



Changes to Segment Reporting & Recast Financial Information

August 2023



Disclaimer Statement

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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”) current expectations about its future results, including, but not limited to, statements about its 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,” “estimate,” “expect,” “may,” “project,” “will,” 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. These risks and uncertainties include the risks that the benefits contemplated from our recent acquisitions may not be realized, the ability of Select to successfully integrate the acquired businesses’ operations, including employees, and realize anticipated synergies and cost savings and the potential impact of the consummation of the acquisitions on relationships, including with employees, suppliers, customers, competitors and creditors. 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

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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 global macroeconomic uncertainty related to the Russia-Ukraine war; central bank policy actions, bank failures and associated liquidity risks and other factors; actions by the members of OPEC+ with respect to oil production levels and announcements of potential changes in such levels, including the ability of the OPEC+ countries to agree on and comply with supply limitations; the severity and duration of world health events; the level of capital spending and access to capital markets by oil and gas companies, trends and volatility in oil and gas prices, and our ability to manage through such volatility; and other 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.

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 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

Gross profit before depreciation and amortization (“D&A”) and gross margin before D&A are not financial measures presented in accordance with U.S. generally accepted accounting principles (“GAAP”). 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. 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 asset base (such as depreciation and amortization). We present 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.

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 gross profit before D&A or gross margin before D&A in isolation or as substitutes for an analysis of our results as reported under GAAP. Because gross profit before D&A or gross margin 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 Form 10-K and our latest Quarterly Report on Form 10-Q. 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.



Segment Reporting Overview – Changes by Service Line

Prior Segmentation

Water Services

- Water Transfer
- Water Containment
- Water Monitoring
- Flowback & Well Testing
- Fluid Hauling
- Accommodations & Rentals

Water Infrastructure

- Water Sourcing
- Water Logistics
- Water Recycling & Reuse
- Gathering & Distribution Pipelines
- Fluid Disposals

Moved to
Water Services

New Segmentation

Water Services

- Water Sourcing
- Water Transfer (& Logistics)
- Water Containment
- Water Monitoring
- Flowback & Well Testing
- Fluid Hauling
- Accommodations & Rentals

Water Infrastructure

- Water Recycling & Reuse
- Gathering & Distribution Pipelines
- Fluid Disposals

Oilfield Chemicals

- Chemical Manufacturing
- Completion Chemicals
- Water Treatment

Chemical Technologies

- Chemical Manufacturing
- Completion Chemicals
- Water Treatment

Segment Reporting Overview – Strategic Rationale

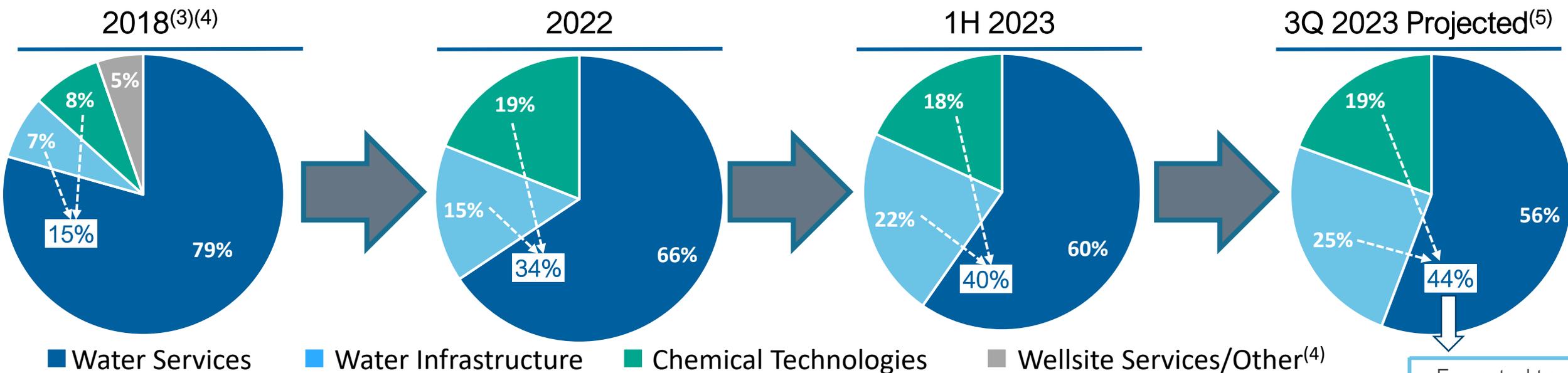
Effective June 1, 2023, Select revised how it aggregates its operating service lines into reportable segments to better reflect recent operational and economic changes in the business and the Company's strategic priorities

