


Investor Presentation

June 2025

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KODIAK
GAS SERVICES™

Disclaimer

Cautionary Note Regarding Forward-Looking Statements. This presentation contains, and our officers and representatives may from time to time make, "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding: (i) expected operating results, such as revenue growth and earnings, including our ability to successfully implement our share repurchase program upon the continued integration of CSI Compressco LP ("CSI Compressco") into our operations, and our ability to service our indebtedness; (ii) anticipated levels of capital expenditures and uses of capital; (iii) current or future volatility in the credit markets and future market conditions; (iv) potential or pending acquisition transactions or other strategic transactions, the timing thereof, the receipt of necessary approvals to close such acquisitions, our ability to finance such acquisitions and our ability to achieve the intended operational, financial and strategic benefits from any such transactions; (v) expectations of the effect on our financial condition of claims, litigation, environmental costs, contingent liabilities and governmental and regulatory investigations and proceedings; (vi) production and capacity forecasts for the natural gas and oil industry; (vii) strategy for customer retention, growth, fleet maintenance, market position, and financial results; (viii) our interest rate hedges; and (ix) strategy for risk management.

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not place undue reliance on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: (i) a reduction in the demand for natural gas and oil; (ii) the loss of, or the deterioration of the financial condition of, any of our key customers; (iii) nonpayment and nonperformance by our customers, suppliers or vendors; (iv) competitive pressures that may cause us to lose market share; (v) the structure of our Contract Services contracts and the failure of our customers to continue to contract for services after expiration of the primary term; (vi) our ability to successfully integrate any acquired businesses, including CSI Compressco, and realize the expected benefits thereof in the expected timeframe or at all; (vii) our ability to fund purchases of additional compression equipment; (viii) our ability to successfully implement our share repurchase program; (ix) a deterioration in general economic, business, geopolitical or industry conditions, including as a result of the conflict between Russia and Ukraine and the Israel-Hamas war, inflation, and slow economic growth in the United States; (x) a downturn in the economic environment, as well as continued inflationary pressures; (xi) international operations and related mobilization and demobilization of compression units, operational interruptions, delays, upgrades, refurbishment and repair of compression assets and any related delays and costs overruns or reduced payment of contracted rates; (xii) tax legislation and administrative initiatives or challenges to our tax positions; (xiii) the loss of key management, operational personnel or qualified technical personnel; (xiv) our dependence on a limited number of suppliers; (xv) the cost of compliance with existing and new governmental regulations, including climate change legislation, and associated uncertainty given the new U.S Federal government administration; (xvi) changes in trade policies and regulations, including increases or changes in duties, current and potentially new tariffs or quotas and other similar measures, as well as the potential direct and indirect impact of retaliatory tariffs and other actions; (xvii) the cost of compliance with regulatory initiatives and stakeholder pressures, including sustainability and corporate responsibility; (xviii) the inherent risks associated with our operations, such as equipment defects and malfunctions; (xix) our reliance on third-party components for use in our IT systems; (xx) legal and reputational risks and expenses relating to the privacy, use and security of employee and client information; (xxi) threats of cyber attacks or terrorism; (xxii) agreements that govern our debt contain features that may limit our ability to operate our business and fund future growth and also increase our exposure to risk during adverse economic conditions; (xxiii) volatile and/or elevated interest rates and associated central bank policy actions; (xxiv) our ability to access the capital and credit markets or borrow on affordable terms (or at all) to obtain additional capital that we may require; (xxv) major natural disasters, severe weather events or other similar events that could disrupt operations; (xxvi) unionization of our labor force, labor interruptions and new or amended labor regulations; (xxvii) renewal of insurance; (xxviii) the effectiveness of our disclosure controls and procedures; and (xxix) such other factors as discussed throughout the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the U.S. Securities and Exchange Commission.

Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. Except as may be required by applicable law, we undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future developments or otherwise.

Non-GAAP Financial Measures. This presentation contains certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP"), including Adjusted Gross Margin, Adjusted Gross Margin percentage, Adjusted EBITDA, Adjusted EBITDA percentage, Discretionary Cash Flow and Free Cash Flow. Such non-GAAP measures should not be considered an alternative to, or more meaningful than, the most directly comparable measure of financial performance presented in accordance with GAAP. Moreover, such non-GAAP measures may not be comparable to similarly titled measures of other companies. However, we believe these non-GAAP financial measures provide useful information to investors because, when viewed with our GAAP results and the accompanying reconciliation, they provide a more complete understanding of our performance than GAAP results alone. See the Supplemental Slides for reconciliation of non-GAAP measures.

Industry & Market Data. The market data and certain other statistical information used throughout this presentation are based on independent industry publications, government publications or other published independent sources. Although we believe these third-party sources are reliable as of their respective dates, we have not independently verified the accuracy or completeness of this information. Some data is also based on our good faith estimates and our management's understanding of industry conditions. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in these publications.

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Kodiak Gas Services Overview

