



Earnings Conference Call

Second Quarter 2023

July 25, 2023

8:00am Central Time

Forward-Looking Statements

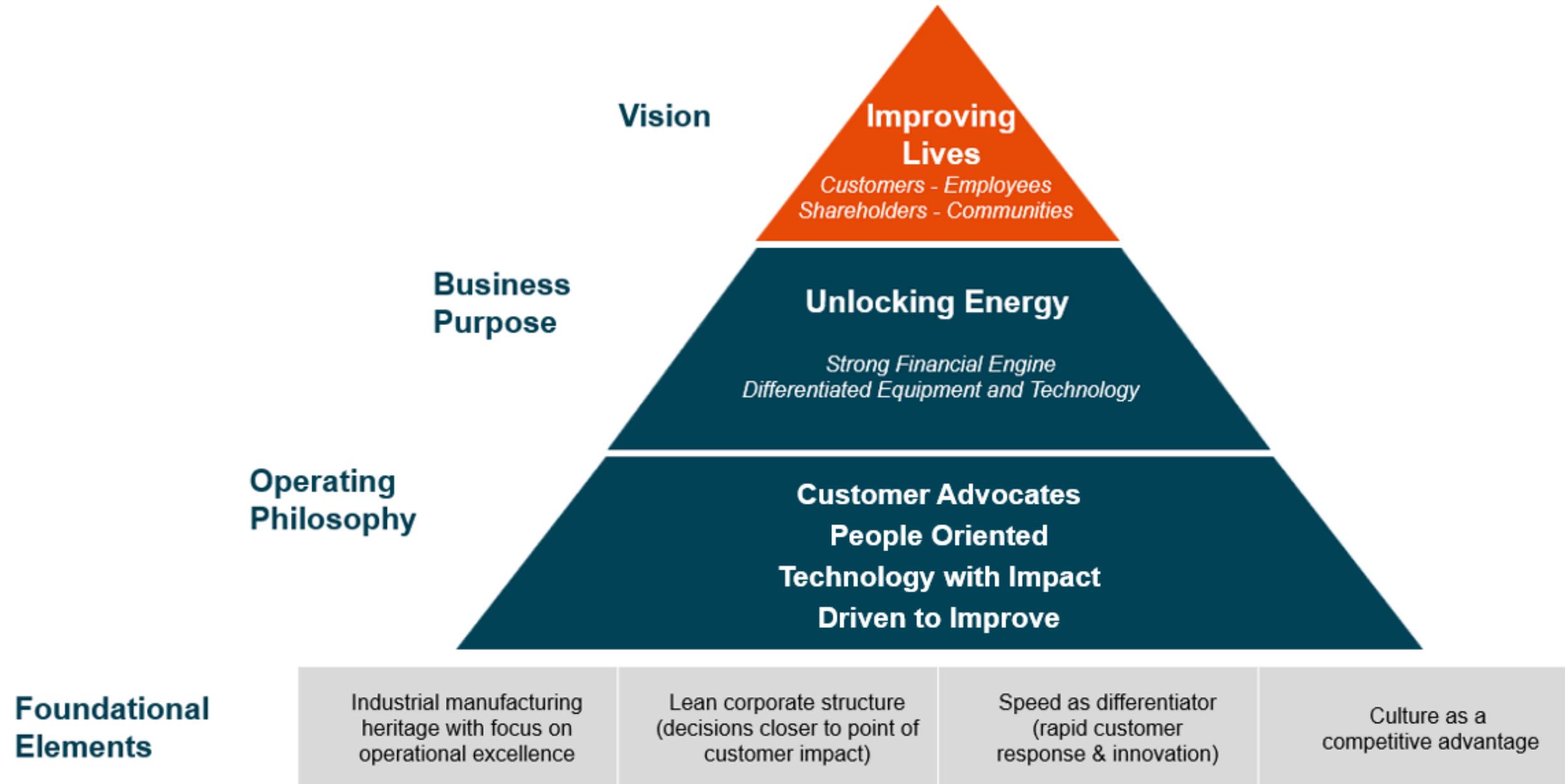
This investor presentation contains statements relating to future actions and results, which are "forward-looking statements" within the meaning of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, 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 second quarter 2023 results.