- Following these changes, Select will continue to operate multiple service lines, aggregated into **three reportable segments – Water Services, Water Infrastructure and Chemical Technologies**
- As part of these changes, the **Water Sourcing** operations (previously captured in Water Infrastructure) and **certain water logistics operations** from our Water Infrastructure segment are now included in **the Water Services segment**
- These segment reporting changes were largely attributable to the grouping of like services with similar business drivers. The recast segments now better capture the evolution of our business, visibility to our growth and capital deployment priorities
- We believe Select's Water Services leadership is best suited to operate these assets efficiently and capture synergies across mobile operations
- Additionally, this change allows **Water Infrastructure leadership** to **focus on our core growth projects around pipelines, recycling, and disposal** opportunities, substantially all of which are either under long-term contracts or are production-related in nature
- Concurrently, we renamed our Oilfield Chemicals segment **as Chemical Technologies**, further aligning this segment with our **core focus of delivering customized, specialty chemical products to our customers** that are developed and manufactured through our proprietary R&D efforts
 - This segment name change is a naming convention-only change that did not impact any current year or prior year numbers

Segment Reporting Overview – Gross Profitability by Segment⁽¹⁾

- The Water Infrastructure segment will be dedicated to the Company’s strategic efforts and near-term growth priorities around increasing production-weighted and long-term contracted revenues around pipelines, recycling and disposal facilities
- Since 2018, Water Infrastructure and Chemical Technologies have increased from 15% of consolidated gross profit before D&A to 40% in 1H23
- Select is targeting 44% of its profitability during 3Q23 and more than 50% of the Company’s profitability during 2024 will come from Water Infrastructure and Chemical Technologies, which combine to comprise of sustainable water treatment and recycling solutions, contracted pipelines, production-levered water disposal infrastructure and specialty chemistry manufacturing

Gross Profit Before D&A⁽²⁾



Notes:

- (1) Values shown reflect new segment reporting structure
- (2) Gross Profit before D&A is a Non-GAAP financial measure, see Disclaimer on page 2 for important disclosures regarding non-GAAP financial measures & the Appendix for reconciliation detail
- (3) 2018 includes preliminary estimated allocations of intercompany eliminations & other items. The Company expects to provide additional historical recast information in subsequent materials
- (4) Wellsite Services operations were divested during 2019
- (5) Q3 Projected based off of midpoint of segment by segment guidance, where applicable

Expected to increase to 50%+ in 2024

Financial Profile by Reporting Segment – Recast Results⁽¹⁾

		Recast Results (\$ in 000s)							
		FY22					YTD 2023		
		Q1	Q2	Q3	Q4	FY2022	Q1	Q2	1H23
Water Services	Revenue	\$198,620	\$230,502	\$264,271	\$251,104	\$944,497	\$274,678	\$264,597	\$539,275
	Gross Profit	13,532	23,582	39,053	20,841	97,008	32,137	34,881	67,018
	Gross Margin	7%	10%	15%	8%	10%	12%	13%	12%
	Gross Profit Before D&A ⁽²⁾	\$32,904	\$42,827	\$59,621	\$44,576	\$179,928	\$54,737	\$58,021	\$112,758
	Gross Margin Before D&A ⁽²⁾	17%	19%	23%	18%	19%	20%	22%	21%
Water Infrastructure	Revenue	\$23,540	\$25,778	\$31,368	\$44,598	\$125,284	\$55,466	\$55,277	\$110,743
	Gross Profit	3,211	2,892	7,146	7,530	20,779	12,872	11,512	24,384
	Gross Margin	14%	11%	23%	17%	17%	23%	21%	22%
	Gross Profit Before D&A ⁽²⁾	\$7,832	\$10,454	\$10,976	\$13,081	\$42,343	\$21,132	\$20,885	\$42,017
	Gross Margin Before D&A ⁽²⁾	33%	41%	35%	29%	34%	38%	38%	38%
Chemical Technologies	Revenue	\$72,609	\$79,623	\$79,433	\$85,974	\$317,639	\$86,448	\$84,754	\$171,202
	Gross Profit	7,939	9,188	12,640	13,200	42,967	14,656	14,782	29,438
	Gross Margin	11%	12%	16%	15%	14%	17%	17%	17%
	Gross Profit Before D&A ⁽²⁾	\$10,446	\$11,635	\$14,914	\$14,996	\$51,991	\$16,739	\$17,451	\$34,190
	Gross Margin Before D&A ⁽²⁾	14%	15%	19%	17%	16%	19%	21%	20%
Other	Revenue	-	-	-	-	-	-	-	-
	Gross Profit	-	(1)	1	-	0	-	-	-
	Gross Profit Before D&A ⁽²⁾	-	(1)	1	-	0	-	-	-
Totals	Revenue	\$294,769	\$335,903	\$375,072	\$381,676	\$1,387,420	\$416,592	\$404,628	\$821,220
	Gross Profit	24,682	35,661	58,840	41,571	160,754	59,665	61,175	120,840
	Gross Profit Before D&A ⁽²⁾	51,182	64,915	85,512	72,653	274,262	92,608	96,357	188,965