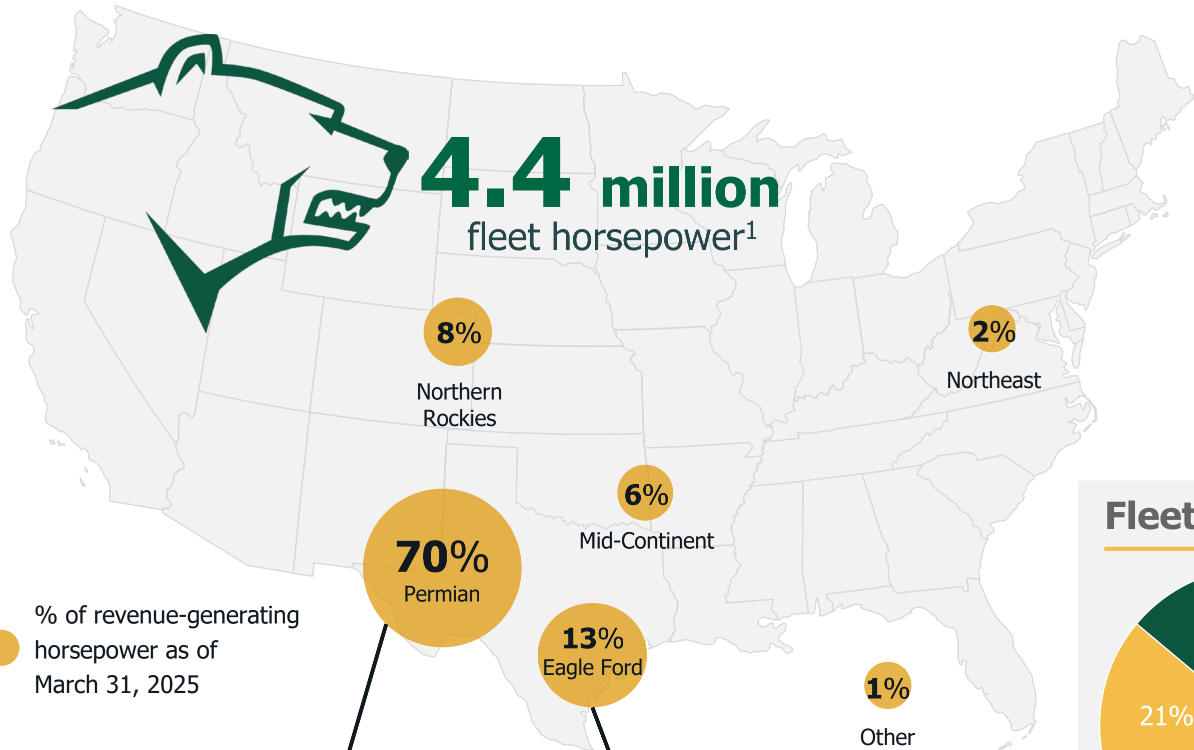
POWERING

Our Critical Energy Future

$3.1 billion Market Capitalization[1]	**$5.7** billion Enterprise Value[1]	**5.1%** Dividend Yield[1]
4.4 million Fleet Horsepower[2]	**~7** years Average Age of Large Horsepower[2]	**~97%** Fleet Utilization Rate[2]

[1] Market capitalization and enterprise value calculated as of May 30, 2025 and debt outstanding as of March 31, 2025. Dividend yield based on stock price as of May 30, 2025 and first quarter 2025 dividend of $0.45 per share annualized
[2] Fleet statistics as of March 31, 2025; Average age of 1,000+ horsepower units

Kodiak Contract Compression Fleet



% of revenue-generating horsepower as of March 31, 2025

Permian
- 3.0 million horsepower
- >1,200 avg. HP per unit

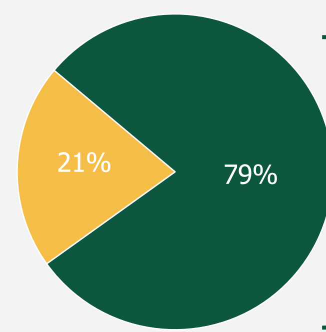
Eagle Ford
- 0.6 million horsepower
- >900 avg. HP per unit

Leading contract compression provider in the lowest cost to produce U.S. basins

3.5 million

Combined horsepower in the Permian and Eagle Ford

Fleet Horsepower Profile[1]



79%

Of Total Fleet Horsepower is Large Horsepower Units

- Compression Units: >1,000 HP
- Compression Units: <1,000 HP

[1] Fleet statistics as of March 31, 2025

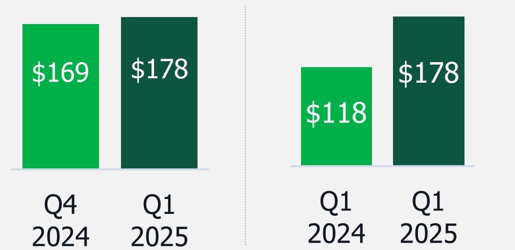
Kodiak Investment Thesis

Constructive Industry Fundamentals	► Highly visible, multi-year domestic natural gas demand growth ► Tight equipment market with industry-wide capital discipline
Compression Market Leader	► 4.4 million horsepower compression fleet[1] ► Market leader in the Permian
Robust Organic Investment Opportunities	► 2025 new unit growth capex is fully contracted ► Compelling returns on new equipment deployments
Stable and Growing Cash Flow	► Fixed-revenue contracts with inflation escalators ► No direct commodity price exposure
Attractive Shareholder Return Program	► 5.1% dividend yield; 10% dividend increase in 2025[2] ► $50 million share repurchase program[3]

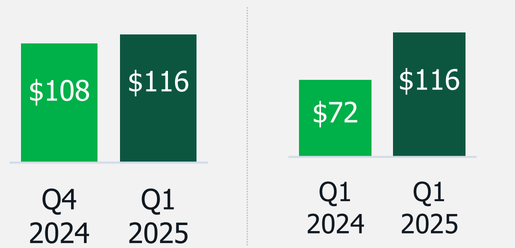
[1] Fleet statistics as of March 31, 2025
[2] Dividend yield based on stock price as of May 30, 2025 and first quarter 2025 dividend of $0.45 per share annualized
[3] Announced share repurchase program on November 14, 2024

First Quarter 2025 Highlights

Adjusted EBITDA[1] ($M)



Discretionary Cash Flow[1] ($M)

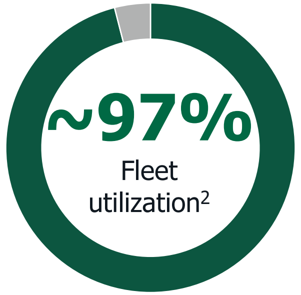


Net Income ($M)

Attributable to Common Shareholders

First Quarter and Recent Highlights

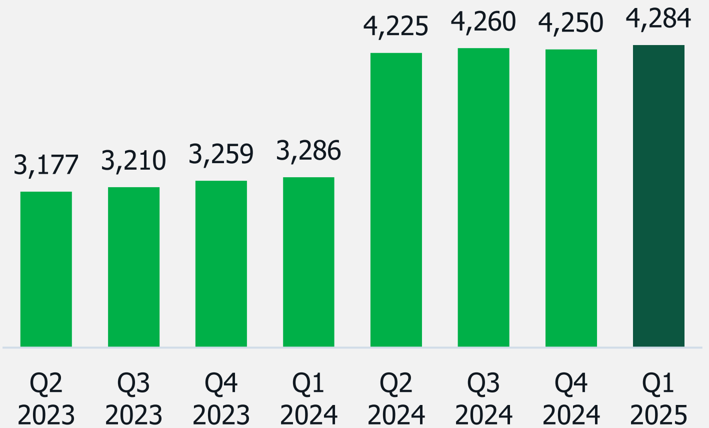
- Reported record quarterly Adj. EBITDA of $177.7 million
- Improved Contract Services Adj. Gross Margin Percentage[1] to 67.7%
- Repurchased ~$20 million of stock in 2025
- Increased quarterly dividend by 10% to $0.45 per share
- Raised midpoint of full-year 2025 Adj. EBITDA guidance



49K HP

New unit horsepower added in the quarter

Revenue-Generating HP (in 000)[2]