Soma Somasundaram

President and Chief Executive Officer



Improving Lives

ChampionX employees around the world celebrated our 3-year anniversary by participating in locally organized service events supporting our communities.



+3,000 volunteer hours worked by our team



◀ Our IT team helped sort, pack and ship medical supplies in partnership with **Medical Bridges**.



◀ Our team in Colombia donated their time and resources **to area seniors in need** – donating items including toiletries, food, and a new kitchen stove.



◀ Each year our Bakken teams participate in **Dickenson's Annual Spring Clean Up** – coming together to clean up trash around streets and highways in town.

Employees volunteered **around Edmonton, Alberta**, planting 162 trees and shrubs in partnership with 'Root for Trees'. ▶



Our Sugar Land team repaired a home owned by a woman who is taking care of her son who has Alzheimer's and her grandson. **The home was damaged** by Hurricane Harvey back in 2017. ▶



ChampionX is a recognized customer satisfaction leader in the core product and service markets we serve



Top honors in EnergyPoint Research's 2023 Oilfield Products Customer Satisfaction Survey – ChampionX has earned more than 50 category wins since 2015.



#1 Artificial Lift



#1 Production Chemicals



#1 Downhole Completion Equipment



#1 Surface Production Equipment



#1 Completion Fluids



#1 Intelligent Sensors & Controls

Results based on independent survey of more than 4,000 qualified respondents

Second Quarter 2023 ChampionX Highlights

Strong Adjusted EBITDA Margin and Free Cash Flow Momentum



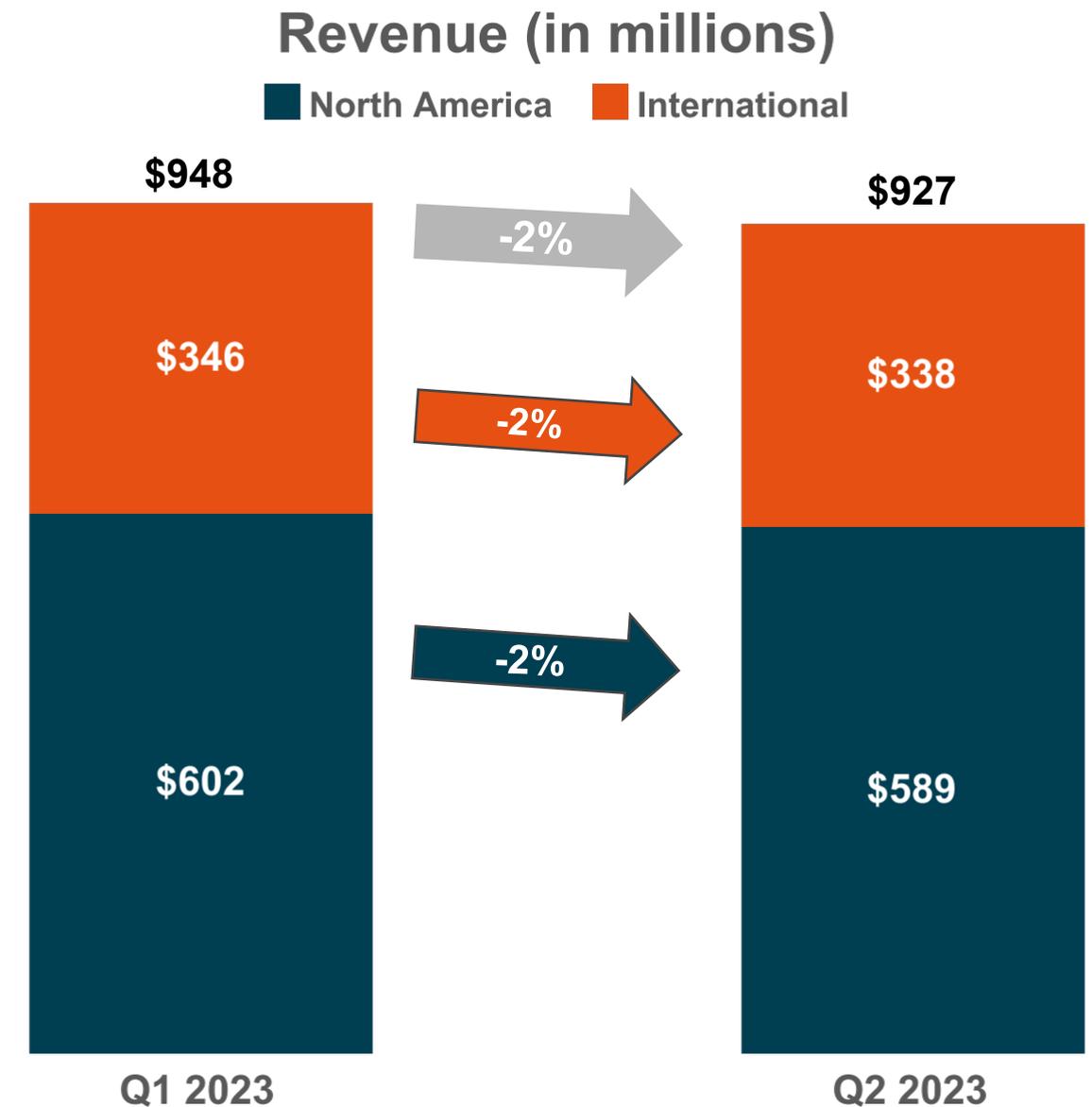
- **Positive adjusted EBITDA margin momentum**
 - Adjusted EBITDA margin of 20.1% is highest level since our transformational merger
 - Fifth consecutive quarter of sequential adjusted EBITDA margin improvement
 - We now expect to deliver an 2023 adjusted EBITDA margin of 21%
- **Strong free cash flow generation**
 - Free cash flow of \$89 million represented 48% 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 76% of free cash flow to shareholders in the second quarter via quarterly dividend and share repurchases
 - We remain committed to returning at least 60% of Free Cash Flow to shareholders in 2023

