

# Select Water Solutions, Inc. Company Overview

13<sup>th</sup> Annual East Coast IDEAS Conference June 21, 2023



## **Disclaimer Statement**

#### Cautionary Statement Regarding Forward Looking Statements

This presentation, including the oral statements made in connection herewith. contains certain statements and information that may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, regarding Select Water Solutions, Inc.'s ("Select" or the "Company") strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of Select's management are forward-looking statements. When used in this presentation, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project," "preliminary," "forecast," and similar expressions or variations are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on current expectations and assumptions of Select's management about future events and are based on currently available information as to the outcome and timing of future events. Although we believe that the expectations reflected. and the assumptions or bases underlying our forward-looking statements are reasonable under the circumstances, we can give no assurance that such expectations will prove to be correct. Such statements are not guarantees of future performance or events and are subject to known and unknown risks and uncertainties that could cause our actual results, events or financial positions to differ materially from those included within or implied by such forward-looking statements. Accordingly, investors should not place undue reliance on forwardlooking statements as a prediction of actual results. Each forward-looking statement in this presentation speaks only as of the date of this presentation. Except as required by applicable law. Select disclaims any intention or obligation to revise or update any forward-looking statements contained in this presentation.

Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include, but are not limited to, the factors discussed or referenced in the "Risk Factors" section of our Annual Report on Form 10-K (our "Form 10-K") and our other filings with the U.S. Securities and Exchange Commission (the "SEC"). There may be other factors of which Select is currently unaware or deems immaterial that may cause its actual results to differ materially from the forward-looking statements. The information contained in this presentation has not been independently verified other than by the Company and no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information contained herein and no reliance should be placed on it.

**SELECT** 

#### Industry and Market Data

This presentation has been prepared by Select and includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Although Select believes these third-party sources are reliable as of their respective dates, the Company has not independently verified the accuracy or completeness of this information. Some data is also based on the Company's good faith estimates, which are derived from its review of internal sources and the third-party sources described above.

#### Additional Information and Where to Find It

For additional information regarding Select, please see our Form 10-K, Quarterly Reports on Form 10-Q and any recent Current Reports on Form 8-K, which are available at no charge at the SEC's website, http://www.sec.gov and our website at https://investors.selectenergy.com/sec-filings. In addition, documents will also be available for free from the Company by contacting the Company at 1233 W Loop S, Suite 1400, Houston, TX 77027 or (713) 235-9500. The contents of the website references in this presentation are not incorporated herein by reference.

#### Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA, EBITDA margin, Adjusted EBITDA margin, gross profit before depreciation and amortization (D&A) and gross margin before D&A are not financial measures presented in accordance with GAAP. We define EBITDA as net income/(loss), plus interest expense, income taxes and depreciation & amortization, We define Adjusted EBITDA as EBITDA plus/(minus) loss/(income) from discontinued operations, plus any impairment and abandonment charges or asset write-offs pursuant to GAAP, plus/(minus) non-cash losses/(gains) on the sale of assets or subsidiaries, non-recurring compensation expense, non-cash compensation expense, and non-recurring or unusual expenses or charges, including severance expenses, transaction costs, or facilities-related exit and disposal-related expenditures, plus/(minus) foreign currency losses/(gains), plus/(minus) losses/(gains) on unconsolidated entities less bargain purchase gains from business combinations. We define EBITDA margin and Adjusted EBITDA margin as EBITDA and Adjusted EBITDA divided by revenue, respectively. We define gross profit before D&A as revenue less cost of revenue, excluding cost of sales D&A expense. We define gross margin before D&A as gross profit before D&A divided by revenue. EBITDA, Adjusted EBITDA, EBITDA margin, Adjusted EBITDA margin, gross profit before D&A and gross margin before D&A are

supplemental non-GAAP financial measures that we believe provide useful information to external users of our financial statements, such as industry analysts, investors, lenders and rating agencies because it allows them to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization) and non-recurring items outside the control of our management team. We present EBITDA, Adjusted EBITDA, EBITDA margin, Adjusted EBITDA margin, gross profit before D&A and gross margin before D&A because we believe they provide useful information to our investors and market participants regarding the factors and trends affecting our business in addition to measures calculated under GAAP.

Net income is the GAAP measure most directly comparable to EBITDA and Adjusted EBITDA. Gross profit is the GAAP measure most directly comparable to gross profit before D&A. Our non-GAAP financial measures should not be considered as alternatives to the most directly comparable GAAP financial measure. Each of these non-GAAP financial measures has important limitations as an analytical tool due to exclusion of some but not all items that affect the most directly comparable GAAP financial measures. You should not consider EBITDA, Adjusted EBITDA or gross profit before D&A in isolation or as substitutes for an analysis of our results as reported under GAAP. Because EBITDA, Adjusted EBITDA and gross profit before D&A may be defined differently by other companies in our industry, our definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility. For further discussion, please see our Annual Report on Form 10-K. For a reconciliation of these non-GAAP measures presented on a historical basis, please see the tables in the Appendix at the end of this presentation.

# We are Connected by water



# WATER CHEMISTRY SUSTAINABILITY

Our mission is to deliver operational excellence and develop sustainable water and chemistry solutions every day, with a commitment to conservation and reuse.