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[1] Adjusted EBITDA, Adjusted Gross Margin Percentage, and Discretionary Cash Flow are non-GAAP financial measures, see Supplemental Slides for reconciliations
[2] Fleet statistics as of March 31, 2025

Domestic Supply Chain Mitigates Tariff Risk

Selectively sourced equipment helps mitigate potential tariff impacts

- Major component suppliers located in U.S.
- Long-term relationships with key suppliers

Minimal tariff-related impact on 2025 capital program

- Prices of largest unit components have not seen tariff-related price increases
- Biggest tariff-related exposure is steel
- No known tariff-related supply chain delays

Operating costs to benefit from a likely reduction in lube oil prices

- Lower crude oil prices lead to lower lubricant prices
- Lube oil comprises a significant portion of operating costs

Illustrative Cost Trends

2024 vs 2025 expectations

Capital Spending[1]

	Major Components	% of Total	Outlook
New Compressor Unit	Cooler	8% - 10%	In-line
	Compressor	16% - 18%	In-line
	Engine	38% - 42%	In-line
	Skid	33% - 35%	Trending up
Total		**1% - 3%** Cost Inflation vs. Budget	

Operating Costs

	Major Components	% of Total	Outlook
Compressor Operating Costs	Other		In-line
	Lube Oil		Down
	Parts		In-line
	Labor		In-line
Total		**In-line** Cost Inflation vs. Budget	

[1] Based on a 2,500 horsepower, newbuild compression unit as of May 1, 2025

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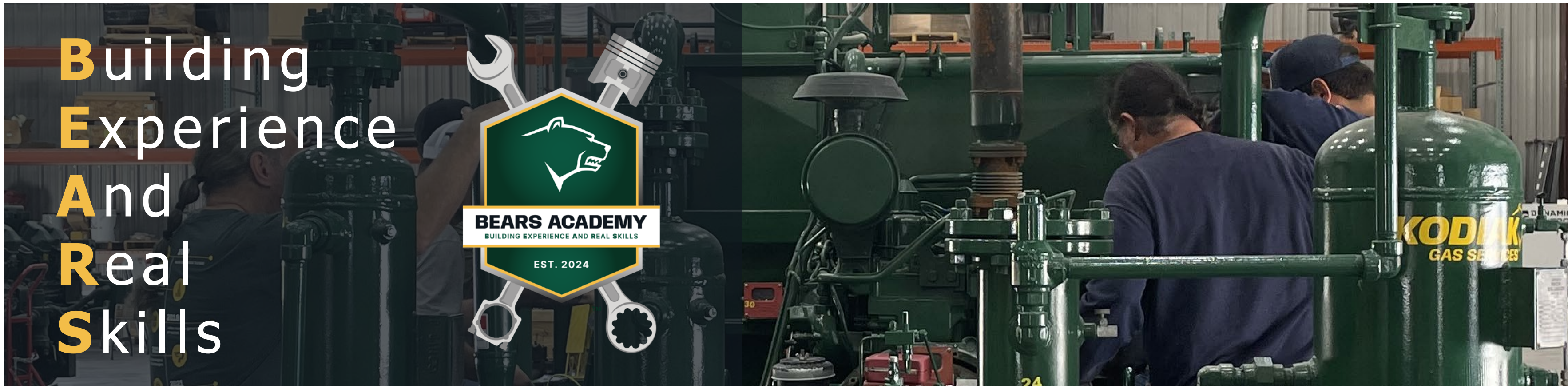
Investing In Our Future



BEARS Academy

- Offers ~40 technical training courses
- Utilizes virtual reality training modules
- Constructing new 37,000 square foot hands-on training facility

IGNITE Development Program

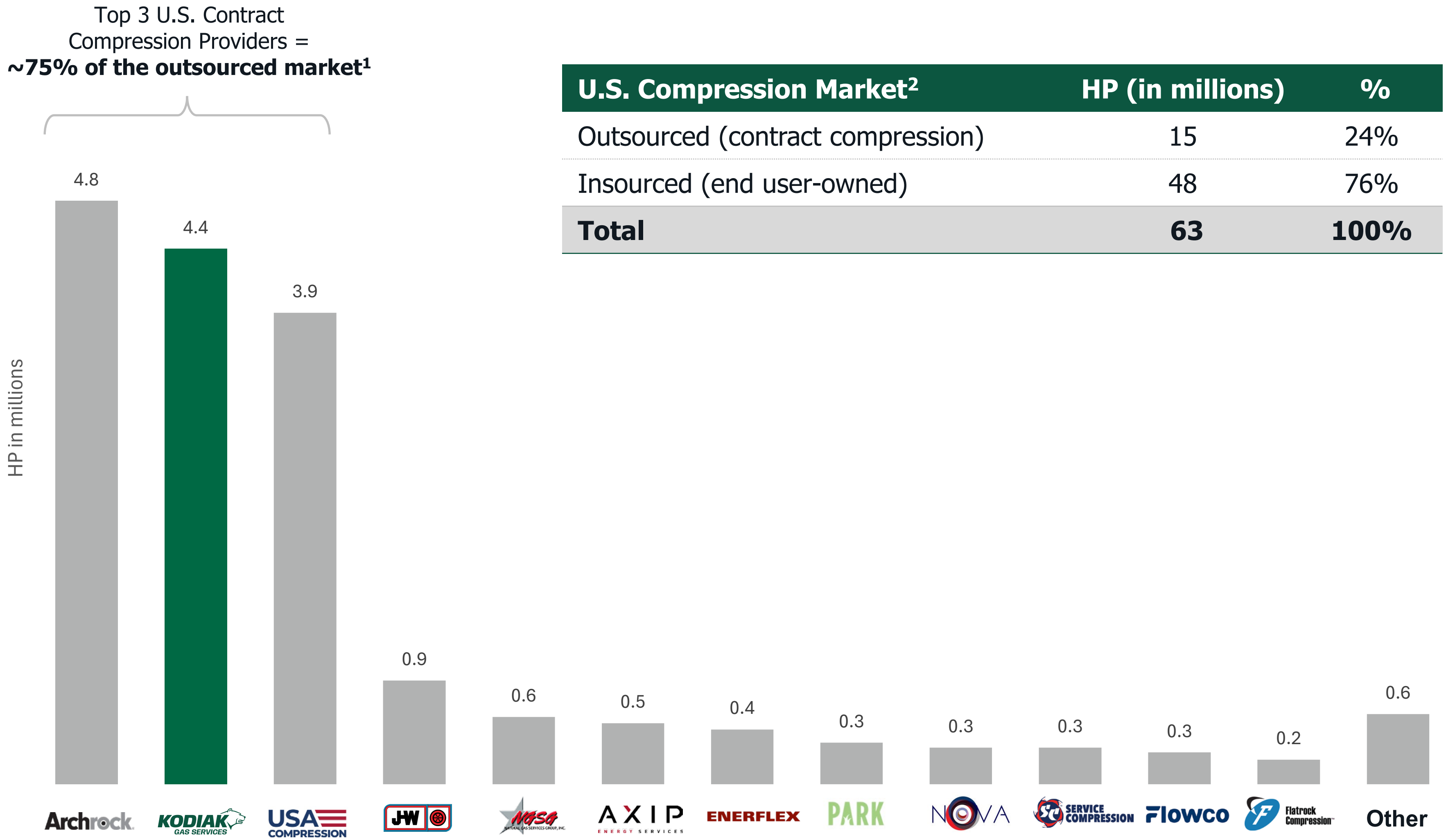
- Four-month internship program for entry level field technicians
- Weekly rotations provide exposure to various operations & geographies
- High conversion rate to full time roles

