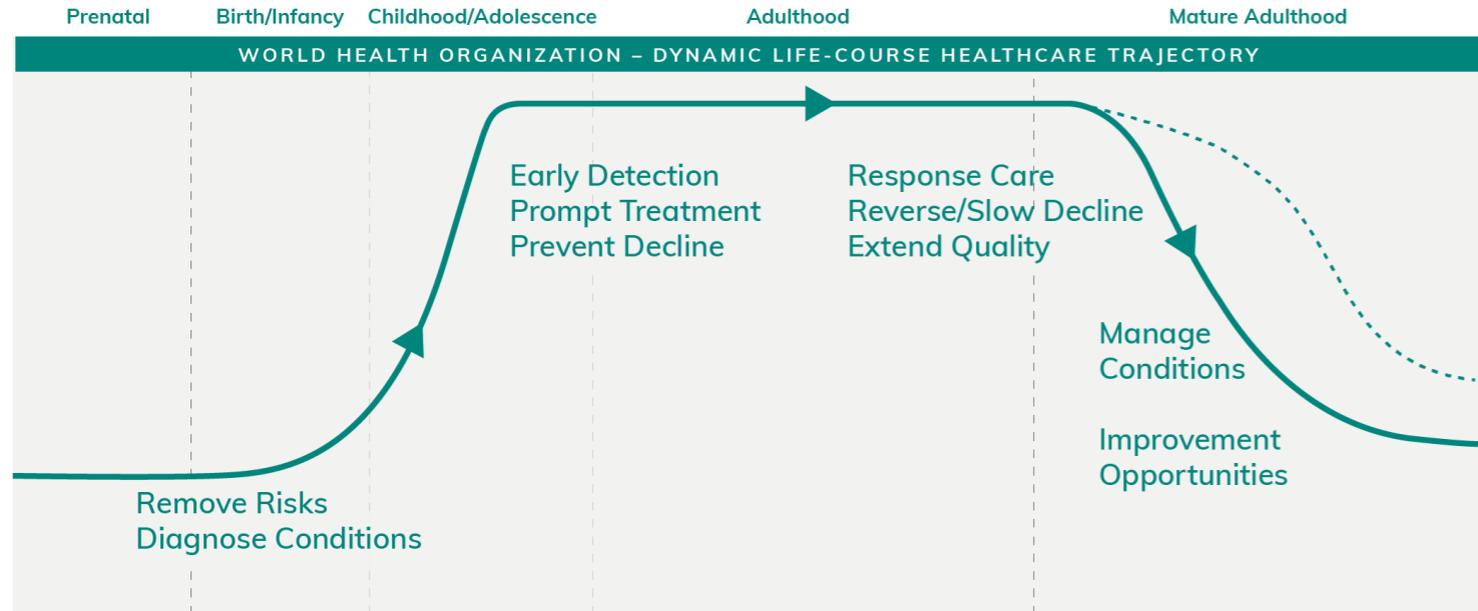
**Overcoming inflation; increasing margin momentum**



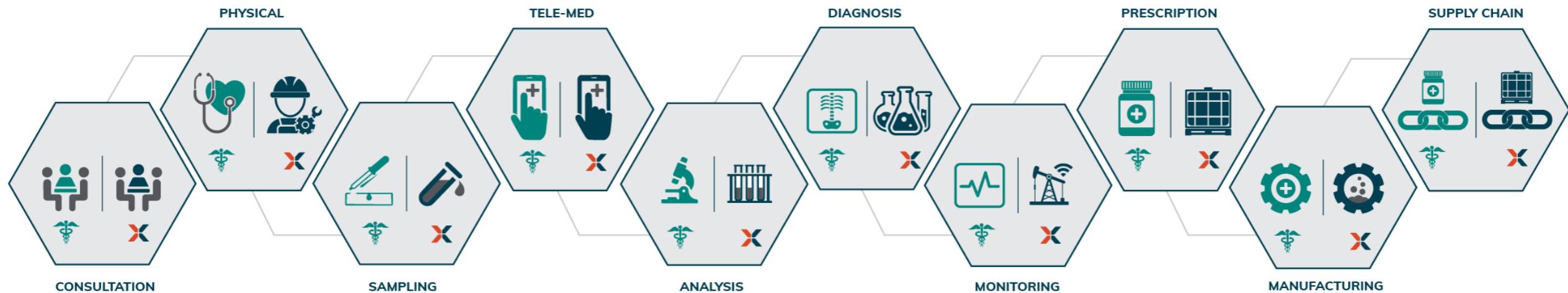
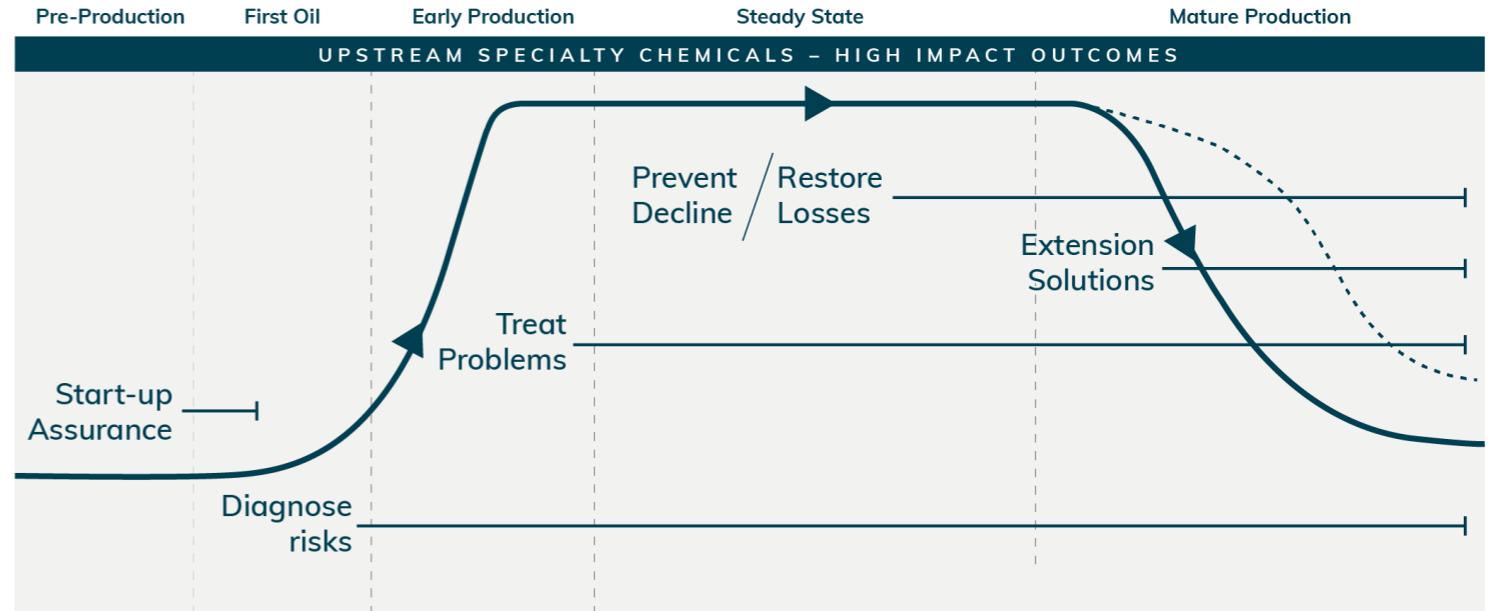
**Enabling operators to expand profits, reduce total costs and de-risk operations.**

# Healthcare for Producing Assets

## Healthcare Life Cycle



## Oilfield Life Cycle

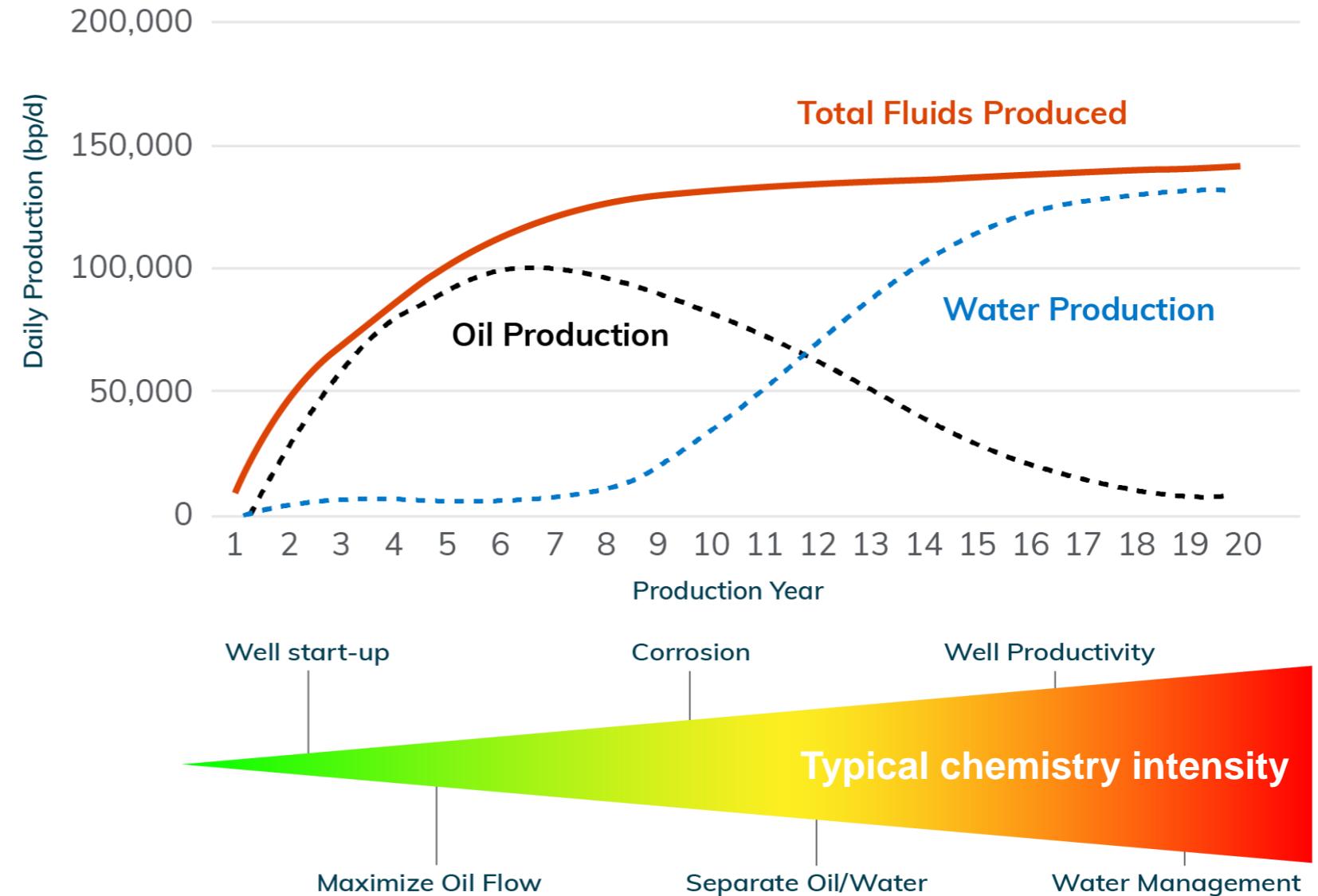


**Delivering health and longevity across long life cycle**

## Our Typical Revenue Journey

- Our **chemistry revenue** begins with first oil and continues through the life of the field
- All wells eventually begin producing **water in addition to oil**
- Water production** further increases **chemistry intensity**
- Our **revenue trends higher** with total fluids and chemistry intensity

Total Fluids Production Profile – Illustrative example



**Total fluids and chemistry intensity drives revenue**

## Team – Circling the Customer

**Local expertise.**  
**Deep relationships.**  
**Global knowledge.**

**60%+** Employees working directly with customers every day

**Globally interconnected support:**



- Intense customer focus
- Onsite application expertise
- Global solutions for global customers
- On demand remote support

## Technology – Fueling Growth

**Innovation for a complex environment.**

**600+** Ongoing customer support projects

 Improved speed to solution via digital & data analytics **33%**

- **Engineering** – Creation of novel testing techniques and equipment
- **Chemistry** – Development of new molecules
- **Digital** – Enabled remote operations and enhanced data analytics

## Supply – Unrivaled Footprint

**Strong and agile.**



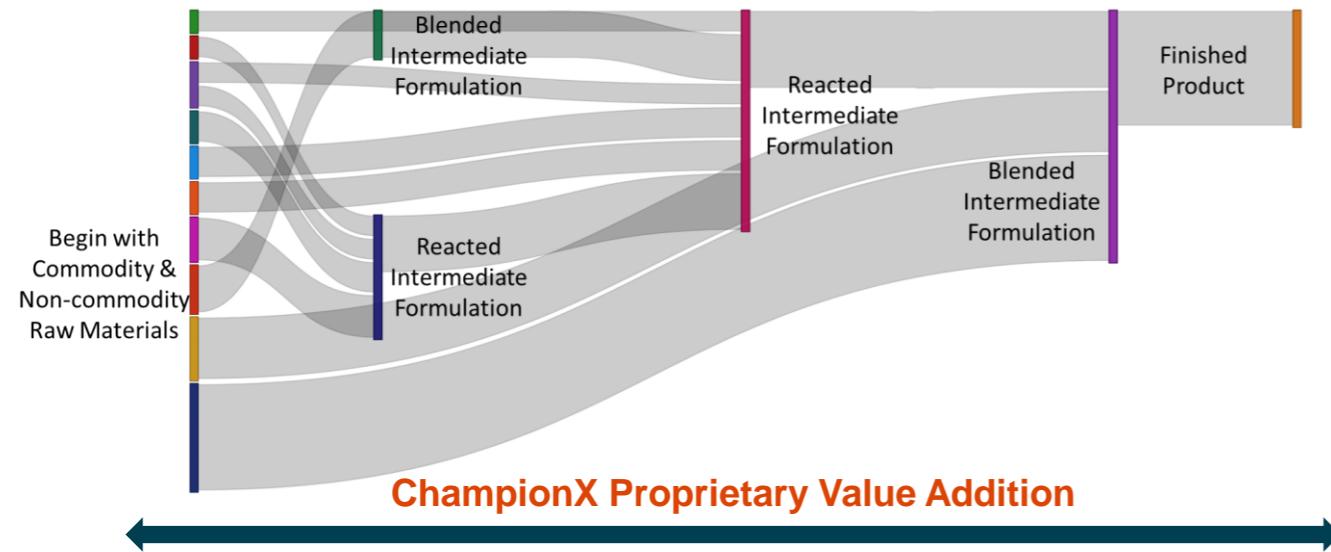
**200+** Facility Locations **60+** Countries Active

- Global reach and secure local supply
- Connected “Hub and Spoke” network
- Digitally-optimized distribution

**Customer intimate, unmatched ecosystem: Robust. Resilient. Reliable.**

## Chemistry Development

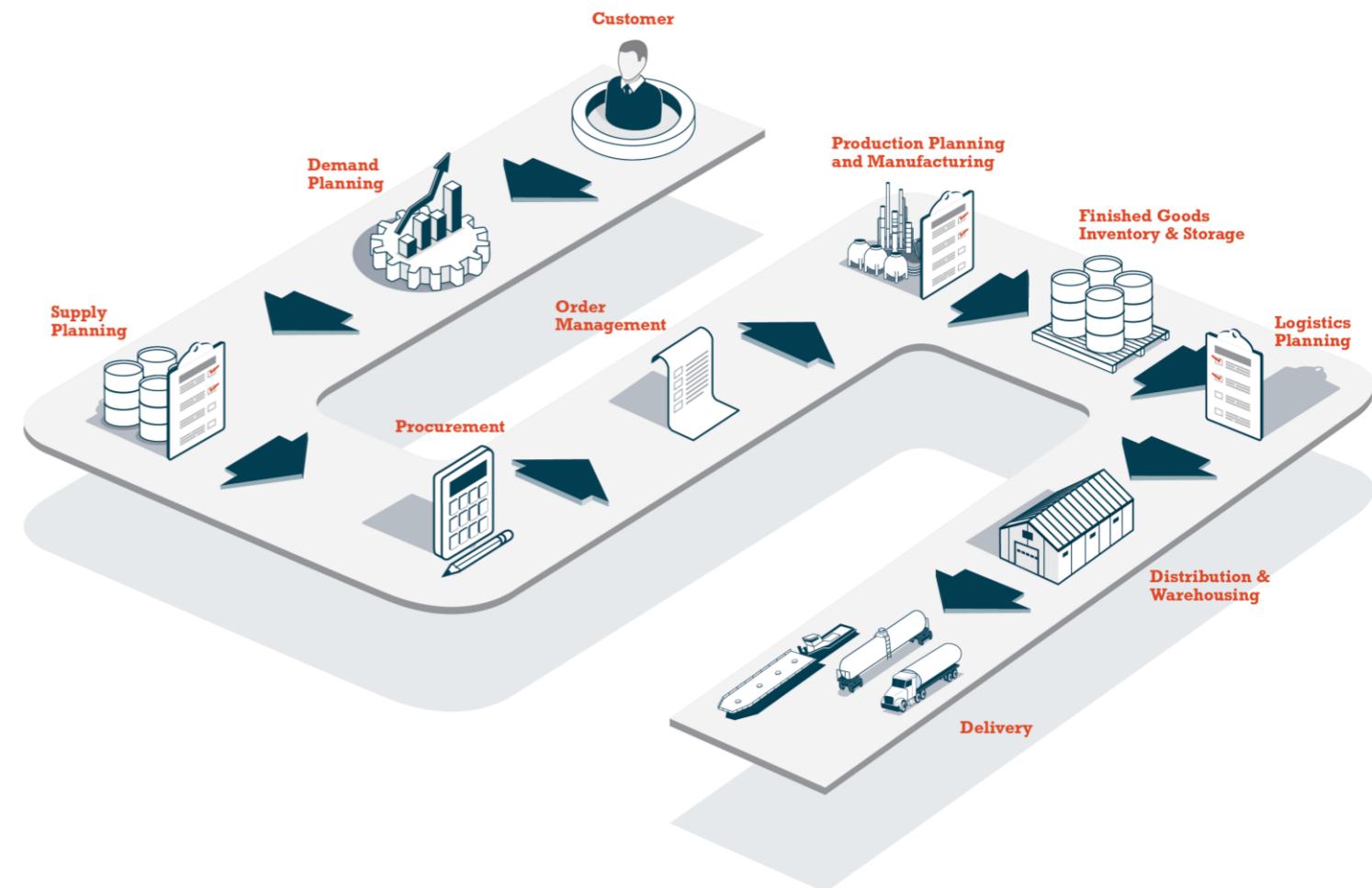
### Innovating and creating new solutions



- **40% Commodity materials** – raw materials often tied to published data
  - Ethylene, propylene, methanol, aromatics, fatty alcohols
- **60% Non-Commodity materials** – engineered materials not tied to published data; limited suppliers/multiple end markets
  - Silicones, phosphonates, polymers, amines, resins
- **Innovating, developing and formulating unique specialty chemistries** that solve unique customer challenges.

## Supply

### Establishing effective supply chain

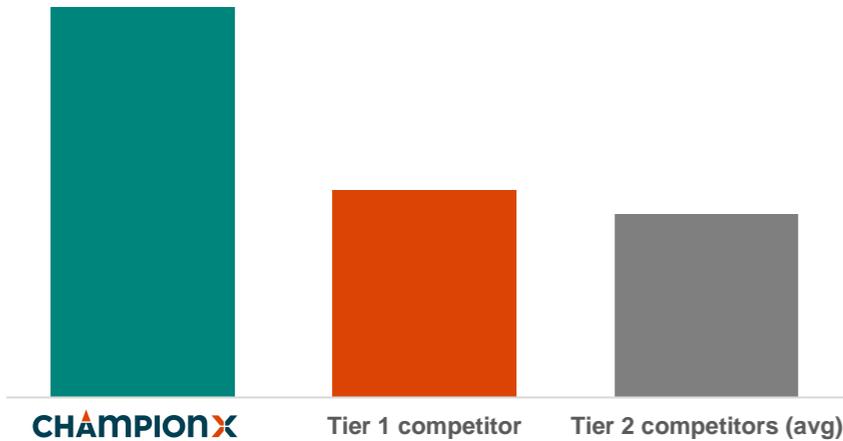


From field diagnosis to solution with trusted technology and supply

# Earning Highest Customer Loyalty

## Customer Loyalty Score

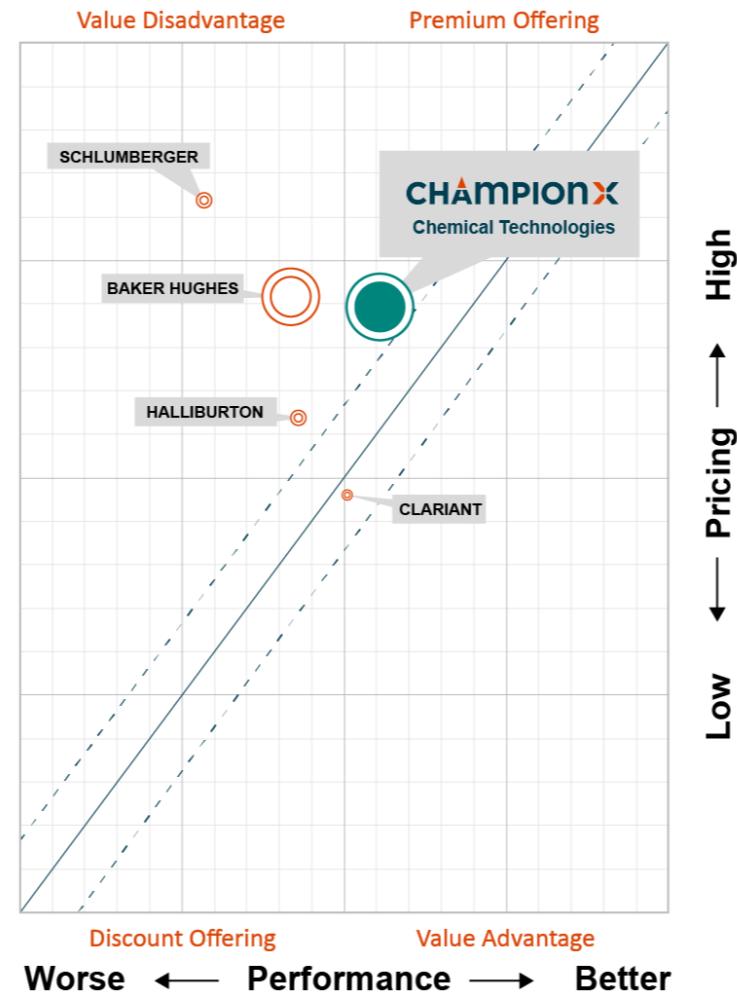
Net Promoter Score - Worldwide Market vs. the other 4 major suppliers



- #1 in **Customer Loyalty** in 2022
- Performance factors include
  - Performance/effectiveness
  - Responsiveness to needs
  - Competency of field personnel
  - Technical support/service
  - Product quality
  - Availability/delivery
  - Price competitiveness

Source: Kimberlite Production Chemicals Supplier Performance Report 2022

## Value Map



Source: 2022 Value Map via Kimberlite Production Chemicals Supplier Performance Report 2022

## Competitive Moats

Broad portfolio of differentiated chemistry offerings

Industry's innovation shaper

Resilient supply and distribution network

Expertise in every major oil producing basin

Depth of production chemistry subject matter expertise

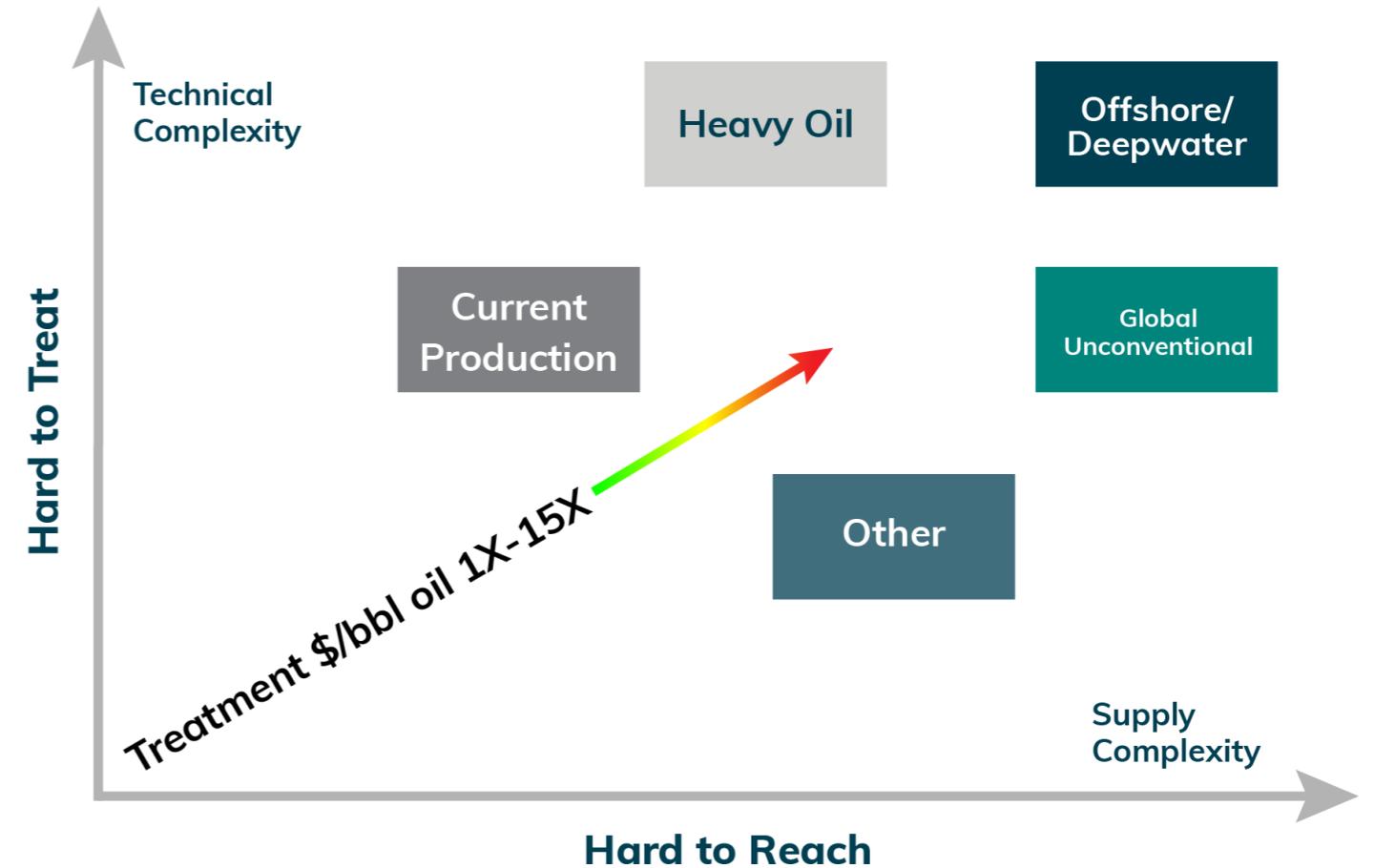
Operational assurance via proprietary PROact platform



# Production Portfolio is Increasingly Complex

2022		2030
~100MM bo/d		~106MM bo/d <sup>1</sup>
Current Production <sup>1</sup>	↓	Natural decline
SOURCES OF PRODUCTION		
Global Unconventional <sup>1</sup>	↑	Increases ~6MM
Global Offshore/Deepwater <sup>2</sup>	↑	Increases ~6MM
Heavy Oil <sup>3</sup>	↑	Increases ~1MM
Global Other	↑	Increases ~3MM

16MM+ bo/d incremental new production required to offset decline and meet demand



**Both current and new production set to become more chemistry intensive**

1

## Current Production

- Increasing water production drives total fluid volumes and treatment complexity
- Maturing asset treatment complexity drives revenue growth across the globe

2

## New Production Offshore/Deepwater

- Continuing technical innovation essential to meet increasingly harsh production conditions
- Leverage our transferable knowledge to offshore deepwater growth in Latin America and Africa

3

## New Production Unconventional

North America, Latin America, Middle East

- Continued digital enhancement of supply and service capabilities enabling customer value at scale
- Leveraging our North American unconventional domain knowledge into emerging Latin America and Middle East markets
- Enhancing well productivity both in the reservoir and topside production systems

