



# Select Energy Services, Inc.

Corporate Overview | December 2019

# 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 Energy Services, 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, 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 forward-looking 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”) filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 1, 2019. 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.

## 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>. 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.

## Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA, 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, plus interest expense, taxes and depreciation & amortization. We define Adjusted EBITDA as EBITDA plus/(minus) loss/(income) from discontinued operations, plus any impairment 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) and plus any inventory write-downs. 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, 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, gross profit before D&A and gross margin before D&A because we believe they provide useful information 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 “Item 6. Selected Financial Data” in our Annual Report on Form 10-K for the year ended December 31, 2018.

# Select's Value Proposition



# Select Energy Services – Company Snapshot

## Segment Overviews<sup>1</sup>

### Water Services

- + Comprehensive water services including water transfer, flowback and well testing, water storage and containment, water treatment and recycling systems, fluids hauling, water monitoring and other on-site rental and support equipment

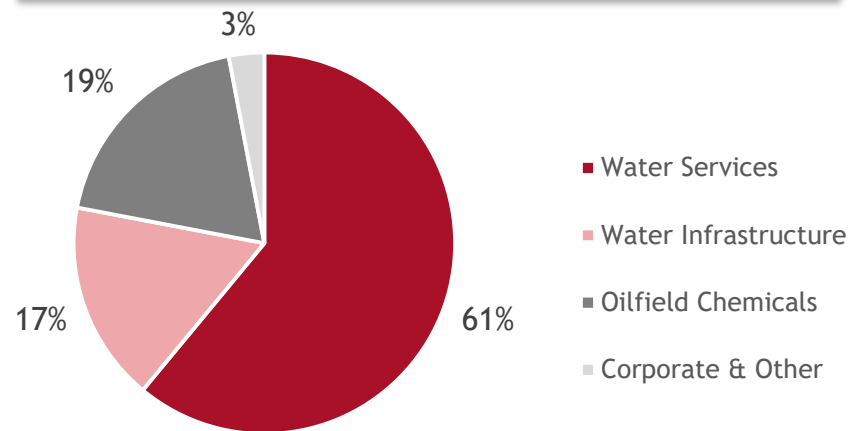
### Water Infrastructure

- + Infrastructure assets and operations associated with water sourcing and distribution pipelines, produced water gathering systems, storage pits and salt water disposal wells

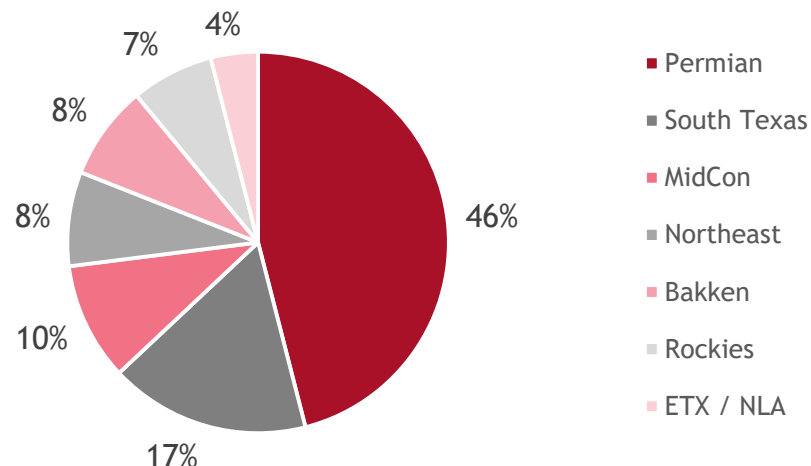
### Oilfield Chemicals

- + Develop and manufacture full suite of completion and production chemicals
- + In-basin manufacturing facilities and distribution centers to support complete frac fluid systems