Ken Fisher

Executive Vice President & Chief Financial Officer

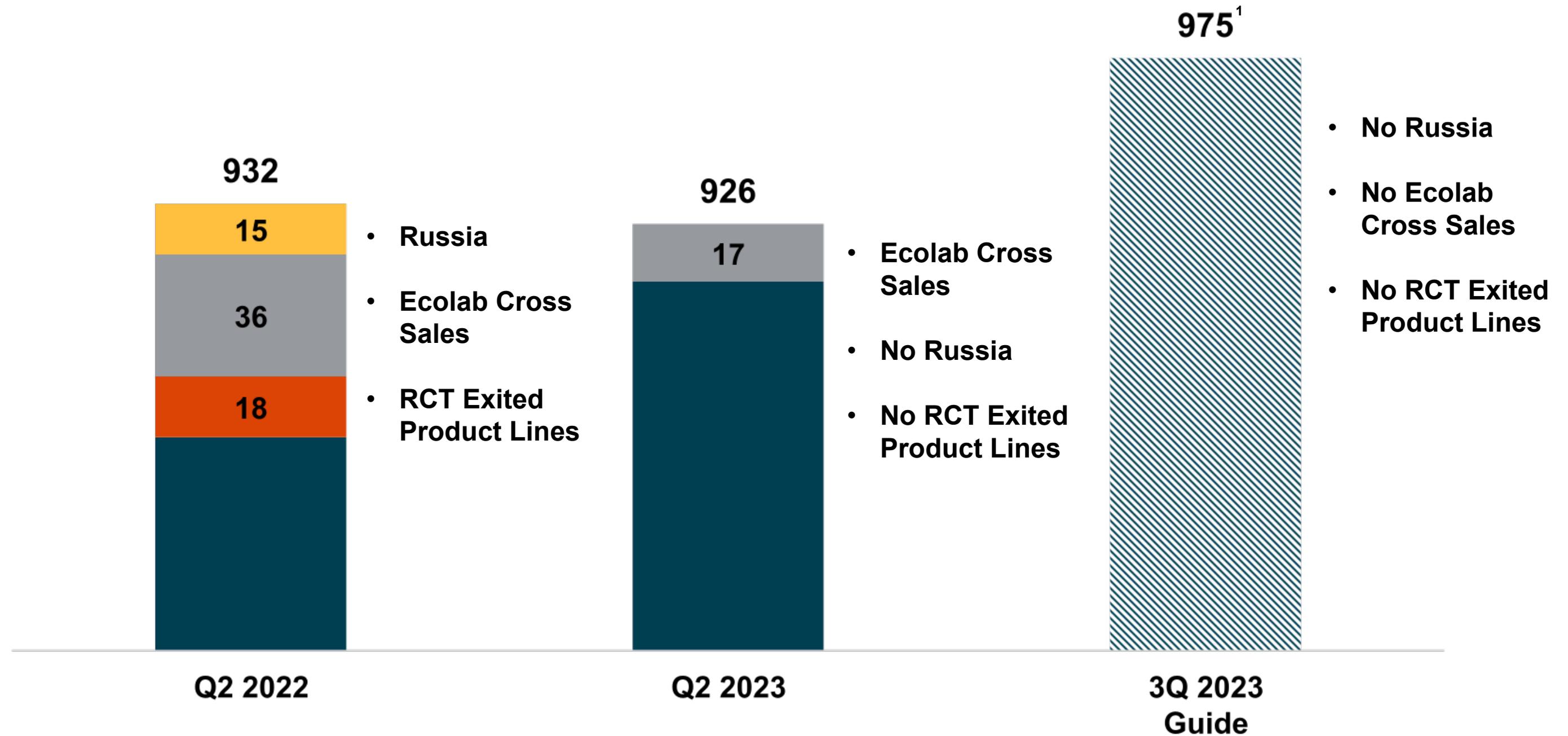
Second Quarter 2023 Financial Highlights

- 2Q Revenue of \$927MM
 - Down 1% year-over-year
 - Down 2% sequentially
- North America 1% growth year-over-year
 - Decline 2% sequentially due to weather events and rig count seasonality
- International decline 3% year-over-year
 - Decline 2% sequentially driven by Russia exit, lower Ecolab cross supply sales, and Latin America customer logistic delays (\$13 MM), extended GOM turnarounds and Canadian Wildfires (\$9MM)
 - Strong sequential growth in Middle East and Africa



Revenue Detail & 3Q Outlook

(in millions)