4

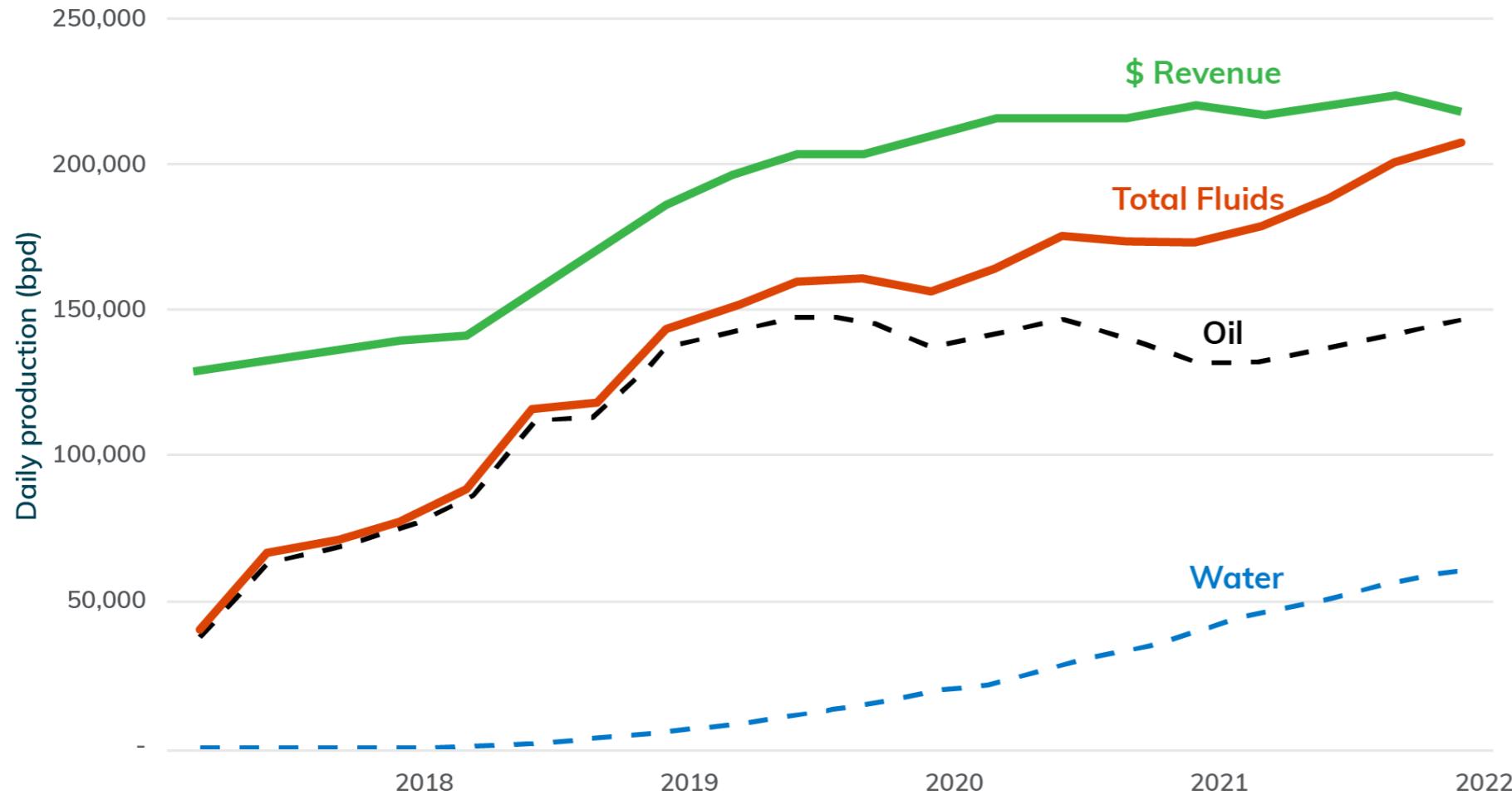
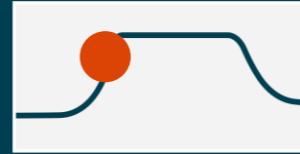
## New Production Heavy Oil

- We create technical advantage giving customers lower operating costs
- Focus on innovation to decrease energy and water usage

# Total Fluids Drive Revenue

## Offshore asset – start of life

Early field life | 1-5 Years



Source: ChampionX data

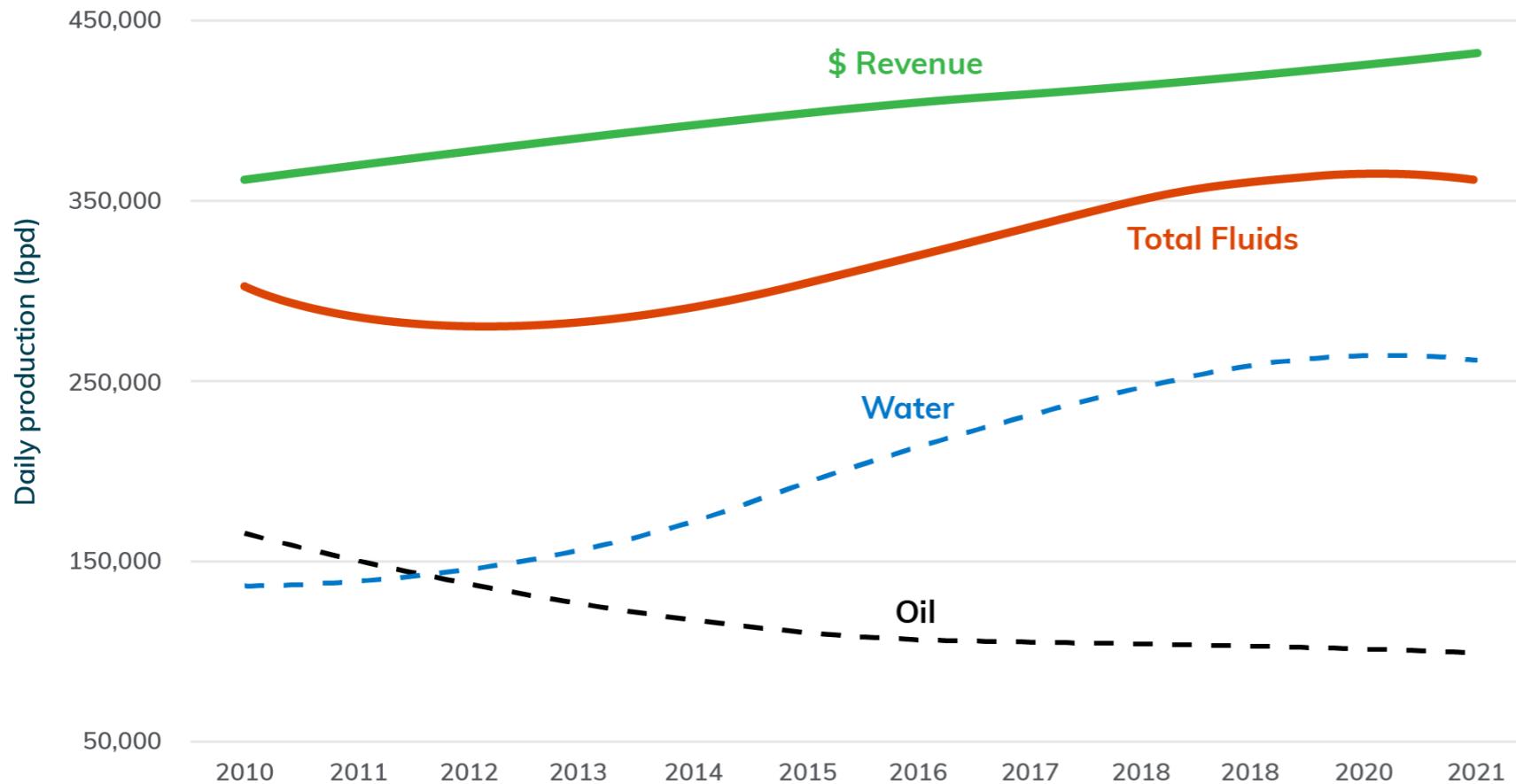
## Typical Production Profile

- Data taken from an offshore asset at start of production life
- Water breakthrough – Year 1
- Hydrocarbon peaked but total fluids continue to increase with water
- Total mixed fluids require increasingly demanding technical solutions driving chemistry intensity

**Our revenue first grows with oil, then water, then trends with total fluids and intensity**

# Total Fluids and Age Drive Revenue

## Complex oilfield – late in life Late field life | 25+ Years



Source: ChampionX data

### Typical Production Profile

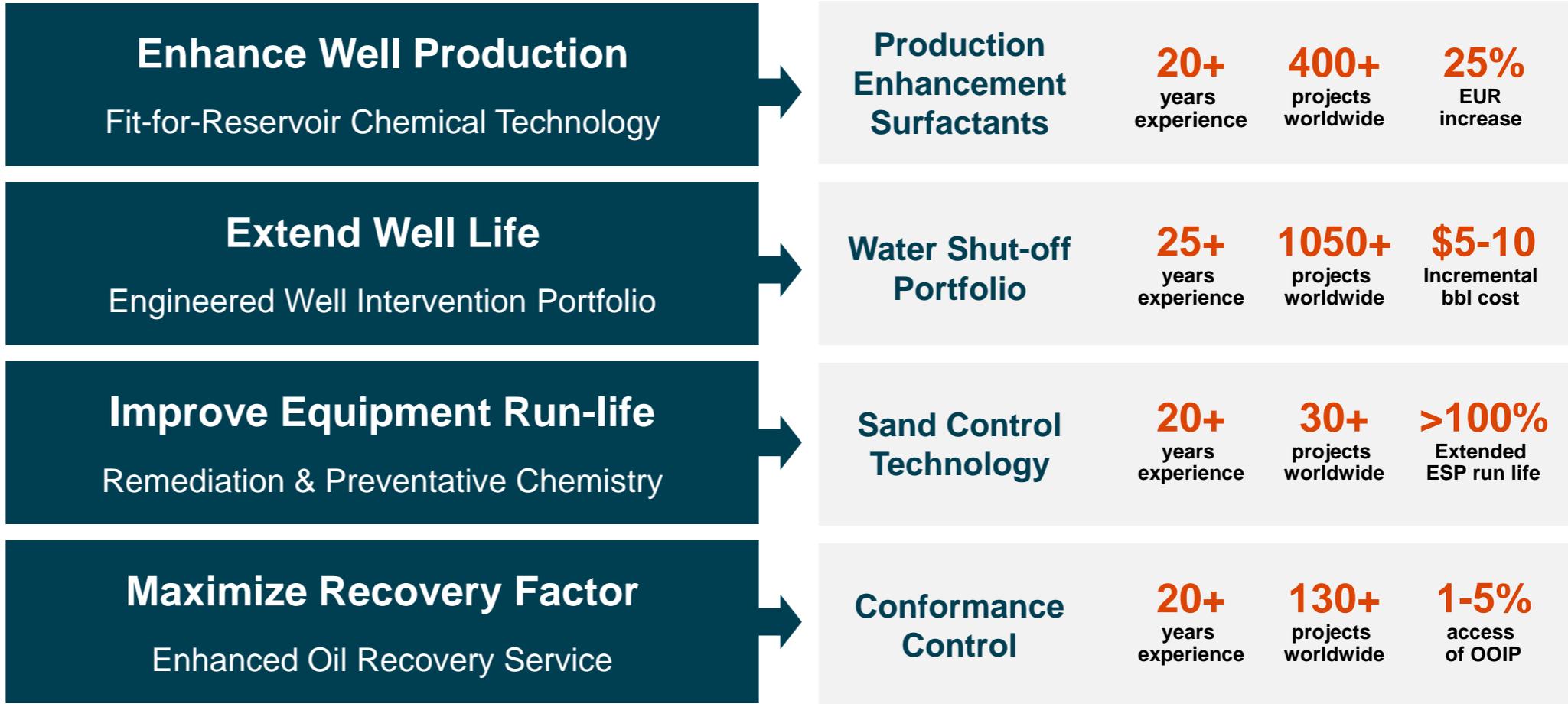
- Data taken from a complex oilfield development
- Late in life oilfield with >500 total wells in use decades beyond its peak oil rate
- Hydrocarbon peaked and has declined but total fluids and age of assets continue to increase, driving intensity and revenue

Late in field life, our revenue trends with fluids, age and intensity, despite oil decline

# Enhancing and Extending Well Productivity

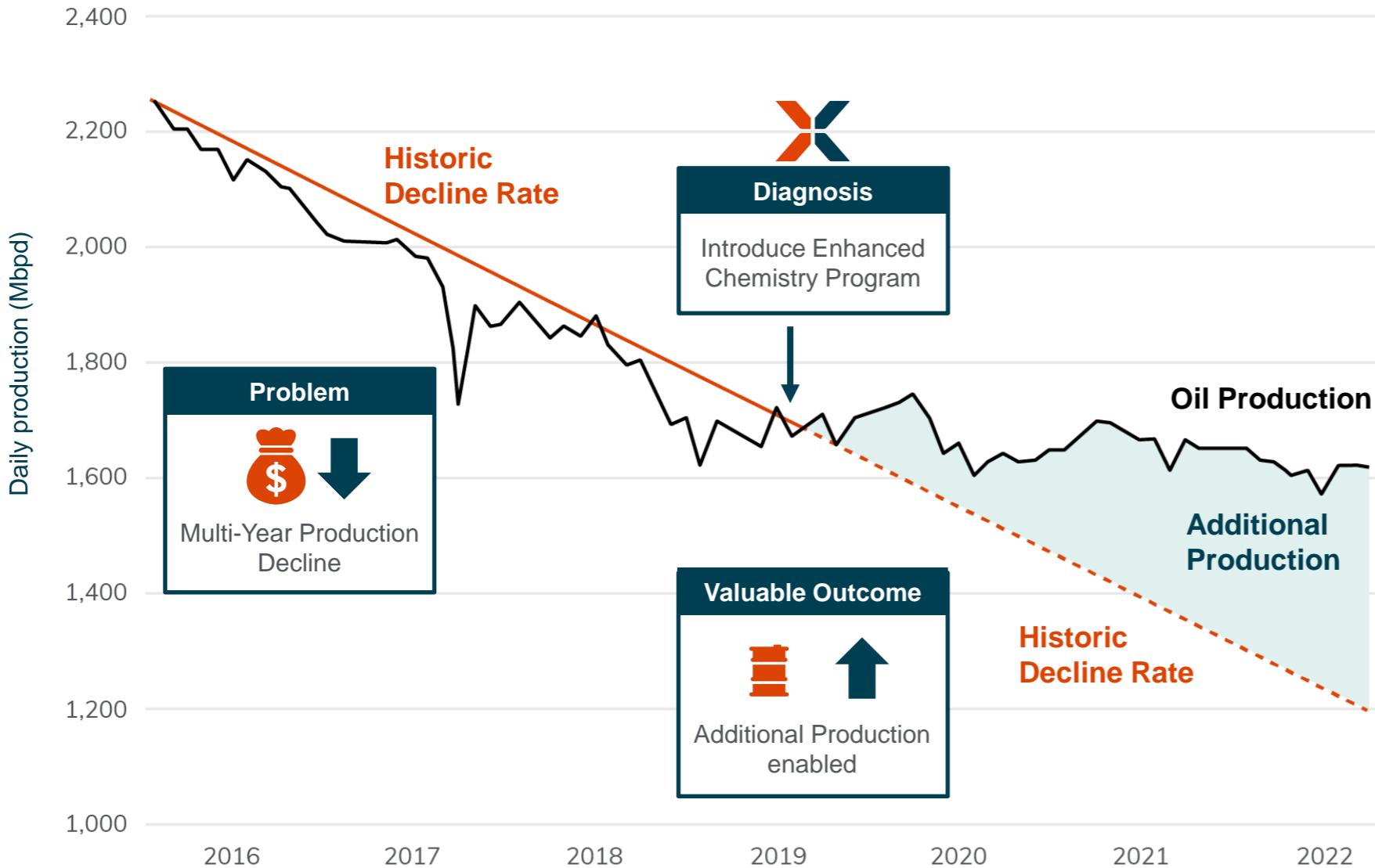


ChampionX proprietary experience



Our proprietary chemistries help get the most out of each well

# Current Production Enhancing Production – Major, Mature Oilfield



## Mitigating production declines in a large oilfield

- Continuous enhancement of chemistry enabled on-spec oil and increased well stimulation
- +400 million barrels additional produced with decline curve flattened
- On-spec oil decreased asset integrity risk

**We deliver well productivity solutions with outsized value**



ChampionX employee with Guyana's 'first oil' on FPSO Destiny



Chevron Jack/St. Malo

## Complexity – Hard to reach and treat

### Industry leading challenges – Deepwater quick facts



**10K PSI,  
40-375°F**

Crushing pressures  
Extreme temperatures

**Stringent  
product quality**

Aerospace  
quality standard

**>20 million  
liters sold**

of certified subsea  
products sold per year

**1,000+ miles**

Gulf of Mexico  
umbilicals filled  
with our chemistry

**66%**

Deepwater fields started up and managed by ChampionX in major basins

**60%**

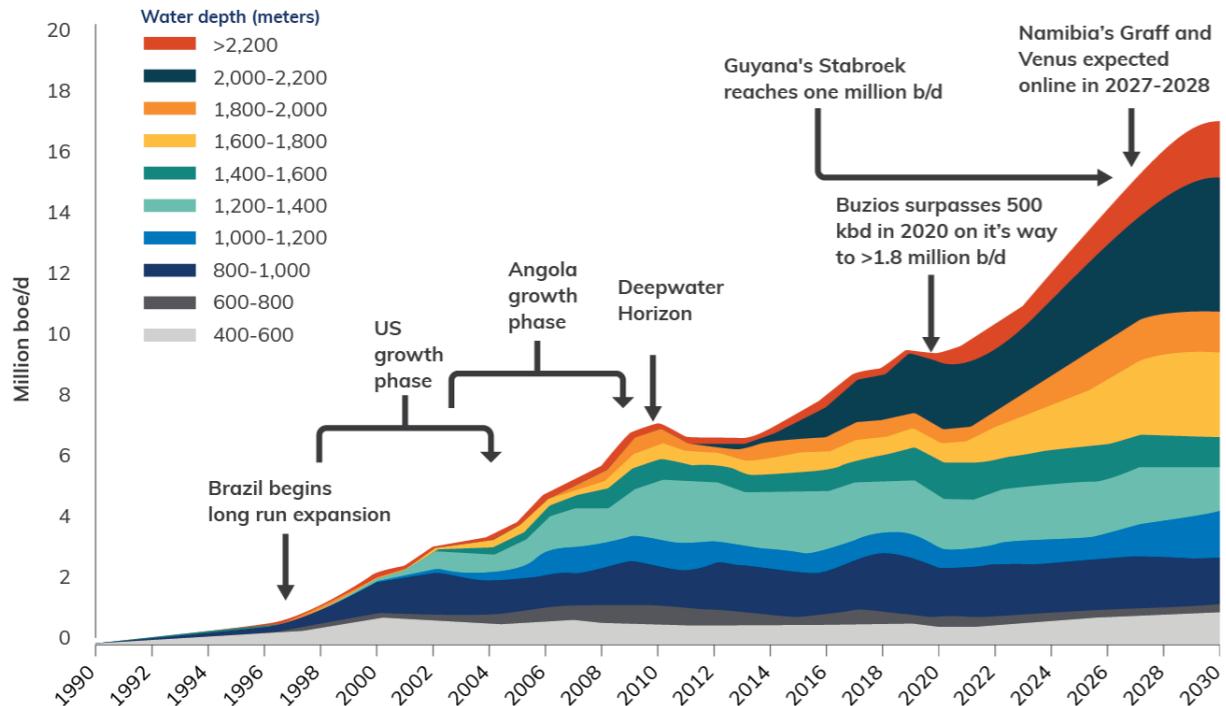
Offshore deepwater boe/d growth projected by 2030

**We are well positioned as deepwater growth returns**

# New Production Offshore Deepwater Growth



**Deepwater oil and gas production growth by water depth**



## Global Deepwater view

**Brazil, Guyana and Africa**

Main growth regions this decade

**5 | 16**

Host vs SSTB Projects in GOM until 2026

**46%**

Current SSTB production in GOM

**270+**

Certified people – Onsite offshore support

## Our differentiated technology essential for growth

Asphaltene Inhibitor | Greener Chemistry | Flow Improver | SurFlo SE

**17MM boe/d**

Global deepwater production is expected to reach by 2030

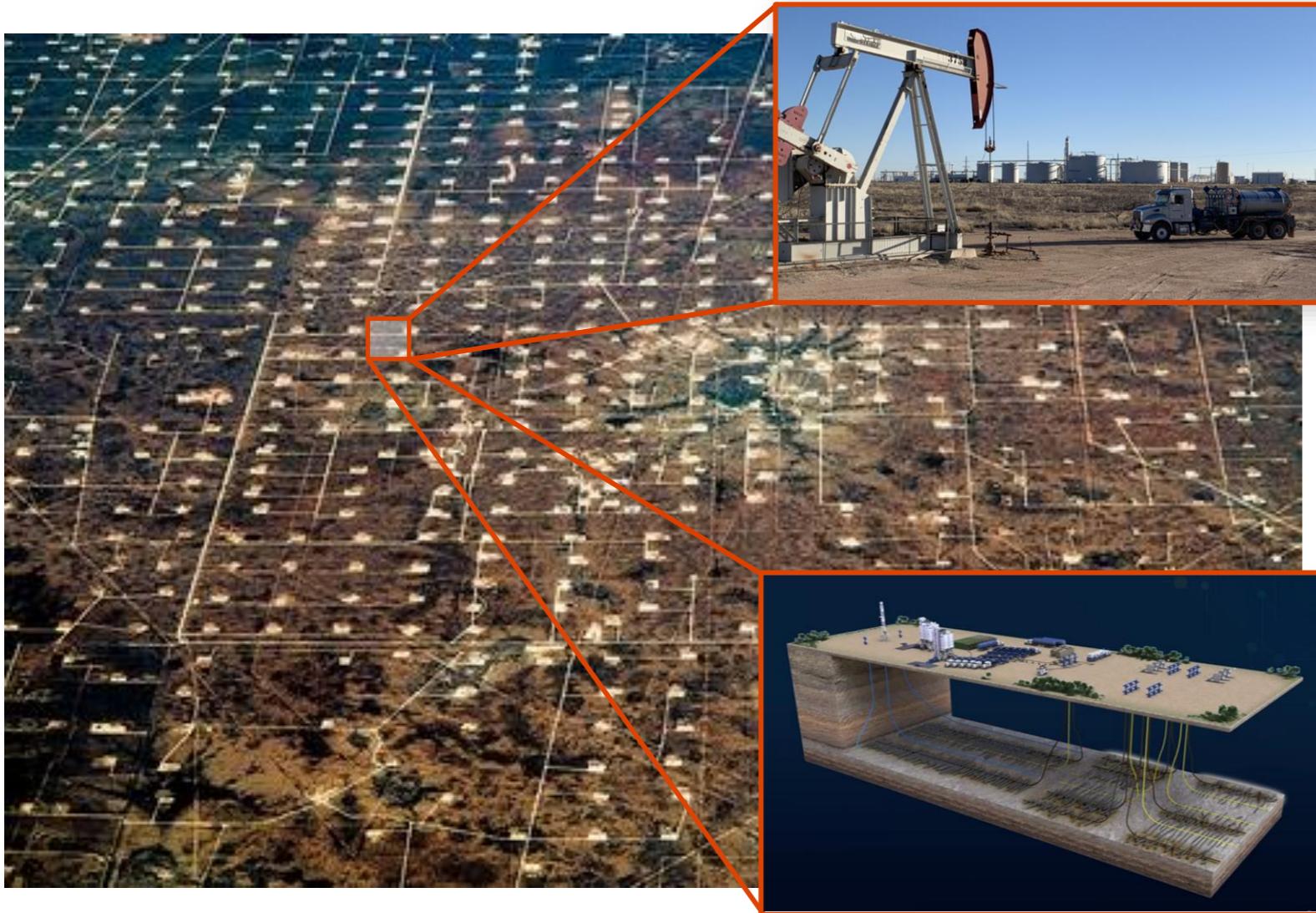
**2024**

Ultra deepwater will account for more than half of all deepwater production

**2MM+ boe/d**

Deepwater production by 2032 that comes from 10 countries not yet producing

Source: Wood Mackenzie and ChampionX estimates



## Complexity – Hard to reach

**86,000**

Square miles of Permian production. Supplying, treating and servicing

A typical day in the Permian



**600**  
Samples Tested

**3,000**  
Diagnostic Tests

**40,000**  
Gallons Delivered

**>30%**

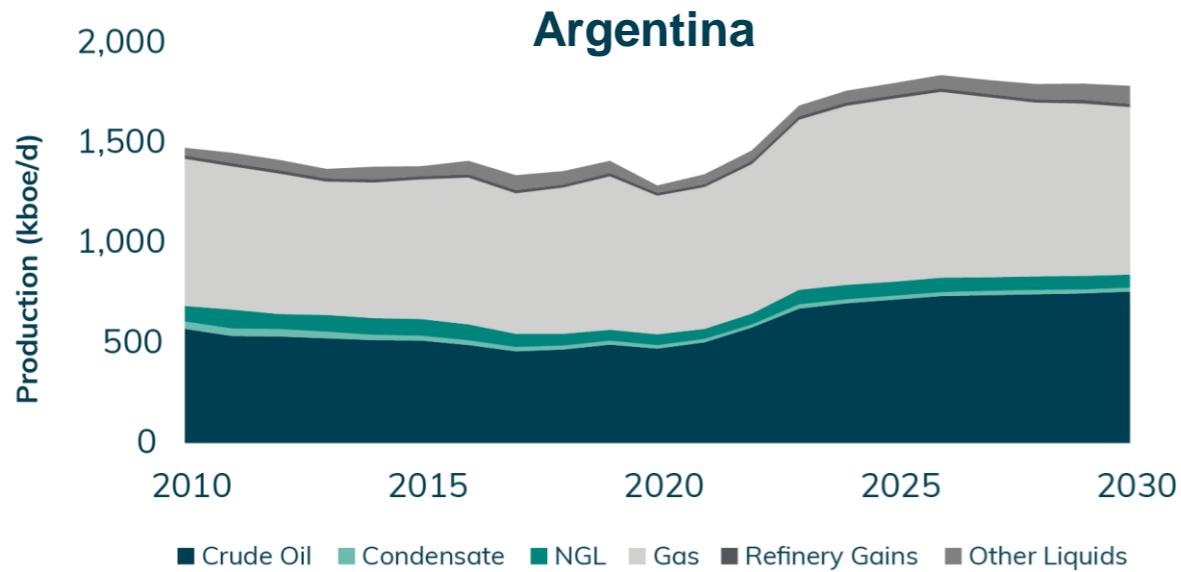
Market share, leading provider

**40%**

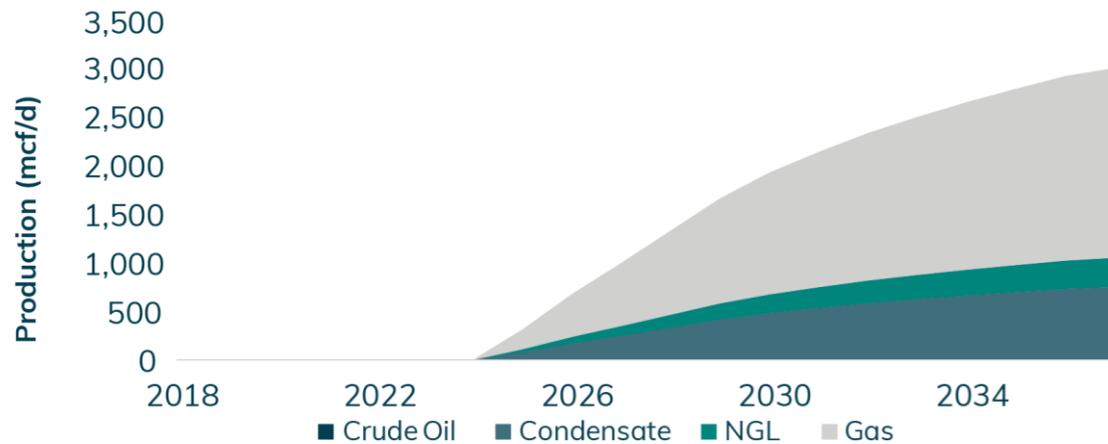
Global unconventional shale growth projected by 2030