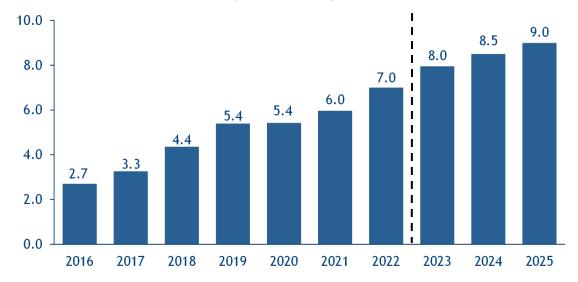
### Sustainable Water and Chemistry are Mission Critical

Key tren in Wate Chemic	r &	simulfracs completior increasir	laterals, and higher ns intensity ng water hand	Operator E focused o freshwater rate	n lower intensity	Seismic F Areas requinavigati expertise boosting d recyc	ire careful on and se while emand for	restriction	capacity ns limiting ermitting
Impact	More wate per com	and the second	recycling &	uced water associated ire buildout		ercialized 3alancing		al reuse for gy application	



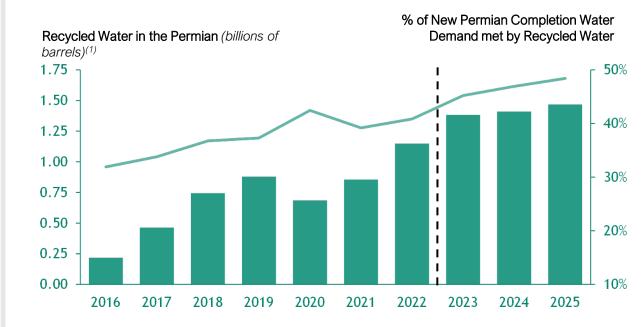
### Recycling is growing, but technology and infrastructure must advance to keep pace with the demand

# Continued Growth in Produced Water Volumes...



Produced Water in the Permian Basin (billions of barrels)<sup>(1)</sup>

### ...and Customer Focus on Recycling and Reuse Solutions



Source: Rystad Shale Intel reported dated October 10, 2022 1) Totals represent totals for Permian basin only

	• Conservative financial policies on leverage and M&A funding	
Invoctmont		generating capabilities
<section-header></section-header>		
	Approach to	<ul> <li>Organic growth through new technologies, industrial diversification and environmental solutions</li> </ul>
<b>SELECT</b>		

# Investment Highlights

# **Company Snapshot**

### Segment Overviews

### **Water Services**

- Comprehensive suite of integrated water technologies and services for completions and production
- Market leader in water logistics, especially highly specialized and high margin complex multi-stream solutions
- Activity primarily driven by completions, complexity and intensity



### Water Infrastructure

- Water treatment & recycling:

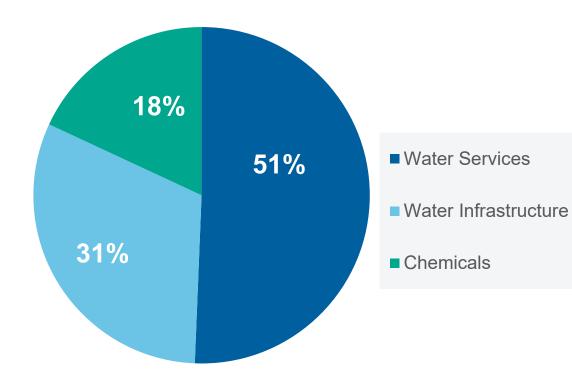
   3 million barrels per day of recycling capacity; only commercially permitted facilities in Permian Basin
- Water pipelines: Over 1,000 miles of sourcing and gathering pipeline infrastructure
- Water Storage: 13+ million barrels of produced water storage capacity and 20+ million barrels of fresh/brackish water storage
- **Disposal**: market leader with 2+ million barrels of permitted daily capacity
- Production-focused with diverse mix of longterm contracts
- Integrated water balancing across customers and geographies

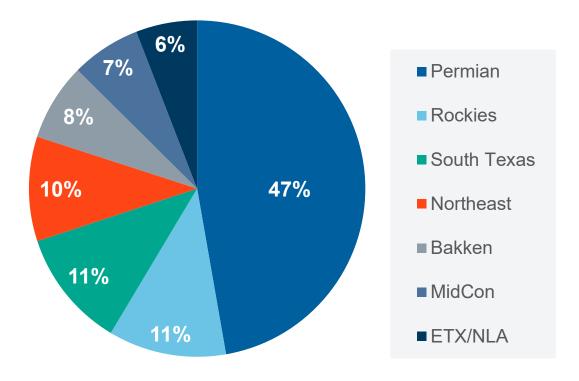
### **Chemicals**

- Only **Permian in-basin** manufacturer of proprietary completion chemicals
- Technology and automation to pair chemistry and water
- In-house integrated logistics management
- Advanced water treatment solutions and flow assurance
- Growing **non-energy** applications