## 9M19 Revenue by Segment<sup>2,3</sup>



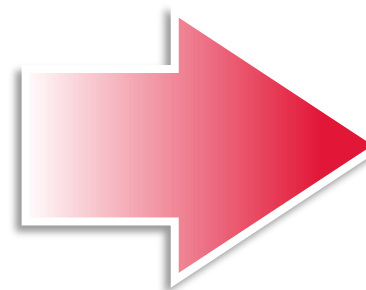
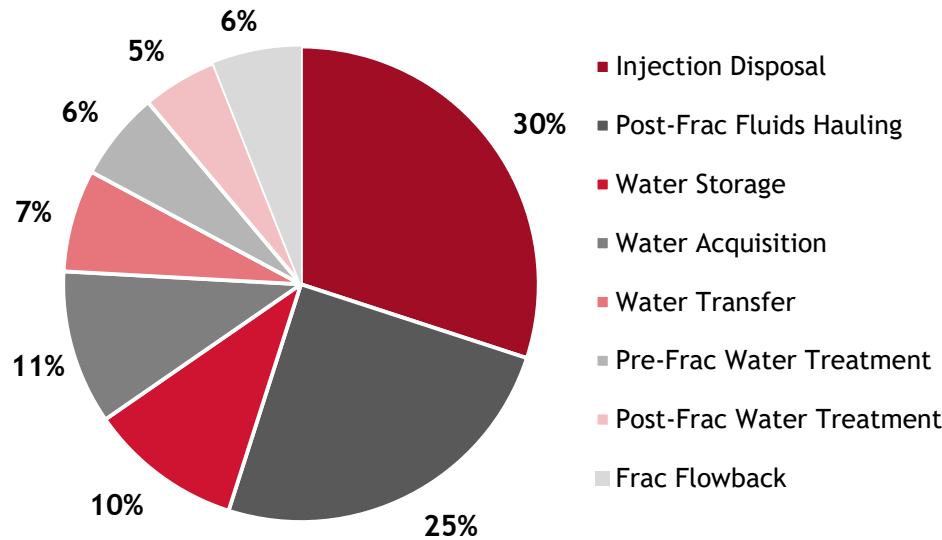
## 9M19 Revenue by Geography<sup>3</sup>



1. The company re-segmented during the first-quarter of 2019, see appendix for additional detail  
 2. Corporate & Other includes the remaining service lines that were previously a part of the WellSite Services segment. As of the end of Q3 2019, we have largely concluded the divestment and wind down process of these remaining operations and do not expect further material revenue or gross profit contribution going forward  
 3. Based on financials for the quarter ended September 30, 2019, excluding divested operations

# Water Market Has Grown in Size and Complexity

**2019 U.S. Water Market Estimated to be \$20-\$25 Billion<sup>1</sup>**



Select  
participates  
across every  
aspect of the  
water life-cycle

- + ~5 Billion barrels of water projected to be used in drilling and completion activities in 2019
- + Over 22 Billion barrels of water expected to be produced in 2019
- + Increasing complexity of water sourcing, logistics, treatment and disposal

1. Dollar values and volumes based on Spears & Associates October 2019 US Oilfield Water Management Services Market report