- All results included on this page have been recast based on the reallocated segment alignment
- The Company expects to provide additional detailed recast information for prior periods in subsequent materials
- For more detailed segment analysis, please review our second quarter 10-Q

Notes:

- (1) The recast of the previous segment financial information is not a restatement of previous financial statements and does not have a material impact on the Company's consolidated balance sheets, consolidated income statements, or consolidated cash flow statements
- (2) Gross Profit before D&A and Gross Margin before D&A are non-GAAP financial measures, see Disclaimer Statement on page 2 for important disclosures regarding non-GAAP financial measures and the Appendix for reconciliation detail

Financial Profile by Reporting Segment – Prior Segment Results

		Prior Segment Results (\$ in 000s)							
		FY22				YTD 2023			
		Q1	Q2	Q3	Q4	FY2022	Q1	Q2	1H23
Water Services	Revenue	\$163,606	\$195,996	\$221,243	\$218,524	\$799,369	\$228,597	\$236,202	\$464,799
	Gross Profit	10,998	22,567	33,471	20,479	87,515	28,763	38,100	66,863
	Gross Margin	7%	12%	15%	9%	11%	13%	16%	14%
	Gross Profit Before D&A ⁽¹⁾	\$26,560	\$37,936	\$50,398	\$40,378	\$155,272	\$46,898	\$55,315	\$102,213
	Gross Margin Before D&A ⁽¹⁾	16%	19%	23%	18%	19%	21%	23%	22%
Water Infrastructure	Revenue	\$58,554	\$60,284	\$74,396	\$77,178	\$270,412	\$101,547	\$83,672	\$185,219
	Gross Profit	5,745	3,907	12,728	7,892	30,272	16,246	8,293	24,539
	Gross Margin	10%	6%	17%	10%	11%	16%	10%	13%
	Gross Profit Before D&A ⁽¹⁾	\$14,176	\$15,345	\$20,199	\$17,279	\$66,999	\$28,971	\$23,591	\$52,562
	Gross Margin Before D&A ⁽¹⁾	24%	25%	27%	22%	25%	29%	28%	28%
Oilfield Chemicals	Revenue	\$72,609	\$79,623	\$79,433	\$85,974	\$317,639	\$86,448	\$84,754	\$171,202
	Gross Profit	7,939	9,188	12,640	13,200	42,967	14,656	14,782	29,438
	Gross Margin	11%	12%	16%	15%	14%	17%	17%	17%
	Gross Profit Before D&A ⁽¹⁾	\$10,446	\$11,635	\$14,914	\$14,996	\$51,991	\$16,739	\$17,451	\$34,190
	Gross Margin Before D&A ⁽¹⁾	14%	15%	19%	17%	16%	19%	21%	20%
Other	Revenue	-	-	-	-	-	-	-	-
	Gross Profit	-	(1)	1	-	0	-	-	-
	Gross Profit Before D&A ⁽¹⁾	-	(1)	1	-	0	-	-	-
Totals	Revenue	\$294,769	\$335,903	\$375,072	\$381,676	\$1,387,420	\$416,592	\$404,628	\$821,220
	Gross Profit	24,682	35,661	58,840	41,571	160,754	59,665	61,175	120,840
	Gross Profit Before D&A ⁽¹⁾	51,182	64,915	85,512	72,653	274,262	92,608	96,357	188,965