### 1Q23 Gross Profit before D&A by Segment<sup>1,2</sup>

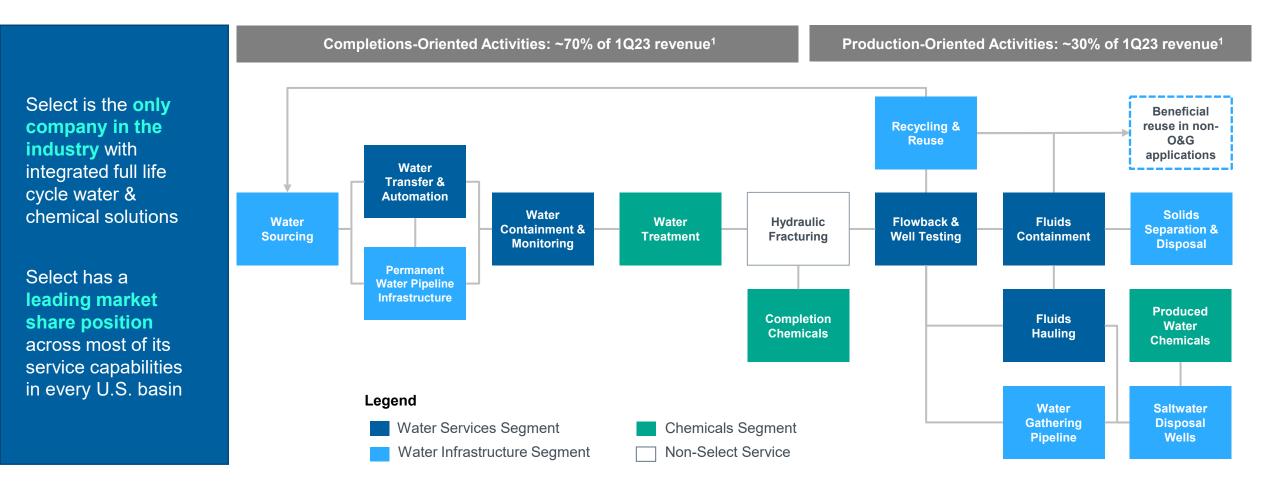
### **1Q23 Revenue by Geography<sup>1</sup>**





Based on results for the quarter ended March 31, 2023, as reported
 Based on results for the quarter ended March 31, 2023, as reported
 Gross Profit before D&A is a non-GAAP financial measure, see Disclaimer Statement on page 2 for important disclosures regarding non-GAAP financial measures and the Appendix for a reconciliation of gross profit before D&A to its most closely comparable financial measures calculated in accordance with U.S. GAAP

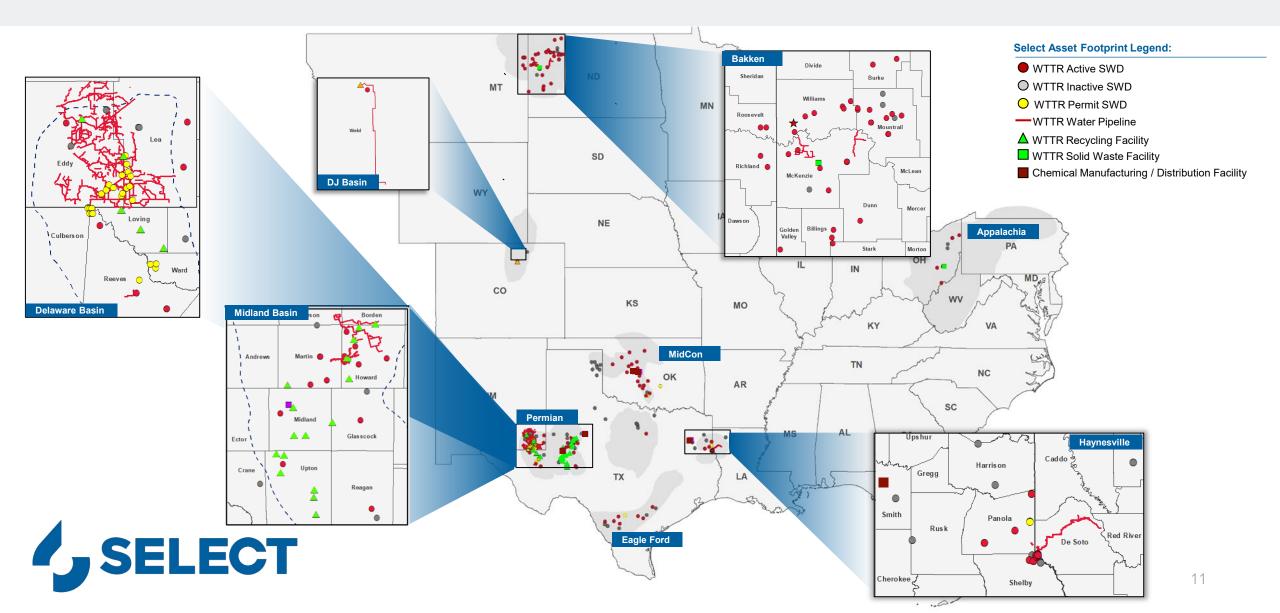
# Market Leading Full Life-cycle Sustainable Water & Chemical Solutions