- Telemetry-enabled fleet
- Predictive analytics & machine learning
- Customized AI tools & technologies

Hiring the Right People + Providing the Tools & Knowledge = Superior Execution

U.S. Compression Market

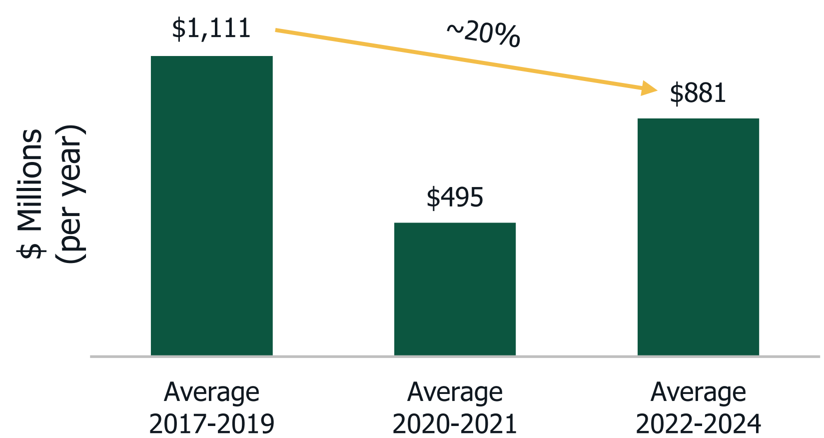
U.S. Compression Market[2]	HP (in millions)	%
Outsourced (contract compression)	15	24%
Insourced (end user-owned)	48	76%
Total	**63**	**100%**



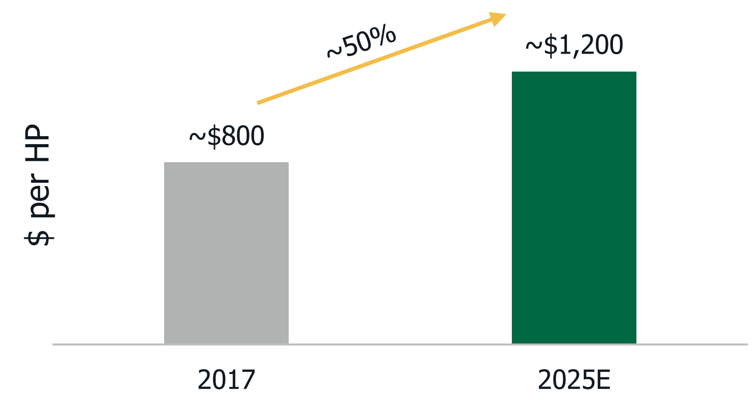
[1] Total fleet; Source: Spears & Associates Report: The Upstream Gas Compression Market as of March 2025; public filings as of May 30, 2025 and company reports
[2] Installed compression; Source: Spears & Associates Report: The Upstream Gas Compression Market as of March 2025

Compression Industry Tightness

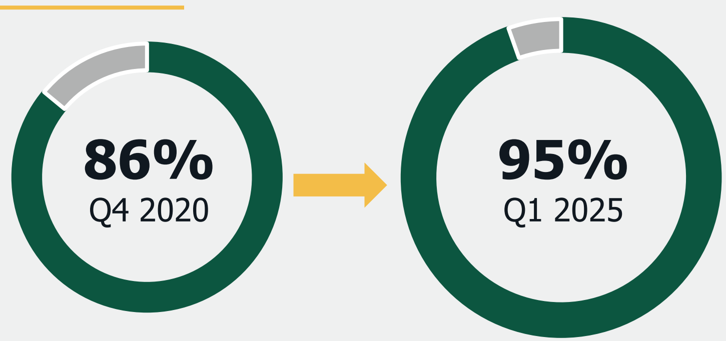
Compression CapEx is Below Historical Levels…[1]



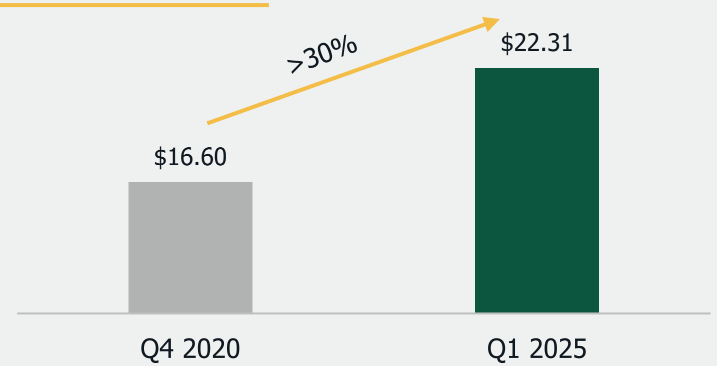
…While Costs Have Risen[2]



Increase in Industry Utilization Rate[3]



Increase in Industry Pricing[4]