**ChampionX has leading position in largest U.S. unconventional basin**

## Production Output Projections



## Saudi Arabia



Source: Rystad

## International Shale View

**Argentina**  
**Saudi Arabia**

Main shale oil and gas development projects

**11.5K**  
square miles

Producing area in Vaca Muerta

**6.5K**  
square miles

Producing area in Jafurah

**42%**

Unconventional oil production in Argentina

## Our differentiated technology essential for growth

Multifunctionals | Foamers | Paraffin Inhibitors | Digital

**2**

Countries leading international unconventional projects

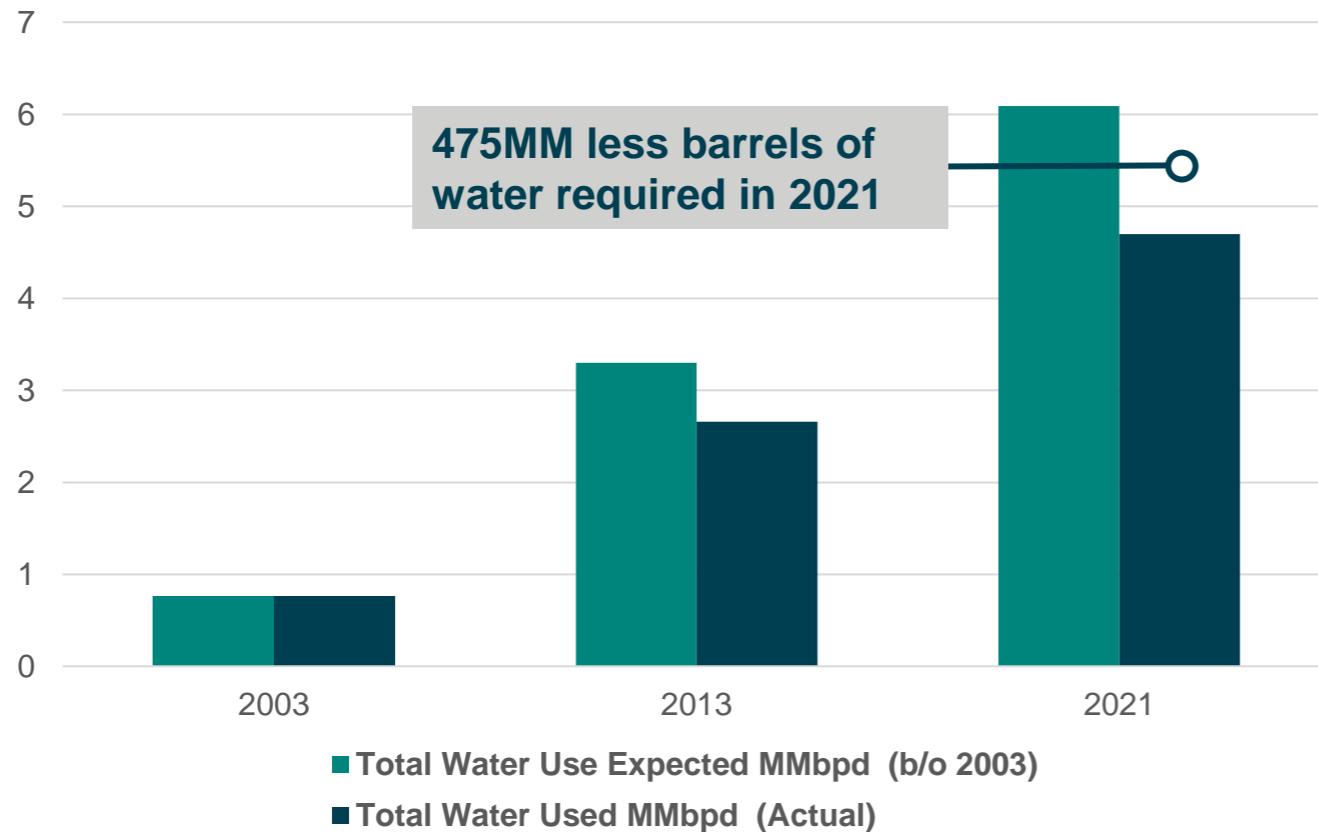
**16,000+**

New Wells projected over 20+ year period in Vaca Muerta and Jafurah

**\$100B+**

Expected investment over the next 10 years on wells, pipelines and processing plants

## Chemistry Enables Water Use Reduction



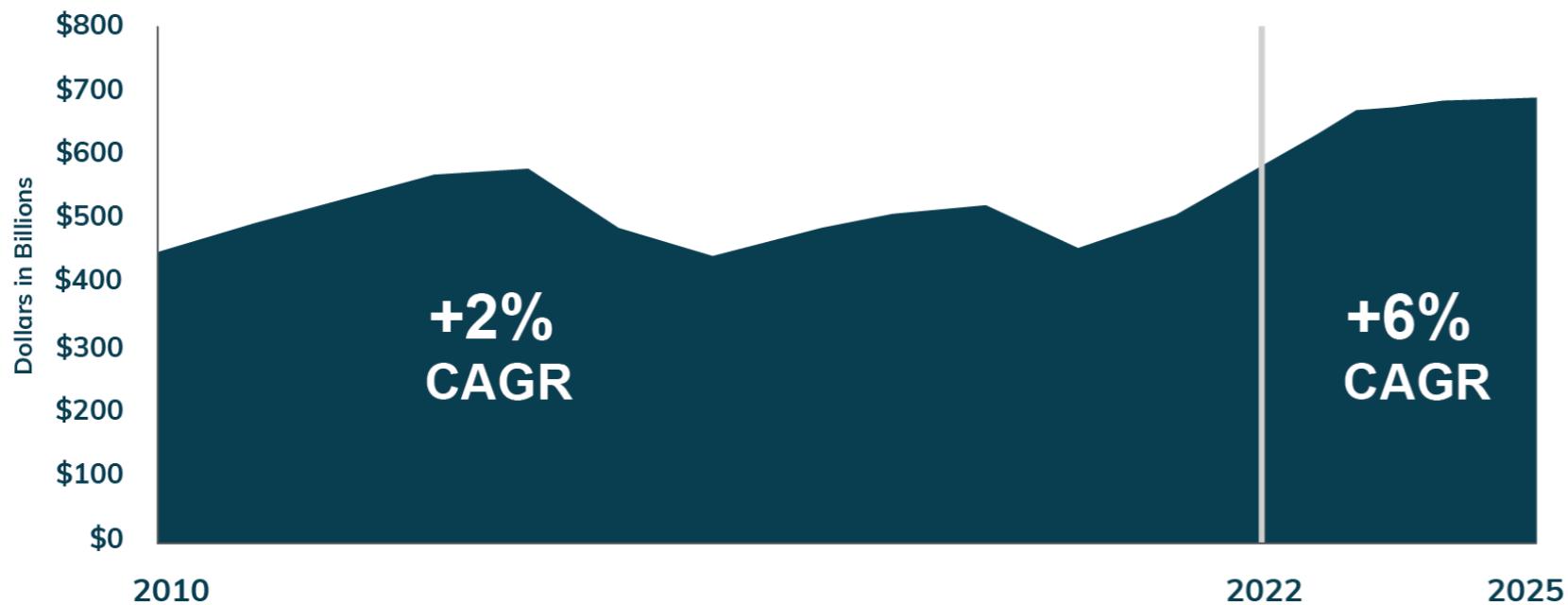
## Complexity – Hard to treat

- 55,000** Square miles of Alberta production. Supplying, treating and servicing
- 90%** Water recycle and reuse
- 3:1** Water to oil ratio requirement
- 40°F/100°F** Extreme ambient temperatures
- 30%** Canadian heavy oil boe/d growth projected by 2030
- 4X** Technology-driven share gained

## Reducing, reusing and recycling water

# Strong PCT Growth Expected

- PCT revenue **strongly correlates** to OPEX
- Macro trends **favor strong growth** in OPEX
- We **expect to outperform** OPEX growth



OPEX spending climbs to ~\$700B by 2025

## Key Drivers of our Outperformance

- ✓ **CONSTRUCTIVE OIL PRICE**  
Customers focused on production maximization
- ✓ **CAPITAL DISCIPLINE**  
Capital discipline demands smart OPEX
- ✓ **CHEMISTRY INTENSITY INCREASES**  
Increasing current and new production complexity drives chemistry intensity
- ✓ **CHAMPIONX CAPABILITY DIFFERENTIATION**  
Our strong capability & moat have us uniquely positioned

**PCT revenues expected to grow high single-digit CAGR 22-25. Outperforming OPEX growth.**

- **Essential production partnering** over entire asset life cycle
- Our **ecosystem** is delivering **unmatched and differentiated value**
- **Growth** driven by strong **demand**, increasing **complexity** and chemical **intensity**

# Production & Automation Technologies

Paul Mahoney

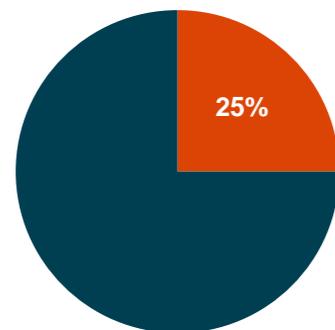
# Production & Automation Technologies Overview **CHAMPIONX**

2022 Revenue

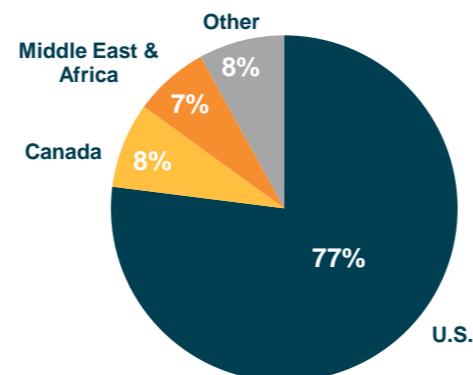
**\$955MM**  
(+25% increase, YoY)

- **Broadest artificial lift portfolio** coupled with digital solutions, supporting oil and gas operators over the production life cycle
- Industry-leading brands known for **performance reliability, technology, manufacturing quality, pre- and post-sales support**
- **Continued investment in ESP and digital platform new product development** will continue to deliver share of wallet gains and further diversify our revenue mix
- **Responsive service with scale:** 116 (North America) & 36 (rest of world) sales & service locations for customer support

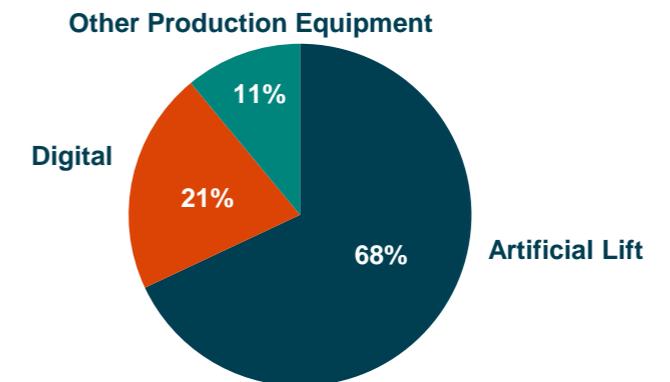
% Total ChampionX<sup>1</sup>



Geography<sup>1</sup>



Product Mix<sup>1</sup>



# Segment Financial Trends



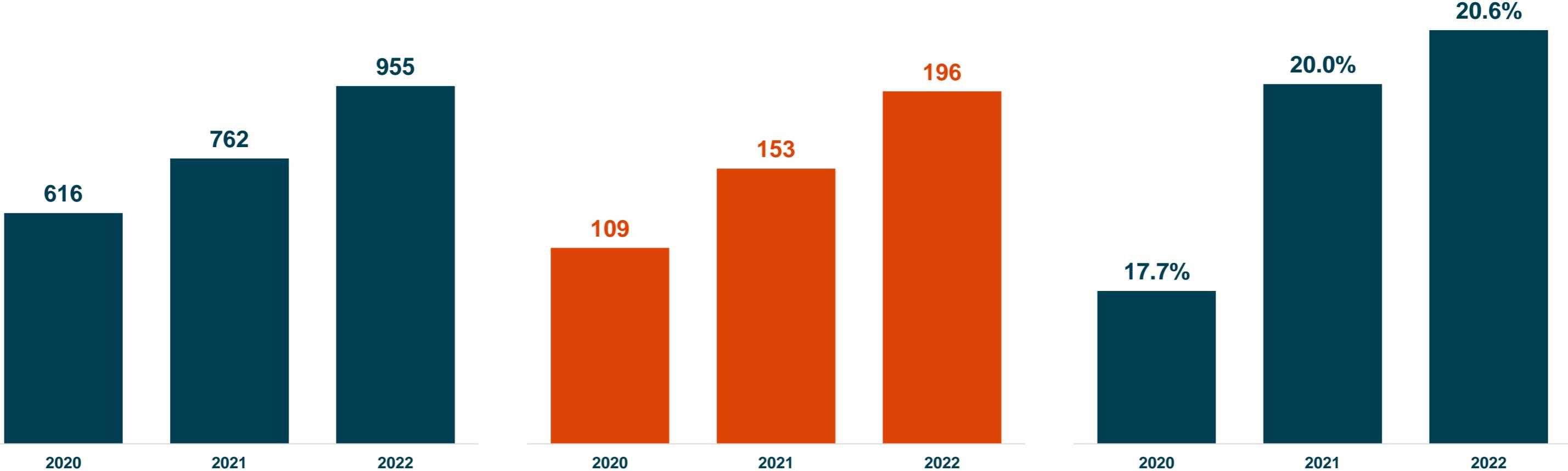
## Revenue

In Millions

## Adjusted EBITDA

In Millions

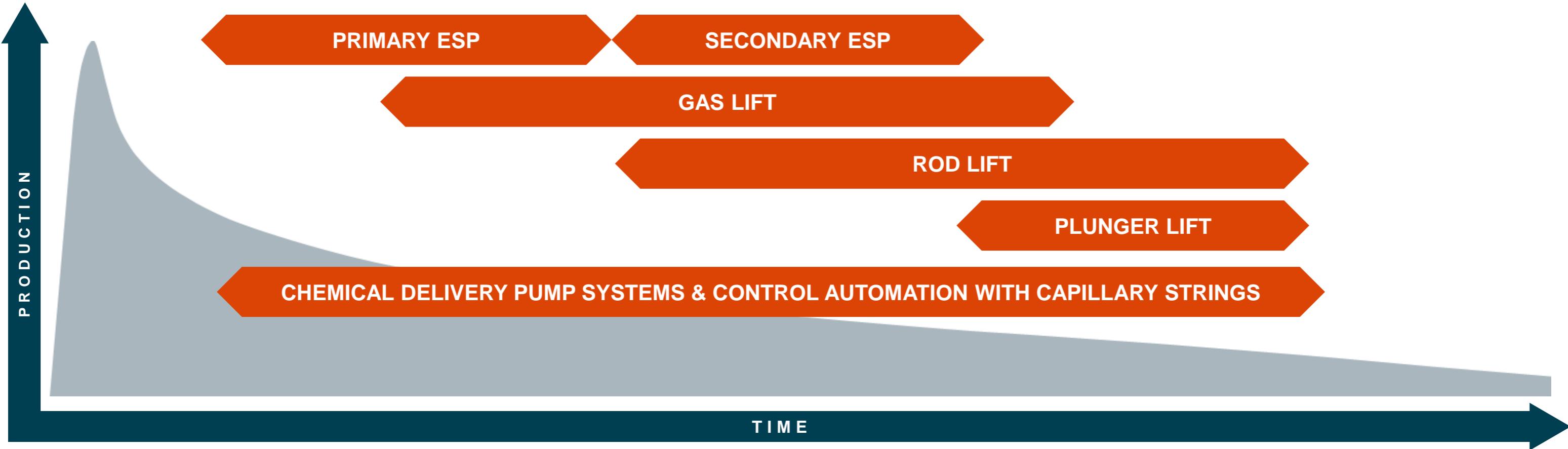
## Adjusted EBITDA Margin



Strong recovery from pandemic downturn

## GENERATING VALUE THROUGH THE LIFE OF THE WELL

DIGITAL SOLUTIONS



# Broad Artificial Lift Offering Delivering Value Across Life Cycle

## Integrated Digital Platform

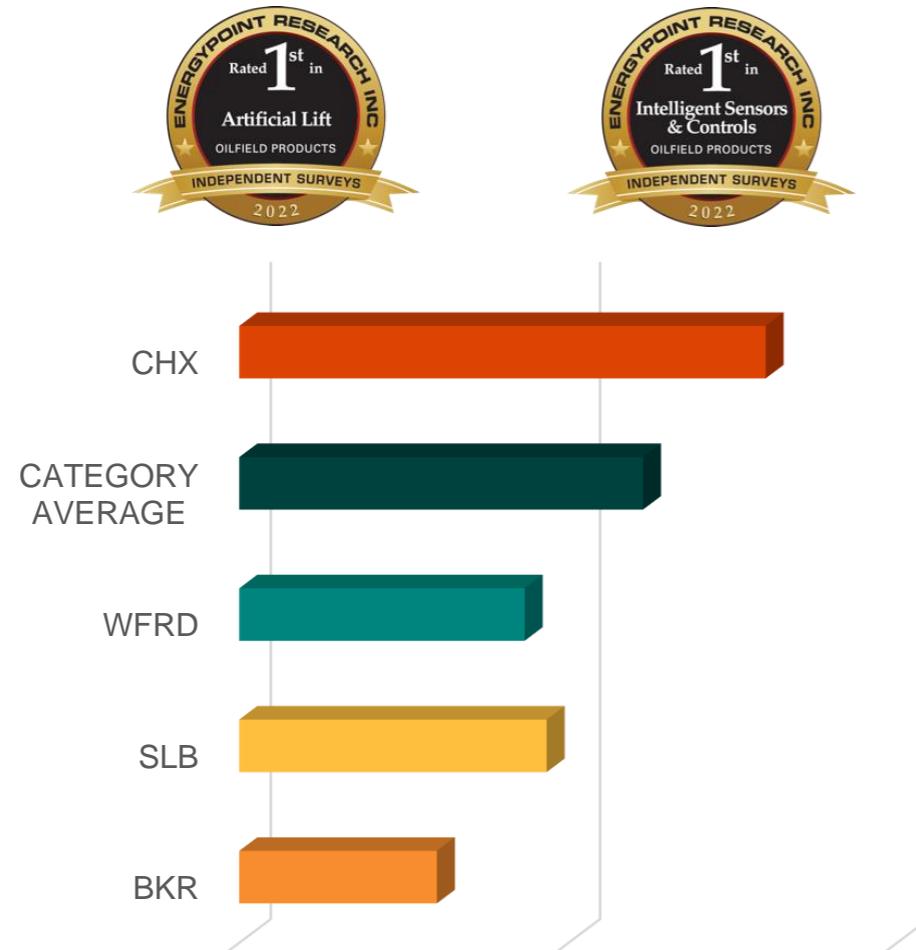
Electrical Submersible Pumping (ESP)	Rod Lift	Gas Lift & Hydraulic Lift	Other
33% of Sales <sup>1</sup>	43% of Sales <sup>1</sup>	7% of Sales <sup>1</sup>	16% of Sales <sup>1</sup>
<ul style="list-style-type: none"> <li>Full line of ESP systems</li> <li>Centrifugal pumps</li> <li>Gas handling devices</li> <li>Sand / gas separators</li> <li>Protectors and motors</li> <li>Web-based monitoring</li> <li>Surveillance &amp; optimization</li> </ul>	<ul style="list-style-type: none"> <li>Full line of rod lift systems</li> <li>Sucker rods, drive rods</li> <li>Full range of downhole pumps</li> <li>Accessories including BOP, stuffing box, guides</li> <li>Gas &amp; solids separators</li> </ul>	<ul style="list-style-type: none"> <li>Mandrels, valves, packers</li> <li>Gas lift automation hardware &amp; optimization software</li> <li>Jet pumps</li> <li>Hydraulic reciprocating pumps</li> <li>Surface multiplex pumps</li> </ul>	<ul style="list-style-type: none"> <li>Full range of plunger lift equipment &amp; services</li> <li>Full range of PCP equipment: drive heads, pumps, guides, RPUs, services</li> </ul>
'22 Global Market Size <b>\$5.5B</b>	'22 Global Market Size <b>\$2.1B</b>	'22 Global Market Size <b>\$1.1B</b>	'22 Global Market Size <b>\$0.8B</b>
Growth Rate <b>Strong</b>	Growth Rate <b>Strong</b>	Growth Rate <b>Strong</b>	Growth Rate <b>Medium</b>

Source: Kimberlite, Spears, PWC Artificial Lift Study, & management estimates

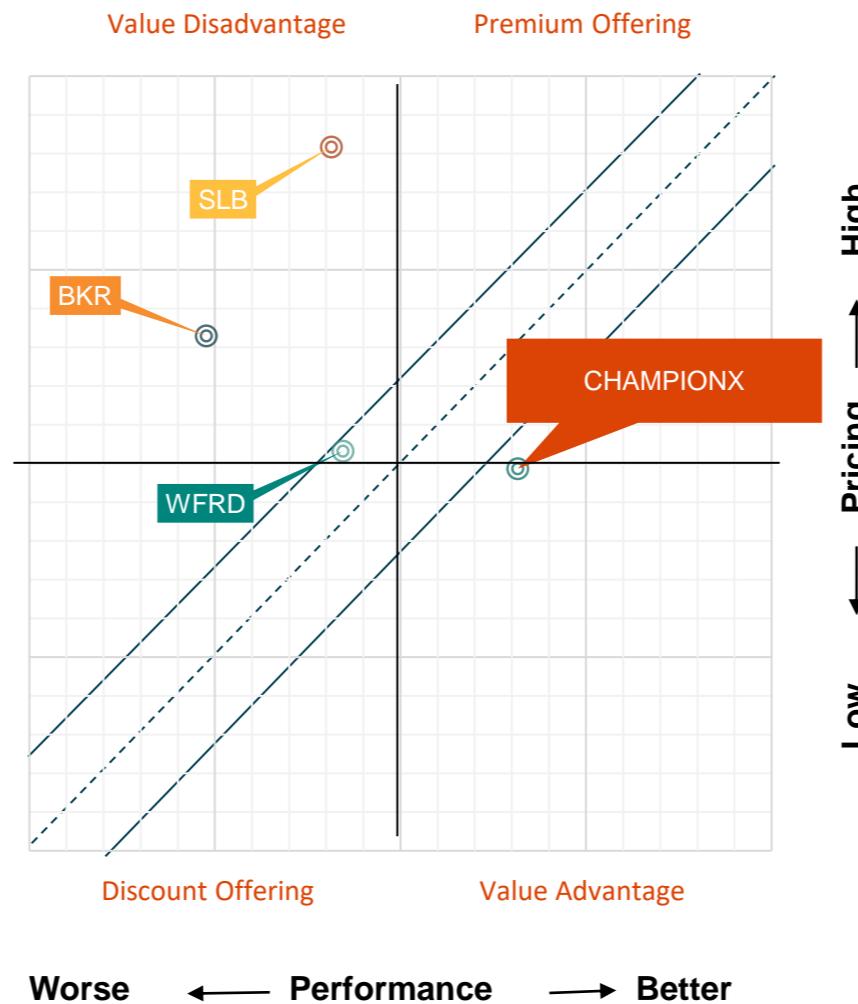
<sup>1</sup> Represents% of 2022 worldwide artificial lift product revenue.

# Why We Win in Artificial Lift

## Customer Loyalty Score



## Value Map



## Competitive Moats

**Full portfolio** to manage life cycle of well

**Technology innovation** that drives asset performance & reliability

**Depth of artificial lift SME & service network** across key North American basins

**World-class digital optimization** that supports operator returns

**Autonomous control** that enhances well productivity and baseline improvements

# Broad Artificial Lift / Digital Solutions Enabling Share Gains

2018				
Customer	ESP	Rod lift	GL / PL	Digital
A	✓	✓		✓
B	✓	✓	✓	✓
C	✓	✓		✓
D	✓			✓
E	✓		✓	✓
F	✓			✓
G	✓	✓		✓
H	✓		✓	✓
I	✓	✓	✓	✓
J	✓		✓	✓
K	✓		✓	✓
L	✓			✓
M	✓	✓	✓	✓
N	✓	✓	✓	✓
O	✓	✓	✓	✓

2022				
Customer	ESP	Rod lift	GL / PL	Digital
A	✓✓	✓✓✓	✓	✓
B	✓	✓	✓	✓
C	✓✓	✓	✓	✓✓✓
D	✓	✓✓✓	✓✓	✓✓
E	✓	✓	✓	✓
F	✓	✓	✓	✓
G	✓	✓	✓✓	✓
H	✓	✓	✓	✓
I	✓	✓	✓	✓
J	✓	✓	✓	✓
K	✓	✓	✓	✓
L	✓	✓	✓	✓✓✓
M	✓	✓	✓	✓
N	✓	✓✓✓	✓	✓
O	✓	✓	✓	✓

Customer white space gains  
**grew 369%**  
from 2018

✓	0-10% growth
✓✓	10-99% growth
✓✓✓	>100% growth

1

## Improving well productivity

- Powerful combination of technology and experts to drive improvements with unconventional decline curve challenges

2

## Expanding international presence

- Increased spending patterns in the Middle East, Latin America, and Africa, coupled with combined ChampionX presence

3

## Driving digital customer adoption

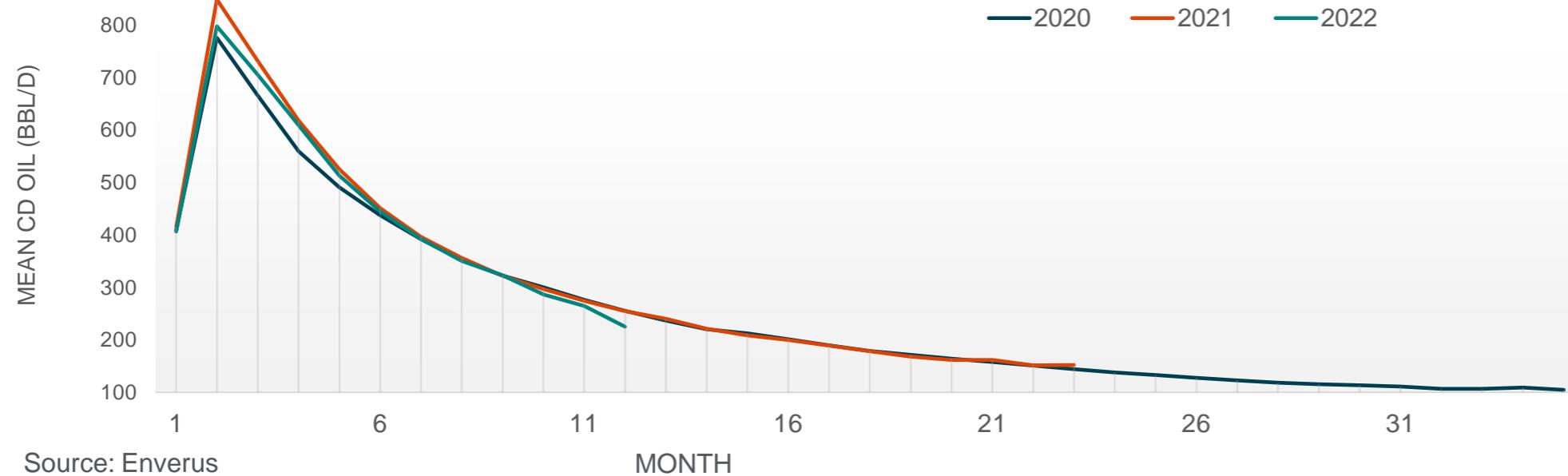
- Using proven digital technologies and methods to drive well productivity from initial production through proven/mature wells

4

## Increasing operator returns with innovation

- Commercializing new solutions to address production challenges with technology and consultative partnering approaches

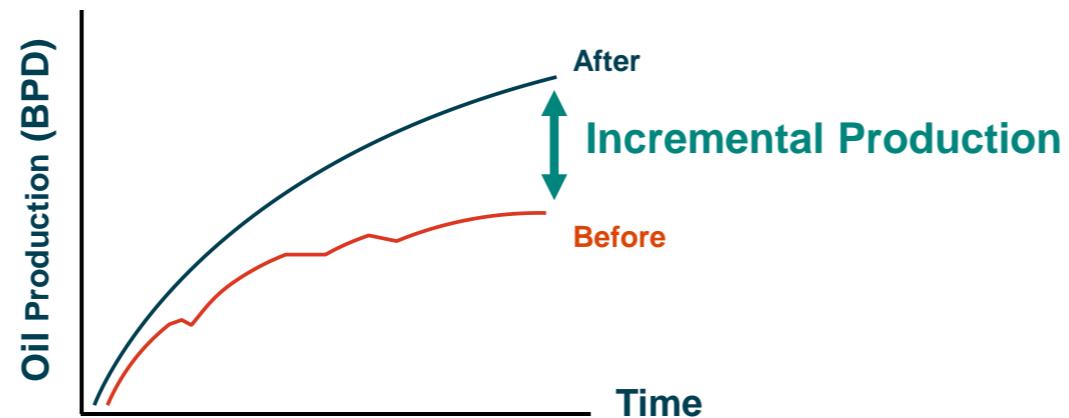
## Permian Decline Curve



## OPERATOR CHALLENGES

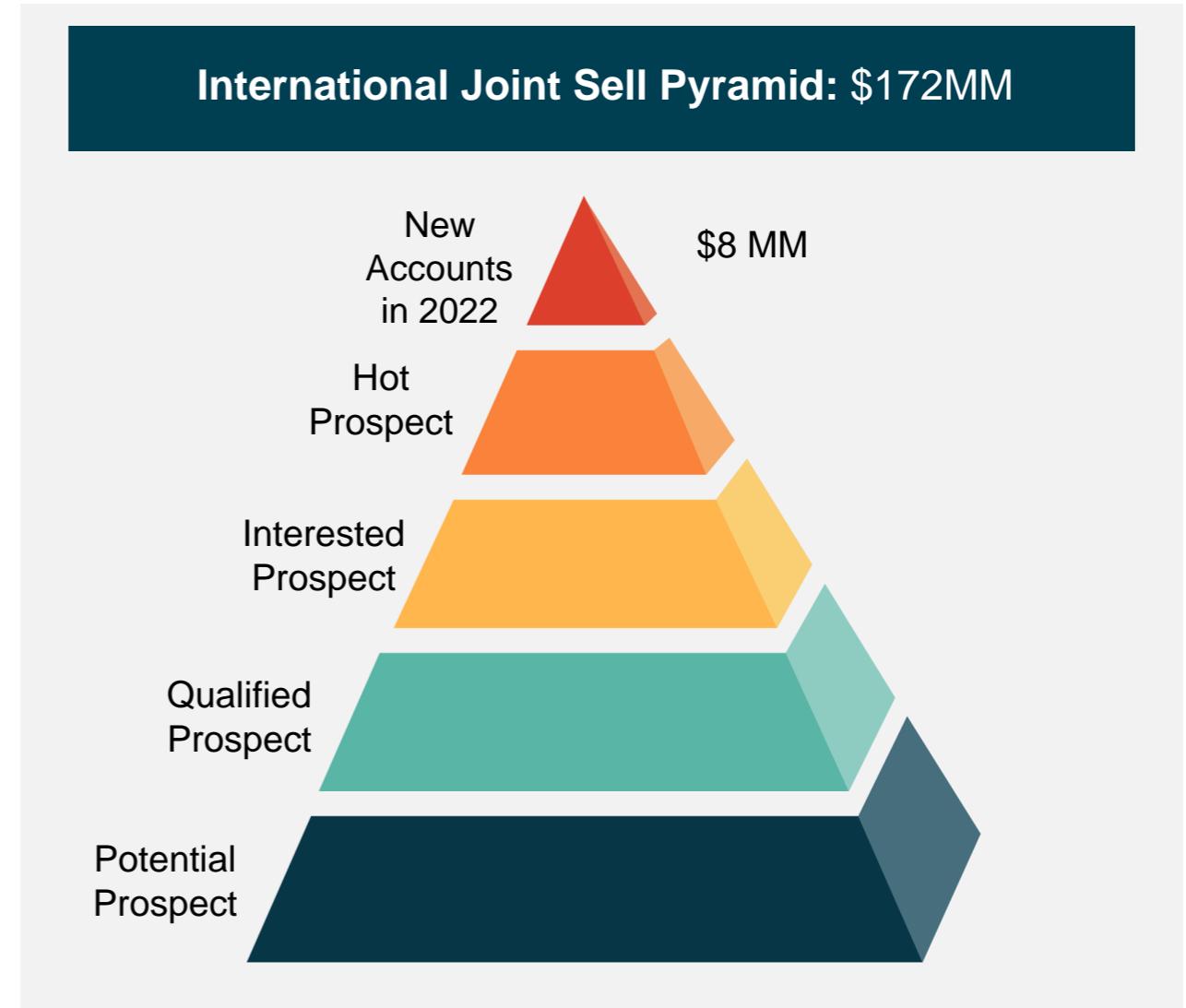
- Parent – child well interference
- Rising gas-oil ratio (GOR)
- Inventory depth and spacing
- Longer laterals
- DUC inventory