- Results shown on this page are represented as originally provided under the old segmentation prior to the current recast

Notes:
 (1) Gross Profit before D&A and Gross Margin before D&A are non-GAAP financial measures, see Disclaimer Statement on page 2 for important disclosures regarding non-GAAP financial measures and the Appendix for reconciliation detail

Financial Profile by Reporting Segment – Delta to Recast Results⁽¹⁾

		\$ Change in Recast (\$ in 000s)							
		FY22					YTD 2023		
		Q1	Q2	Q3	Q4	FY2022	Q1	Q2	1H23
Water Services	Revenue	\$35,014	\$34,506	\$43,028	\$32,580	\$145,128	\$46,081	\$28,395	\$74,476
	Gross Profit	2,534	1,015	5,582	362	9,493	3,374	(3,219)	155
	Gross Margin	0%	-1%	0%	-1%	-1%	-1%	-3%	-2%
	Gross Profit Before D&A ⁽²⁾	\$6,344	\$4,891	\$9,223	\$4,198	\$24,656	\$7,839	\$2,706	\$10,545
	Gross Margin Before D&A ⁽²⁾	0%	-1%	0%	-1%	0%	-1%	-1%	-1%

Water Infrastructure	Revenue	(\$35,014)	(\$34,506)	(\$43,028)	(\$32,580)	(\$145,128)	(\$46,081)	(\$28,395)	(\$74,476)
	Gross Profit	(2,534)	(1,015)	(5,582)	(362)	(9,493)	(3,374)	3,219	(155)
	Gross Margin	4%	5%	6%	7%	5%	7%	11%	9%
	Gross Profit Before D&A ⁽²⁾	(\$6,344)	(\$4,891)	(\$9,223)	(\$4,198)	(\$24,656)	(\$7,839)	(\$2,706)	(\$10,545)
	Gross Margin Before D&A ⁽²⁾	9%	15%	8%	7%	9%	10%	10%	10%

		% Change in Recast							
		FY22					YTD 2023		
		Q1	Q2	Q3	Q4	FY2022	Q1	Q2	1H23
Water Services	Revenue	21%	18%	19%	15%	18%	20%	12%	16%
	Gross Profit	23%	4%	17%	2%	11%	12%	-8%	0%
	Gross Margin	1%	-11%	-2%	-11%	-6%	-7%	-18%	-14%
	Gross Profit Before D&A ⁽²⁾	24%	13%	18%	10%	16%	17%	5%	10%
	Gross Margin Before D&A ⁽²⁾	2%	-4%	-1%	-4%	-2%	-3%	-6%	-5%

Water Infrastructure	Revenue	-60%	-57%	-58%	-42%	-54%	-45%	-34%	-40%
	Gross Profit	-44%	-26%	-44%	-5%	-31%	-21%	39%	-1%
	Gross Margin	39%	73%	33%	65%	48%	45%	110%	66%
	Gross Profit Before D&A ⁽²⁾	-45%	-32%	-46%	-24%	-37%	-27%	-11%	-20%
	Gross Margin Before D&A ⁽²⁾	37%	59%	29%	31%	36%	34%	34%	34%

Notes:

(1) Oilfield Technologies, Other, and Total figures will remain unchanged in the recast

(2) Gross Profit before D&A and Gross Margin before D&A are non-GAAP financial measures, see Disclaimer Statement on page 2 for important disclosures regarding non-GAAP financial measures and the Appendix for reconciliation detail

Changes to Segment Reporting & Recast Financial Information

Questions regarding Select's Changes to Segment Reporting & Recast Financial Information can be directed to:

Chris George

Senior Vice President – Corporate Development, Investor Relations & Sustainability