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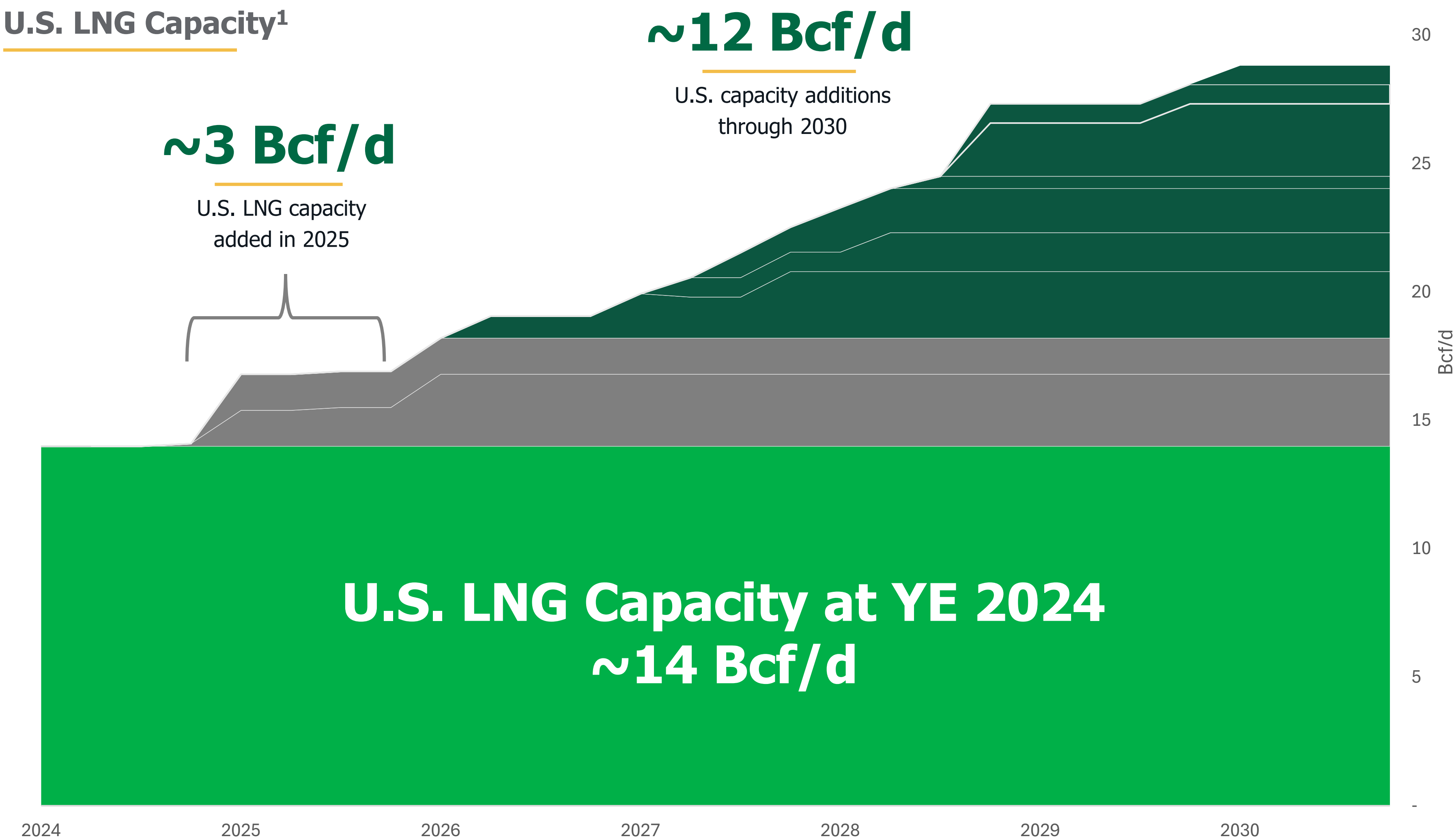
[1] Company reports and management estimates; capital spending includes AROC, CCLP, KGS, NGS and USAC
[2] Management estimates
[3] Calculated as the weighted average utilization rate as of period end for AROC, CCLP (Q4 2020 only) KGS, NGS and USAC
[4] Calculated as the weighted average price $/HP/month during the quarter for AROC, KGS, NGS and USAC

LNG is Primary Driver of Gas Growth

U.S. LNG Capacity[1]



[1] Company reports as of May 30, 2025 and Goldman Sachs Research

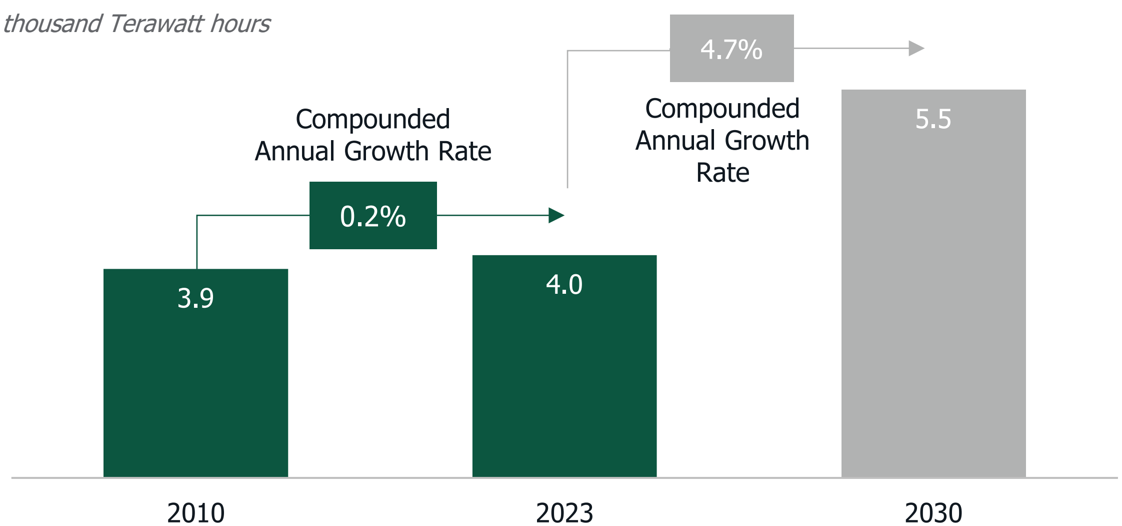
Power is Secondary Driver of Gas Growth

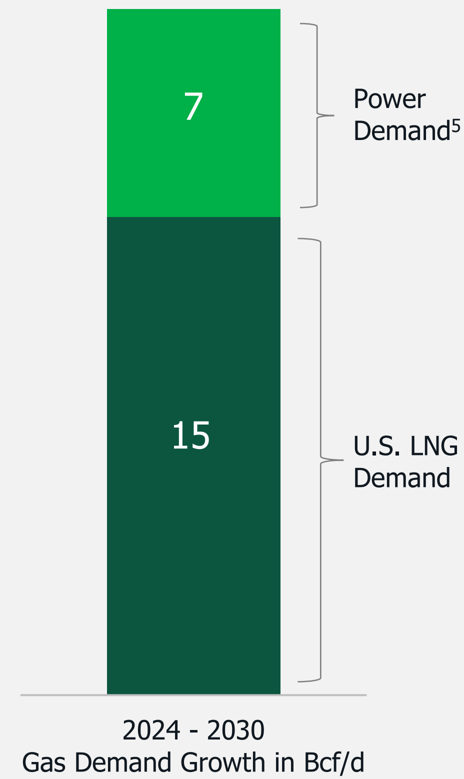
>200%	~15%	>40%
YoY increase in new natural gas fired power plants in 2025[1]	CAGR through 2030 in electric demand from new datacenters[2]	of U.S. electricity is natural gas-sourced[3]