# Industry Leading Customer Base in Every Basin

## Top 20 Water Services Customers



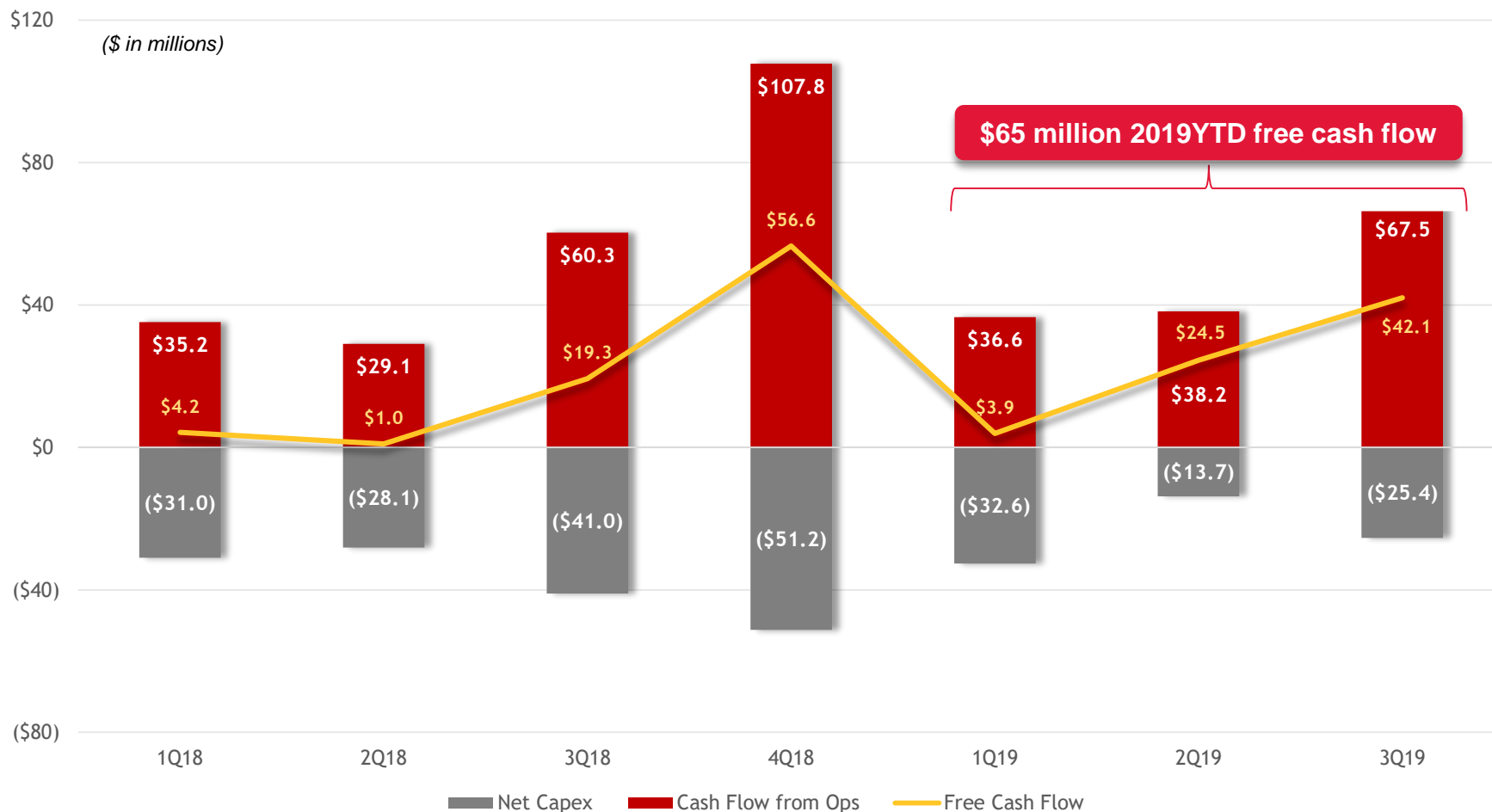
## Top Oilfield Chemicals Customers



Expertise and technology allow Select to provide solutions to meet the ever growing complexity of leading-edge customers

# Robust Cash Flow Generation with Room to Expand

We have achieved the bottom end of our full year free cash flow guidance range of \$65-\$80 million a quarter ahead of schedule, and we expect to finish the year above the top end of our full year free cash flow guidance<sup>1,2</sup>



1. Net Capex represents capital expenditures related to the purchase of property and equipment net of the proceeds received from the ordinary course sale of property and equipment, excluding divested Wellsite Services businesses
2. Free Cash Flow represents Operating Cash Flow before changes in Working Capital, plus changes in Working Capital, less Net Capex

# Strong Balance Sheet & Liquidity Position

Select maintains a strong balance sheet with a \$42.6 million net cash position





## Net Debt & Liquidity Profile As Of Sept 30, 2019

Cash	\$ 43.0
Bank Debt	\$ -
Capital Leases	\$ 0.4
<b>Total Debt</b>	<b>\$ 0.4</b>
<b>Net Cash</b>	<b>\$ 42.6</b>
<b>Liquidity:</b>	
Cash	\$ 43.0
Plus: Revolver Borrowing Base	\$ 228.4
Less: Outstanding Borrowings	\$ -
Less: Outstanding Letters of Credit	\$ (19.9)
<b>Total Liquidity</b>	<b>\$ 251.6</b>

- + Select's strong balance sheet allows the Company to continue to execute on its strategic initiatives. In addition to growing our overall cash position by \$30 million, over the last twelve months, the Company has:
  - Repaid \$65 million in debt, resulting in a debt-free balance sheet
  - Repurchased approximately \$29 million in Class A shares
  - Invested \$25 million to-date (of total \$40 million commitment) to build a 150,000 bpd pipeline in the Northern Delaware
  - Closed on strategic acquisitions
    - Q4 2018 - \$12.4 million acquisition of Pro Well Testing, a flowback services provider in the Northern Delaware Basin
    - Q3 2019 - \$10.4 million acquisition of the Well Chemical Services division of Baker Hughes, a leading provider of water treatment solutions
  - Invested to maintain the current business as well as in technology, such as automation & proprietary chemical products