## ChampionX ESP Solution



- Increased production by 150 BOPD, \$9,000 per day
- Reduced workover costs \$200,000
- Cost avoidance of failed equipment \$75,000
- Deferred production savings \$171,000 per workover

Significant positive impact to operator economics

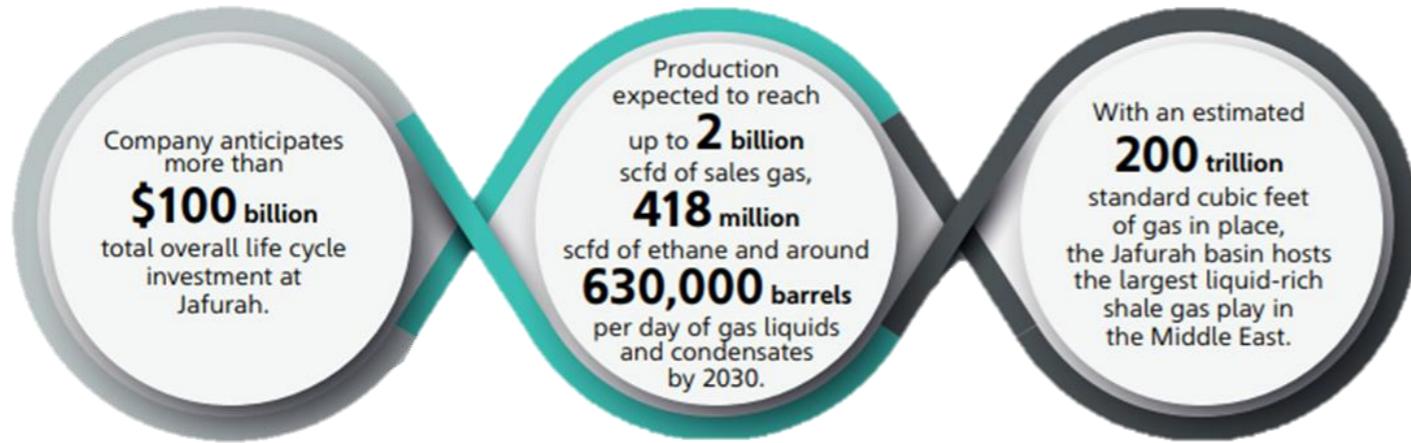


Key Customers



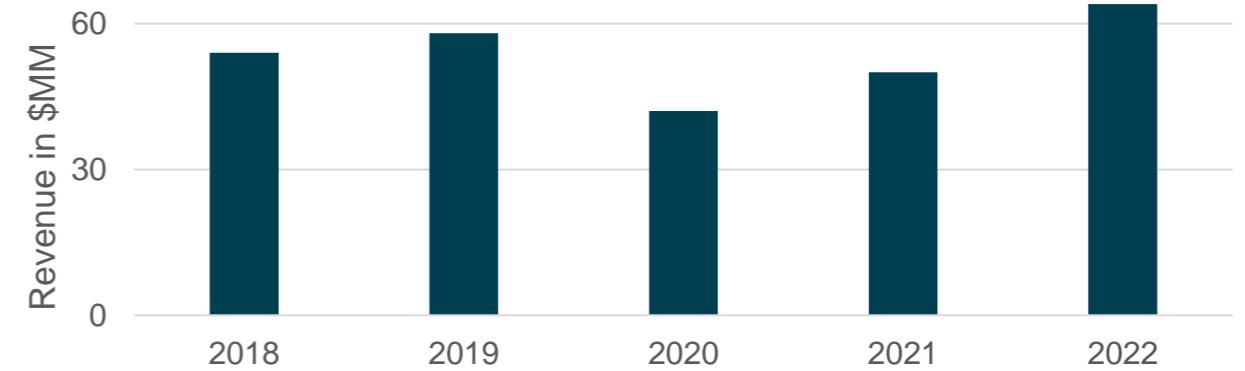
Latin America & Middle East/Africa revenue growth 18% CAGR from '20-22

MEA revenue growth 13% CAGR (FY '12-'22)



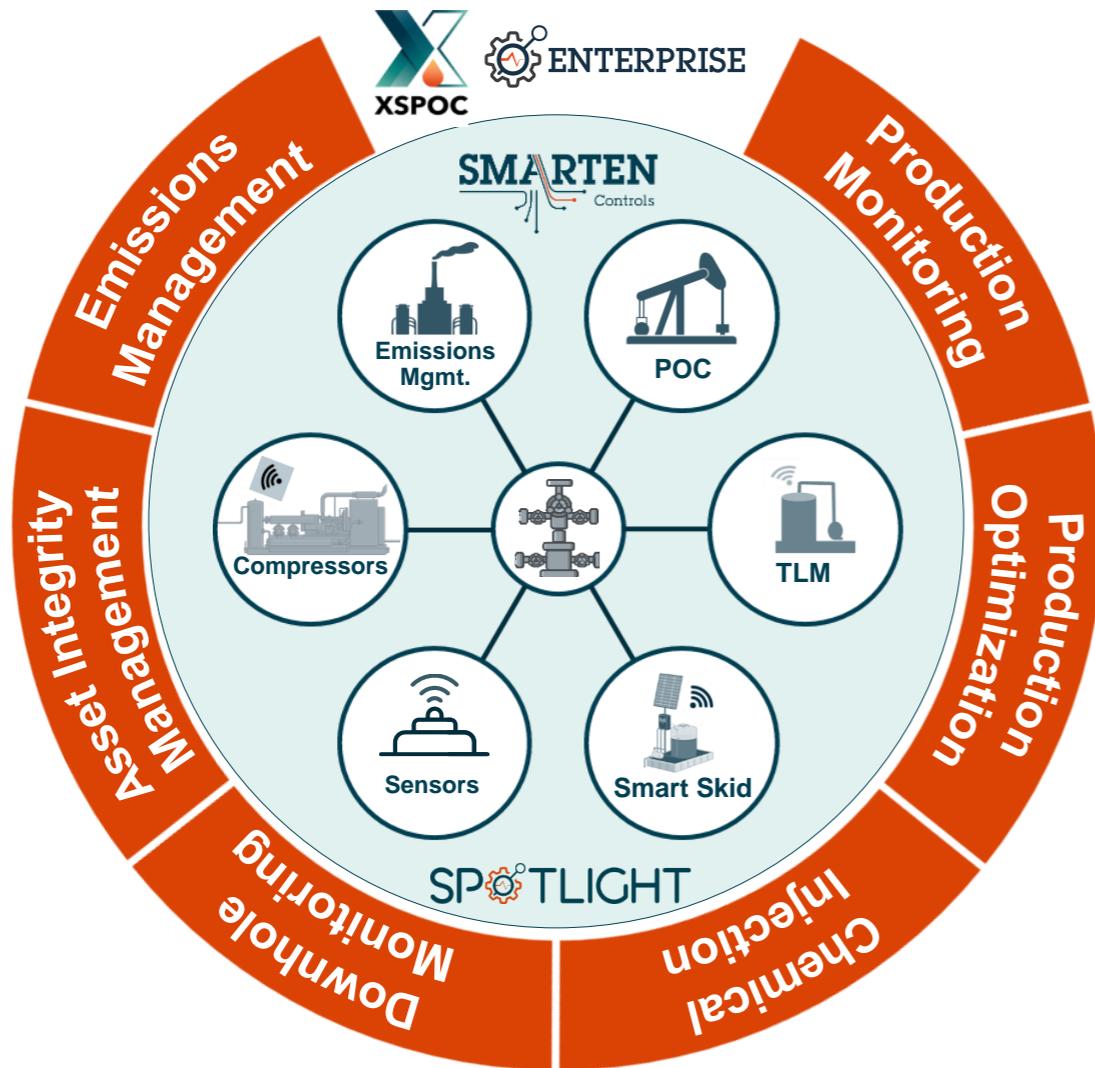
2012-2017 Revenue is derived from internal management reports.

PAT Middle East Revenue



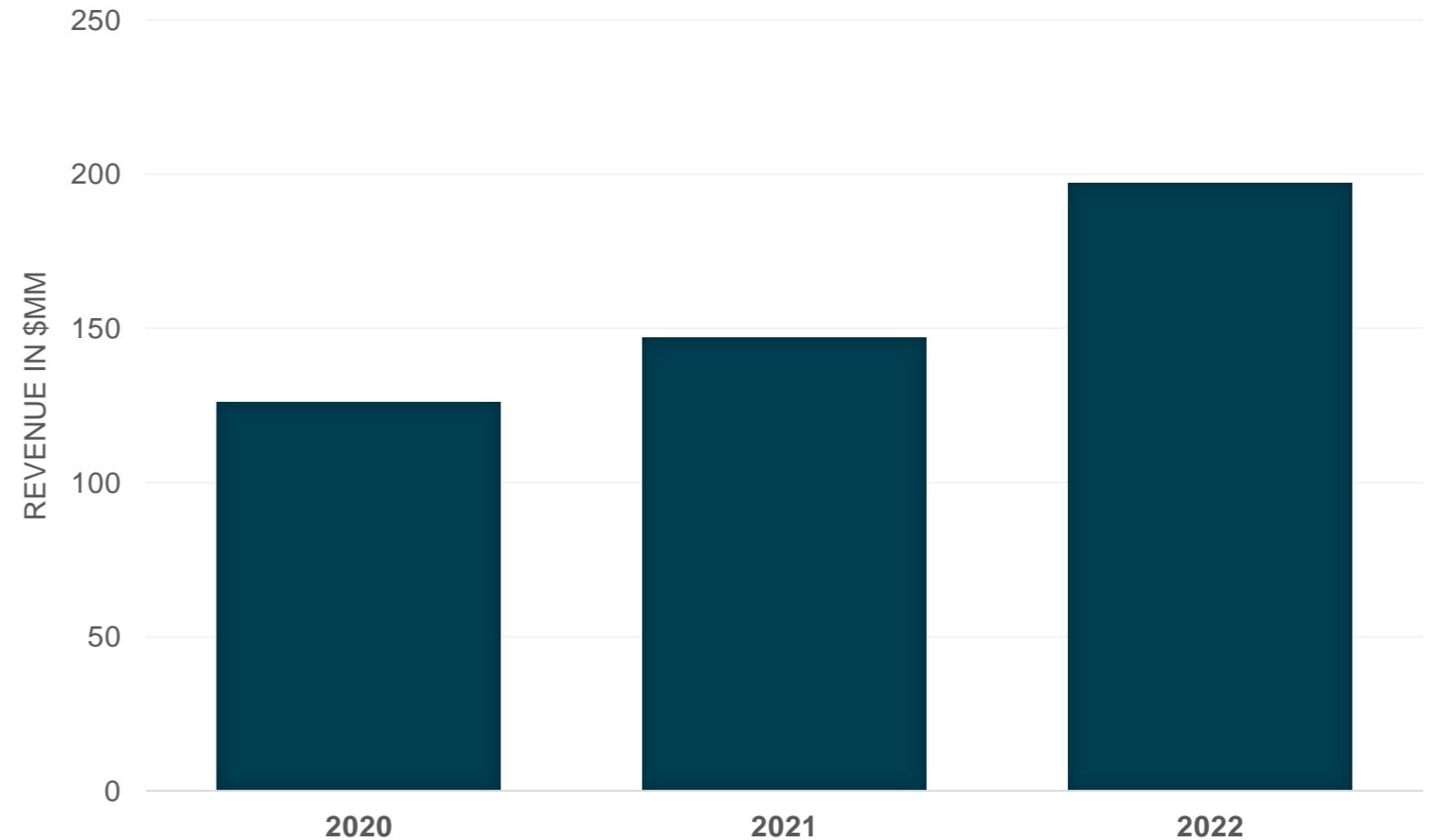
Leveraging our U.S. unconventional expertise for international growth

## Enabling Solutions Partner Engagements



## ChampionX Digital Revenue

ACCELERATING ADOPTION



Accelerating growth across wellsite driving operator productivity



**2,000+**  
Annual licenses

**High**  
Recurring revenue

**1 billion+**  
Pump cards

**200+**  
Customers

**25+**  
Years

**135k+**  
Wells

**2,000+**  
ESPs monitored & optimized

	Data & Monitoring (Tier 1)	Diagnostics & Insights (Tier 2)	Intelligent Automation (Tier 3)
Rod lift	●	●	●
ESP	●	●	●
Gas Lift	●	●	●
Plunger Lift	●	●	●
Chemicals	●	●	●
Wellsite Surveillance	●	●	●

- Commercially available
- In development; Partially available

**Powerful combination is driving adoption and real operating results**

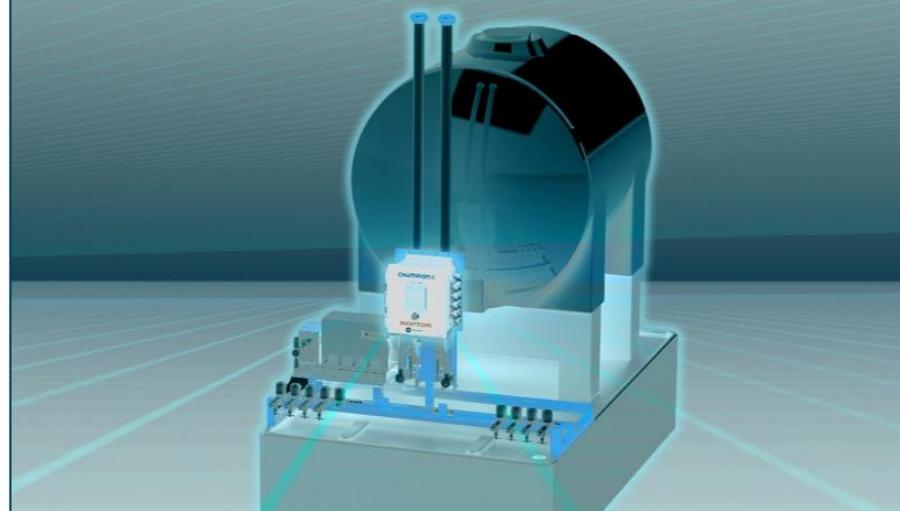
## Maximize the return on producing assets

## Rod lift autonomous control



- Delivered an avg. **215 BOPD incremental production**
- Added **\$848,000 in additional revenue** in just 60 days
- Potential for **annual increase of \$26MM+**

## Proportional chemical injection



- Eliminated **~450 BBLS** in deferred production
- Cut more than **\$100,000** in annual compressor maintenance costs
- **Enabled 99% injection accuracy** vs. the target set point

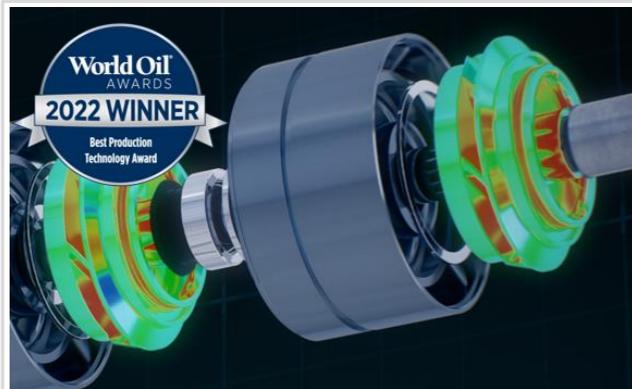
## ESP multi-variate analysis



- Proactively prevented ESP failure, **avoided \$250,000 in intervention costs**
- **Eliminated 24 hours of non-productive time** with immediate ESP field service dispatch to location

Technology with Impact

\$100MM IN NEW PRODUCT SALES IN 2022



**HIGH RISE™**  
series pumps



**XSPOC™ 3.2.2**  
production optimization  
software



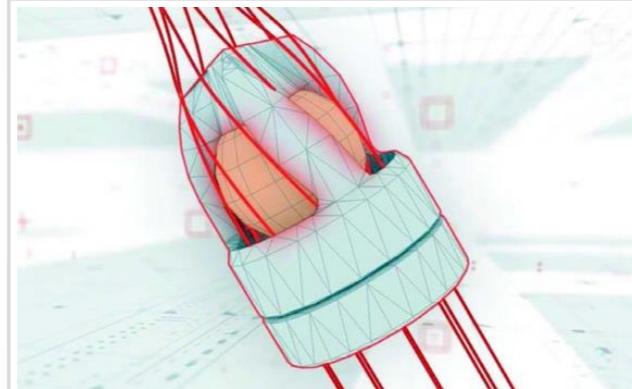
**HIGH RISE™**  
**Kronos**  
gas handling pump



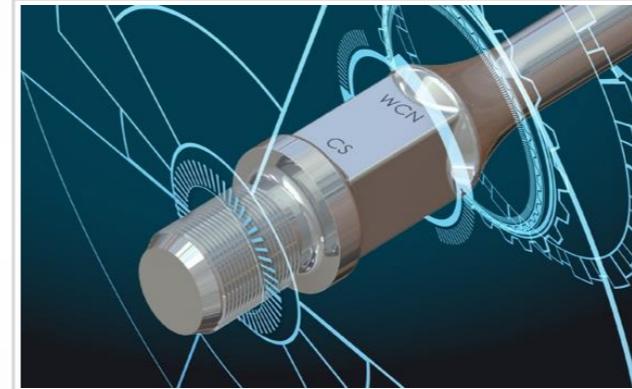
**SMARTEN™**  
retrofit kit



**SmartSpin™** wireless  
rod rotator sensor



**HFX™**  
rod pump cage



**Norris CS™**  
corrosion-resistant rods



**Chemical Injection**  
multi-well control

Accelerating new technology sales 3X growth

# Production & Automation Technologies: Key Takeaways

- Uniquely positioned with **full portfolio of “best-in-class” artificial lift solutions** to drive operator returns through the life of the well
- **Strong subject matter expertise**, installed base, innovation, and **rich data sources** dedicated to each form of lift across life cycle
- **Providing digital solutions** with accelerating adoption, impacting operator returns
- **Broad-based demand** across ESP / rod lift / gas lift technology modalities
- **Leading brand equity and market positions in growing geographies:** North America conventional and unconventional, Middle East, and Latin America

# Emissions Technologies

Saurabh Nitin

Improving Lives of all our stakeholders by:

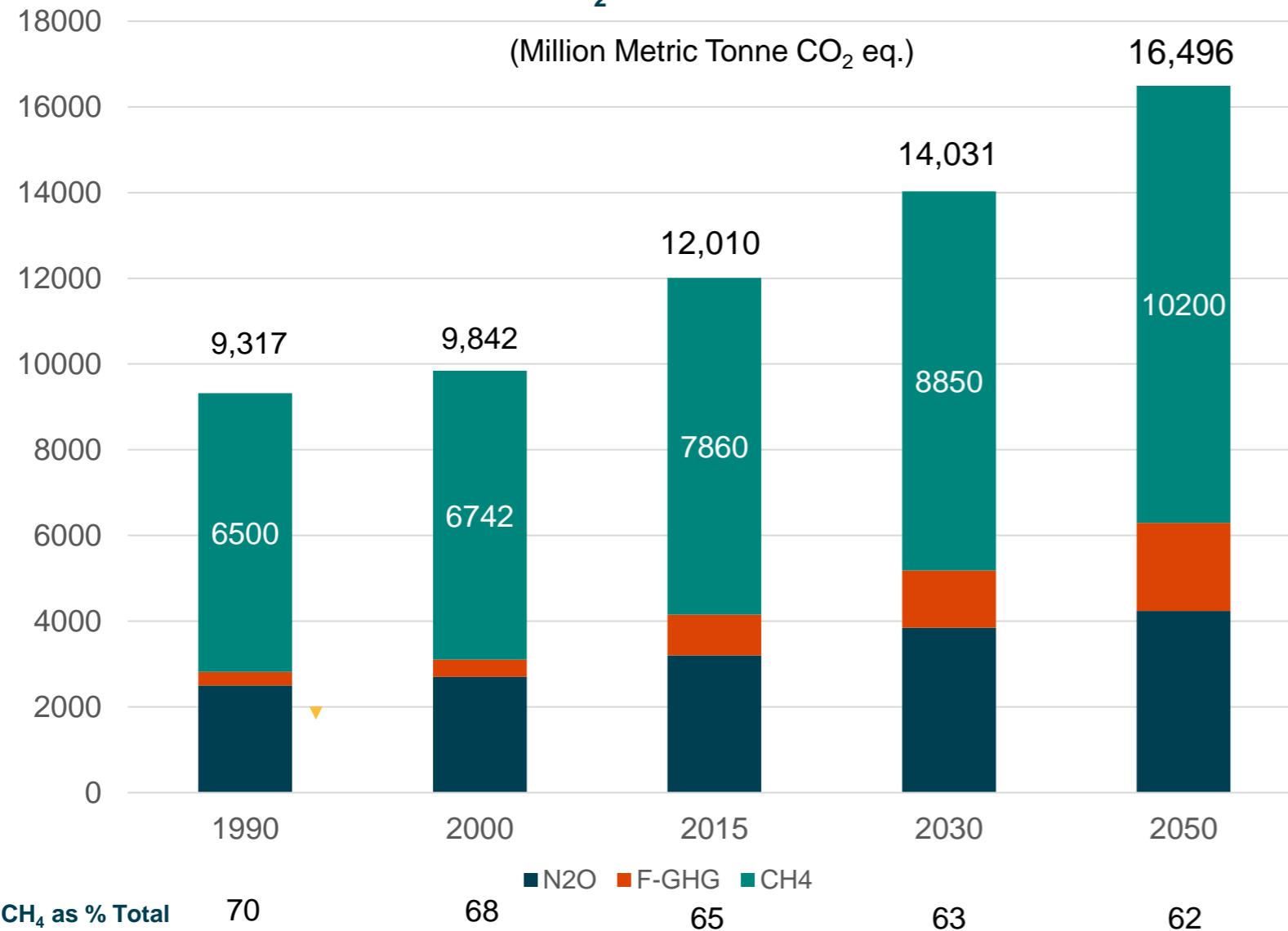
- Delivering a suite of the **most impactful technology solutions**
- Being humble and agile, **continuously learning and innovating** and relying on science to guide the way – without judgement or bias
- Becoming the **thought leader and trusted partner** for industry operators, government entities and non-governmental organizations

**Enabling deep emissions reductions and helping deliver decarbonized energy solutions**

# Methane is Our Focus

## Global Non-CO<sub>2</sub> Greenhouse Gas Emissions

(Million Metric Tonne CO<sub>2</sub> eq.)

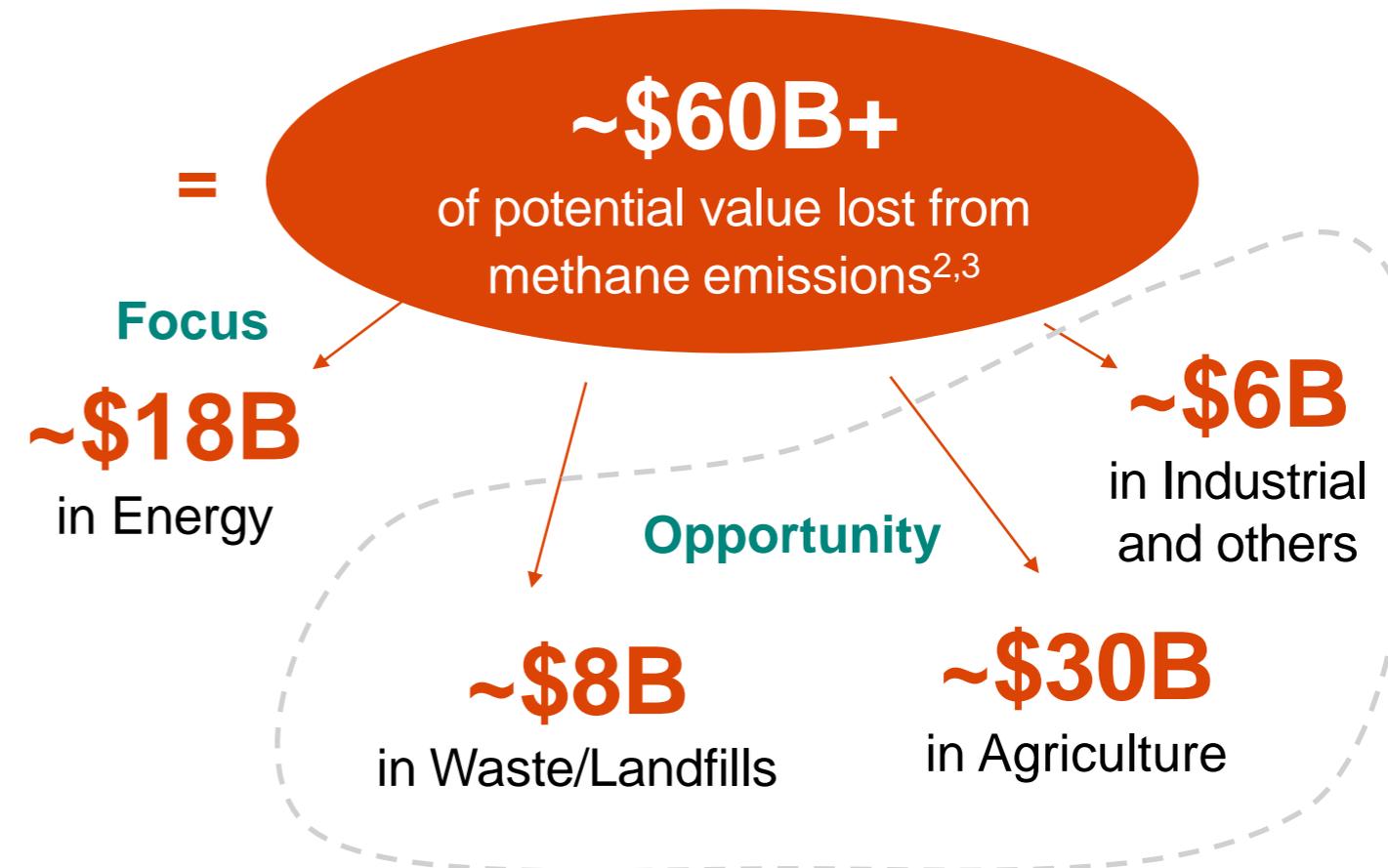


**7.9B tonnes**

CO<sub>2</sub> eq methane emitted in 2015

at **25-80x<sup>1</sup>**

stronger global warming potential to CO<sub>2</sub>



Source: EPA Global Non-CO<sub>2</sub> Greenhouse Gas Emission Projections & Mitigation Potential: 2015-2050

1. Methane Greenhouse Warming Potential Factor for 100-year time horizon equals 25 and for a 20-year horizon equals 80

2. Methane is 149.3Mcf/tonne at standard temperature and pressure  
3. Assumed average global price of natural gas as \$4/Mcf

# We Have the Right to Play and Win in Emissions Technologies

## What drives the right to win?

## ChampionX Advantage



**Deep subject matter expertise**

- Early mover advantage: Built a team of industry thought leaders from academia & research, start-ups, oil and gas majors, service companies



**Fit-for-purpose and diverse solution offerings**

- Robust offerings for methane identification and detection (planes, drones, helicopters, cameras); market leading presence



**In-basin and remote service and support**

- Leveraging 4,000+ global ChampionX sales & service personnel
- In-basin US installation and support teams
- Fully staffed technical customer service servicing remotely



**Seamless data integration**

- Highly secure and standardized data architecture
- Fit-for-purpose customization and feed into customer systems



**Continuous innovation and scientific research**

- Part of our values and culture
- We are built on science – Work with both industry and non-industry players