Rapidly Increasing Data Center Demand Presents Upside to Forecast

U.S. Electric Demand Growth[4]

in thousand Terawatt hours

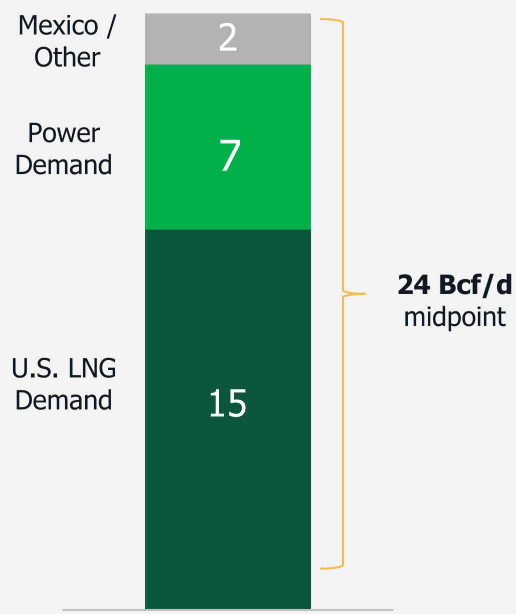




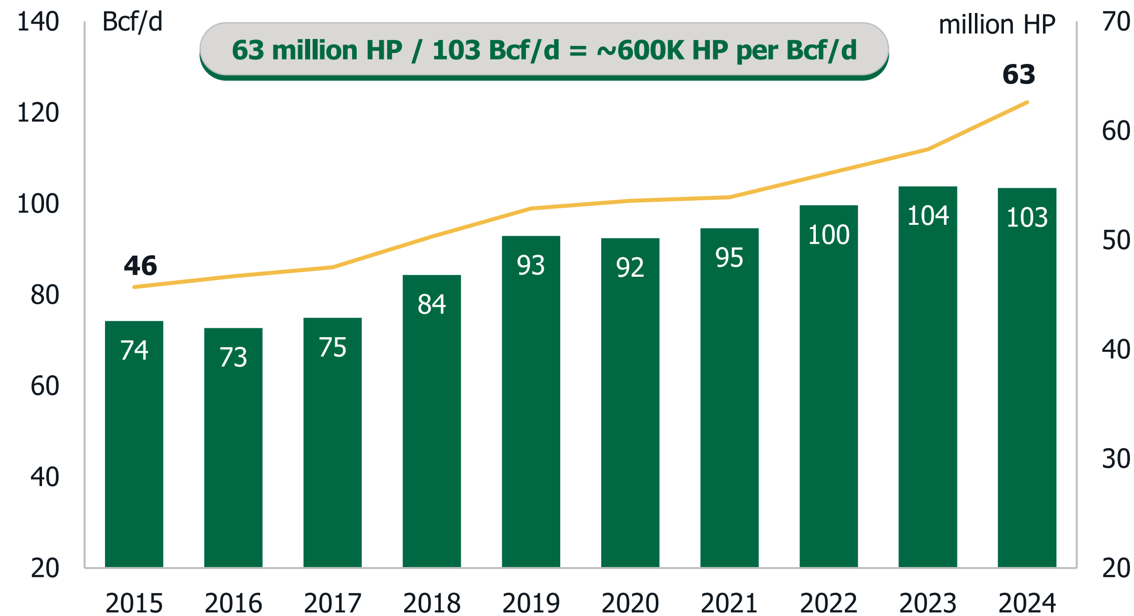
[1] EIA Monthly Electric Generator Inventory Report December 2024
[2] CBRE Research: North America Data Center Trends H1 2024
[3] EIA Electric Power Annual dated October 17, 2024
[4] EIA and BloombergNEF
[5] Represents the midpoint of a range from 3 to 10 Bcf/d, based on research reports and industry analysis

Compression Growth Driven by Gas Growth

U.S. Gas Demand Growth



U.S. Compression Intensity[1]



U.S. Gas Demand Growth Through 2030

24 Bcf/d

X

Compression Intensity

~600K HP per Bcf/d

=

Incremental HP Needed by 2030

~14 million

[1] EIA Short Term Energy Outlook January 2025, Spears & Associates: The Upstream Gas Compression Market: July 2024 and January 2025

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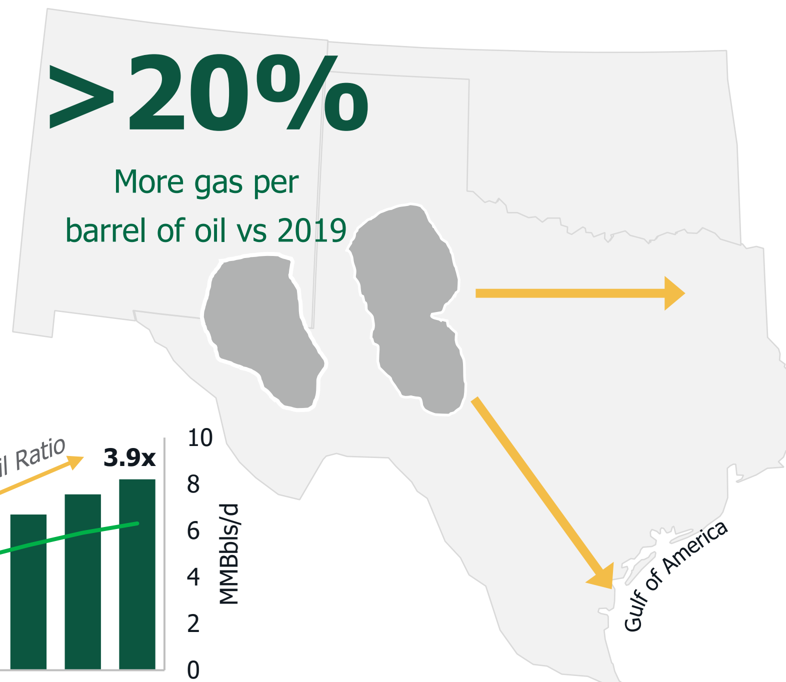
Permian Gas Positioned for Long-Term Growth

Permian Basin

~50% of domestic drilling activity located in the Permian Basin[1]