) Based on results for the three months ended March 31, 2023, as reported

**SELECT** 

# **Diversified and Entrenched Platform**



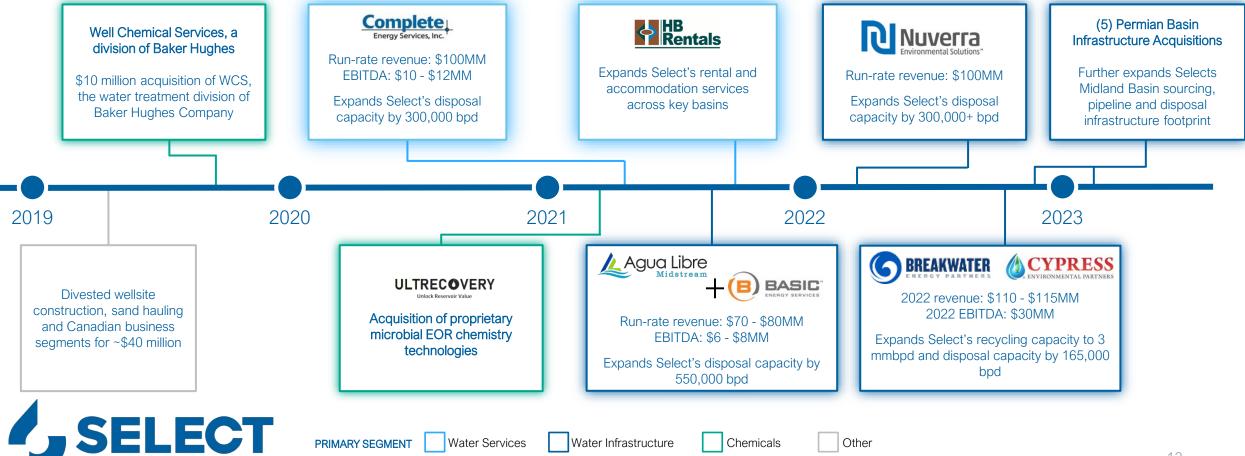
Select's expertise, technology and financial strength lead to a premier, diversified customer base with no customer representing more than 7% of our revenue



Blue-Chip Customer Base 1Q23 Top 30<sup>(1)</sup>

## **Disciplined Growth through Acquisitions**

- Over the last six quarters, Select has executed on 12 strategic M&A transactions adding annualized run-rate revenue of \$400+ million and run-rate EBITDA of \$80+ million
- Acquisitions de-risked by \$100mm+ in non-core divestments & asset sales out of acquired operations since 2019, with further sales expected in 2023



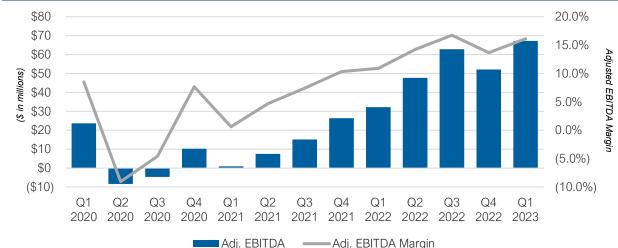
### **Consistent Operational Execution Strong Financial Performance**

Quarterly Revenue<sup>1,2</sup> \$450 \$120 \$400 \$350 \$100 \$300 \$80 \$250 \$60 \$200 \$150 \$40 \$100 \$20 \$50 \$-\$-Q1 Q2 Q4 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q3 Q 2021 2022 2022 2022 2022 2023 2020 2020 2020 202 2021 2021 Oilfield Chemicals Nater Services Water Infrastructure ——Revenue / Completion

### **Market Share Gains**

- Select's revenue/completion increased 52% from 1Q20 to 1Q23
- Achieved strong revenue growth across all three segments during 1Q23, with Water Infrastructure and Chemicals segments achieving all-time high revenues
- With increasingly integrated full life-cycle water solutions, differentiated proprietary chemistry, and expanding infrastructure utilization, Select achieved record net income during 2022

### Quarterly Adjusted EBITDA<sup>1,2</sup>



### Synergistic Acquisitions

- 1Q23 Adj. EBITDA and Adj. EBITDA margins meaningfully exceeded 1Q20 pre-downturn levels due to substantial cost reductions, acquisition synergies and pricing improvements
- Continued Revenue and Adj. EBITDA growth is expected in 2023 driven by recent M&A activity, accretive organic infrastructure projects, and cost-reducing efficiency initiatives

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1) Revenue and Adjusted EBITDA are based on as reported financials; historical periods are not pro forma adjusted for any recent acquisitions
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mpletion,

2) Adjusted EBITDA is a non-GAAP financial measure, see Disclaimer Statement on page 2 for important disclosures regarding non-GAAP financial measures and the Appendix for a reconciliation of Adjusted EBITDA to its most closely comparable financial measure calculated in accordance with U.S. GAAP

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### Durable Balance Sheet & Ample Liquidity

SELECT

Net Debt & Elquidity Frome AS O	1 03/31	723		
Bank Debt	\$	75.5	•	C
Capital Leases		0.0		S
Total Debt		75.5	•	F
Less: Cash		(6.0)		а
Net Debt <sup>(1)</sup>	\$	69.5	•	Т
Net Debt / 1Q23 Annualized Adj. EBITDA		0.3x		
Liquidity:				
Cash	\$	6.0		
Plus: Revolving Borrowing Base <sup>(2)</sup>		257.3		
Less: Outstanding Borrowings		(75.5)	•	Т
Less: Outstanding Letters of Credit		(22.6)		
Total Liquidity	\$	165.2		

Net Debt & Liquidity Profile As Of 03/31/23

Select's balance sheet and asset light business model provide significant growth and free cash flow generating opportunities

Sustaina	adility-Li	nkea Ci	redit Faci	lity

- On March 17, 2022, we closed on a \$270 million, 5-Year term Sustainability-Linked credit facility
- Facility provides for interest reduction or penalty based upon achieving two core sustainability KPI targets
- Target 1 Fixed Facility Recycled Produced Water (barrels)
  - Commitment to double produced water recycling volumes by 2025 at our fixed facilities via ratable annual growth targets
  - Significantly exceeded 2022 target of 31 million
     barrels of recycled produced water

• Target 2 – Total Recordable Incident Rate ("TRIR")

• Outperform industry average safety performance by at least 25% based on BLS subsector averages