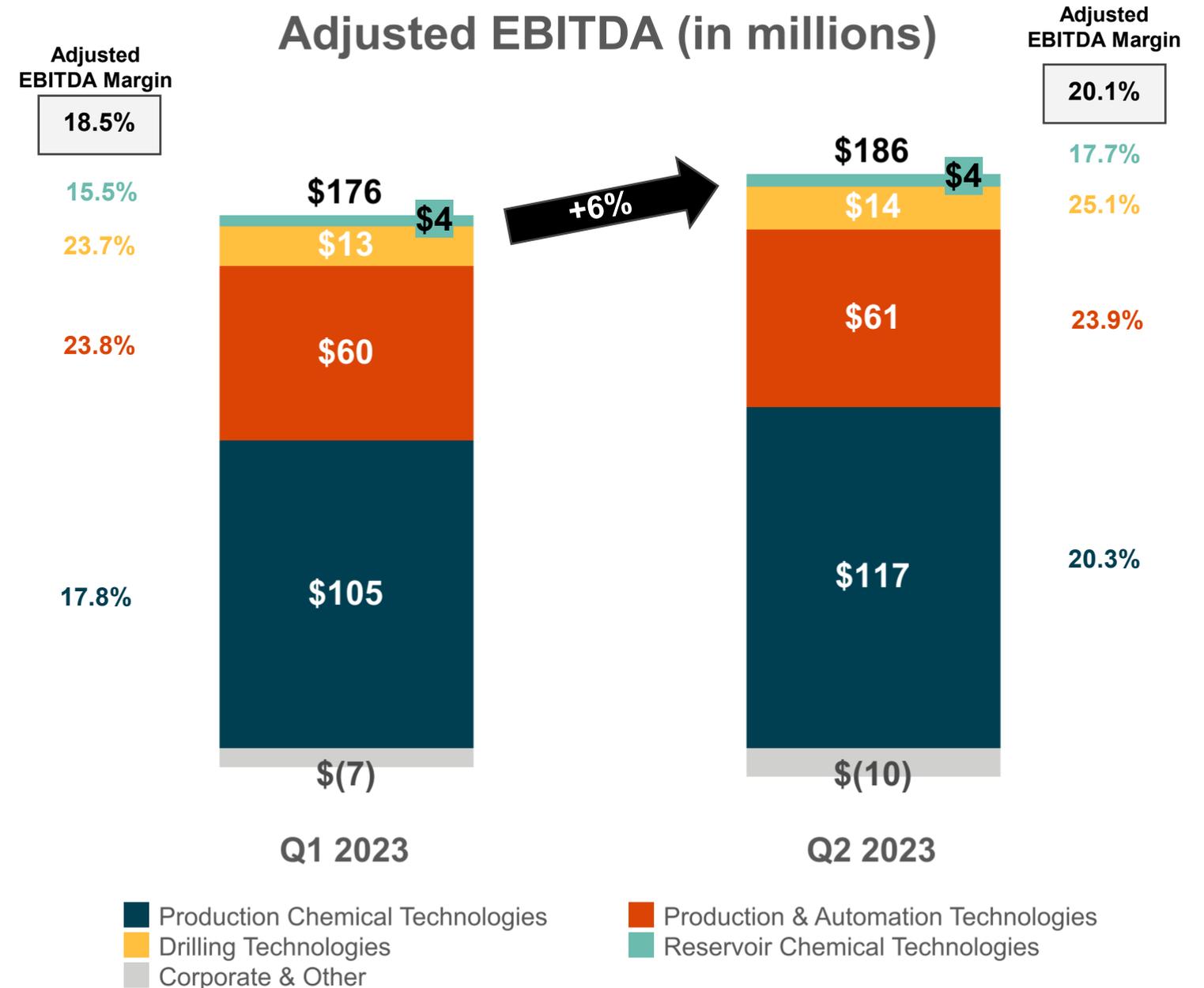
10 ¹ Represents the mid-point of the 3Q23 revenue guidance of \$960 million to \$990 million

Second Quarter 2023 Financial Highlights *(continued)*



Achieved 20.1% EBITDA Margin

- Adjusted EBITDA of \$186 million
 - Up 6% sequentially, and up 35% year-over-year, on higher sales volumes and pricing realization
- Adjusted EBITDA margin of 20.1%
 - Up 158 basis points sequentially
 - Up 527 basis points year-over-year
 - Driven by improvements in productivity, cost management and pricing realizations