**We are capitalizing on our strengths, culture, and values**

# Full Suite of Emissions Monitoring Offerings to Meet Customer's Needs



## Continuous monitoring

SOOFIE® offers 7-day-a-week, 24-hours-a-day monitoring that provides cost-effective, real-time emissions alerts



## Aerial optical gas imaging

Helicopter-mounted and handheld thermal imaging camera helping detect and attribute emissions for remediation



## Drone monitoring

Providing close-up monitoring, quantification and diagnosis for emissions hotspots



## Aerial monitoring

Uniquely suited for fast and large-area coverage, helping quantify your operations site-wide



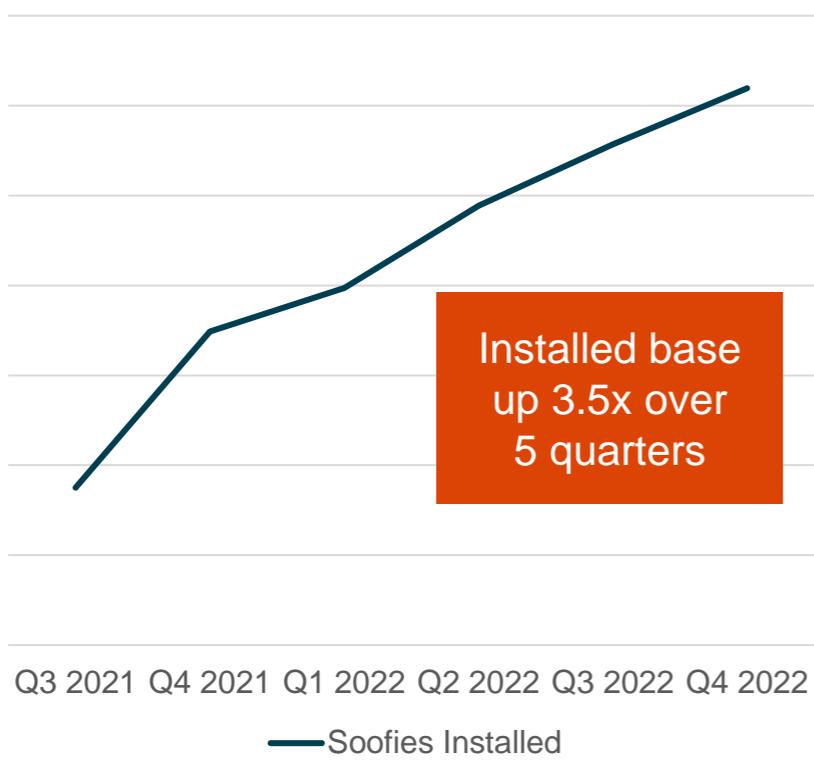
## Infrared camera

Breakthrough AURA OGI™ intelligent MidWave InfraRed (MWIR) Optical Gas Imaging (OGI) cameras

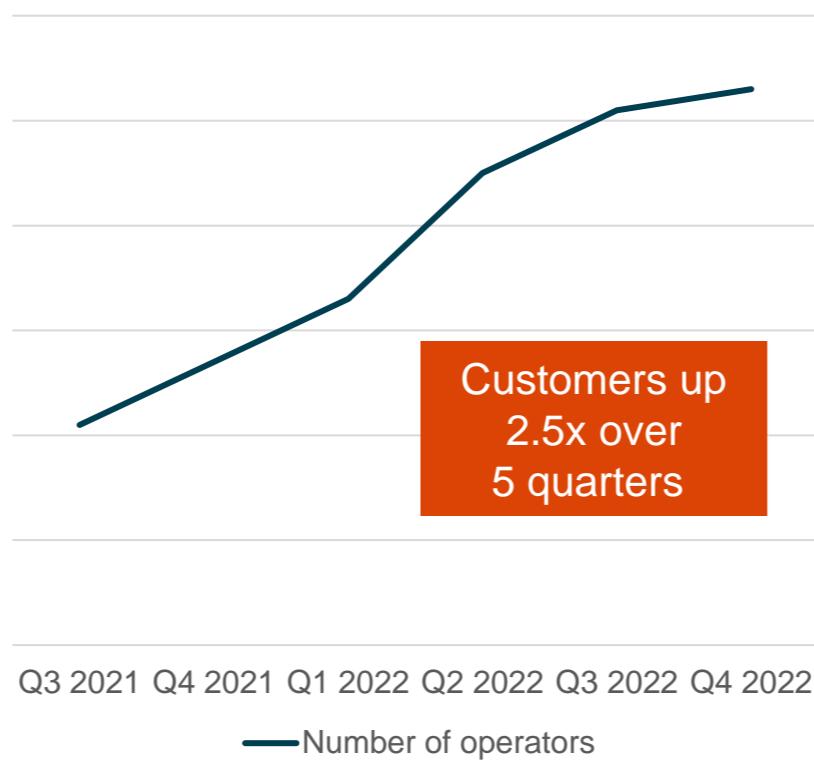
**Launching in 2H 2023**

## Privileged to be the first choice for our customers for ground methane monitoring sensors with our SOOFIE™ offering

SOOFIEs Installed (#)

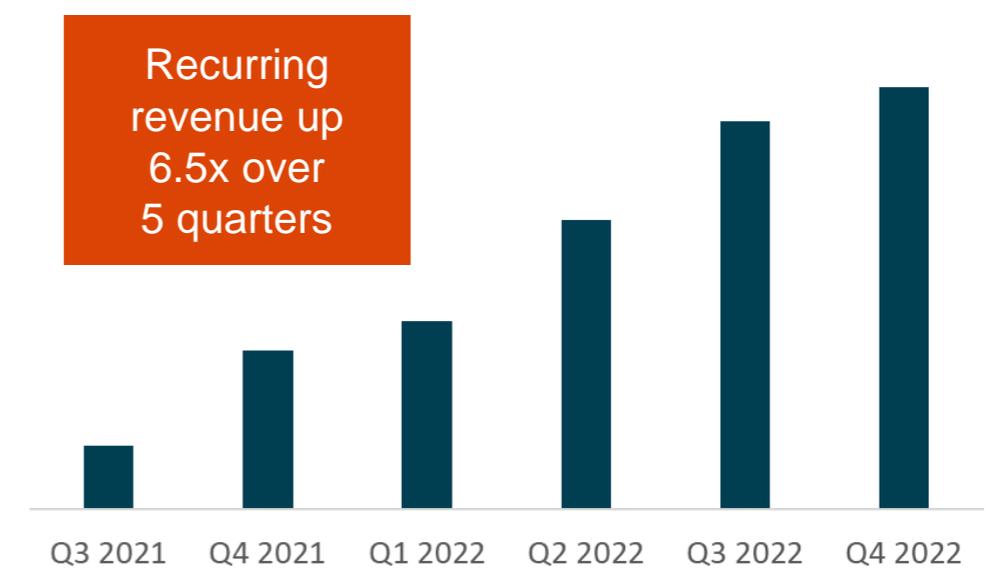


Operators with SOOFIEs (#)



## Steadily increased recurring revenues with service offerings/rentals

Recurring revenue



**Thousands of SOOFIEs in operation across nearly all North American basins**

**~30%+ recurring revenue business as of Q4 2022**

- Breakthrough rugged industrial, high-resolution OGI camera
- Built by OGI and LDAR experts for LDAR practitioners
- Designed specifically to meet current and future requirements of emissions monitoring



**We thrive on continuous innovation**

- Methane emissions reduction is our current focus. It's a **high-impact, large market opportunity** with significant regulatory and investor tailwinds
- We have a **right to win this space** – with our diverse and fit-for purpose offerings, our market-leading presence, our ChampionX customer reach and culture of continuous innovation
- We continue to **evolve our position** and introduce **new pathbreaking products**

# Digital Technologies

Ali Raza



Enabling an efficient,  
low-carbon future

Mission-critical digital technology solutions to help customers operate their assets and processes safely, efficiently and sustainably

Driving high ROIC outcomes and meeting ESG goals for our customers

# Three Core Areas for ChampionX Digital Solutions



## Asset Integrity Management

Prolong equipment lives through monitoring & failure predictions of reciprocating & rotating assets

## Production Optimization

Improve yield and reduce operational cost through smart automation and predictive failure analysis

## Emissions Management

Monitor and identify emission sources and quantify for appropriate actions

Unique 'Fit for Purpose' Digital Solutions Built to Leverage ChampionX Secure Technology Stack

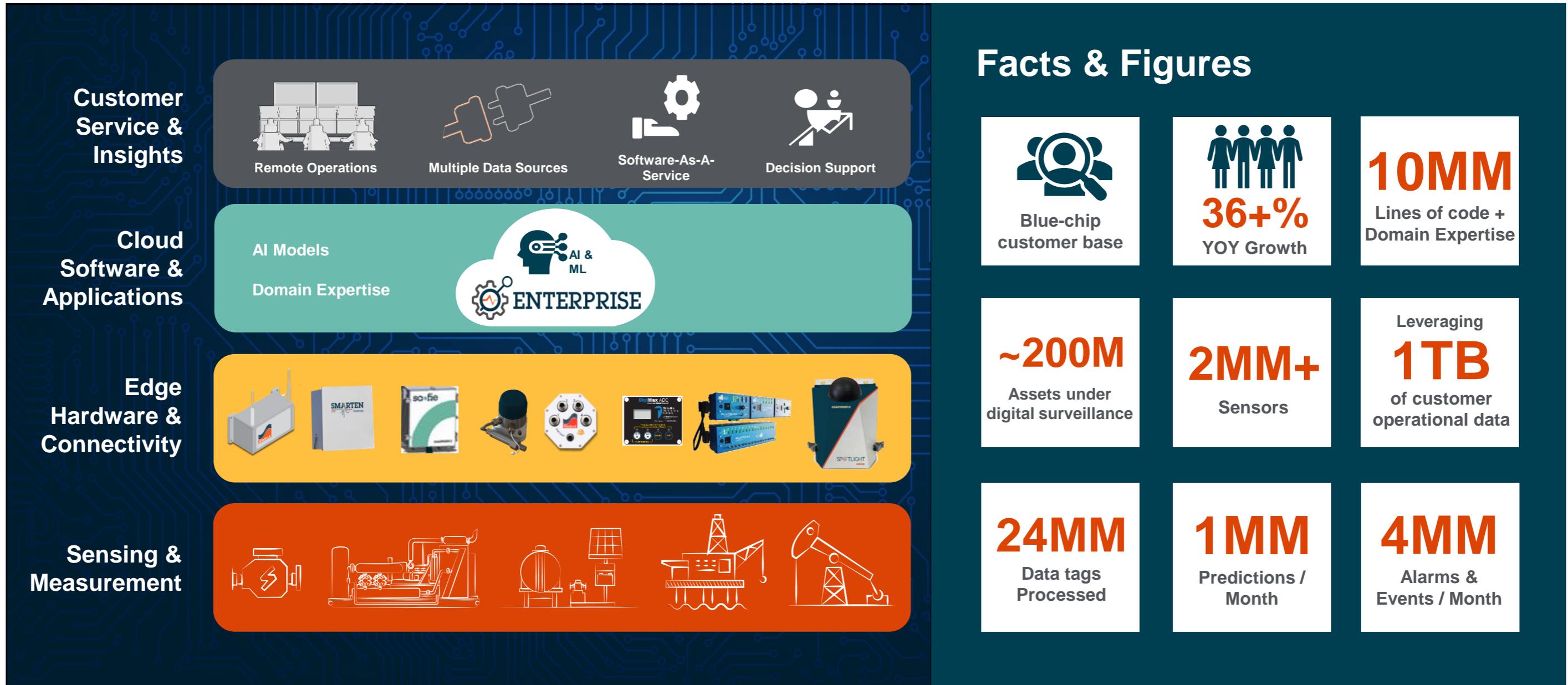
Customer Service & Insights

Cloud Software & Applications

Edge Infrastructure & Connectivity

Sensing & Measurement

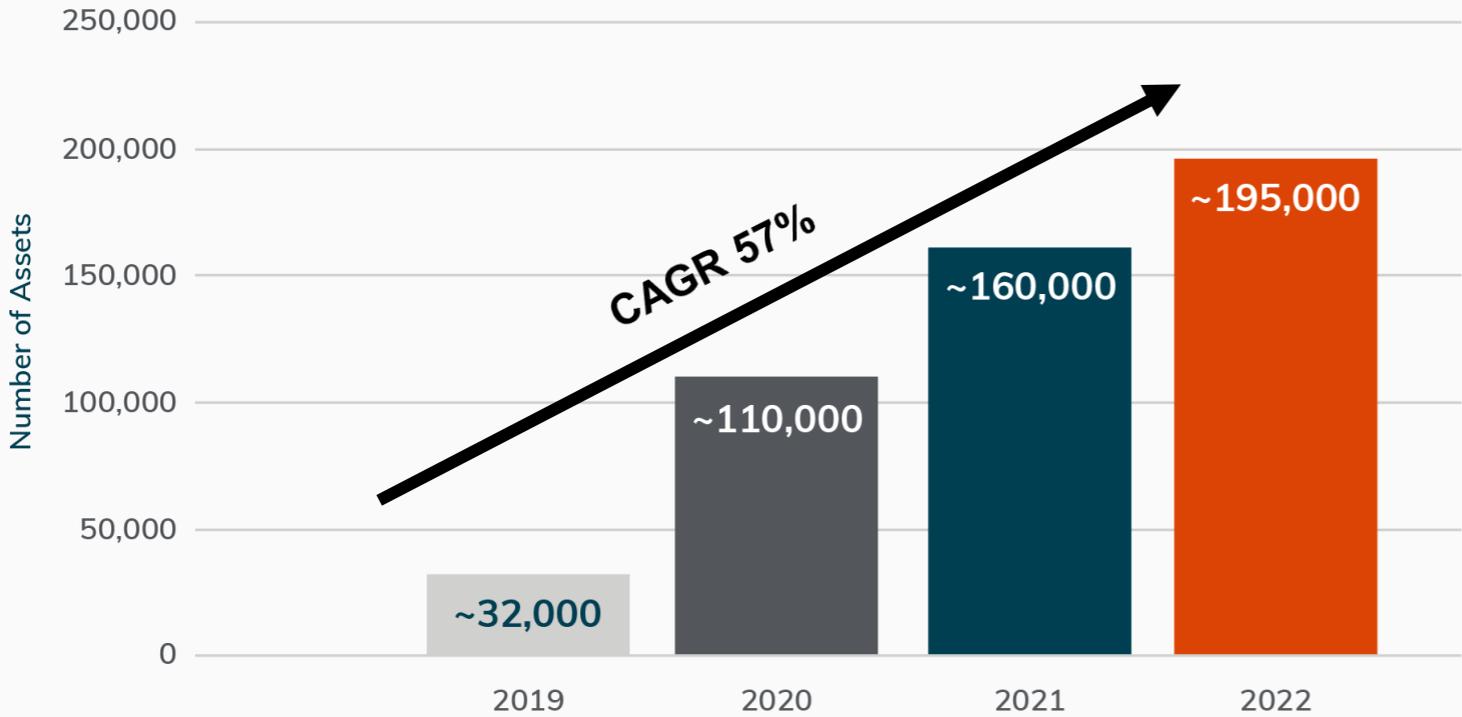
# Driving Measurable Customer Impact Through Scalable Technology Stack



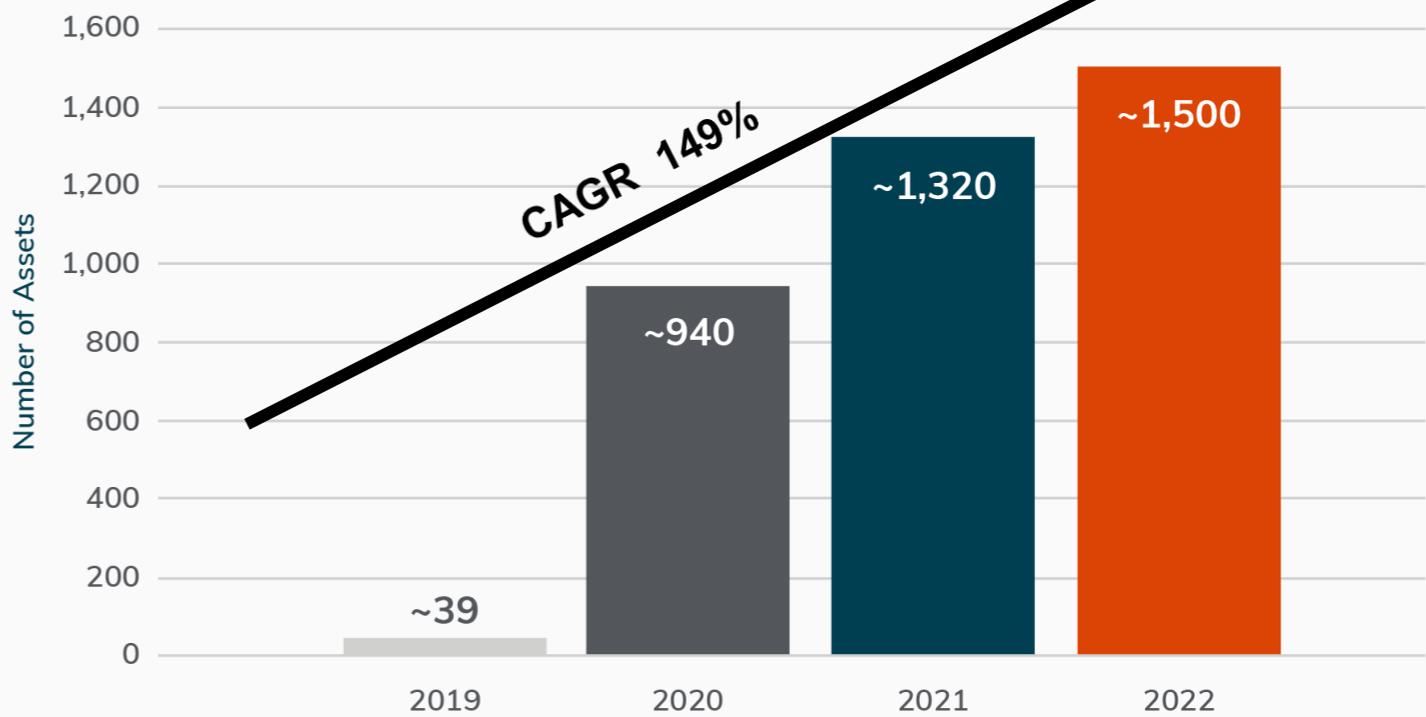
# Growing Customer Base Contributes to Continuous Growth in Monitored Assets



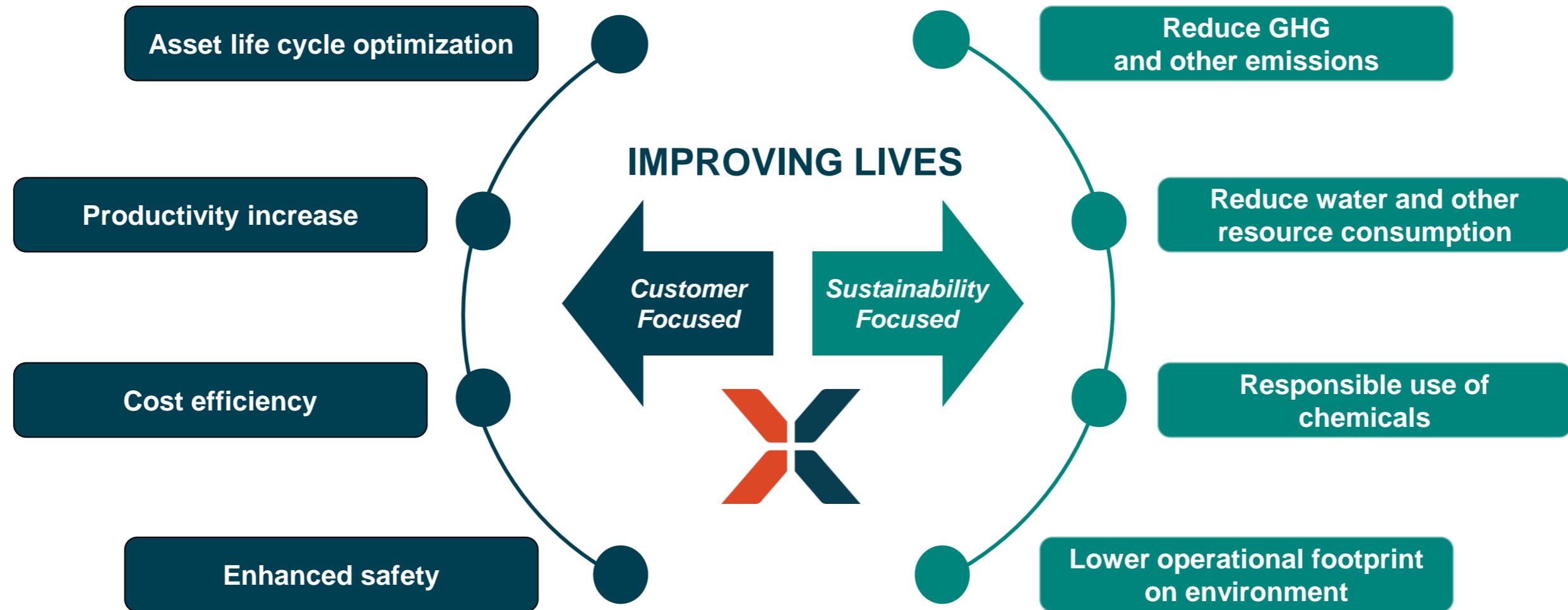
### Monitored Asset Count over 4 years



### Customer Count over 4 years



**‘Fit-for-purpose’ technology is driving digital and digitally enabled revenue**



ChampionX solutions & expertise help customers achieve business objectives and environmental goals

## Predict gas blockage in the system to avoid unplanned shutdowns and heavy repairs

### Challenge

Gas interference causes high failure rates in high-investment ESP systems

### Approach

Use operational data to predict a gas slug and gas lock problem through artificial intelligence models

### Results

Reduced ESP downtime by over 24 hours by providing earlier notifications to the operator with high level of accuracy



88% precision across 141 wells operated by 4 customers

	Customer #1	Customer #2	Customer #3	Customer #4
Well count	49	61	23	8
Confirmed model calls	104	34	21	38
Precision	90%	80%	100%	80%
Shutdown hrs. avoided	1217 hrs.	354 hrs.	273 hrs.	395 hrs.
Annual savings	\$5.7m	\$1.6m	\$1.2m	\$1.8m

Four months data proves major savings through early detection of gas slugs and gas locks

# Customer Case Study: AI-enabled Asset Integrity Management

## Solution to enhance compressor performance for a major midstream operator

### Challenge

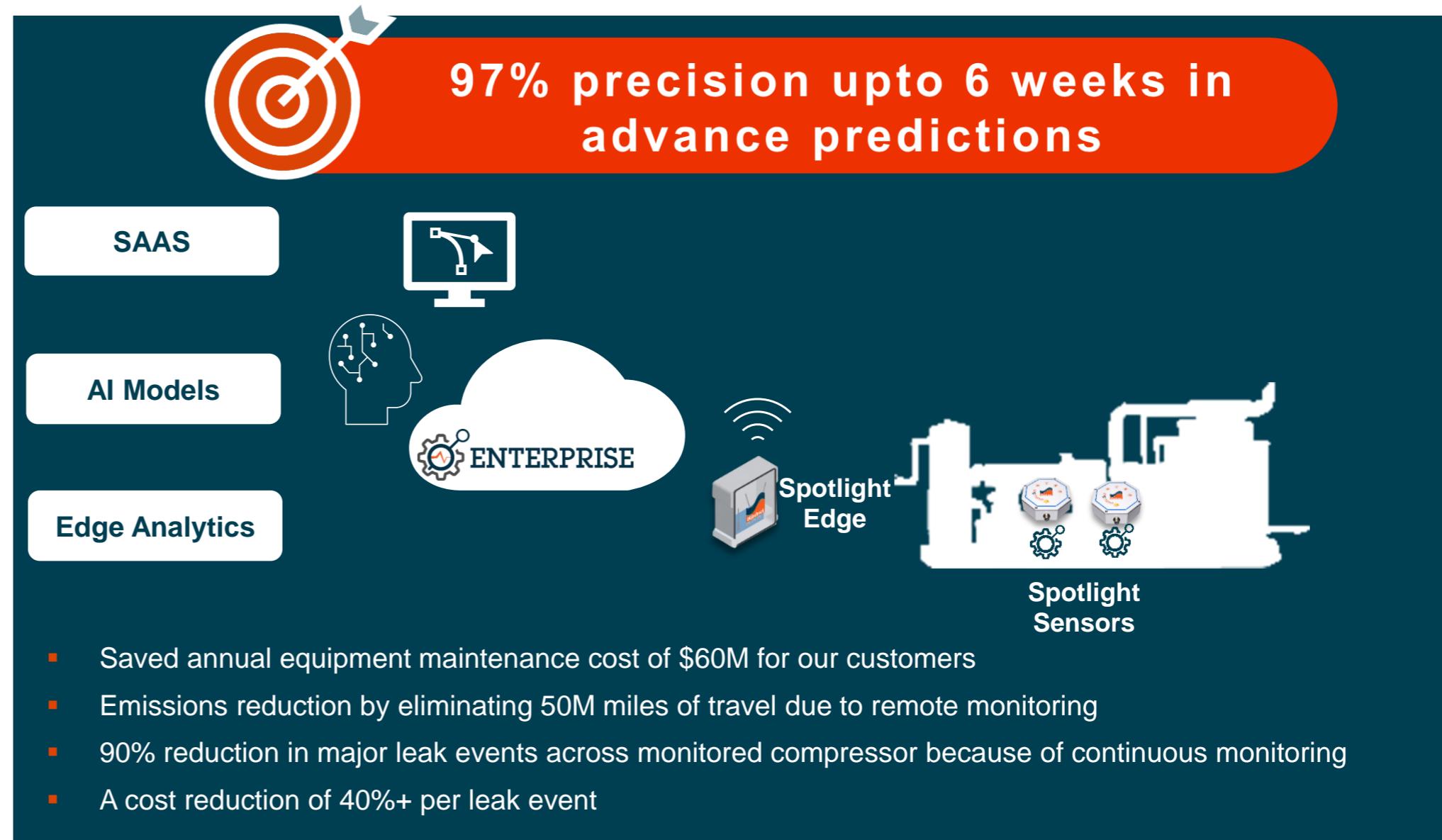
Equipment failures cause unplanned shutdowns resulting in loss of production and costly equipment repairs

### Approach

'Fit for Purpose' predictive analysis models with varying fidelity to predict failure in advance

### Results

Highly accurate predictive analytics drove higher reliability and lower maintenance cost



# Investment in Capabilities and Support for Future Digital Growth



**Internal Capabilities**

- Front and back-office structure
- 1000+ years of combined software development experience
- 400+ years of data sciences and model development experience

**Combined strength delivering value**



- We are a **full stack digital technology provider** that is focused on driving customer value every step of the way
- We are **committed to provide 'fit for purpose' Digital solutions** to help our customers operate safely, reliably and efficiently
- As the technology leader in Digital Oil & Gas arena, we are making a **significant difference in our customers' daily operations** and in their **sustainability journeys**
- We are **continuously investing in building an expert ecosystem** to sustain our leadership in Digital Oil & Gas for a growing future

# Drilling Technologies

Rob Galloway

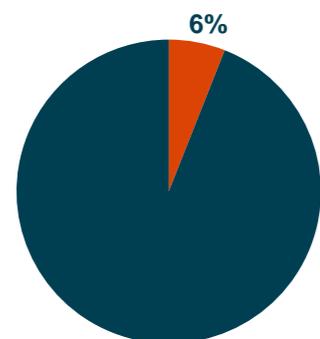
# Drilling Technologies Overview

## 2022 Revenue

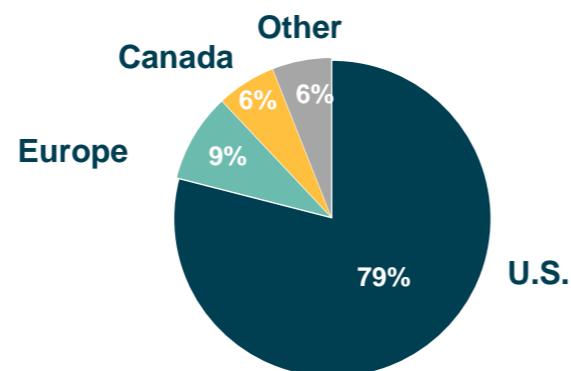
**\$229MM**  
(+33% increase, YoY)

- Undisputed industry leader in polycrystalline diamond cutters for oil & gas drilling and diamond bearings
- Industry **reputation for innovation, quality, and customer service**
- **Critical partner** to customers in achieving drilling productivity:
  - **95%+ of ChampionX drill bit inserts are designed to meet unique requirements and finished to exact customer specifications**
- Well positioned to leverage industry trends – **growing global drilling, horizontal drilling, increasing laterals, more difficult drilling formations**
- Leveraging **diamond science** technology to grow in other industry segments