Increased drilling activity in higher GOR areas

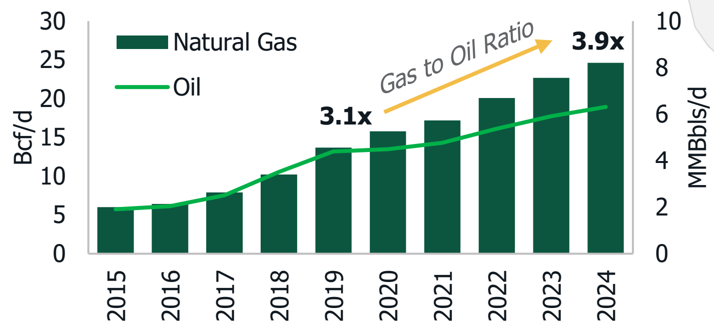
~10% CAGR gross gas production since 2020[2]



Takeaway Projects[4]

Pipeline[4]	Capacity (Bcf/d)	Start Date
Gulf Coast Exp.	0.6	1H 2026
Blackcomb	2.5	2H 2026
Hugh Brinson	1.5	2H 2026
Total	**>4.5**	**YE '26**

Permian Production[3]



[1] Source: Baker Hughes rig count as of May 30, 2025
[2] Source: EIA Short Term Energy Outlook as of February 28, 2025
[3] Sourced from EIA Short-Term Energy Outlook. Gas to oil ratio is defined as Total Gas / Total Oil
[4] Company reports

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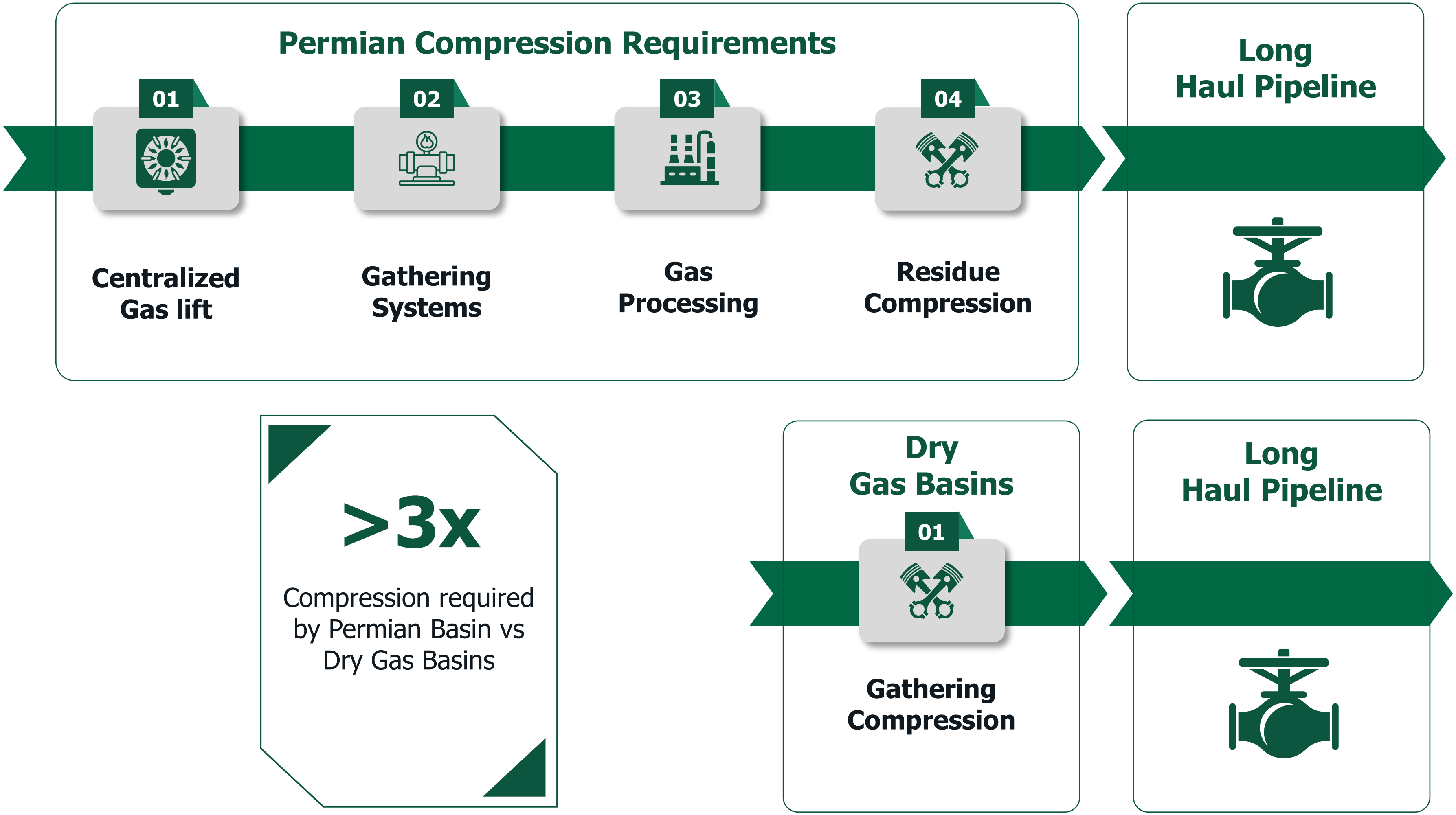
Permian Compression Intensity



Premier Customer Base

>50%

Revenue from top 10 customers[1]

>60%

Revenue from investment grade rated customers[1]

Long-Term

Relationships with top customers

High Quality Customer Base[2]

ExxonMobil | eog resources | Phillips 66
ConocoPhillips | Diamondback Energy | Energy Transfer
Targa | devon | APA Corporation

[1] Based on total revenues for 2024
[2] As of March 31, 2025

Contract Structure Supports Cash Flow

01
Fixed monthly revenue with multi-year terms

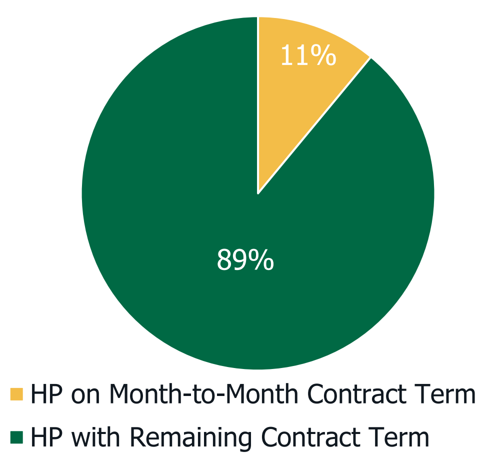
02
Annual inflation index adjustments

03
Advance billing improves working capital cycle

04
98% mechanical availability guarantee

05
Customer bears mobilization and demobilization costs

Percent of Fleet HP on Term[1]