2022 KPI Target Achievement

Ν	/letric	2022 Target	20	22 Result
R	Recycled Produced Water <sup>(3)</sup>	31 million barrels	68 million barrels	118% Outperformance
Т	RIR	1.21	0.62	49% Outperformance

) Net Debt is a Non-GAAP financial measure. Net Debt is equal to Total Debt minus Total Cash. See Disclaimer Statement on page 2 for important disclosures regarding non-GAAP financial measures and the above for a reconciliation of Net Debt to Total Debt as the most closely comparable financial measure calculated in accordance with U.S. GAAP

2) \$270.0 million total facility size with current borrowing base availability based on accounts receivable and inventory balances as of March 31, 2023

3) Recycled volumes from fixed facilities only; Per the terms of the credit agreement, volumes are not pro forma adjusted for any pre-close prior periods from acquired operations

15

Committed to Shareholder Returns

# SELECT

Select believes that returning capital to shareholders out of positive and growing earnings and free cash flow is an important part of our overall capital allocation strategy

**Base Dividend Initiation** 

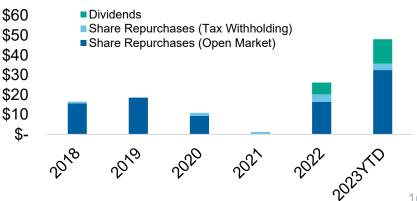
- During Q3 2022, Select initiated base dividend of \$0.05 per share/unit per quarter (or an annualized \$0.20 per share/unit per year) and has paid three quarterly dividends to date
- With improving earnings and growing cash flows, and supported by increasing contracted and production-based revenue streams, we believe a quarterly base dividend is an appropriate component of a shareholder return strategy
- Returning capital to shareholders remains a core component of Select's overall capital allocation strategy

\$122 million of combined shareholder returns since 2018

**Discretionary Share Repurchase Program** 

- During March 2023, approved new \$50 million repurchase program, with ~\$26 million of total open authorization as of April 30, 2023
- ~\$92 million of capital returned to shareholders via open market share repurchases since 2018
- Tactical and discretionary repurchases from within annual free cash flow allows us to prioritize periods of market dislocation

Annual Discretionary Share Repurchases (\$MM)<sup>(1)</sup>



# **SELECT** is Sustainability

### **Near Term ESG Initiatives**

- Water Recycling and Stewardship
- Emissions Reduction
- Enhancing Operational Safety
- Leveraging Automation & Monitoring Technology

- Research & Development
- Utilizing Environmentally-Conscious Chemistry
- Sustainability and Diversification Strategy
- Full-life cycle waste stream management

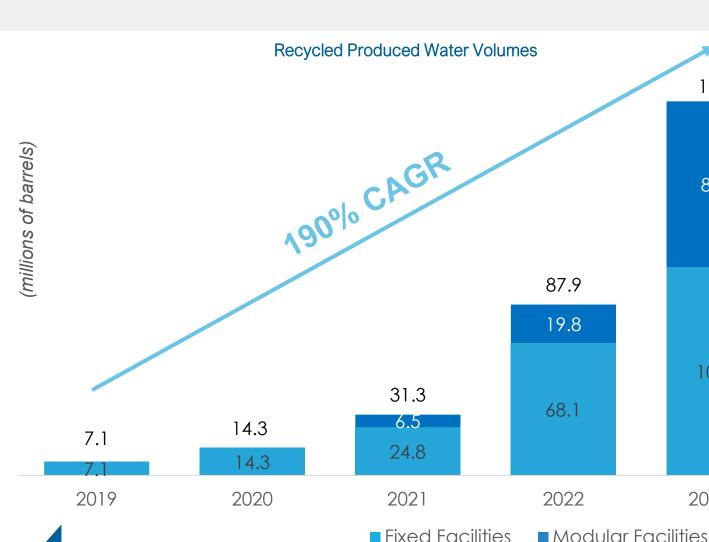
# Select is Dedicated to Water Stewardship

192.4

85.3

107.1

2022PF<sup>(1)</sup>



 Select has significantly exceeded its previous targets for produced water recycling established as part of its sustainabilitylinked credit facility

Download Select's current

selectenergy.com/sustainability

Sustainability Report at

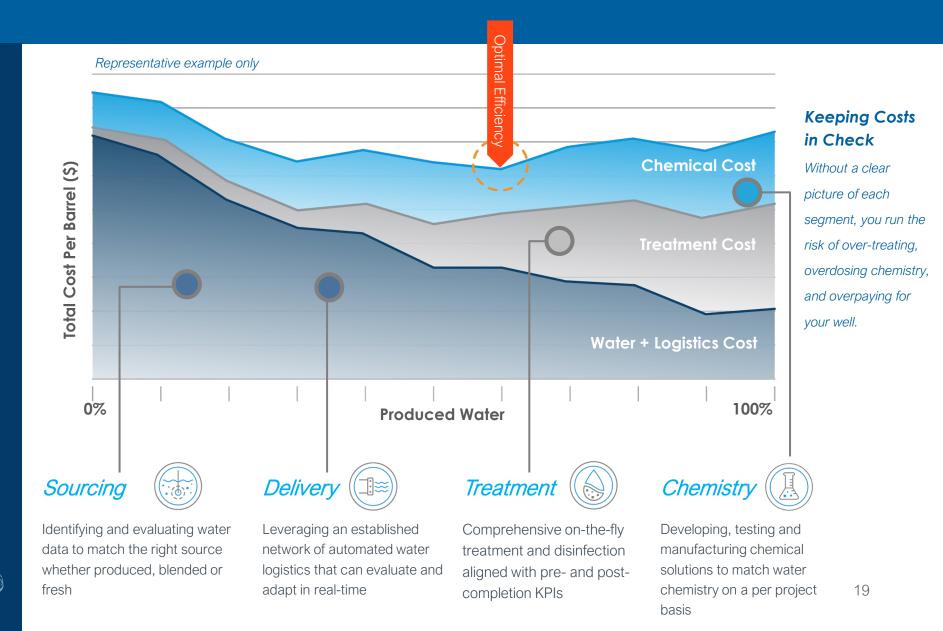
 Supported by a strong organic investment pipeline and the recent Breakwater acquisition, we expect to continue a rapid pace of growth for produced water recycling during 2023