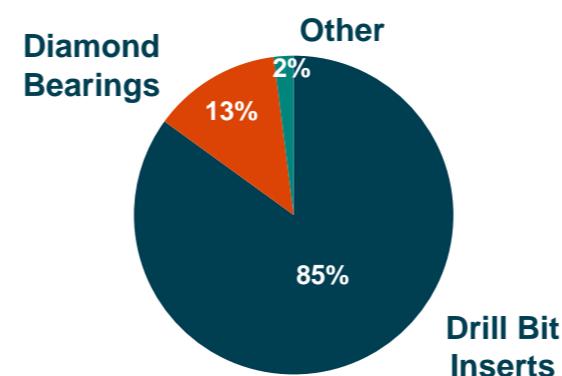
### % Total ChampionX<sup>1</sup>



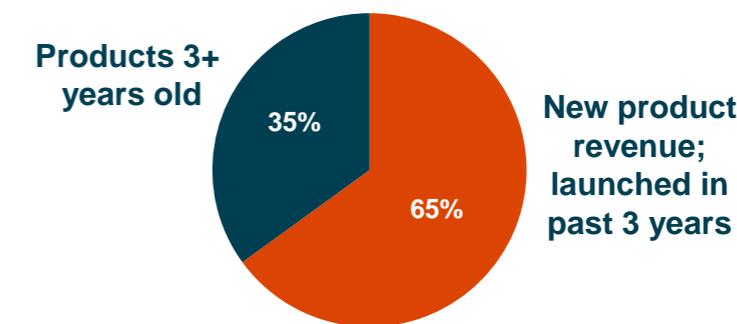
### Geography<sup>1</sup>



### Product Mix<sup>1</sup>



### Product Innovation<sup>1</sup>

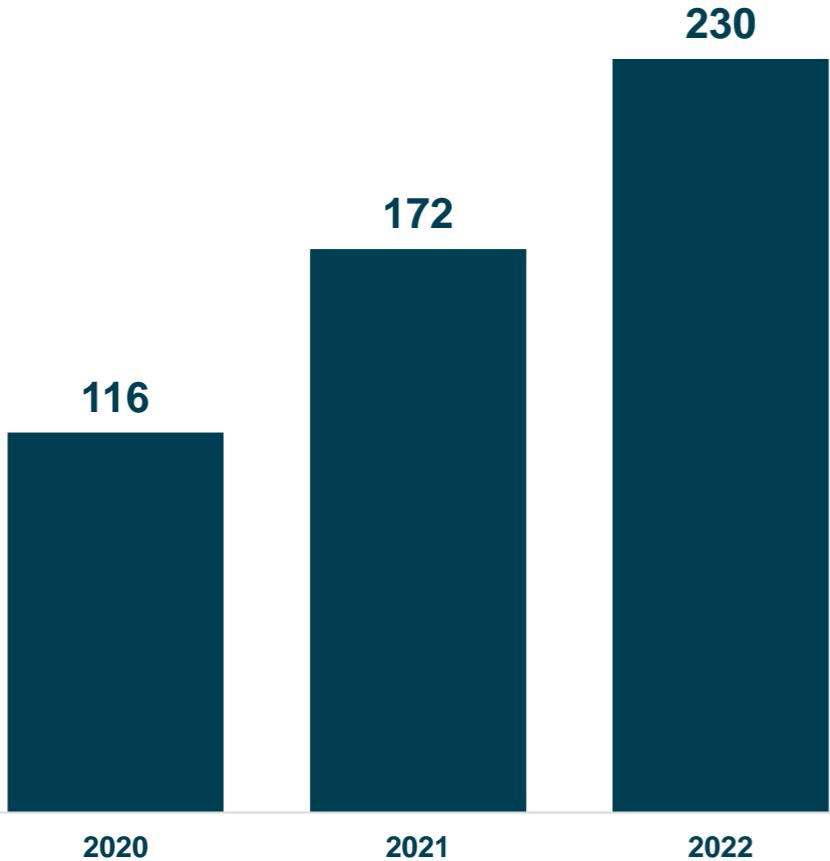


# Segment Financial Trends



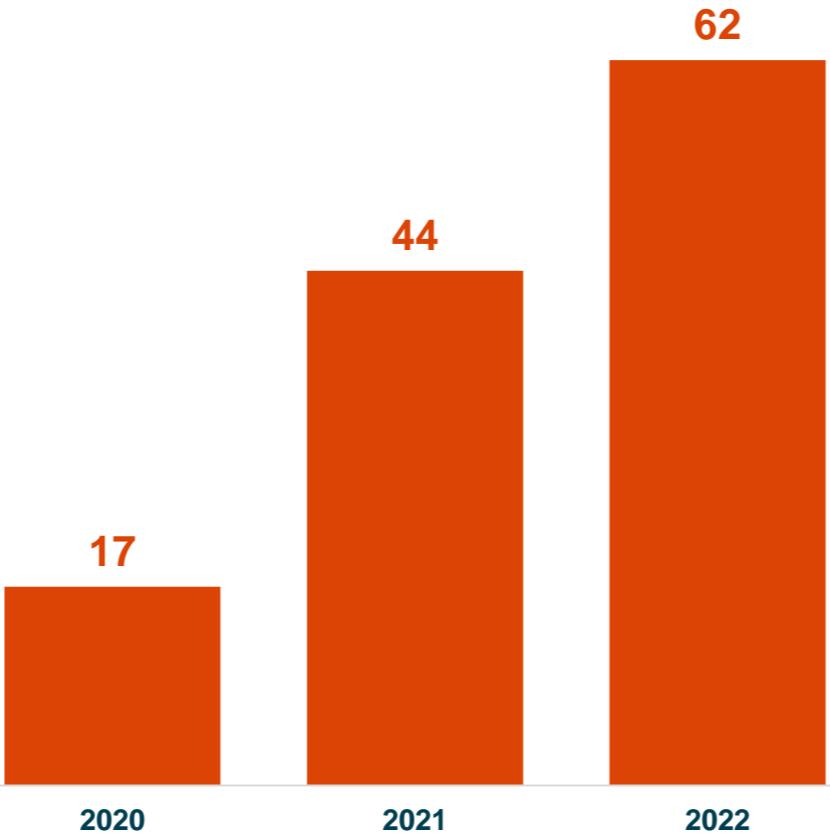
## Revenue

In Millions

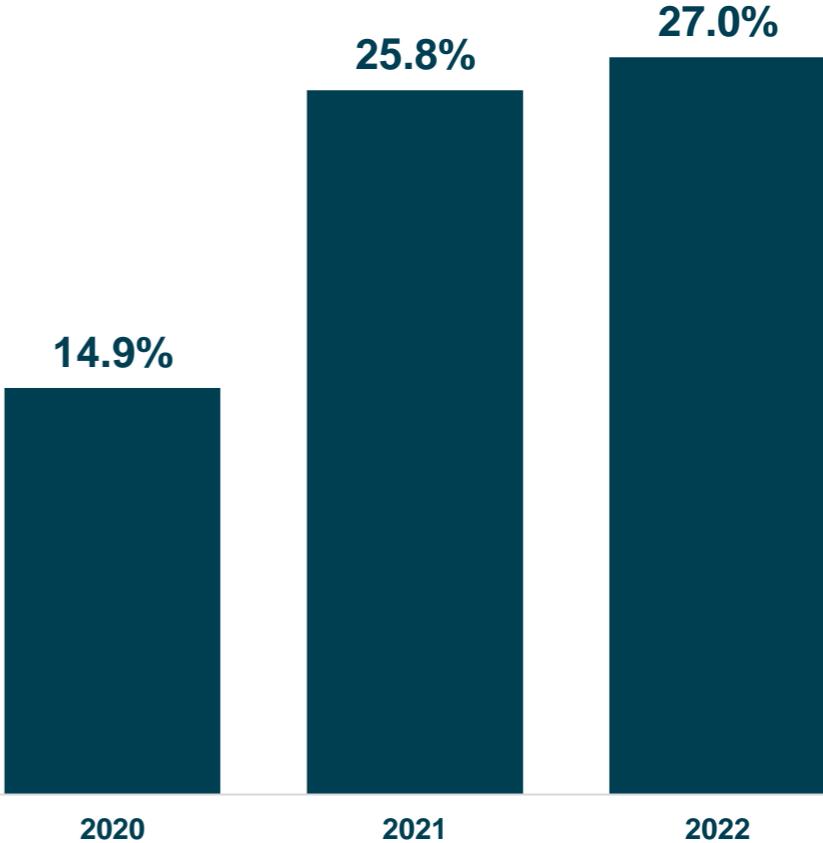


## Adjusted EBITDA

In Millions



## Adjusted EBITDA Margin



Positive trends, beginning with the doubling of revenue from 2020 to 2022

# Diamond: An Engineering Material



Oil & Gas Drill Bit Inserts



- Wear
- Impact forces
- Thermal damage
- Downtime Cost

- Hardness (hardest known)
- Heat management > copper
- Stiffness > carbide or steel

- Longer Life / Total Depth
- Drilling Speed
- Drilling Uptime



Diamond Bearings



- High Loads
- High Speed
- Harsh fluids
- Downtime Cost

- Friction < Teflon
- Heat management
- Strength

- Longer Life
- Simpler Tools
- No Seals

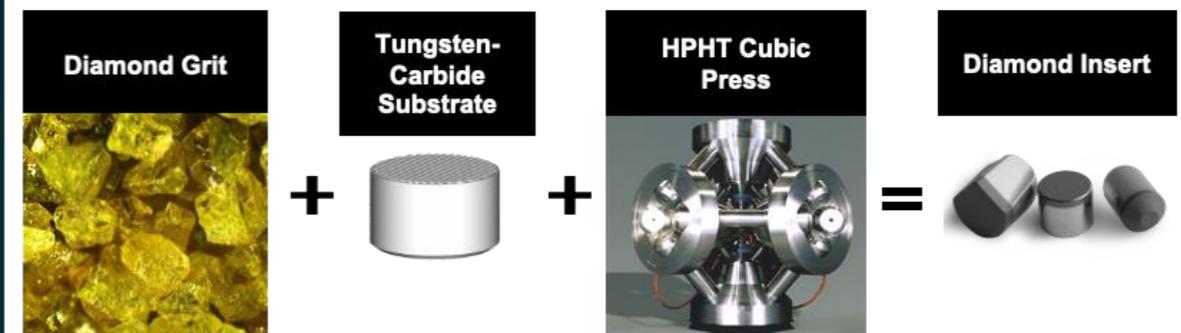


Diamond Sciences

## Property

## Value

hardness . . . . .	100 Gpa Knoop (hardest)
thermal conductivity . . . . .	2,000 W/m-K (4 x copper)
melting point . . . . .	4,000°C (500°C > tungsten)
sonic velocity . . . . .	18,000 m/s
coefficient of thermal expansion . . . . .	$1.1 \times 10^{-6} K^{-1}$ (< silicon)
electrical bandgap . . . . .	5.5 eV
breakdown voltage . . . . .	10 MV/cm
optical index of refraction . . . . .	2.42
coefficient of friction . . . . .	0.03 (< teflon)
chemically inert . . . . .	resistant to all acids & bases
Biologically compatible . . . . .	pure carbon



## Tools

## Application Challenges

## Diamond Properties

## Advantage

1

**Deliver premium value  
with field performance**

- Diamond inserts and bearings enable faster, longer drilling at lower total cost

2

**Gain share through  
rapid innovation**

- High rate of innovation consistently delivers industry-leading products customized for the application

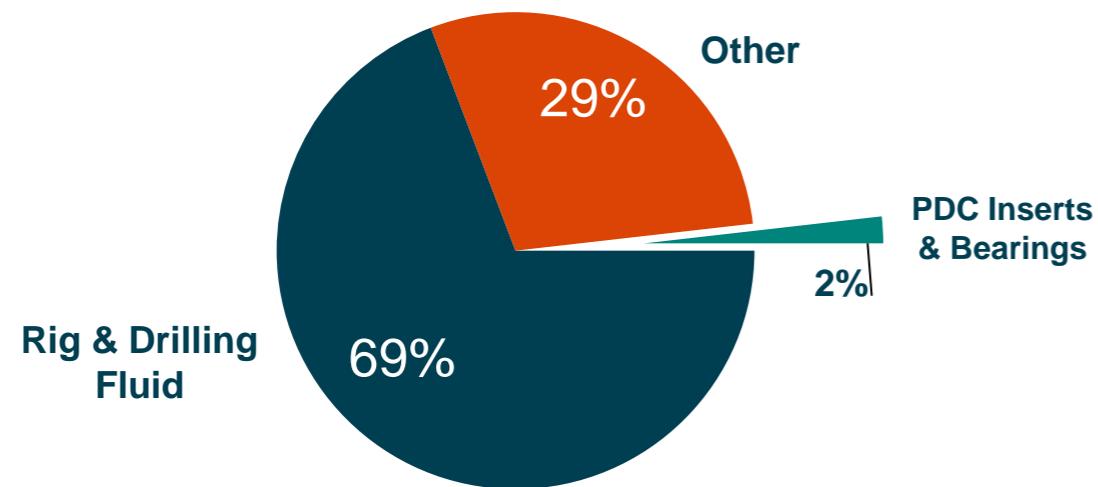
3

**Expand diamond  
bearing technology**

- Diamond bearings continue to be adopted into a variety of downhole tools and other high-wear applications

## Drill Bit Inserts / Bearings Have Outsized Impact on Economics

### Drilling Cost Breakdown of an Average Well (1)

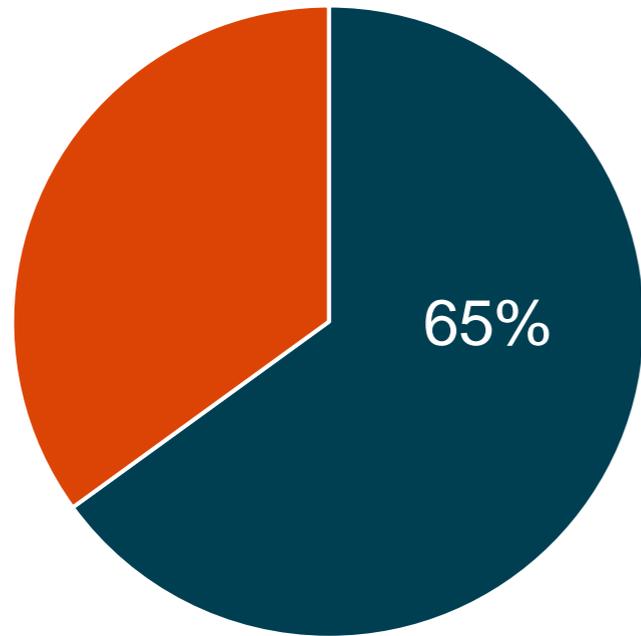


Buying quality drill bit inserts and bearings help customers drill faster and reduce interruptions and unprofitable downtime



**Small impact on drilling cost; big impact on drilling efficiency**

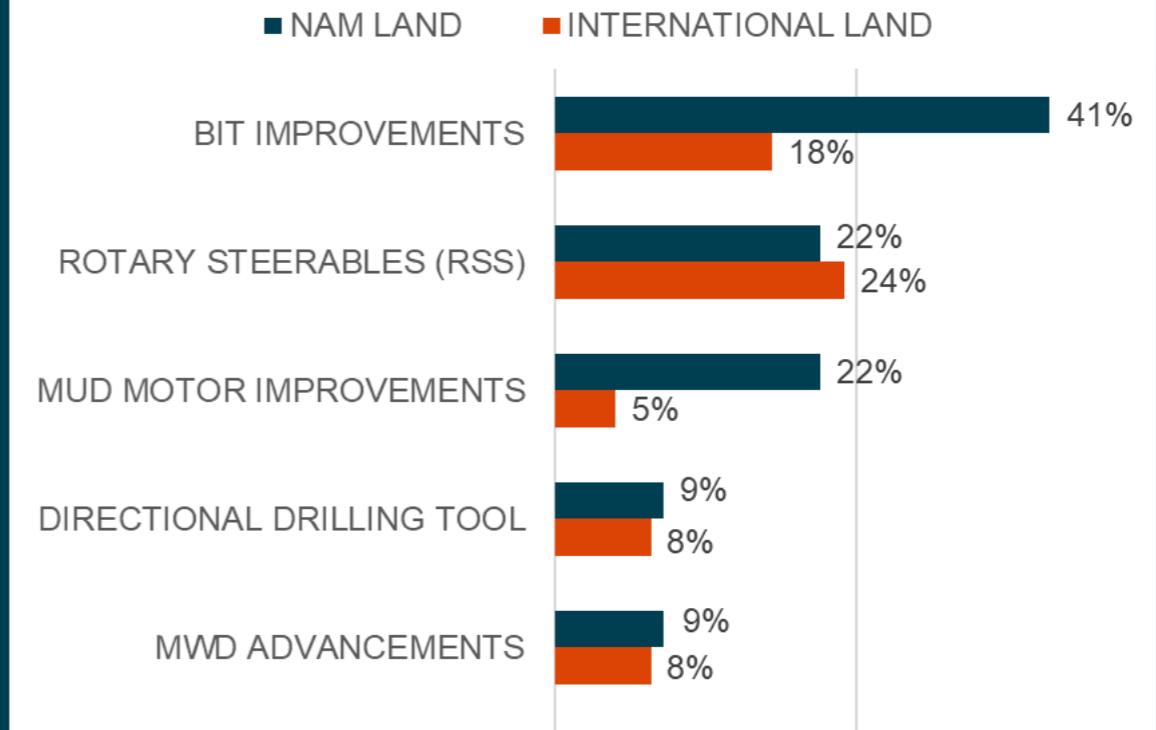
## New Product Revenue



- Revenue from new products launched in the last three years demonstrates our capability to drive innovation.
- Systematic innovation is aligned to the most critical customer needs.



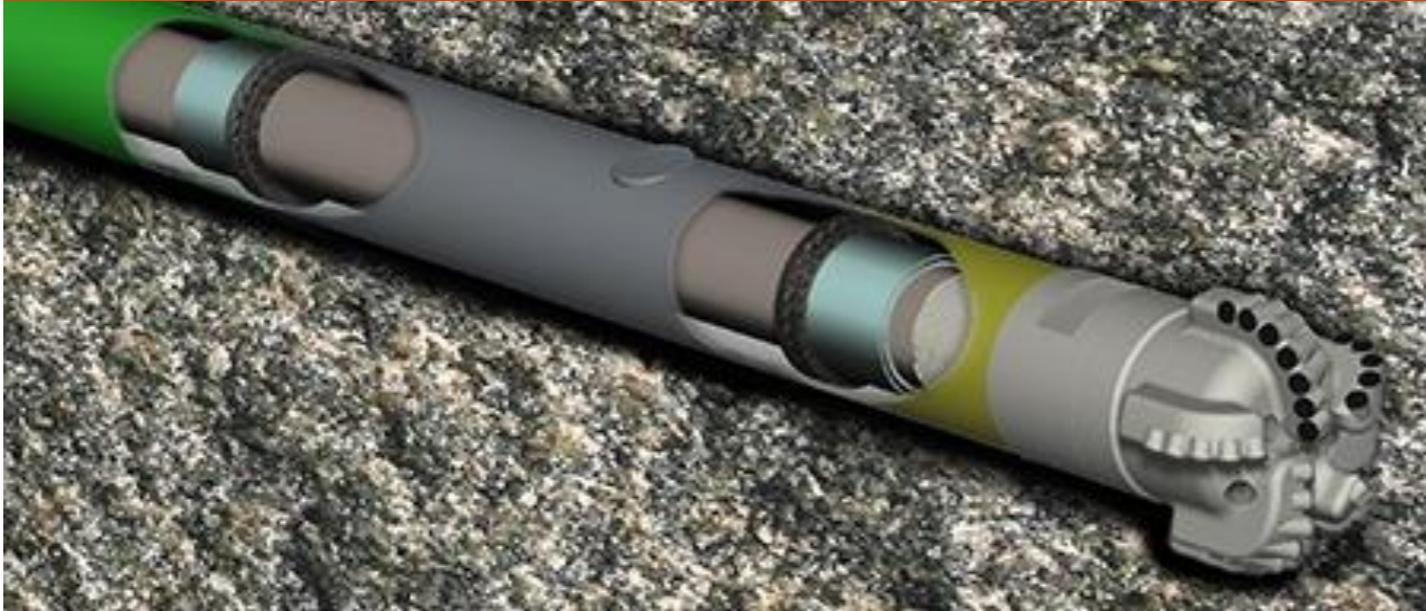
## Key Developments Delivering Customer Success



Bits and drilling tools with bearings top the list as key customer developments in 2022

**Our new product introductions are aligned with customer success factors**

## Directional Drilling Downhole Tools



### Improvements:

- Precise drilling through long laterals
- Longer life and more reliable trips
- More compact tool improved steerability

### Results:

- Increased bearing life from 300 hours to 3,000 hours
- 70% higher load capacity to enhance directional drilling
- 100% success in challenging conditions

## Renewable Energy River Powered Generator



### Improvements:

- Allowed remote village in Alaska to replace costly diesel-fuel power generation with continuous, sustainable zero-carbon power solution
- Longer application runtime and less maintenance required

### Results:

- 22,981 gallons of diesel saved annually
- 24/7/365 power
- Noise eliminated and environmental risk decreased

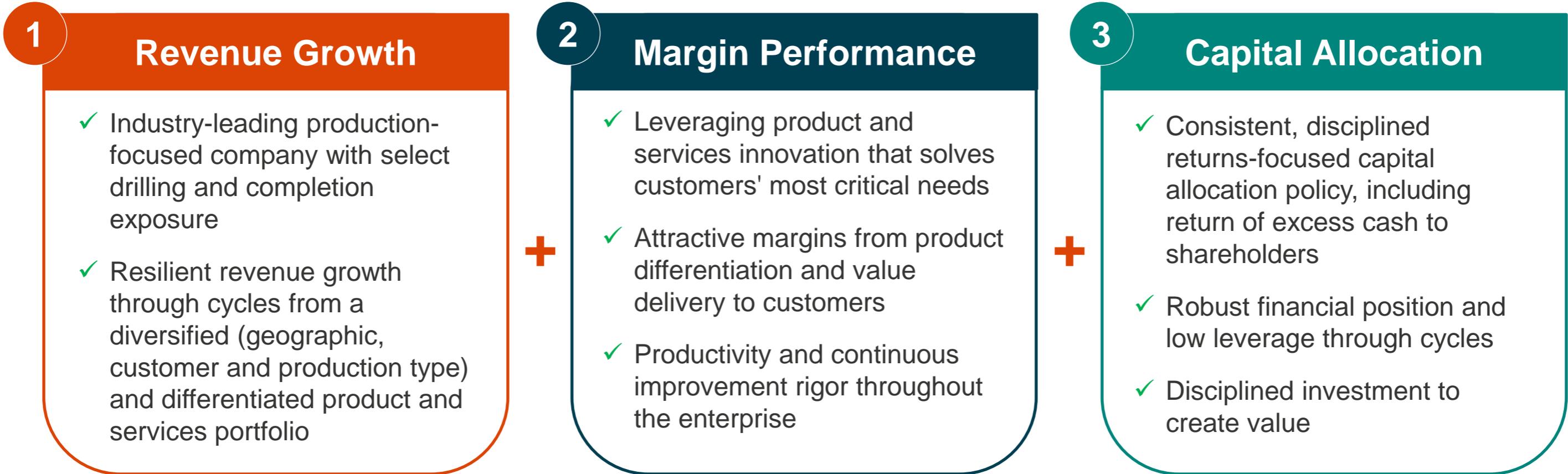
**Strong bearings growth in oilfield applications; promising opportunities in new end markets**

- Drillers rely on **premium diamond performance** for reliable and efficient drilling
- **Rapid innovation and customization** are key drivers of industry leadership
- **Diamond bearings** are being incorporated as **critical elements in downhole tools and other equipment**

# Financial Overview

Ken Fisher

# ChampionX's Value-Creation Algorithm



## 2022-2025 Financial Framework

**High Single Digits Revenue CAGR**

**20%+ EBITDA Margin**

**≥ 60% of FCF as Capital Return**

**Grow revenues, expand margins, fund attractive growth, return excess capital**

## Prudent Financial Management Designed To Ensure Delivery of Long-Term Value

### Resilient production focused portfolio

- Diversified by Geography, Customer and Production Type

### Capital discipline – portfolio actively managed for returns and value

- “Capital Light” business model
- Expanding margins and strong Working Capital management

### Strong free cash flow generation through cycles

- 50%-60% Conversion from Adjusted EBITDA

### Low leverage and strong balance sheet through cycles

- Less than 1x Net Leverage Target

### Robust liquidity

- Strength through industry cycles and volatility

### Capital allocation priorities... $\geq 60\%$ of free cash flow returned to shareholders

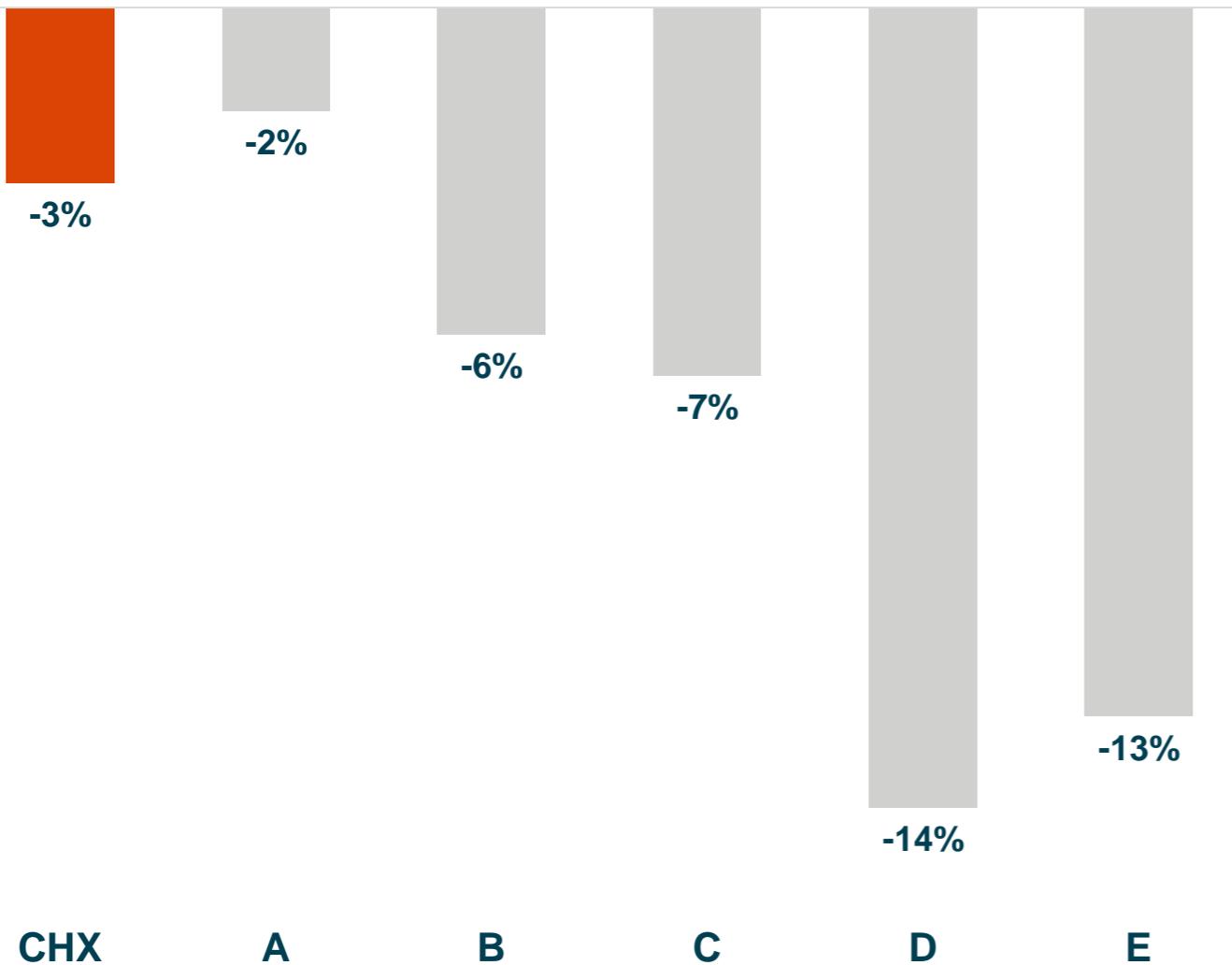
- Sustainable dividend growing with Free Cash Flow
- Excess Free Cash Flow to share repurchases