# Differentiation through Technology

Technology Capability	Differentiated Results
 <b>AquaView® monitoring &amp; measurement</b>	<ul style="list-style-type: none"><li>• <b>Operational visibility</b></li><li>• <b>Data collection</b></li><li>• <b>Quality control</b></li></ul>
 <b>AquaLogic™ automation systems</b>	<ul style="list-style-type: none"><li>• <b>Decreased OpEx</b></li><li>• <b>Increased HSE safeguards</b></li><li>• <b>Improved operational control</b></li></ul>
 <b>Water Treatment &amp; Recycling</b>	<ul style="list-style-type: none"><li>• <b>Provides flexible solutions for frac water supply &amp; disposal complexities</b></li><li>• <b>Have treated over 235 million barrels over last 7 years</b></li></ul>
 <b>Proprietary Chemistry</b>	<ul style="list-style-type: none"><li>• <b>Improved well performance</b></li><li>• <b>Reduced production costs</b></li></ul>

# Growth Opportunities in Both Pre-Frac and Post-Frac Water Infrastructure

- + With 10+ years of operations, Select has the landowner and regulatory relationships, the asset portfolio and the balance sheet to support the ever increasing scale and complexity of the water needs of our customers with high-return, long-lived infrastructure developments
- + Multiple organic projects under evaluation that involve the development of fixed infrastructure connecting both strategic water sources to E&P operator activity and producing wells to disposal and recycling facilities

## Water Sources

- ~1.85 billion barrels of annual water rights across the major U.S. unconventional basins
- Recently signed long-term industrial source agreements in the Northern Delaware for an additional 200 million barrels per year

## Pipeline Infrastructure

- Two active pipeline systems supporting the Bakken with 10-year AML agreements
- GRR Infrastructure - over 1,200 miles of pipeline through Eddy and Lea County, NM
- Northern Delaware Pipeline Project - \$40 million development with 5yr take-or-pay

## Right-of-Ways & SUAs

- Dedicated team of individuals focused on developing and maintaining local relationships
- Significant portfolio of rights-of-way and exclusive surface use agreements for both fresh water and produced water activities and development

## Gathering & Disposal Infrastructure

- Active SWD portfolio across five U.S. basins supported by gathering pipelines and fluids hauling operations
- Meaningful backlog of pending permits across multiple basins

# Permian Strategic Infrastructure Project

## Northern Delaware Pipeline Project

- + Select has commenced both Phase I and Phase II of a new ~\$40 million permanent pipeline infrastructure development in Eddy and Lea Counties in New Mexico
  - Operations commenced during 4Q19
  - Complements existing GRR infrastructure
  - Initial build-out capacity of ~150,000 bpd
- + 5 year take-or-pay contract with major global integrated oil company for 75 million barrels of water
- + Supported by existing rights-of-way and source water rights from recently signed long-term supply agreements with industrial sources
- + Funded largely from proceeds from the divestment of non-core assets, including Affirm, Canadian and sand hauling operations

# Growth Opportunities in Water Services

## Margin Enhancement

- Margin enhancement through increased operational efficiency
- Investments to reduce labor and expand higher-capacity equipment



## Technological Innovation

- Enhanced technological innovation with focus on equipment automation and data capture
- Continue to develop and expand water treatment capabilities, further expanding our solutions to manage the complexities and interplay of produced water and the frac fluid system



## Consolidation

- Highly fragmented market
  - Acquisitions can add scale across basins and increase speed to market
  - Long history of successful M&A with 50+ acquisitions closed in last 10 years
  - Acquired the Well Chemical Services division of Baker Hughes for \$10.4 million during 3Q19, a leading provider of water treatment solutions



# Strategies to Maximize Value Per Share

- 1 Operational excellence and innovation/technical achievements
- 2 Maximizing Free Cash Flow
- 3 Disciplined approach to growth, achieve strong returns through cycles
- 4 Maintain a strong balance sheet
- 5 Return excess capital to shareholders

# Select's Value Proposition



## Appendix

# Select Corporate Profile

## Select Corporate Profile<sup>1</sup>

**Listing and Ticker Symbol**

**NYSE: WTTR**

**Recent Share Price**

**\$9.09**

**Market Capitalization**

**~\$949MM**

**Enterprise Value**

**~\$907MM**

**Total Outstanding Shares**

**104.4MM**

**Average Daily Trading Volume  
(last 30 days)**

**370,941**

**Headquarters**

**Houston, TX**

Note:

1. Share price as of 12/17/19. Outstanding shares includes all shares of Class A and Class B common stock as of November 4, 2019

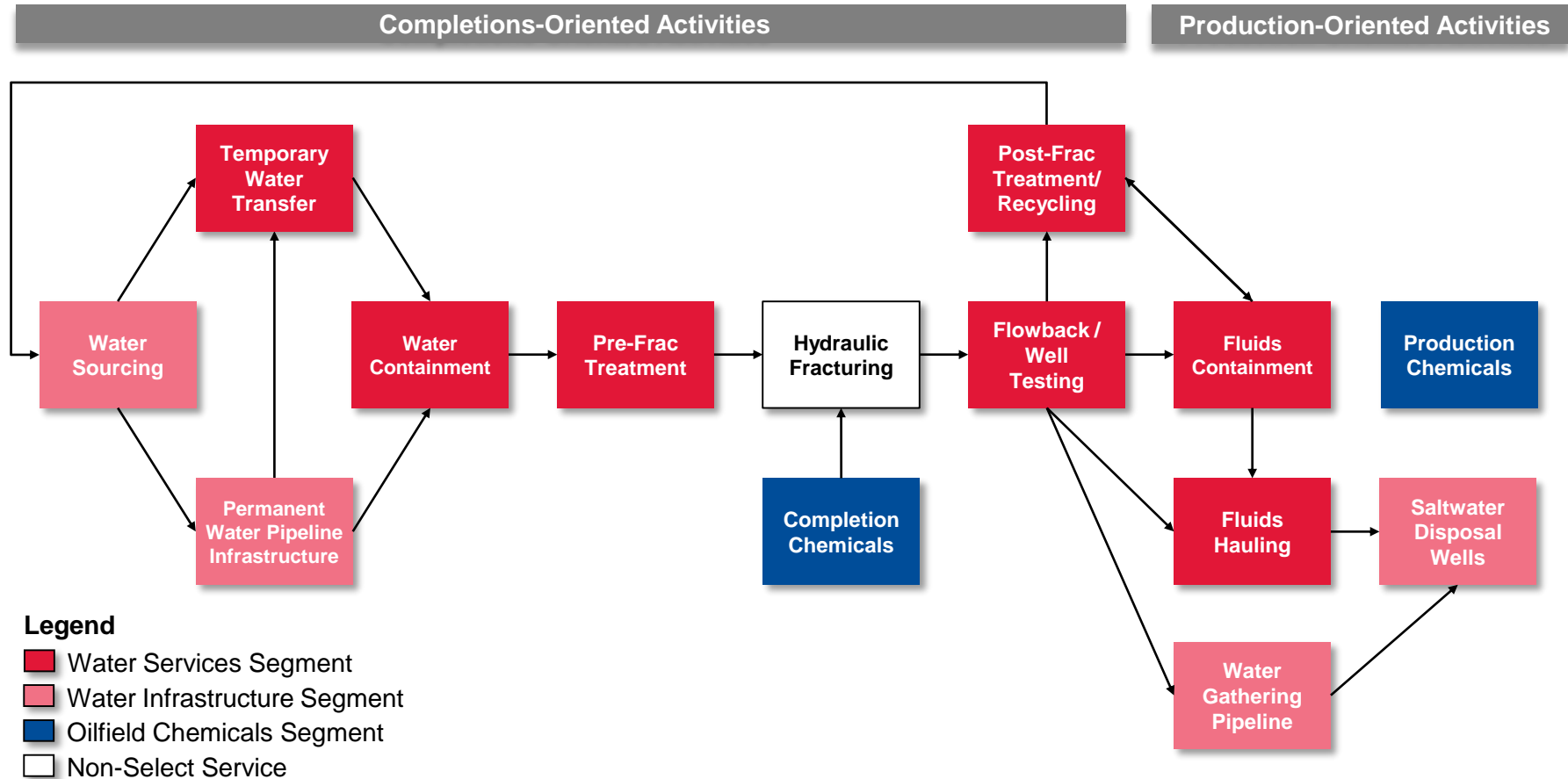


# Revised Segment Structure Overview

**With the intent to provide further transparency into our business, and in conjunction with the further development of our water-related infrastructure offering and the sale & winding down of certain operations within the Wellsite Services segment, we have revised our reportable segments to Water Services, Water Infrastructure, and Oilfield Chemicals**