1233 W Loop S, Suite 1400 | Houston, TX 77027

713-296-1073

cgeorge@selectwater.com

Appendix



Gross Profit before D&A Reconciliation – Recast Results

Non-GAAP Reconciliations Recast Results

	2022					2023		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
Gross profit by segment								
Water services	\$ 13,532	\$ 23,582	\$ 39,053	\$ 20,841	\$ 97,009	\$ 32,137	\$ 34,881	\$ 67,018
Water infrastructure	3,211	2,892	7,146	7,530	20,779	12,872	11,512	24,384
Chemical technologies	7,939	9,188	12,640	13,200	42,967	14,656	14,782	29,438
Other	—	(1)	1	—	—	—	—	—
As reported gross profit	24,682	35,661	58,840	41,571	160,755	59,665	61,175	120,840
Plus depreciation and amortization								
Water services	19,372	19,245	20,568	23,735	82,919	22,600	23,140	45,740
Water infrastructure	4,621	7,562	3,830	5,551	21,564	8,260	9,373	17,633
Chemical technologies	2,507	2,447	2,274	1,796	9,024	2,083	2,669	4,752
Other	—	—	—	—	—	—	—	—
Total depreciation and amortization	26,500	29,254	26,672	31,082	113,507	32,943	35,182	68,125
Gross profit before D&A	\$ 51,182	\$ 64,915	\$ 85,512	\$ 72,653	\$ 274,262	\$ 92,608	\$ 96,357	\$ 188,965
Gross Profit before D&A by segment								
Water services	32,904	42,827	59,621	44,576	179,928	54,737	58,021	112,758
Water infrastructure	7,832	10,454	10,976	13,081	42,343	21,132	20,885	42,017
Chemical technologies	10,446	11,635	14,914	14,996	51,991	16,739	17,451	34,190
Other	—	(1)	1	—	—	—	—	—
Total gross profit before D&A	\$ 51,182	\$ 64,915	\$ 85,512	\$ 72,653	\$ 274,262	\$ 92,608	\$ 96,357	\$ 188,965
Gross Margin before D&A by segment								
Water services	16.6%	18.6%	22.6%	17.8%	19.1%	19.9%	21.9%	20.9%
Water infrastructure	33.3%	40.6%	35.0%	29.3%	33.8%	38.1%	37.8%	37.9%
Chemical technologies	14.4%	14.6%	18.8%	17.4%	16.4%	19.4%	20.6%	20.0%
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total gross margin before D&A	17.4%	19.3%	22.8%	19.0%	19.8%	22.2%	23.8%	23.0%



Gross Profit before D&A Reconciliation – Prior Segment Results

Non-GAAP Reconciliations

Prior Segment Results

	2022					2023		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
Gross profit by segment								
Water services	\$ 10,998	22,567	\$ 33,471	\$ 20,479	\$ 87,515	\$ 28,763	\$ 38,100	\$ 66,863
Water infrastructure	5,745	3,907	12,728	7,892	30,272	16,246	8,293	24,539
Oilfield chemicals	7,939	9,188	12,640	13,200	42,967	14,656	14,782	29,438
Other	—	(1)	1	—	—	—	—	—
As reported gross profit	24,682	35,661	58,840	41,571	160,754	59,665	61,175	120,840
Plus depreciation and amortization								
Water services	15,562	15,369	16,927	19,899	67,757	18,135	17,215	35,350
Water infrastructure	8,431	11,438	7,471	9,387	36,727	12,725	15,298	28,023
Oilfield chemicals	2,507	2,447	2,274	1,796	9,024	2,083	2,669	4,752
Other	—	—	—	—	—	—	—	—
Total depreciation and amortization	26,500	29,254	26,672	31,082	113,508	32,943	35,182	68,125
Gross profit before D&A	\$ 51,182	\$ 64,915	\$ 85,512	\$ 72,653	\$ 274,262	\$ 92,608	\$ 96,357	\$ 188,965
Gross Profit before D&A by segment								
Water services	26,560	37,936	50,398	40,378	155,272	46,898	55,315	102,213
Water infrastructure	14,176	15,345	20,199	17,279	66,999	28,971	23,591	52,562
Oilfield chemicals	10,446	11,635	14,914	14,996	51,991	16,739	17,451	34,190
Other	—	(1)	1	—	—	—	—	—
Total gross profit before D&A	\$ 51,182	\$ 64,915	\$ 85,512	\$ 72,653	\$ 274,262	\$ 92,608	\$ 96,357	\$ 188,965
Gross Margin before D&A by segment								
Water services	16.2%	19.4%	22.8%	18.5%	19.4%	20.5%	23.4%	22.0%
Water infrastructure	24.2%	25.5%	27.2%	22.4%	24.8%	28.5%	28.2%	28.4%
Oilfield chemicals	14.4%	14.6%	18.8%	17.4%	16.4%	19.4%	20.6%	20.0%
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total gross margin before D&A	17.4%	19.3%	22.8%	19.0%	19.8%	22.2%	23.8%	23.0%