# **Uidmatch** Integrated Water and Chemistry Expertise

By designing and implementing entire water and chemical systems, Select is the only company that combines visibility on each component to see how it impacts your bottom line including:

- Water quality issues
- Pre-frac spec and delivered spec differ
- Continuous optimization of frac chemistry reduces impact of costly on-the-fly applications

Resulting in a better well and a cheaper well



### Technology Suites

## **WATERONE**

# **fluid**match<sup>\*</sup>



Select's technologies provide real-time monitoring, feedback, automation and control of water throughout the completions lifecycle which reduces risk of spills and reduces emissions

SELECT

Measuring & Monitoring	Pump Automation	bata Lake	Field Automation	Predictive Failures
<ul> <li>Pond and Pit Mapping</li> <li>100% Water Network Monitoring/Audit</li> <li>VFD-Water Well Automation</li> <li>Boat &amp; Drone Survey</li> </ul>	<ul> <li>Increased Efficiency</li> <li>Spill Prevention</li> <li>24/7 Monitoring</li> <li>Reduced Downtime</li> <li>Decreased Labor Costs</li> </ul>	<ul> <li>Water Metrics</li> <li>Chemical and Water Composition Analytics</li> <li>Customer Production, Well, Lease, and Permit Data</li> <li>Measuring &amp; monitoring of pits, water, &amp; water wells</li> <li>Reservoir Analytics</li> </ul>	<ul> <li>Flow Meter Skids</li> <li>Chemical Injection</li> <li>Comprehensive View of Infrastructure Operations</li> <li>Treatment Facility App</li> <li>Automated tanks, skids, manifolds and proportioning units</li> </ul>	<ul> <li>Hose Testing &amp; Analysis</li> <li>Improved customer services</li> <li>Improved decisions and business optimization through timely information</li> </ul>

#### 20

# Key Summary Highlights

Strong Safety & Sustainability Focus Disciplined Approach to Growth

### Water Solutions Market Leader

Deliver Free Cash Flow Strong Balance Sheet



# Appendix

### Case Study Methane & Waste Gas Management

- Select has an exclusive contractual relationship with Emission Rx for high efficiency waste gas combustors (emission control devices) used in the management of methane emissions
- Emission Rx enclosed combustor design highlights include:
  - 99.99% combustion efficiency
  - High level of operator safety
  - Portable and easily maintained
  - Solar-powered ignition capabilities
- Waste gas is not economic to conserve, and it has historically been dealt with in two methods outlined to the right

#### **Old Methods**

#### Venting

- Regulatory Limits
- Significant GHG Emissions
- Environmental degradation
- Major health risks
- Safety Concerns



### Flaring

- Incomplete combustion
- Unburned hydrocarbons
- Difficult to burn rich gas
- Visible flame
- Black smoke and carbon



### **New Method - EmissionRx**

#### **Enclosed Combustion**

- Enclosed combustion chamber
- Measurable efficiency
- Effective combustion of rich gas
- No exposed flame

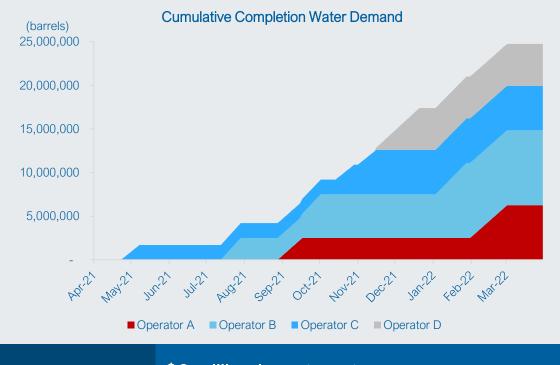




### Case Study Permian Produced Water Recycling Facility

- Recently commenced operations on state-of-the-art operator-owned produced water recycling facility in Martin County, TX in the core of the Midland Basin
- Select connected existing infrastructure from adjacent operators to increase facility utilization and recycled water volumes
- Facility eliminated need in 2021 for disposal and prevented need to build a new disposal facility in development area, which has seismicity and formation pressure issues
- Facility projected to provide 75% of total frac water demand in the area and eliminate the need for 20mm bbls of disposal over the next 12 months

ELECT



Project Economics \$6 million investment5 year take-or-pay contract~3 year payback on anchor contract

# AquaView

SELECT

### **Automated** Water Networks

Select's suite of automated equipment powered by AquaView® monitoring & measurement solutions provide real-time and reliable data and control. Each component is designed to ensure best-in-class environmental management that's customizable, powered by SCADA and accessible from phone, tablet, or laptop.