- + As a result of these changes, certain reclassifications have been made to the Company's prior period financial information in order to conform to the current period presentation
- + **Water Services**
  - Includes Select's services businesses including water transfer, flowback and well testing, fluids hauling, containment, and water treatment and monitoring
  - This segment also includes the operations of our rentals business, which was previously a part of the Wellsite Services segment
- + **Water Infrastructure**
  - Includes Select's infrastructure assets and ongoing infrastructure development projects, including operations associated with our water sourcing and pipelines, produced water gathering systems and salt water disposal wells
- + **Oilfield Chemicals**
  - Remains unchanged, includes our business that develops, manufactures and provides chemicals used in hydraulic fracturing, stimulation, cementing and well completions to leading pressure pumping service companies in the U.S.
  - Our recent acquisition of the well chemical services division ("WCS") of Baker Hughes Company closed on September 30, 2019. As such, there is no historical contribution from WCS in the financials. Going forward, WCS results will be reported as a part of our Oilfield Chemicals segment.
- + **Corporate & Other**
  - Includes the remaining service lines that were previously a part of the Wellsite Services segment, including the operations of our Affirm subsidiary, our Canadian operations and our sand hauling business
  - As of the end of Q3 2019, we have largely concluded the divestment and wind down process of these remaining operations and do not expect further material revenue or gross profit contribution going forward

# Market Leading Comprehensive Water and Chemical Solutions Company



*Select provides value-added water and chemical services throughout the well life cycle, separated by our strategic investments in both pre-frac and post-frac infrastructure*

# Historical Financial Summary by Segment

(\$ in millions)

	2018				2019		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b><u>Revenue by Segment</u></b>							
Water Services	218,230	233,954	233,504	211,096	220,595	202,011	196,782
Water Infrastructure	54,057	55,727	65,877	54,454	53,616	51,710	63,953
Oilfield Chemicals	63,630	64,807	63,985	67,368	66,829	63,001	67,932
Corporate & Other	40,478	38,759	33,604	29,400	21,606	7,165	301
<b>Total Revenue</b>	<b>376,395</b>	<b>393,247</b>	<b>396,970</b>	<b>362,318</b>	<b>362,646</b>	<b>323,887</b>	<b>328,968</b>
<b><u>Gross Profit before D&amp;A</u></b>							
Water Services	53,600	57,383	55,862	48,394	57,474	46,860	43,041
Water Infrastructure	13,961	17,843	23,553	14,686	12,186	13,254	17,205
Oilfield Chemicals	6,546	6,307	7,512	5,971	7,302	8,950	10,575
Corporate & Other <sup>(1)</sup>	4,724	5,640	4,323	2,714	553	(282)	(1,564)
<b>Total Gross Profit before D&amp;A</b>	<b>78,831</b>	<b>87,173</b>	<b>91,250</b>	<b>71,765</b>	<b>77,515</b>	<b>68,782</b>	<b>69,257</b>
<b><u>Gross Margin before D&amp;A</u></b>							
Water Services	24.6%	24.5%	23.9%	22.9%	26.1%	23.2%	21.9%
Water Infrastructure	25.8%	32.0%	35.8%	27.0%	22.7%	25.6%	26.9%
Oilfield Chemicals	10.3%	9.7%	11.7%	8.9%	10.9%	14.2%	15.6%
Corporate & Other <sup>(1)</sup>	11.7%	14.6%	12.9%	9.2%	2.6%	(3.9%)	(519.6%)
<b>Total Gross Margin before D&amp;A</b>	<b>20.9%</b>	<b>22.2%</b>	<b>23.0%</b>	<b>19.8%</b>	<b>21.4%</b>	<b>21.2%</b>	<b>21.1%</b>

(1) Prior periods include the results from operations divested in the first quarter of 2019

# Historical Financial Summary by Segment (cont.)



(\$ in millions)