Financial Position

Utilizing Strong Free Cash Flow Profile To Return Capital To Shareholders

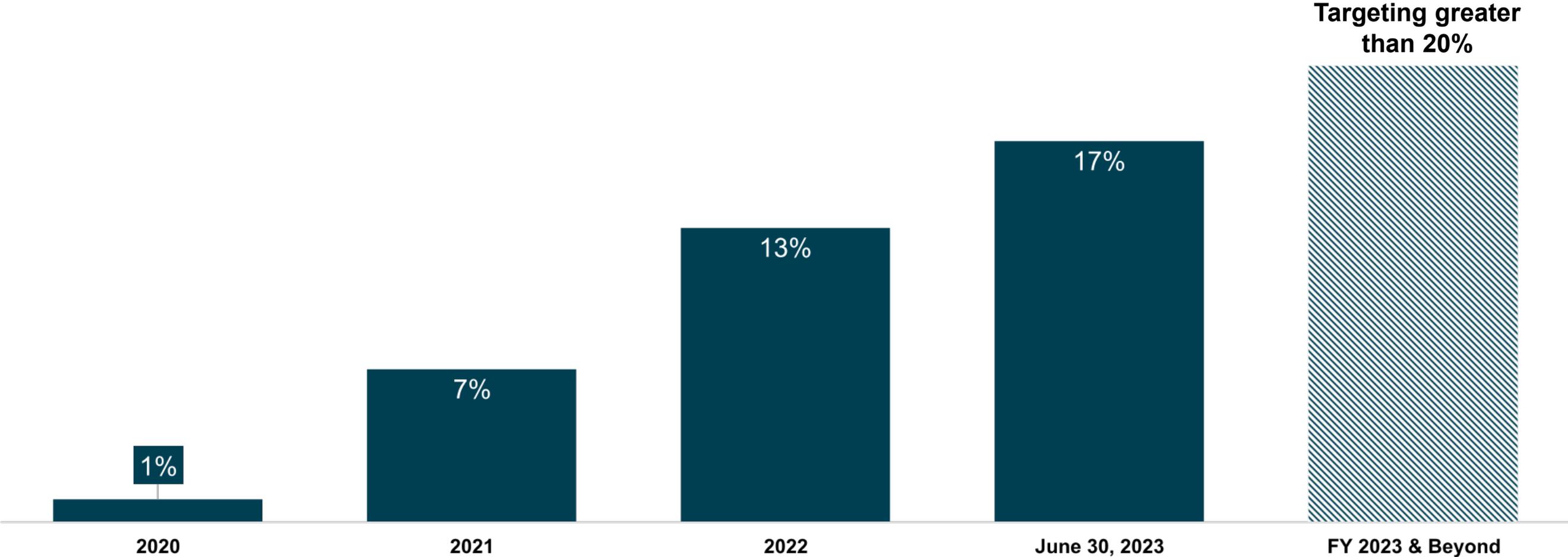


- Financial liquidity of \$932 million
 - Cash on hand and available revolving credit facility
- 0.5x net debt to trailing 12 months adjusted EBITDA
- Delivering on commitment to return capital to shareholders
 - Returned \$68 million, 76% of Q2 free cash flow to shareholders via:
 - \$17 million regular cash dividend payment
 - \$51 million of share repurchases

Return on Invested Capital (ROIC)



Improving Returns Since Merger – Targeting greater than 20% (as reported) in 2023 and Beyond



ROIC = Adjusted net operating profit / (total assets – total liabilities excluding long-term debt)
June 30, 2023 = Trailing 12-month adjusted net operating profit divided by balance sheet data as of 6/30/2023

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

- Revenue of \$960 million to \$990 million
 - Expect rebound in our international businesses and continued positive momentum in our shorter-cycle North American production oriented businesses
- Adjusted EBITDA of \$199 million to \$207 million
- We now expect to deliver an exit 2023 adjusted EBITDA margin of 21%