### Fleet Management of Automated Equipment





Automated Manifolds



Automated Proportioning Systems





VFD Automation Equipment

Meter Trailers

#### Pond/Impoundment Mapping & Monitoring Monitor levels & volumes from Select's mapping via boat & drone survey

### Water Quality KPI Matching & Automated Blending

Temperature, Conductivity, TDS, and more

Leak Detection Automatic notifications

#### Flow Meters Follow water through the entire process

VFD Water Well Control Remotely and automatically control a well

Reporting Automatic, customizable daily reports

Local Command Center 24 / 7 Monitoring & Support

# Strategic M&A Updates



### On November 1, 2022 closed on the acquisition of Breakwater Energy Partners, LLC ("Breakwater")

- Total consideration of ~\$90 million, consisting of 9.6 million Class A shares and the assumption and repayment of approximately \$13 million of debt
- Leading provider of water infrastructure, recycling, transfer and disposal solutions to leading E&P customers in the Permian Basin, with supplemental logistics operations in the Eagle Ford Shale
- Breakwater operates four commercial recycling facilities, supported by a portfolio of long-term contracts, with 600,000 barrels per day of operational capacity
- Breakwater's footprint expands Select's recycling capabilities to more than 3 million barrels of total daily capacity across fixed and mobile capabilities



# On November 1, 2022 closed on the acquisition of a portfolio of water gathering and disposal assets in the Bakken Shale from Cypress Environmental Solutions, LLC ("Cypress")

- Total consideration of ~\$8 million, consisting of 0.9 million Class A shares
- Cypress's water solutions operations consist of eight saltwater disposal facilities with daily permitted capacity of 85,000 barrels per day across North Dakota
- The business currently receives approximately 60% of its daily volumes via pipeline and is supported by a number of long-term contracts with key customers in the region



# Strategic M&A Updates, continued



#### On February 23, 2022 closed on the acquisition of Nuverra Environmental Services, Inc. (NYSE American: NES) ("Nuverra")

- Total consideration of ~\$55 million, consisting of 4.2 million Class A shares and the assumption and repayment of approximately \$19 million of debt
- Nuverra provides environmental solutions, including the removal, treatment, recycling, transportation and disposal of restricted solids, fluids and hydrocarbons for E&P companies with operations across the United States, including in the Bakken, Haynesville, Marcellus and Utica Shales
- 300,000+ barrels per day of permitted disposal capacity in Bakken, Haynesville & Northeast regions
- Current annualized run-rate contribution of approximately \$100 million of revenue
- Significant opportunity for cost synergies provides meaningfully accretive financial benefits



# On December 3, 2021 closed on the acquisition of the U.S. onshore assets of HB Rentals, L.C., the rentals and accommodations subsidiary of Superior Energy Services, Inc.

- Total consideration of ~\$9.7 million, consisting of \$2.6 million in cash and 1.2 million Class A shares
- Rentals and accommodations services with operations across the United States, including the Permian, Mid-Continent, DJ and Powder River Basins and the Haynesville, Marcellus and Utica Shales
- Operating the HB assets within the Peak business within the Water Services segment



# Strategic M&A Updates, continued



# On October 1, 2021 closed on the acquisition of substantially all of the assets of Agua Libre Midstream, LLC and other water-related assets, operations and assumed liabilities (together "Agua Libre") from Basic Energy Services, Inc. ("Basic")

- Total consideration of ~\$21.1 million, made up of \$16.4 million in cash and 0.9 million Class A shares
- Agua Libre is a leading provider of water midstream, logistics and production services to the oil and gas industry, including operations in the Permian and Mid-Continent Basins and the Bakken, Eagle Ford, and Haynesville Shales
- Anticipate current annualized run-rate contribution of \$70-80 million of revenue and \$6-8 million of EBITDA
- Nearly 100% of revenue weighted to production-related services & infrastructure
- Approximately 50% of current production volumes delivered via pipelines, supported by a number of long-term contracts
- Adds more than 550,000 barrels per day of disposal capacity across Texas, Oklahoma, New Mexico & North Dakota



### On July 9, 2021 closed on the acquisition of Complete Energy Services, Inc., the water solutions subsidiary of Superior Energy Services, Inc.

- Total consideration of ~\$34.5 million, consisting of \$14.2 million in cash and 3.6 million Class A shares
- 2H21 annualized run-rate of \$100+ million of revenue and \$10 12 million of EBITDA
- ~60% of revenue weighted to production-related activities
- Produced water gathering and disposal, fluids handling, water transfer, flowback and well testing, water heating and containment
- Operations across the United States, including the Permian, Mid-Continent, DJ and Powder River Basins and the Marcellus and Utica Shales
- Adds more than 300,000 barrels per day of disposal capacity across Texas and Oklahoma