	2018				2019		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b><u>D&amp;A</u></b>							
Water Services	18,892	18,948	19,987	25,049	21,262	21,023	19,419
Water Infrastructure	5,037	5,219	5,960	6,826	6,089	6,073	6,409
Oilfield Chemicals	2,915	2,823	2,115	2,643	2,453	1,747	2,435
Corporate & Other <sup>(1)</sup>	4,038	3,455	3,791	2,839	1,714	-	-
<b>Total D&amp;A</b>	<b>30,882</b>	<b>30,445</b>	<b>31,853</b>	<b>37,357</b>	<b>31,518</b>	<b>28,843</b>	<b>28,263</b>
<b><u>Gross Profit</u></b>							
Water Services	34,708	38,435	35,875	23,345	36,212	25,837	23,622
Water Infrastructure	8,924	12,624	17,593	7,860	6,097	7,181	10,796
Oilfield Chemicals	3,631	3,484	5,397	3,328	4,849	7,203	8,140
Corporate & Other <sup>(1)</sup>	686	2,185	532	(125)	(1,161)	(282)	(1,564)
<b>Total Gross Profit</b>	<b>47,949</b>	<b>56,728</b>	<b>59,397</b>	<b>34,408</b>	<b>45,997</b>	<b>39,939</b>	<b>40,994</b>
<b><u>Gross Margin</u></b>							
Water Services	15.9%	16.4%	15.4%	11.1%	16.4%	12.8%	12.0%
Water Infrastructure	16.5%	22.7%	26.7%	14.4%	11.4%	13.9%	16.9%
Oilfield Chemicals	5.7%	5.4%	8.4%	4.9%	7.3%	11.4%	12.0%
Corporate & Other <sup>(1)</sup>	1.7%	5.6%	1.6%	(0.4%)	(5.4%)	(3.9%)	(519.6%)
<b>Total Gross Margin</b>	<b>12.7%</b>	<b>14.4%</b>	<b>15.0%</b>	<b>9.5%</b>	<b>12.7%</b>	<b>12.3%</b>	<b>12.5%</b>

(1) Prior periods include the results from operations divested in the first quarter of 2019

# Scalable and Reliable Water Sourcing and Logistics Are Critical to Unconventional Production

## Evolution of the Oil & Gas Industry's Approach To Water

	Pre - 2008 Conventional Vertical	2008 - 2010 Early Horizontal	Current Leading Edge Horizontal	Emerging Multi-Well Pad Development
Frac Water per Well <sup>1</sup>	~15,000 bbls	~75,000 bbls	~600,000 bbls	Up to 6 million bbls on a multi-well pad
Equivalent Tank Truck Loads <sup>2</sup>	~115	~575	~4,620	~46,200
Lateral Length (Feet) <sup>3</sup>	~1,500	~3,500	~10,500	~10,500
Logistical Challenges				Complex
E&P Approach				Mission Critical

***Secular trends have driven increases in water demand per well by more than 30x during the past 10 years, driving demand for complex, sophisticated water solutions***

1. Water per well based on current management estimates of well completion intensity
2. Assumes single tank truck capacity of 130 barrels
3. United States Energy Information Administration ("EIA") and other third party research

# Non-GAAP Reconciliations

## Select Energy Services, Inc.

	2016				2017				2018				2019		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
(\$ in millions)															
<b>Net Income/(Loss)</b>	(\$26)	(\$228)	(\$35)	(\$25)	(\$12)	(\$10)	\$3	(\$15)	\$16	\$25	\$31	(\$18)	\$1	\$8	\$7
Interest Expense	\$3	\$4	\$4	\$4	\$1	\$1	\$0	\$5	\$1	\$1	\$1	\$1	\$1	\$1	\$0
Depreciation and Amortization	\$27	\$27	\$22	\$22	\$22	\$23	\$24	\$35	\$31	\$31	\$33	\$38	\$33	\$30	\$29
Tax (Benefit)/Expense	\$0	\$0	\$0	(\$1)	\$0	(\$0)	(\$0)	(\$1)	\$0	\$0	\$1	(\$0)	\$0	\$1	\$3
<b>EBITDA</b>	<b>\$5</b>	<b>(\$197)</b>	<b>(\$9)</b>	<b>\$0</b>	<b>\$10</b>	<b>\$13</b>	<b>\$27</b>	<b>\$24</b>	<b>\$49</b>	<b>\$58</b>	<b>\$67</b>	<b>\$21</b>	<b>\$35</b>	<b>\$39</b>	<b>\$39</b>
Lease Abandonment Costs	\$0	\$0	\$13	\$6	\$2	\$0	\$1	\$1	\$1	\$2	\$1	(\$0)	\$1	\$0	\$0
Impairment of Investment	\$0	\$199	\$0	\$0	\$0	\$0	\$0	\$0	\$2	\$0	\$0	\$0	\$0	\$0	\$0
Asset Impairment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2	\$0	\$4	\$1	\$0	\$0
Goodwill Impairment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18	\$4	\$0	\$0
Non-recurring Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4	\$0	\$0	\$0	\$1	\$2	\$0	\$0
Non-recurring Transaction Costs	(\$0)	\$0	\$0	\$0	\$1	\$0	\$4	\$5	\$3	\$2	\$3	(\$0)	\$1	\$0	\$2
Non-cash Compensation Expenses	\$0	(\$1)	(\$0)	\$0	\$1	\$1	\$1	\$6	\$2	\$3	\$3	\$2	\$4	\$4	\$4
Non-cash Loss/(Gain) on Sale	\$1	(\$0)	(\$0)	(\$0)	\$0	\$0	\$0	\$1	\$2	\$0	\$0	\$2	\$6	\$7	\$4
Foreign Currency (Gains)/Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	(\$0)	\$1	(\$0)	(\$0)	\$0
Inventory Write Downs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-recurring Sales Tax Assessments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4	\$0	\$0	\$0
Non-recurring Stock Valuation Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-recurring change in Vacation Policy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3	\$0	\$0	\$0
Other Non-recurring Charges	\$0	\$0	\$0	\$0	\$0	\$13	\$0	\$4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted EBITDA</b>	<b>\$6</b>	<b>\$1</b>	<b>\$4</b>	<b>\$7</b>	<b>\$14</b>	<b>\$27</b>	<b>\$32</b>	<b>\$44</b>	<b>\$60</b>	<b>\$68</b>	<b>\$74</b>	<b>\$56</b>	<b>\$53</b>	<b>\$52</b>	<b>\$49</b>