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

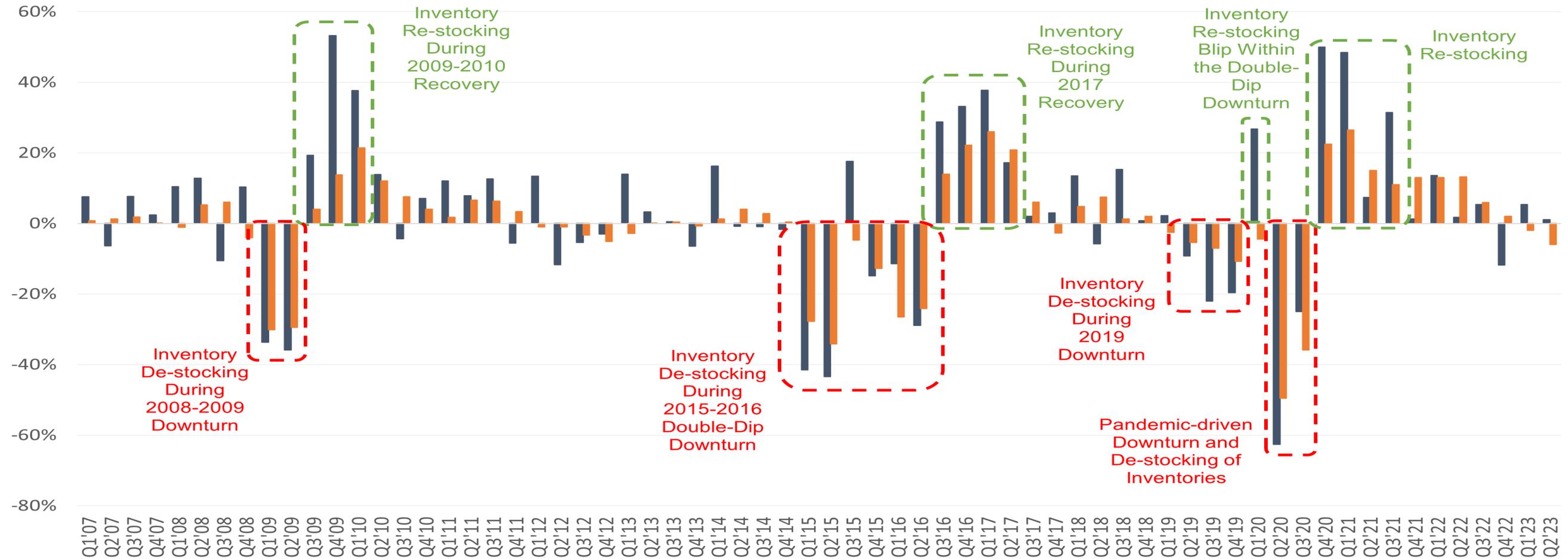
Appendix

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

Net Income Attributable to ChampionX to Adjusted EBITDA and Free Cash Flow



(in thousands)	Three Months Ended		
	June 30,	March 31,	June 30,
	2023	2023	2022
Net income attributable to ChampionX	\$ 95,797	\$ 63,532	\$ 27,342
Pre-tax adjustments:			
Loss on disposal group (1)	—	12,965	22,924
Russia sanctions compliance and impacts (2)	433	521	5,457
Loss on debt extinguishment and modification	—	—	6,070
Restructuring and other related charges	5,353	4,399	5,302
Merger integration costs	—	245	3,865
Acquisition costs and related adjustments (3)	(2,341)	(3,512)	(3,512)
Intellectual property defense	687	—	376
Tulsa, Oklahoma storm damage	607	—	—
Tax impact of adjustments	(1,478)	(4,561)	(8,501)
Adjusted net income attributable to ChampionX	99,058	73,589	59,323
Tax impact of adjustments	1,478	4,561	8,501
Net income (loss) attributable to noncontrolling interest	829	(388)	1,554
Depreciation and amortization	58,677	56,710	59,530
Provision for (benefit from) income taxes	11,656	28,669	(1,405)
Interest expense, net	14,544	12,466	10,765
Adjusted EBITDA	\$ 186,242	\$ 175,607	\$ 138,268