### Non-GAAP Reconciliations

**SELECT** 

(\$ in 000s)			2020					2021					2022			2023
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Net Income/(Loss)	(\$291,219	) (\$53,047)	(\$36,259)	(\$21,208)	(\$401,732)	(\$27,421)	(\$19,616)	(\$14,204)	\$11,155	(\$50,086)	\$7,985	\$14,581	\$24,717	\$7,571	\$54,854	\$13,705
Interest Expense	331	513	789	503	2,136	435	400	419	457	1,711	720	494	616	870	2,700	1,483
Depreciation and Amortization	26,867	26,343	24,562	23,901	101,672	22,299	21,641	23,466	25,051	92,457	27,067	29,780	27,215	31,655	115,716	33,538
Tax (Benefit)/Expense	(164)	(130)	(201)	(981)	(1,476)	(263)	84	(32)	358	147	214	182	276	285	957	198
EBITDA	(264,186)	(26,321)	(11,109)	2,215	(299,400)	(4,951)	2,510	9,650	37,020	44,230	35,986	45,037	52,824	40,381	174,227	48,924
Non-cash Compensation Expenses	574	1,242	2,242	1,707	5,765	1,422	2,522	2,302	3,223	9,469	3,275	3,944	3,804	4,547	15,570	2,964
Nonrecurring Severance Expenses	3,502	3,665	-	-	7,168	3,225	-	-	-	3,225	-	-	-	-	-	-
Non-cash Loss on Sale of Subsidiaries & Other	1,627	3,875	1,400	2,866	9,767	697	2,151	189	1,561	4,597	520	1,013	1,608	1,260	4,400	823
Nonrecurring Transaction Costs	12	2,611	127	1,689	4,439	412	149	2,709	2,385	5,656	3,617	2,879	965	4,211	11,672	2,881
Lease Abandonment Costs	953	868	672	1,858	4,350	104	222	154	414	894	91	161	83	113	449	76
Impairment of Goodwill and Trademark	276,016	-	-	-	276,016	-	-	-	-	-	-	-	-	-	-	-
Impairment of Property & Equipment	3,184	4,726	-	-	7,910	-	-	-	-	-	-	-	-	-	-	-
Impairment of Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)
Bargain Purchase Gain	-	-	-	-	-	-	-	-	(18,985)	(18,985)	(11,434)	) (5,607)	3,273	416	(13,352)	-
Other Nonrecurring Charges	1,950	1,011	2,022	(53)	4,930	-	-	-	608	608	-	-	-	918	918	11,166
Equity Losses in Unconsolidated Entities	-	-	-	-	-	-	-	129	150	279	129	228	218	337	913	366
Foreign Currency (Gains) / Losses	46	(26)	(13)	(45)	(39)	(3)	(3)	6	(1)	(2)	(3)	6	6	(0)	8	4
Adjusted EBITDA	23.678	(8,349)	(4,659)	10,237	20,907	906	7,550	15.138	26,376	49,970	32.181	47.661	62.781	52.183	194.806	67,204

Adjusted EBITDA Reconciliation

#### Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA, EBITDA margin, Adjusted EBITDA margin, gross profit before depreciation and amortization (D&A) and gross margin before D&A are not financial measures presented in accordance with GAAP. We define EBITDA as net income/(loss), plus interest expense, income taxes and depreciation & amortization. We define Adjusted EBITDA as EBITDA plus/(minus) loss/(income) from discontinued operations, plus any impairment and abandonment charges or asset write-offs pursuant to GAAP, plus/(minus) non-cash losses/(gains) on the sale of assets or subsidiaries, non-recurring compensation expense, including severance expenses, transaction costs, or facilities-related exit and disposal-related expenditures, plus/(minus) foreign currectly losses/(gains), plus/(minus) losses/(gains) on unconsolidated entities less bargain purchase gains from business combinations. We define EBITDA margin and Adjusted EBITDA and Adjusted EBITDA and Adjusted EBITDA and Adjusted EBITDA and Adjusted EBITDA, adjusted EBITDA margin, Adjusted EBITDA margin, gross profit before D&A are revenue, excluding cost of sales D&A expense. We define gross margin before D&A as gross profit before D&A as gross profit before D&A and gross margin before D&A are supplemental non-GAAP financial measures that we believe provide useful information to external users of our financial statements, such as industry analysts, investors, lenders and rating agencies because it allows them to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization) and non-recurring items outside the control of our investors and market participants regarding the factors and trends affecting our business in addition to measures calculated under GAAP.

Net income is the GAAP measure most directly comparable to EBITDA and Adjusted EBITDA. Gross profit is the GAAP measure most directly comparable to gross profit before D&A. Our non-GAAP financial measures should not be considered as alternatives to the most directly comparable GAAP financial measure. Each of these non-GAAP financial measures has important limitations as an analytical tool due to exclusion of some but not all items that affect the most directly comparable GAAP financial measures. You should not consider EBITDA, Adjusted EBITDA, Adjusted EBITDA and gross profit before D&A may be defined differently by other companies in our industry, our definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility. For further discussion, please see the Disclaimer Statement on page 2 of this presentation.

## Non-GAAP Reconciliations



	Three months ended,							
	March 31, 2023December 31, 2022March 31, 2(unaudited)(in thousands)				ch 31, 2022			
Gross profit by segment								
Water services	\$	28,763	\$	20,479	\$	10,998		
Water infrastructure		16,246		7,892		5,745		
Oilfield chemicals		14,656		13,200		7,939		
As reported gross profit		59,665		41,571		24,682		
Plus depreciation and amortization								
Water services		18,135		19,899		15,562		
Water infrastructure		12,725		9,387		8,431		
Oilfield chemicals		2,083		1,796		2,507		
Total depreciation and								
amortization		32,943		31,082		26,500		
Gross profit before D&A	\$	92,608	\$	72,653	\$	51,182		
Gross profit before D&A by segment								
Water services		46,898		40,378		26,560		
Water infrastructure		28,971		17,279		14,176		
Oilfield chemicals	_	16,739		14,996		10,446		
Total gross profit before D&A	\$	92,608	\$	72,653	\$	51,182		
Gross margin before D&A by segment								
Water services		20.5%		18.5%		16.2%		
Water infrastructure		28.5%		22.4%		24.2%		
Oilfield chemicals		19.4%		17.4%		14.4%		
Total gross margin before D&A	_	22.2%		19.0%		17.4%		