- In 2017, these costs were associated with severance incurred in connection with the transactions contemplated by the Agreement and Plan of Merger, dated as of July 18, 2017, by and among Select, SES Holdings, LLC, Raptor Merger Sub, Inc., Raptor Merger Sub, LLC, Rockwater Energy Solutions, Inc. and Rockwater LLC (the "Rockwater Merger"). In 2016, these costs were associated with the reduction in headcount as a result of the industry downturn.
- In 2017, these costs were primarily associated with the Rockwater Merger and our acquisition of Gregory Rockhouse Ranch, Inc. and certain other affiliated entities and assets. In 2016, these costs were associated with our evaluation and negotiation of various transactions that never materialized.

## Rockwater Energy Solutions, Inc.

	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	October
(\$ in millions)								
<b>Net Income/(Loss)</b>	(\$40)	(\$26)	(\$19)	(\$15)	(\$9)	(\$4)	\$10	\$1
Taxes	(\$0)	(\$0)	\$1	(\$1)	(\$13)	\$0	(\$5)	\$0
Interest Expense	\$2	\$2	\$3	\$2	\$2	\$1	\$1	\$0
Depreciation and Amortization	\$19	\$19	\$18	\$17	\$16	\$16	\$15	\$5
<b>EBITDA</b>	<b>(\$19)</b>	<b>(\$6)</b>	<b>\$3</b>	<b>\$4</b>	<b>(\$4)</b>	<b>\$15</b>	<b>\$21</b>	<b>\$6</b>
Impairment of long-lived and intangible assets	\$0	\$1	\$0	(\$0)	\$0	\$0	\$0	\$0
Restructuring costs	\$7	\$0	(\$0)	(\$1)	(\$0)	\$0	\$2	\$0
Restructuring related severance expenses	\$1	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0
Bad debt expense	\$1	(\$0)	\$1	(\$1)	(\$0)	\$0	\$0	(\$0)
Inventory write downs	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Foreign currency (gains) losses	(\$1)	\$0	\$0	\$0	\$0	(\$0)	(\$0)	\$0
(Gain) loss on the valuation of contingent obligations	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	\$0
Non-cash compensation expense	\$1	\$1	\$1	\$0	\$1	\$1	\$1	\$0
Non-cash Loss/(Gain) on Sale	(\$0)	(\$1)	(\$0)	(\$0)	\$0	(\$0)	(\$1)	(\$0)
Transaction related costs	\$0	\$0	\$0	\$0	\$6	\$2	\$5	\$1
<b>Adjusted EBITDA</b>	<b>(\$9)</b>	<b>(\$4)</b>	<b>\$3</b>	<b>\$3</b>	<b>\$3</b>	<b>\$18</b>	<b>\$27</b>	<b>\$8</b>

Note: The financial data for Rockwater Energy Solutions, Inc. is for the standalone company prior to the close of the merger on November 1, 2017, excluding certain divested operations