**Supports ChampionX strategy and value creation**

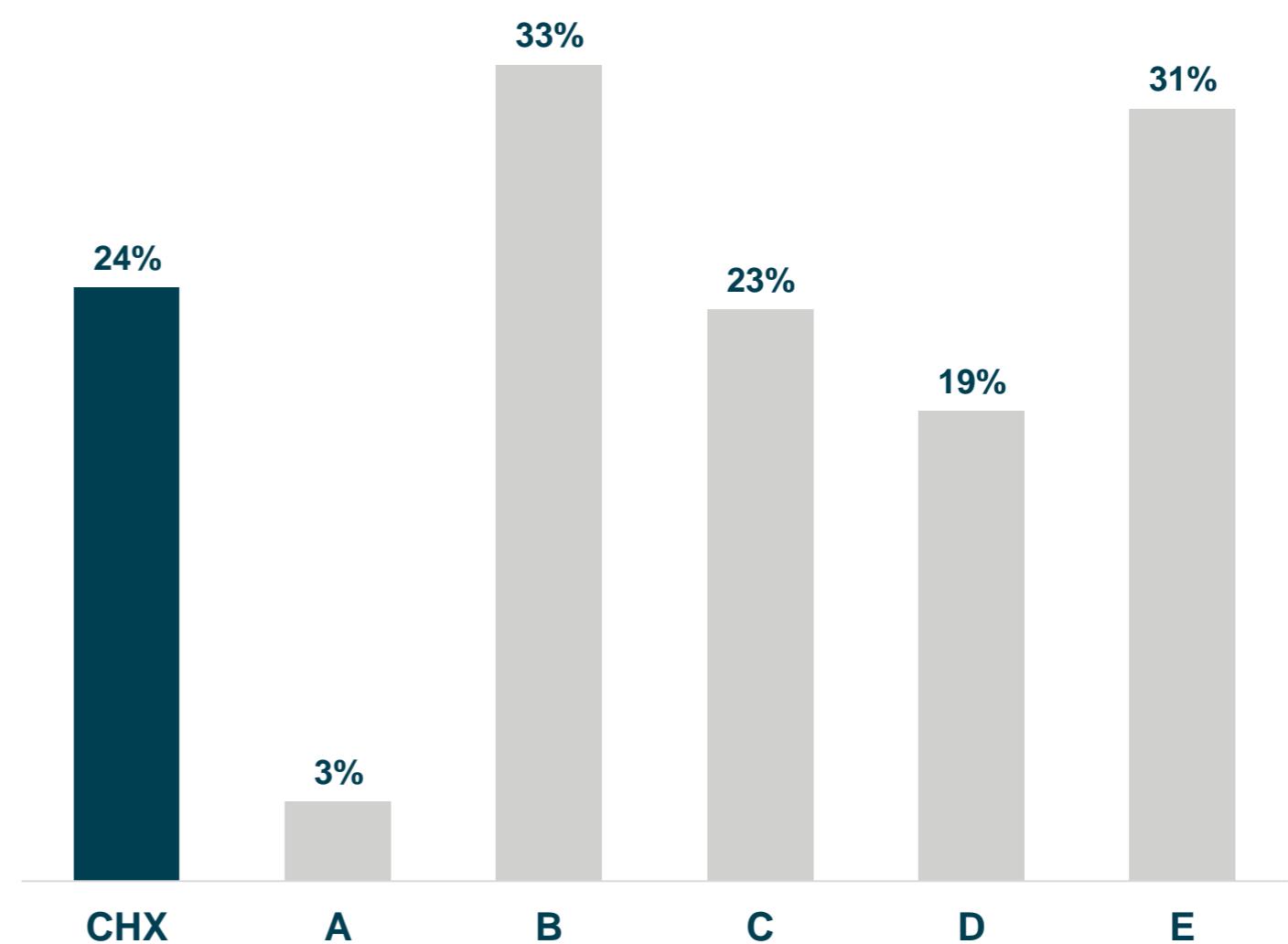
# Portfolio Resilience and Growth



## Revenue CAGR 2014-2022



## 2022 Annual Revenue Growth



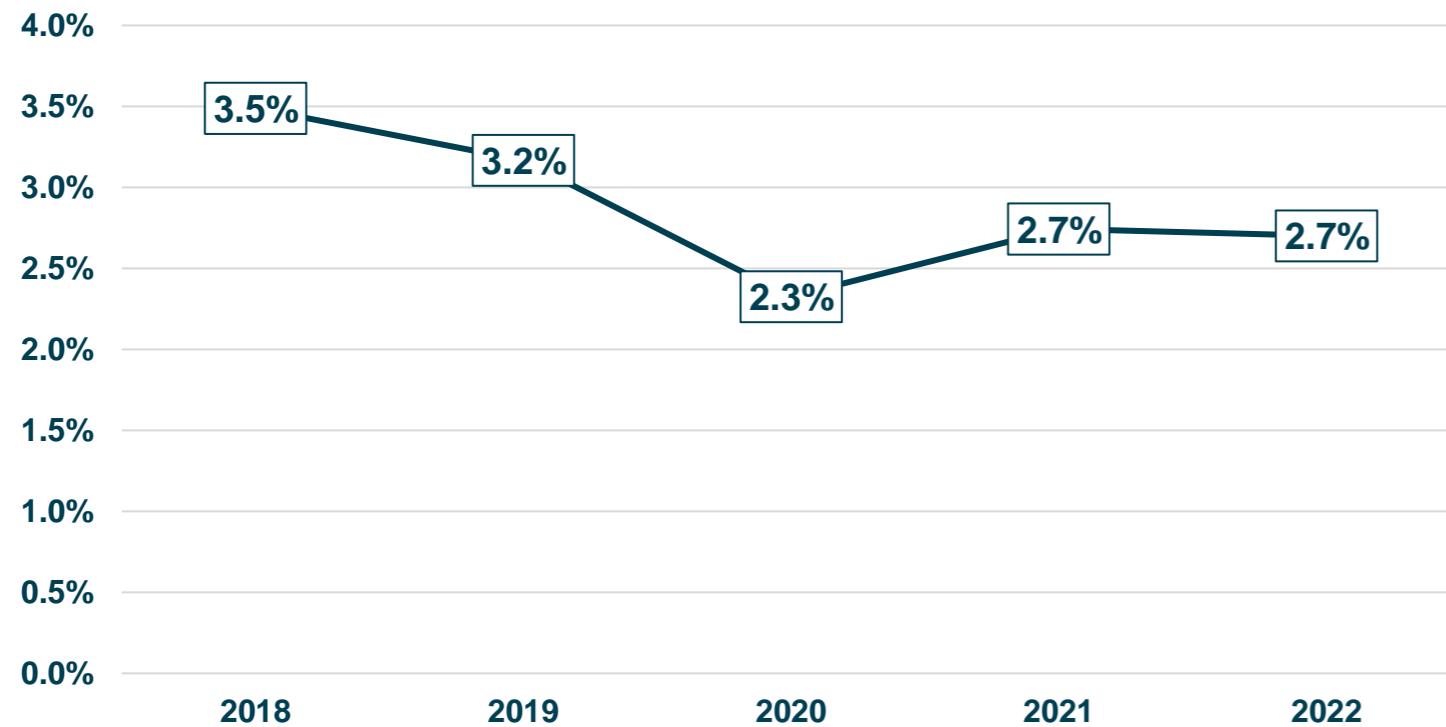
**Strong through cycle performance versus top OFS peers**

Peers include BKR, HAL, NOV, SLB, WFT

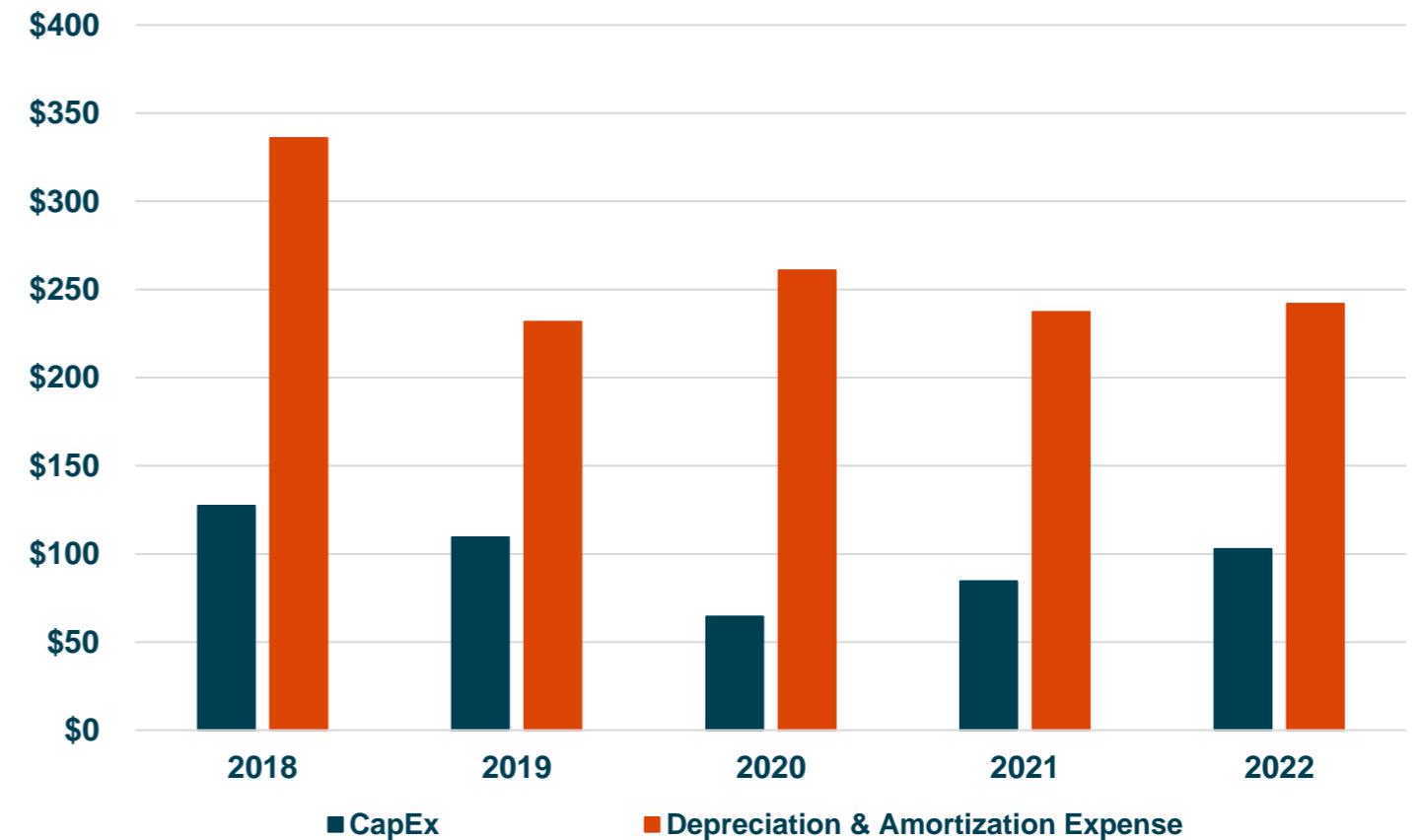
Revenue for 2014 is derived from the combined (i) unaudited financial statements of Apergy Corporation, as reflected in the Selected Historical Combined Financial Data section of the Company's Information Statement included as Exhibit 99.1 to the Company's registration statement on Form 10, effective April 19, 2018, and (ii) management's estimates of revenue for the Chemical Technologies business.

# 'Capital Light' Business Model

## CAPEX as % Revenue

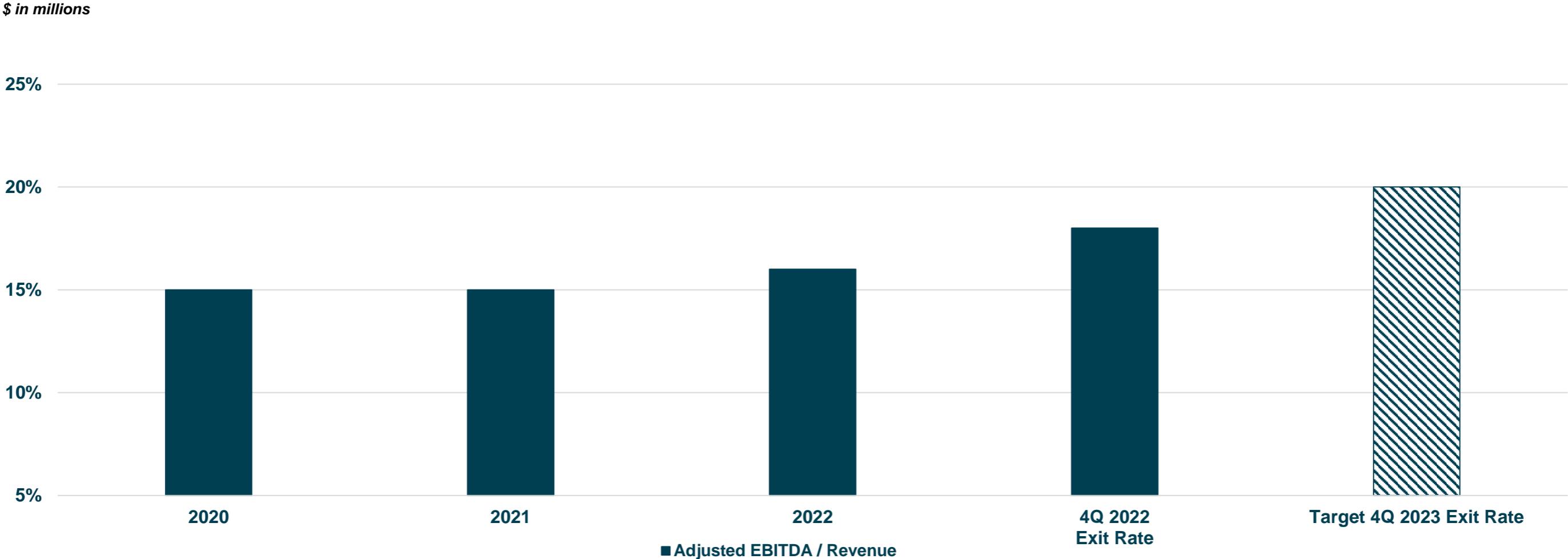


## CAPEX versus D&A



**Low reinvestment requirement; strong capital discipline**

# Adjusted EBITDA Margin Expansion



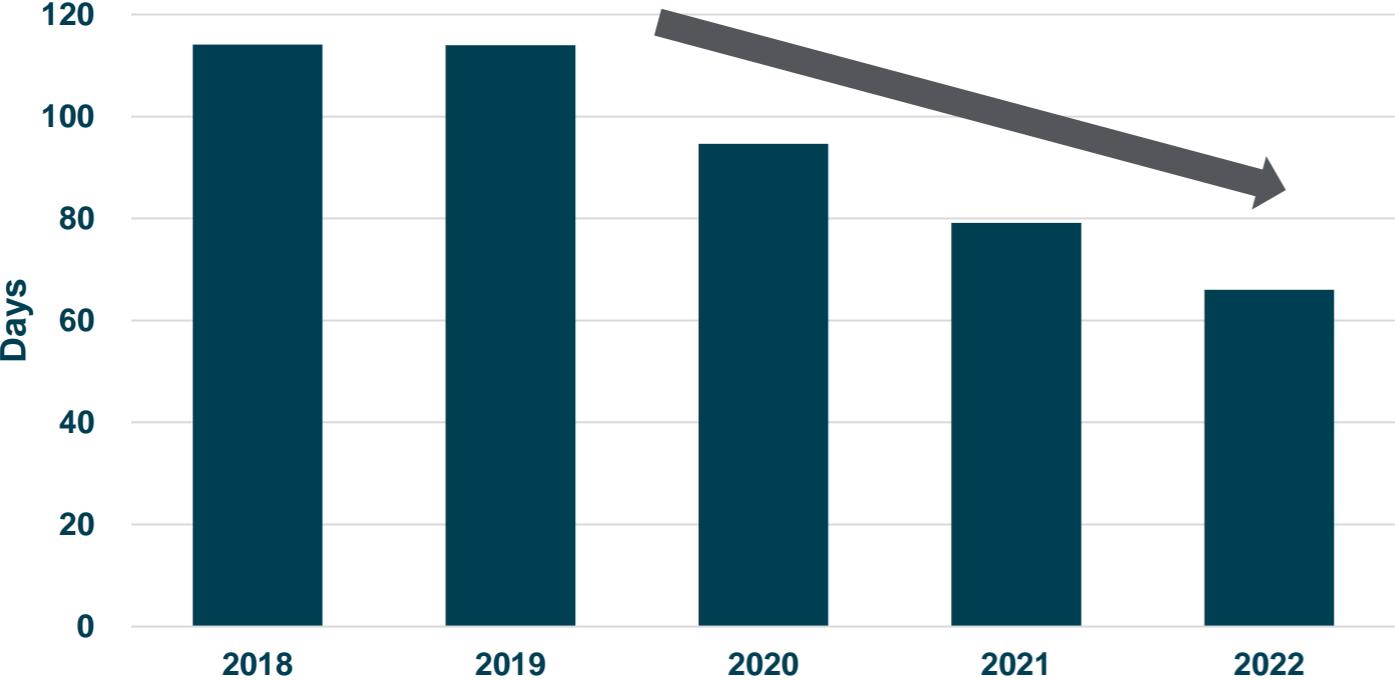
**Focused on expanding adjusted EBITDA margins across all segments**

See Appendix for reconciliation of non-GAAP financial metrics, including Adjusted EBITDA.

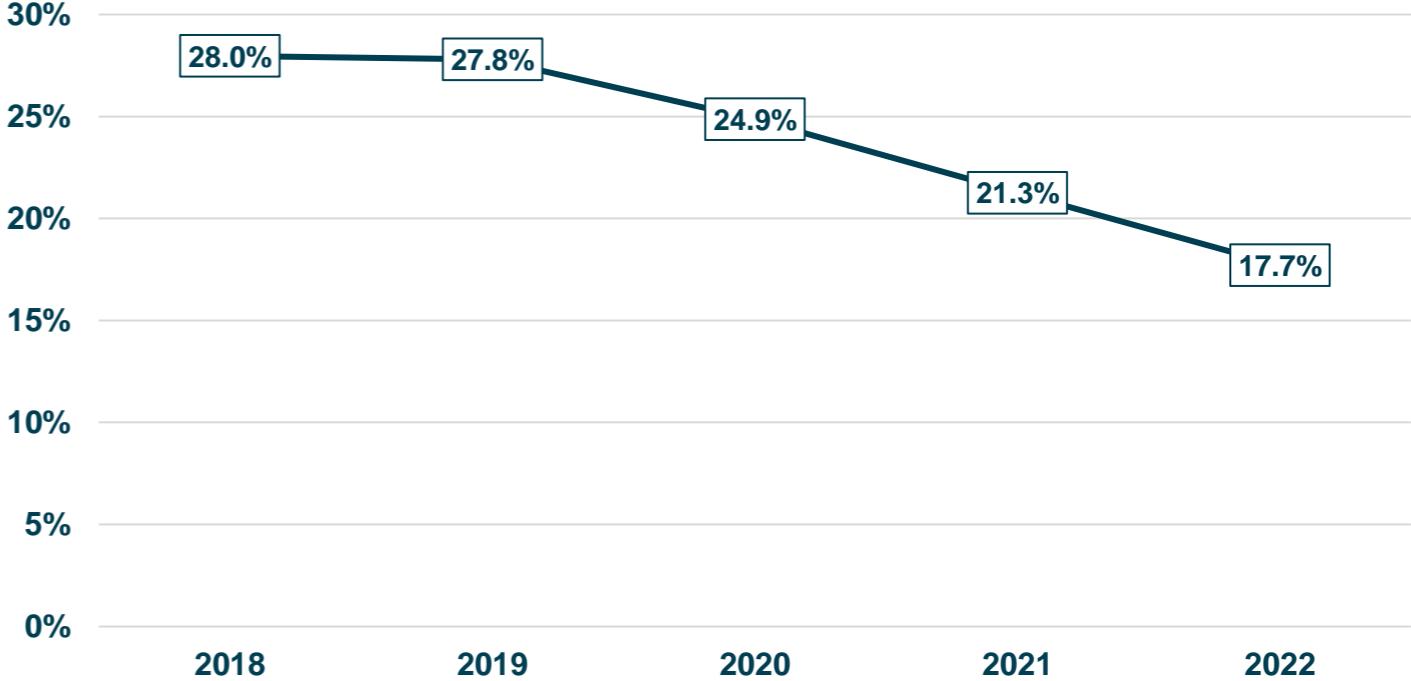
# Strong Working Capital Management



### Cash Conversion Cycle



### Net Working Capital % of Revenue



**Improved cash conversion cycle 40% since 2019**

Cash conversion cycle = DSO + DOH – DPO

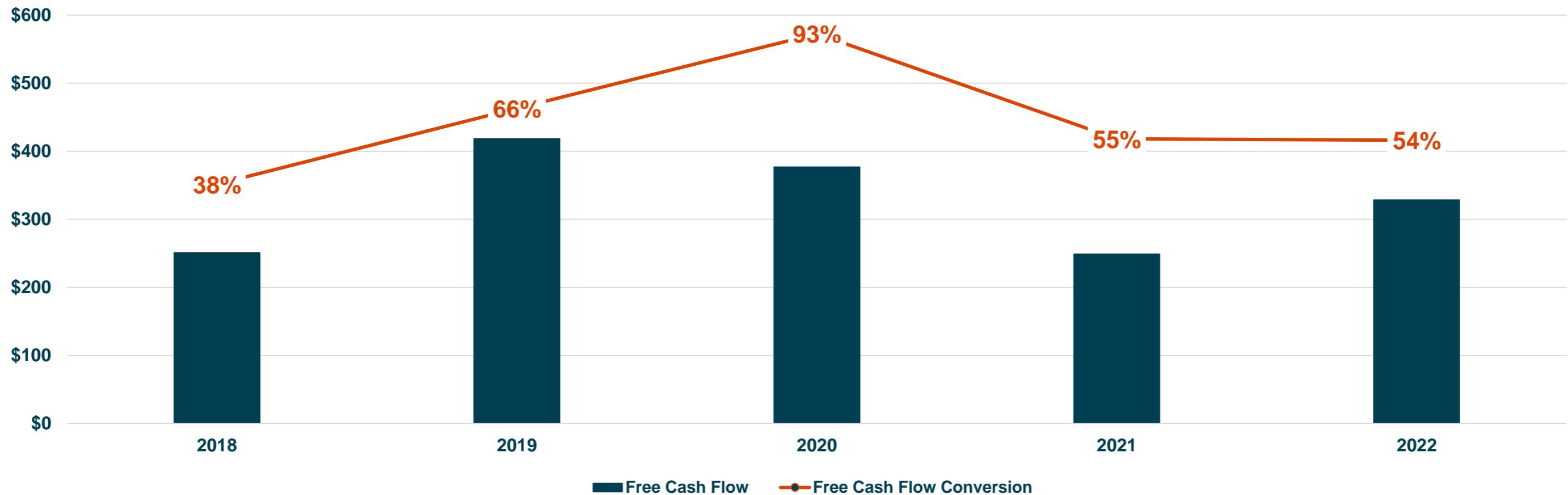
- DSO (Days Sales Outstanding) = Receivables, net / daily average revenue of prior 3 months (90 days)
- DOH (Days of Inventory on Hand) = Inventories, net / daily average cost of goods sold of prior 3 months (90 days)
- DPO (Days Payables Outstanding) = Accounts payable / daily average cost of goods sold of prior 3 months (90 days)

Net working capital = receivables, net + inventories, net – accounts payable

# Free Cash Flow Conversion

\$ in millions

**2018-2022 Average FCF / Adjusted EBITDA Conversion of 58%**



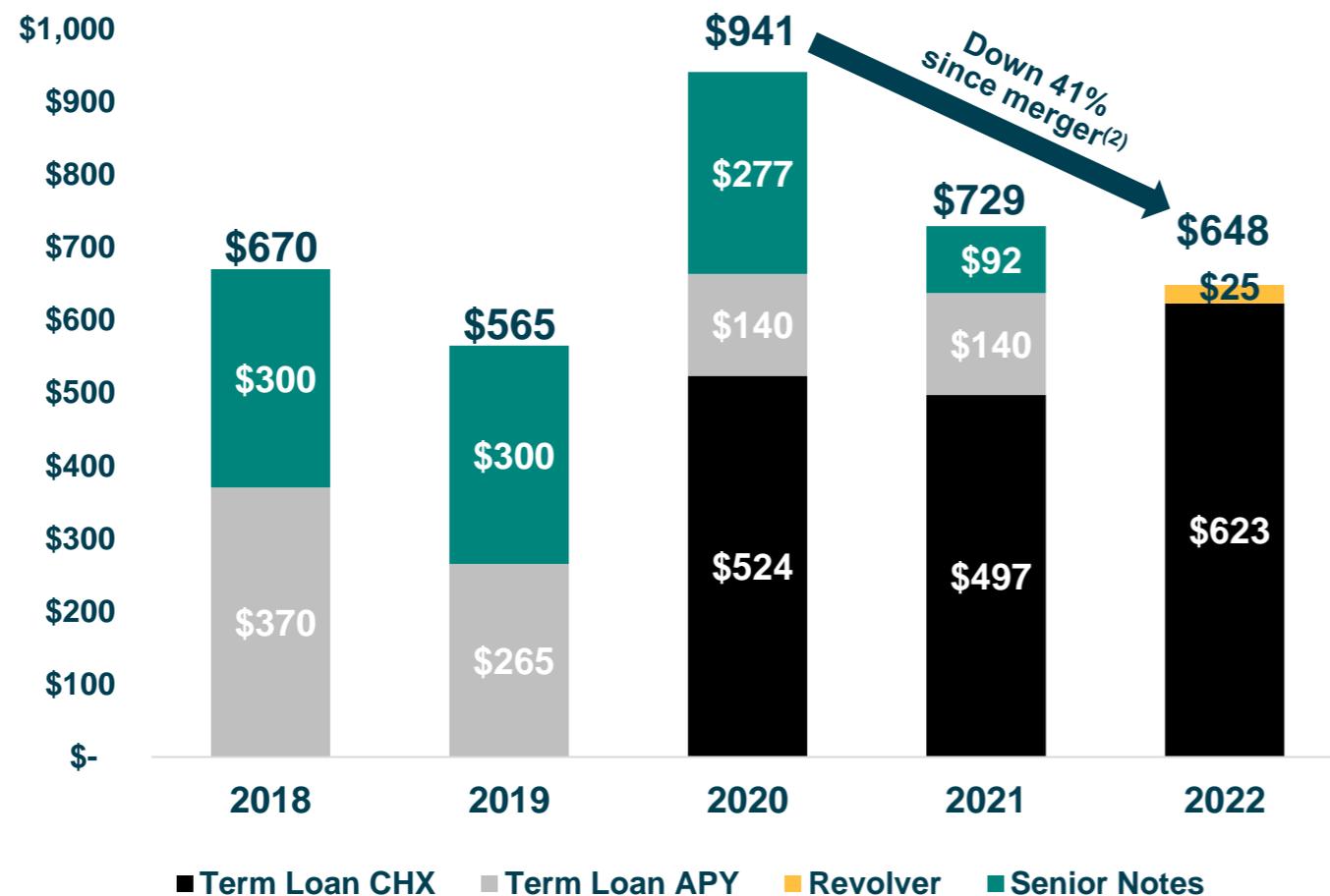
**Strong and consistent FCF generation since initial spin despite sector volatility**

FCF conversion = free cash flow / Adjusted EBITDA.  
See Appendix for reconciliation of non-GAAP financial metrics, including free cash flow and Adjusted EBITDA.