Free Cash Flow

Cash flows from operating activities	\$ 115,910	\$ 92,378	\$ 74,240
Less: Capital expenditures, net of proceeds from sale of fixed assets	(27,143)	(23,025)	(20,743)
Free cash flow	\$ 88,767	\$ 69,353	\$ 53,497

(in thousands)	Three Months Ended		
	June 30,	March 31,	June 30,
	2023	2023	2022
Income before income taxes:			
Segment operating profit (loss):			
Production Chemical Technologies	\$ 87,163	\$ 66,314	\$ 25,606
Production & Automation Technologies	33,208	34,792	23,650
Drilling Technologies	12,660	11,887	15,043
Reservoir Chemical Technologies	2,186	1,987	(8,147)
Total segment operating profit	135,217	114,980	56,152
Corporate and other	12,391	10,701	17,896
Interest expense, net	14,544	12,466	10,765
Income before income taxes	\$ 108,282	\$ 91,813	\$ 27,491

Operating profit margin / income before income taxes margin:

Production Chemical Technologies	15.2 %	11.2 %	4.6 %
Production & Automation Technologies	13.1 %	13.8 %	9.8 %
Drilling Technologies	22.1 %	21.0 %	26.0 %
Reservoir Chemical Technologies	9.2 %	7.7 %	(18.5)%
ChampionX Consolidated	11.7 %	9.7 %	2.9 %

(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.

Reconciliations of GAAP to non-GAAP Financial Measures

Net Income (Loss) Attributable to ChampionX to Adjusted Net Operating Profit



(in thousands)	Years Ended December 31,			Trailing Twelve Months Ended
	2020	2021	2022	June 30,
Net income (loss) attributable to ChampionX	\$ (743,930)	\$ 113,299	\$ 154,969	\$ 250,254
Pre-tax adjustments:				
Restructuring and other related charges	23,291	14,624	65,158	60,501
Goodwill and long-lived asset impairment	657,251	—	39,617	39,617
(Gain) loss on disposal groups	—	(38,131)	18,493	8,534
Acquisition and integration related costs	84,779	35,233	10,759	1,898
Acquisition costs and related adjustments	6,463	(13,636)	(17,648)	(16,477)
Loss on debt extinguishment and modification	—	11,098	6,070	—
Russia sanctions compliance and impacts	—	—	928	(3,575)
Intellectual property defense	1,278	6,622	781	729
Separation and supplemental benefit costs	539	1,559	—	—
Latin America tax matters	—	(2,968)	—	—
Professional fees related to material weakness remediation and impairment analysis	6,240	—	—	—
Tulsa, Oklahoma storm damage	—	—	—	607
Tax impact of adjustments	(63,368)	(3,024)	(18,903)	(14,089)
Adjusted net income attributable to ChampionX	(27,457)	124,676	260,224	327,999
Tax impact of adjustments	63,368	3,024	18,903	14,089
Net income (loss) attributable to noncontrolling interest	1,577	941	1,594	(990)
Depreciation and amortization	214,362	237,285	241,880	240,038
Provision for (benefit from) income taxes	(20,396)	38,445	40,243	75,579
Interest expense, net	51,731	51,921	45,204	50,086
Adjusted EBITDA	\$ 283,185	\$ 456,292	\$ 608,048	\$ 706,801
Adjusted operating profit				
Less: Net income attributable to noncontrolling interest	\$ (1,577)	\$ (941)	\$ (1,594)	\$ 990
Less: Depreciation and amortization	(214,362)	(237,285)	(241,880)	(240,038)
Less: Adjusted provision for income taxes	(44,714)	(54,277)	(68,219)	(78,604)
Adjusted operating profit	\$ 22,532	\$ 163,789	\$ 296,355	\$ 389,149