# Debt & Maturity Profile

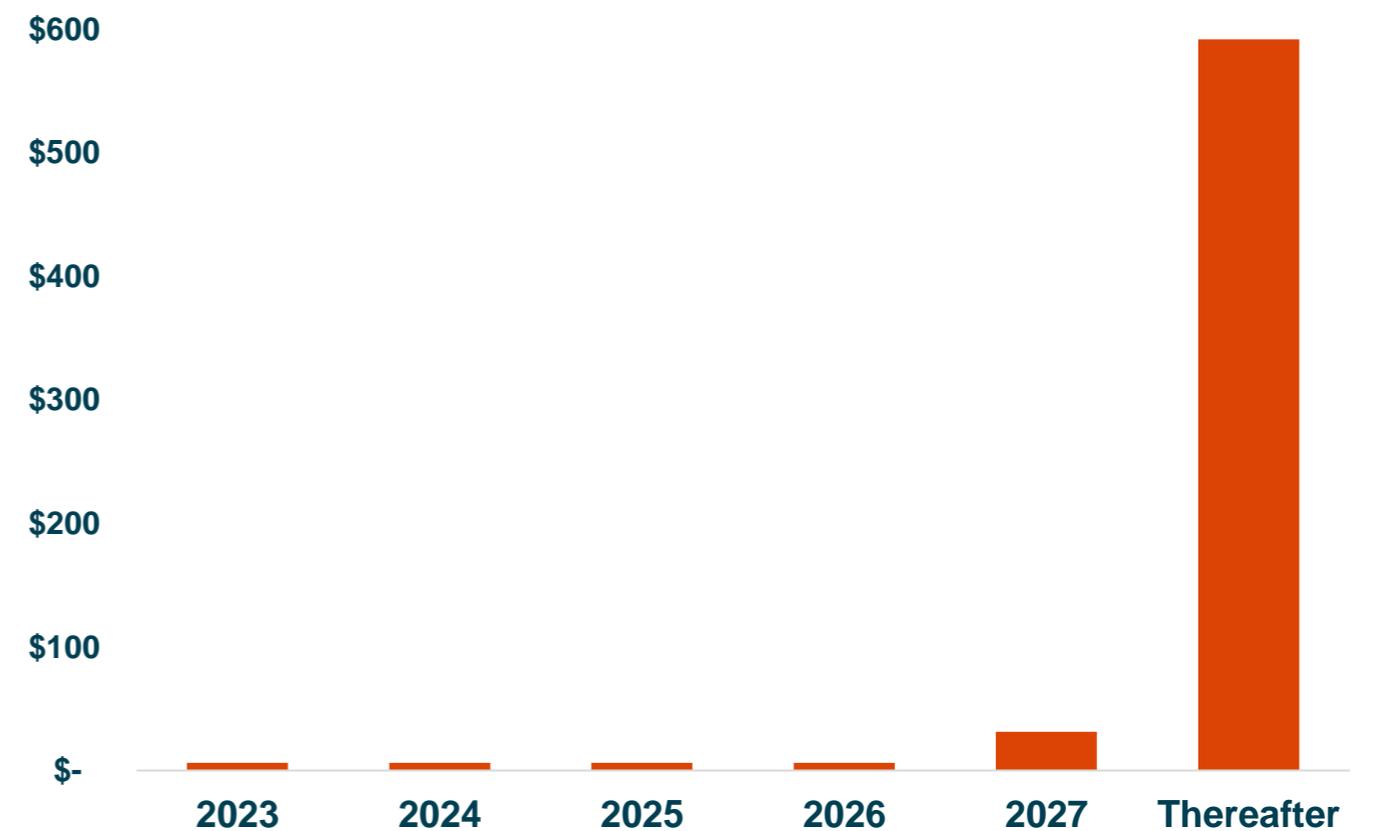
## Gross Debt<sup>(1)</sup>

(\$MM's)



## Debt Maturity Profile

(\$MM's)



**Significant debt paydown since merger; well-managed maturity tower**

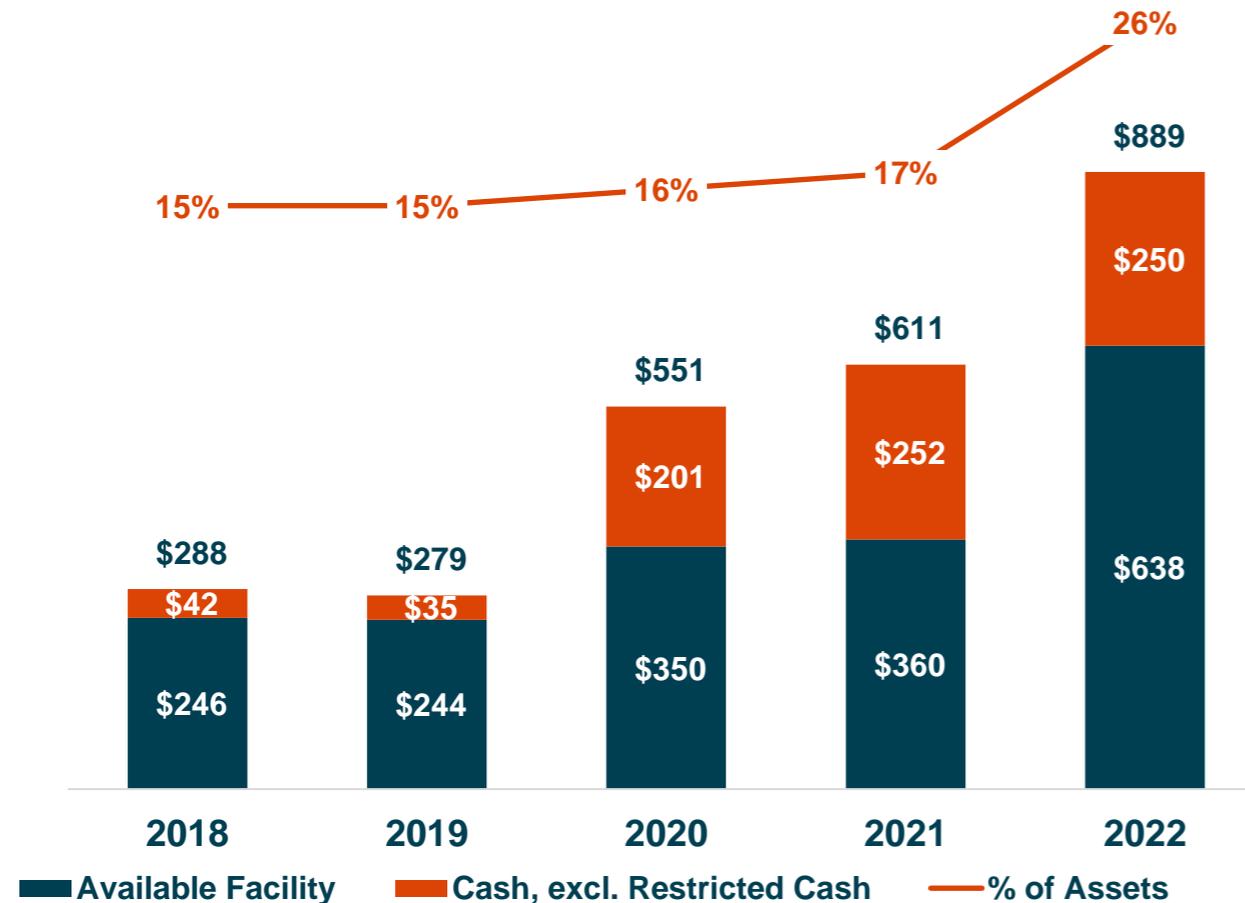
(1) Total long-term debt before net unamortized discounts and issuance costs.

(2) Gross debt outstanding at June 3, 2020 of \$1,102 MM.

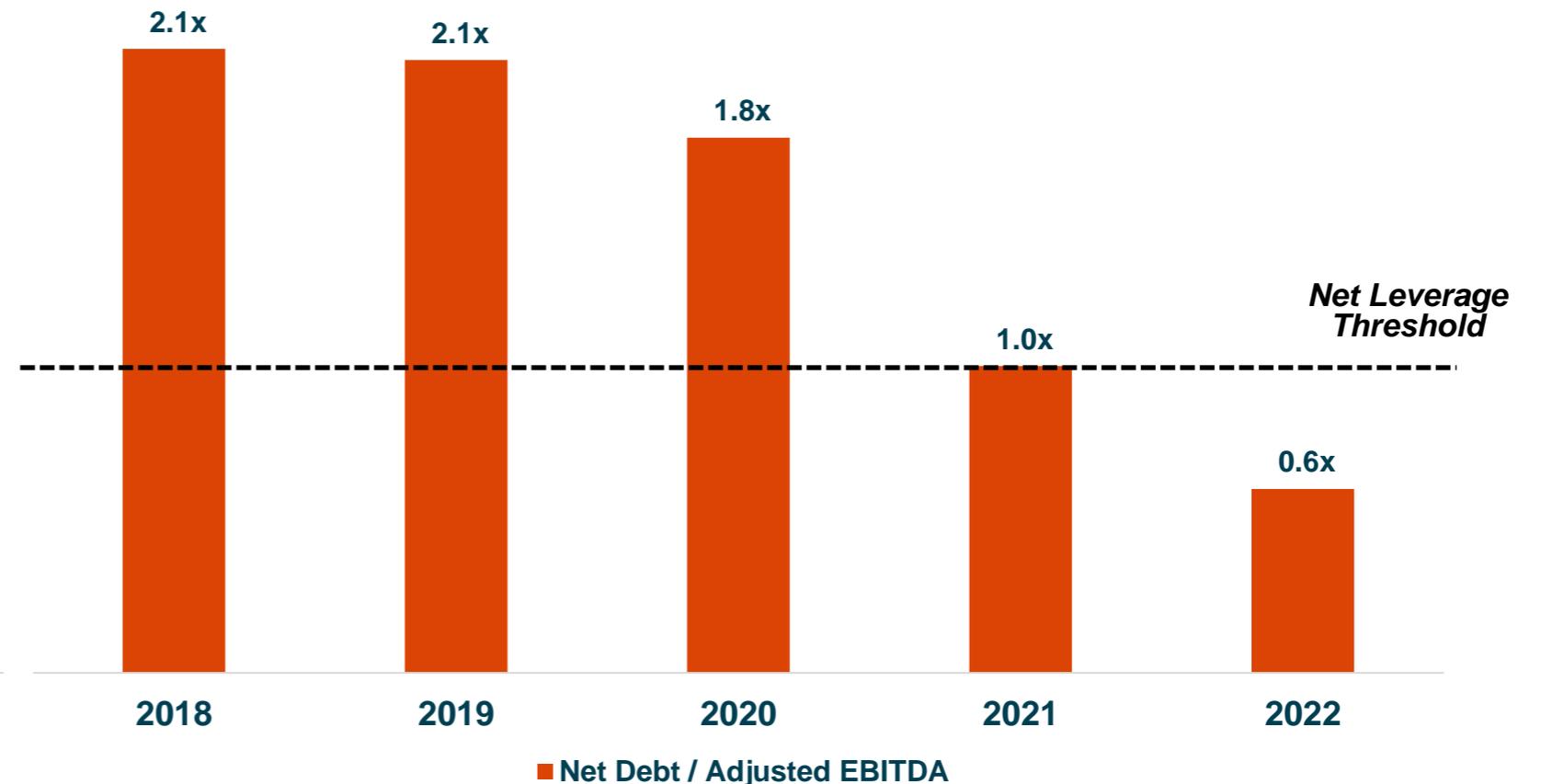
# Liquidity and Leverage

## Liquidity

(\$MM's)



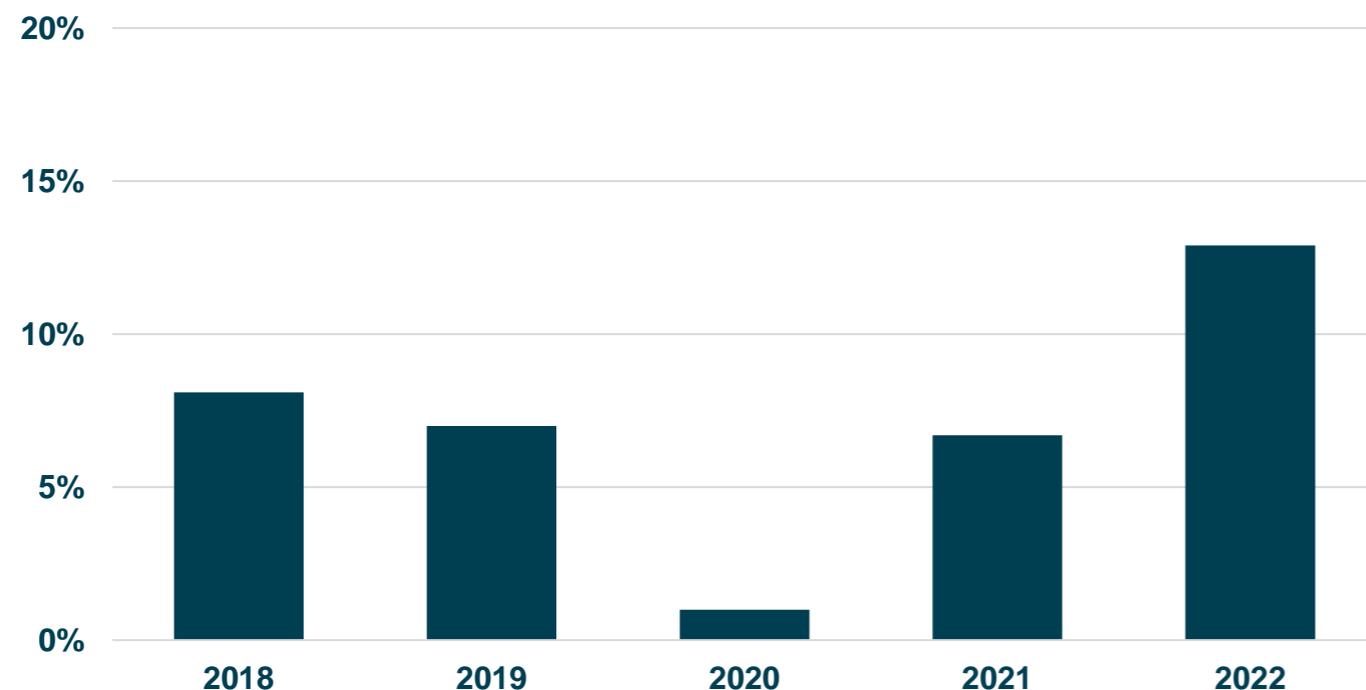
## Net Leverage



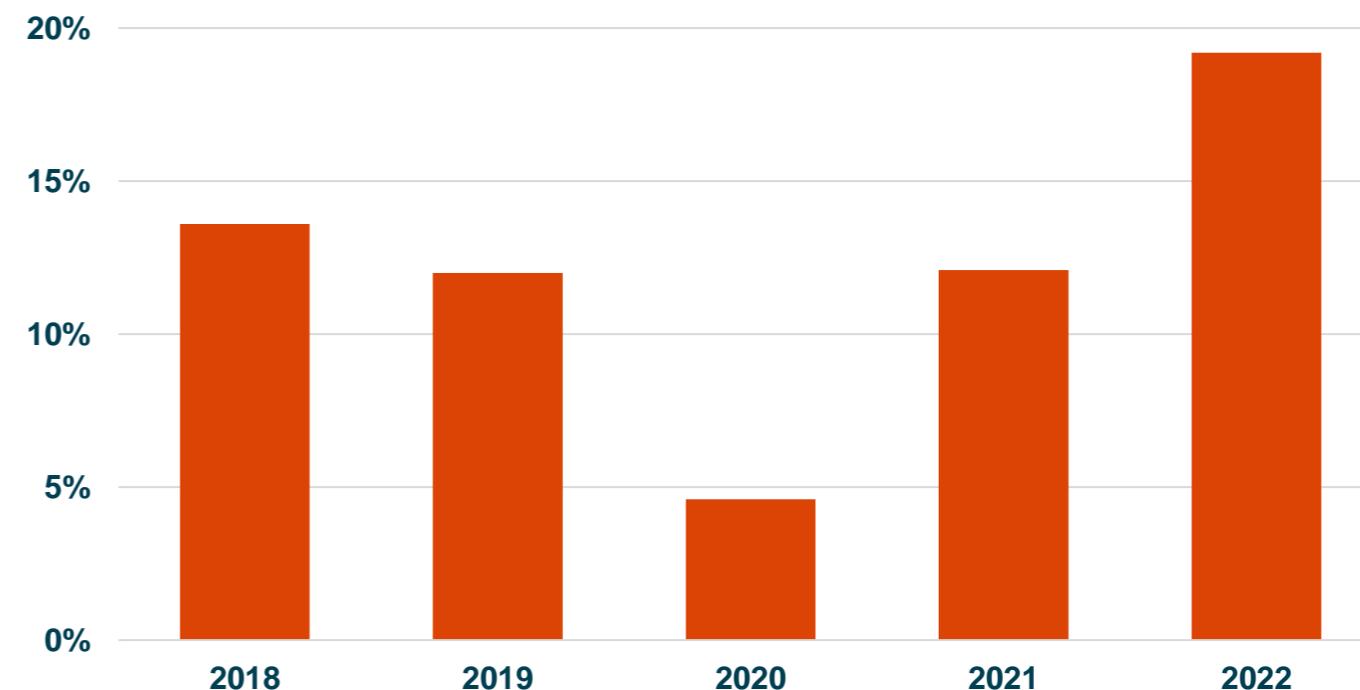
**Strengthened financial position with upsized revolver; deleveraged to target since merger**

# Return on Invested Capital (ROIC)

## As Reported



## Excluding Intangible Assets



**Improving returns since merger – targeting 20%+ (as reported) in 2023 and beyond**

ROIC = Adjusted net operating profit / (total assets – total liabilities excluding long-term debt).  
See Appendix for reconciliation of non-GAAP financial metrics, including adjusted net operating profit.

## Strong Balance Sheet Provides Flexibility ...

**Consistent,  
Strong Cash  
from  
Operations**

**\$413 MM**  
**Trailing 4  
Quarters**  
**~11% of Revenue**

**Target  
1x Net Debt /  
Adjusted  
EBITDA**

Debt <sup>(1)</sup>	\$628
Less: Cash	250
<b>Net Debt</b>	<b>\$378</b>

**~0.6x Trailing 4 Qtrs. Adjusted EBITDA**

**Ample  
Liquidity**

Cash	\$250
Credit Facility Availability <sup>(1)</sup>	638
<b>Liquidity</b>	<b>\$889</b>

## ... To Fund Our Capital Allocation Priorities

- 1 Maintain 1x Net Debt / EBITDA, through-the-cycle**
- 2 Fund internal investment**
  - Maintenance capital
  - Growth capital
  - Investments in innovation
  - Highest ROI investments
- 3 Pay sustainable, growing dividend**
  - Recently increased to \$0.085/share
  - Expect to grow over time with free cash flow growth
- 4 Pursue value-creating acquisitions**
  - Disciplined M&A framework
  - Strategic, tuck-in opportunities that add to our capabilities and growth profile
  - Drive returns above cost of capital
- 5 Return excess capital to shareholders**
  - \$750 million share repurchase authorization
  - \$180 million repurchased in 2022

Note: USD in millions. Certain numbers may not add up due to rounding of numbers.  
(1) Debt = debt on face of balance sheet at December 31, 2022.

**2022**

**69% of FCF returned in 2022**



**Moving Forward**

- Sustainable regular dividend growing with Free Cash Flow
  - 13% Increase on February 16, 2023
- $\geq 60\%$  of FCF returned to shareholders via quarterly dividend and share repurchases

**Value creation aligned to reward shareholders**

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

- Revenue of \$952 million to \$982 million
  - Expect typical seasonal declines in our international operations, partially offset by rebound in our North American land businesses
- Adjusted EBITDA of \$164 million to \$172 million
- We expect adjusted EBITDA margin to improve during 2023 from the Q1 seasonal low
- Depreciation and amortization similar to the fourth quarter of 2022

## For full year 2023, we expect:

- 2023 exit rate adjusted EBITDA margin of 20%
- Adjusted EBITDA to free cash flow conversion of at least 50%
- Return of at least 60% of free cash flow to our shareholders

Note: This presentation also contains certain forward-looking non-GAAP financial measures, including adjusted EBITDA and free cash flow. 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.

<b>Revenue 3-year CAGR:</b>	<b>High single digits</b>
<b>EBITDA Margin:</b>	<b>≥ 20% Company rate</b>
<b>ROIC:</b>	<b>&gt; 20%</b>
<b>Net Leverage:</b>	<b>≤ 1x Net Leverage through the cycles</b>
<b>FCF Generation:</b>	<b>50%-60% of adjusted EBITDA conversion</b>
<b>Shareholder Returns:</b>	<b>≥ 60% of Free Cash Flow</b>

**Industry-leading production-focused company delivering differential value**

# Closing

Soma Somasundaram

# Key Messages We Shared Today

1

Leading global energy production optimization solutions provider

2

Attractive growth pathways across the business portfolio

3

Well positioned to help decarbonize energy production operations

4

Differentiated and sustainably strong free cash flow profile

5

Capital allocation framework focused on value creation for shareholders

Compelling  
Investment  
Opportunity

Investment  
aligned  
with driving  
through-cycle  
total returns  
for our  
shareholders

We are excited about our future ... the best is yet to come

# Q&A session

# Appendix

## Reconciliations

# Reconciliations



## Net Income (Loss) Attributable to ChampionX to Adjusted EBITDA and Free Cash Flow

	Years Ended December 31,					Q4
	2018 *	2019 **	2020 **	2021	2022	2022
(in thousands)						
<b>Revenue</b>	\$ 3,649,656	\$ 3,456,354	\$ 2,775,027	\$ 3,074,990	\$ 3,805,948	
<b>Net income (loss) attributable to ChampionX</b>	194,937	229,126	(777,553)	113,299	154,969	67,857
Pre-Tax Adjustments:						
Restructuring and other related charges	19,147	23,974	27,979	14,624	65,158	(16,784)
Goodwill and long-lived asset impairment	-	1,746	805,011	-	39,617	39,617
(Gain) loss on disposal groups	-	-	-	(38,131)	18,493	1,978
Acquisition and integration related costs	-	822	1,134	35,233	10,759	1,001
Acquisition costs and related adjustments	-	-	(8,050)	(13,636)	(17,648)	(7,112)
Loss on debt extinguishment and modification	-	-	-	11,098	6,070	-
Russia sanctions compliance and impacts	-	-	-	-	928	(2,909)
Intellectual property defense	-	400	1,278	6,622	781	27
Separation and supplemental benefit costs	14,649	6,377	539	1,559	-	-
Latin America tax matters	-	-	-	(2,968)	-	-
Professional fees related to material weakness remediation and impairment analysis	-	2,780	6,240	-	-	-
Royalty expense	2,277	-	-	-	-	-
Environmental costs	-	1,988	-	-	-	-
Other charges	1,300	-	-	-	-	-
Tax impact of adjustment	(3,308)	(8,718)	(28,903)	(3,024)	(18,903)	3,848
<b>Adjusted net income attributable to ChampionX</b>	229,002	258,495	27,675	124,676	260,224	87,523
Tax impact of adjustment	3,308	8,718	28,903	3,024	18,903	(3,848)
Net income attributable to noncontrolling interest	1,954	8,216	2,898	941	1,594	(1,588)
Depreciation and amortization	335,761	231,702	260,930	237,285	241,880	64,119
Provision for income taxes	63,662	51,147	18,598	38,445	40,243	21,008
Interest expense, net	27,648	77,741	65,434	51,921	45,204	11,622
<b>Adjusted EBITDA</b>	<b>\$ 661,335</b>	<b>\$ 636,019</b>	<b>\$ 404,438</b>	<b>\$ 456,292</b>	<b>\$ 608,048</b>	<b>\$ 178,836</b>
Cash flows from operating activities	\$ 374,800	\$ 520,099	\$ 431,169	\$ 328,219	\$ 413,360	\$ 195,093
Less: capital expenditures	(127,318)	(109,480)	(64,545)	(84,464)	(102,808)	(28,056)
Plus: proceeds from asset sales	3,187	7,998	10,305	5,236	18,017	1,593
<b>Free Cash Flow</b>	<b>\$ 250,669</b>	<b>\$ 418,617</b>	<b>\$ 376,929</b>	<b>\$ 248,991</b>	<b>\$ 328,569</b>	<b>\$ 168,630</b>

(\*) Management's estimate of the combined results of legacy Apergy as reported in our 2020 Form 10-K, plus legacy ChampionX as reported in our Registration Statement on Form S-4 (File No. 333-236379).

(\*\*) Includes the impact of the historical legacy ChampionX business on a stand-alone basis adjusted to give effect to the Merger under the acquisition method of accounting in accordance with Accounting Standards Codification 805, Business Combinations ("ASC 805"). The adjustments were prepared on the same basis as the adjustments included in our Registration Statement on Form S-4 and include a decrease in amortization and depreciation resulting from the preliminary purchase price adjustments, an increase in interest expense associated with the new term loan facility, removal of acquisition and integration related costs attributable to the Merger as well as the tax impact of those adjustments.

# Reconciliations



## Net Income (Loss) Attributable to ChampionX, Adjusted Net Operating Profit and Net Debt

	Years Ended December 31,				
	2018	2019	2020*	2021	2022
(in thousands)					
<b>Net income (loss) attributable to ChampionX</b>	\$ 92,737	\$ 52,164	\$ (777,553)	\$ 113,299	\$ 154,969
Pre-Tax Adjustments:					
Restructuring and other related charges	4,347	9,307	27,979	14,624	65,158
Goodwill and long-lived asset impairment	-	1,746	805,011	-	39,617
(Gain) loss on disposal groups	-	-	-	(38,131)	18,493
Acquisition and integration related costs	-	10,145	1,134	35,233	10,759
Acquisition costs and related adjustments	-	-	(8,050)	(13,636)	(17,648)
Loss on debt extinguishment and modification	-	-	-	11,098	6,070
Russia sanctions compliance and impacts	-	-	-	-	928
Intellectual property defense	-	400	1,278	6,622	781
Separation and supplemental benefit costs	14,649	6,377	539	1,559	-
Latin America tax matters	-	-	-	(2,968)	-
Professional fees related to material weakness remediation and impairment analysis	-	2,780	6,240	-	-
Royalty expense	2,277	-	-	-	-
Environmental costs	-	1,988	-	-	-
Other charges	-	-	-	-	-
Tax impact of adjustment	(3,308)	(7,777)	(28,903)	(3,024)	(18,903)
<b>Adjusted net income attributable to ChampionX</b>	110,702	77,130	27,675	124,676	260,224
Tax impact of adjustment	3,308	7,777	28,903	3,024	18,903
Net income attributable to noncontrolling interest	454	796	2,898	941	1,594
Depreciation and amortization	124,461	119,938	260,930	237,285	241,880
Provision for income taxes	28,162	6,226	18,598	38,445	40,243
Interest expense, net	27,648	39,301	65,434	51,921	45,204
<b>Adjusted EBITDA</b>	\$ 294,735	\$ 251,168	\$ 404,438	\$ 456,292	\$ 608,048
Less: Net income attributable to noncontrolling interest	(454)	(796)	(2,898)	(941)	(1,594)
Less: Depreciation and amortization	(124,461)	(119,938)	(260,930)	(237,285)	(241,880)
Less: Adjusted provision for income taxes	(37,683)	(17,883)	(44,714)	(54,277)	(68,219)
<b>Adjusted operating profit</b>	\$ 132,137	\$ 112,551	\$ 95,896	\$ 163,789	\$ 296,355
	December 31,				
	2018	2019	2020	2021	2022
Current portion of long-term debt	\$ -	\$ -	\$ 26,850	\$ 26,850	\$ 6,250
Long-term debt	658,623	555,291	905,764	697,657	621,702
Gross debt	658,623	555,291	932,614	724,507	627,952
Less: Cash and cash equivalents	(41,832)	(35,290)	(201,421)	(251,678)	(250,187)
<b>Net debt</b>	\$ 616,791	\$ 520,001	\$ 731,193	\$ 472,829	\$ 377,765

(\*) Includes the impact of the historical legacy ChampionX business on a stand-alone basis adjusted to give effect to the Merger under the acquisition method of accounting in accordance with Accounting Standards Codification 805, Business Combinations ("ASC 805"). The adjustments were prepared on the same basis as the adjustments included in our Registration Statement on Form S-4 and include a decrease in amortization and depreciation resulting from the preliminary purchase price adjustments, an increase in interest expense associated with the new term loan facility, removal of acquisition and integration related costs attributable to the Merger as well as the tax impact of those adjustments.

# Reconciliations



## Segment Income (loss) before income taxes, Segment Adjusted EBITDA

(in thousands)	Years Ended December 31,			Q4
	2020*	2021	2022	2022
<b>Segment revenue:</b>				
Production Chemical Technologies	\$ 1,800,175	\$ 1,842,400	\$ 2,347,526	\$ 636,539
Production & Automation Technologies	615,918	762,371	954,646	244,181
Drilling Technologies	116,186	172,066	229,479	53,797
Reservoir Chemical Technologies	129,168	141,095	145,197	25,698
Corporate and other	113,580	157,058	129,100	25,640
Total revenue	<u>\$ 2,775,027</u>	<u>\$ 3,074,990</u>	<u>\$ 3,805,948</u>	<u>\$ 985,855</u>
<b>Income (loss) before income taxes:</b>				
<b>Segment operating profit (loss):</b>				
Production Chemical Technologies	\$ 200,335	\$ 165,463	\$ 239,936	\$ 96,418
Production & Automation Technologies	(697,899)	45,635	89,133	18,104
Drilling Technologies	2,574	30,409	54,512	9,426
Reservoir Chemical Technologies	(174,635)	30,311	(90,212)	(16,884)
Total segment operating profit	(669,625)	271,818	293,369	107,064
Corporate and other	21,000	67,212	51,359	8,165
Interest expense, net	65,433	51,921	45,204	11,622
Income before income taxes	<u>\$ (756,058)</u>	<u>\$ 152,685</u>	<u>\$ 196,806</u>	<u>\$ 87,277</u>
<b>Operating profit margin / income (loss) before income taxes margin:</b>				
Production Chemical Technologies	11.1%	9.0%	10.2%	15.1%
Production & Automation Technologies	(113.3%)	6.0%	9.3%	7.4%
Drilling Technologies	2.2%	17.7%	23.8%	17.5%
Reservoir Chemical Technologies	(135.2%)	21.5%	(62.1%)	(65.7%)
ChampionX Consolidated	(27.2%)	5.0%	5.2%	8.9%
<b>Adjusted EBITDA</b>				
Production Chemical Technologies	\$ 300,629	\$ 271,244	\$ 369,054	\$ 121,092
Production & Automation Technologies	108,863	152,734	196,261	50,620
Drilling Technologies	17,312	44,326	61,932	10,998
Reservoir Chemical Technologies	(10,942)	2,891	5,518	3,437
Corporate and other	(11,424)	(14,903)	(24,717)	(7,311)
Adjusted EBITDA	<u>\$ 404,438</u>	<u>\$ 456,292</u>	<u>\$ 608,048</u>	<u>\$ 178,836</u>
<b>Adjusted EBITDA margin</b>				
Production Chemical Technologies	16.7%	14.7%	15.7%	19.0%
Production & Automation Technologies	17.7%	20.0%	20.6%	20.7%
Drilling Technologies	14.9%	25.8%	27.0%	20.4%
Reservoir Chemical Technologies	(8.5%)	2.0%	3.8%	13.4%
ChampionX Consolidated	14.6%	14.8%	16.0%	18.1%

\* Includes the impact of the historical legacy ChampionX business on a stand-alone basis adjusted to give effect to the Merger under the acquisition method of accounting in accordance with Accounting Standards Codification 805, Business Combinations ("ASC 805"). The adjustments were prepared on the same basis as the adjustments included in our Registration Statement on Form S-4 and include a decrease in amortization and depreciation resulting from the preliminary purchase price adjustments, an increase in interest expense associated with the new term loan facility, removal of acquisition and integration related costs attributable to the Merger as well as the tax impact of those adjustments.