Multi-Year Contract Terms

2025 Typical Contract Term

3-5

Years

[1] As of March 31, 2025 (domestic only)

Capital Allocation Framework

Adjusted EBITDA

Targeting upper single digit % growth annually

Cash Interest

~80% of total debt either fixed rate or swapped to fixed

Cash Taxes

NOLs provide significant tax shield

Maintenance Capex

Based on predictive analytics & hours

Discretionary Cash Flow

Shareholder Returns

- $0.45/share quarterly dividend with expected growth
- $20 million of share repurchases in 2025[1]

Growth CapEx

- Compelling returns on new horsepower additions
- Targeting 3% – 4% annual growth in horsepower

Positive Retained Cash Flow

Leverage ratio of <=3.5x by year-end 2025

[1] As of May 12, 2025

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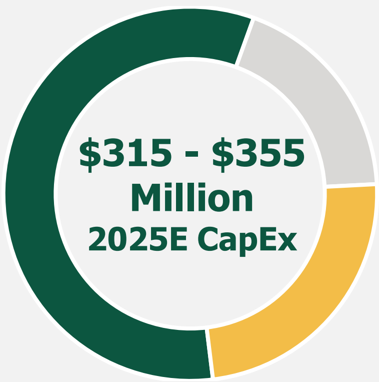
2025 Capital Plan

Full Year Capital Spending

Growth Capital Expenditures

- New compression units
- Methane mitigation systems
- Investments in AI

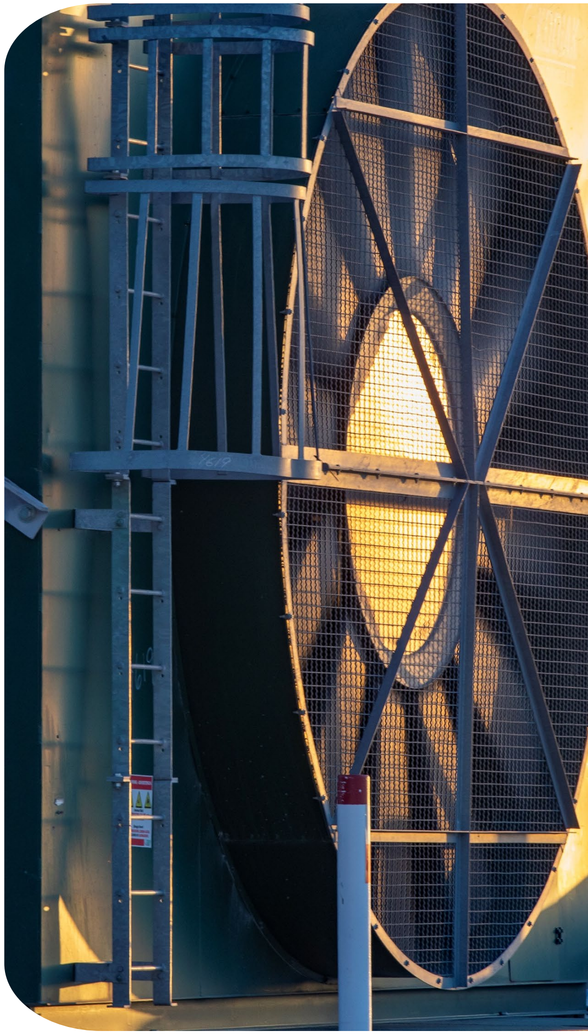


Other Capital Expenditures

- Safety-related unit upgrades
- Operational unit upgrades
- Business systems
- Rolling stock/facilities

2025E New Units

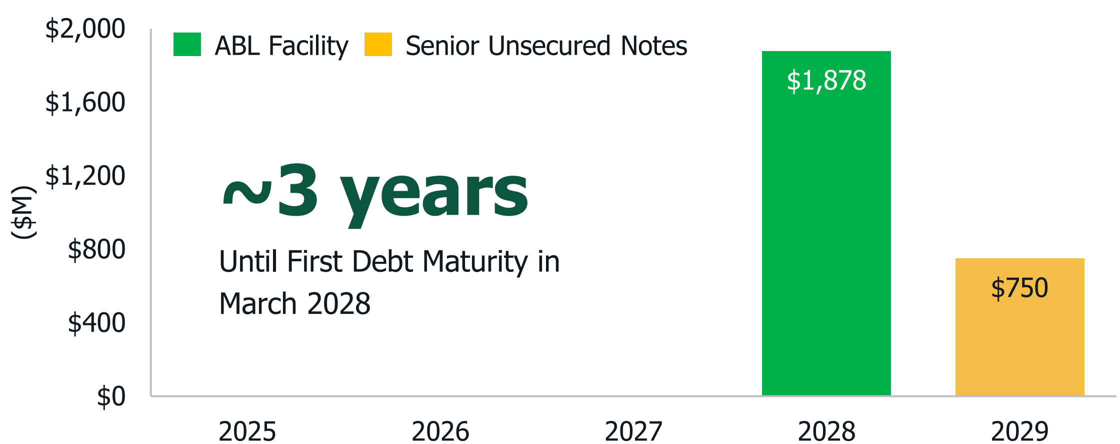
>90%	~1,900 HP	>40%
Permian focused	Average horsepower per unit	Electric motor horsepower



Strengthening Credit Profile

Debt to EBITDA Ratio[1]

Debt Maturity Profile[2]



Credit Ratings[2]

Corporate Rating	
Moody's	Ba3
S&P Global Ratings	BB-
FitchRatings	BB

~80%

Debt either fixed rate or swapped to fixed[2]

>$300M

Availability under ABL facility[2]

[1] Represents Leverage Ratio as defined in ABL Credit Agreement; Uses last quarter annualized adjusted EBITDA
[2] As of May 30, 2025

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Contracted Cash Flow with Strong Margins

	Revenue	Multi-Year Contracts	Investment Grade Customers	Flexibility to Move Assets	Q1 2025 Adjusted Gross Margin[2]
Utilities[1]	Cost plus model	Yes	Mixed	No	44%
Pipelines[1]	Take-or-pay contracts / throughput charge	Yes	Yes	No	55%
Gathering & Processing[1]	Minimum volume commitments / Acreage dedication	Yes	Mixed	Limited	45%
KODIAK GAS SERVICES	Fixed-revenue contracts	Yes	>60%	Yes	61%

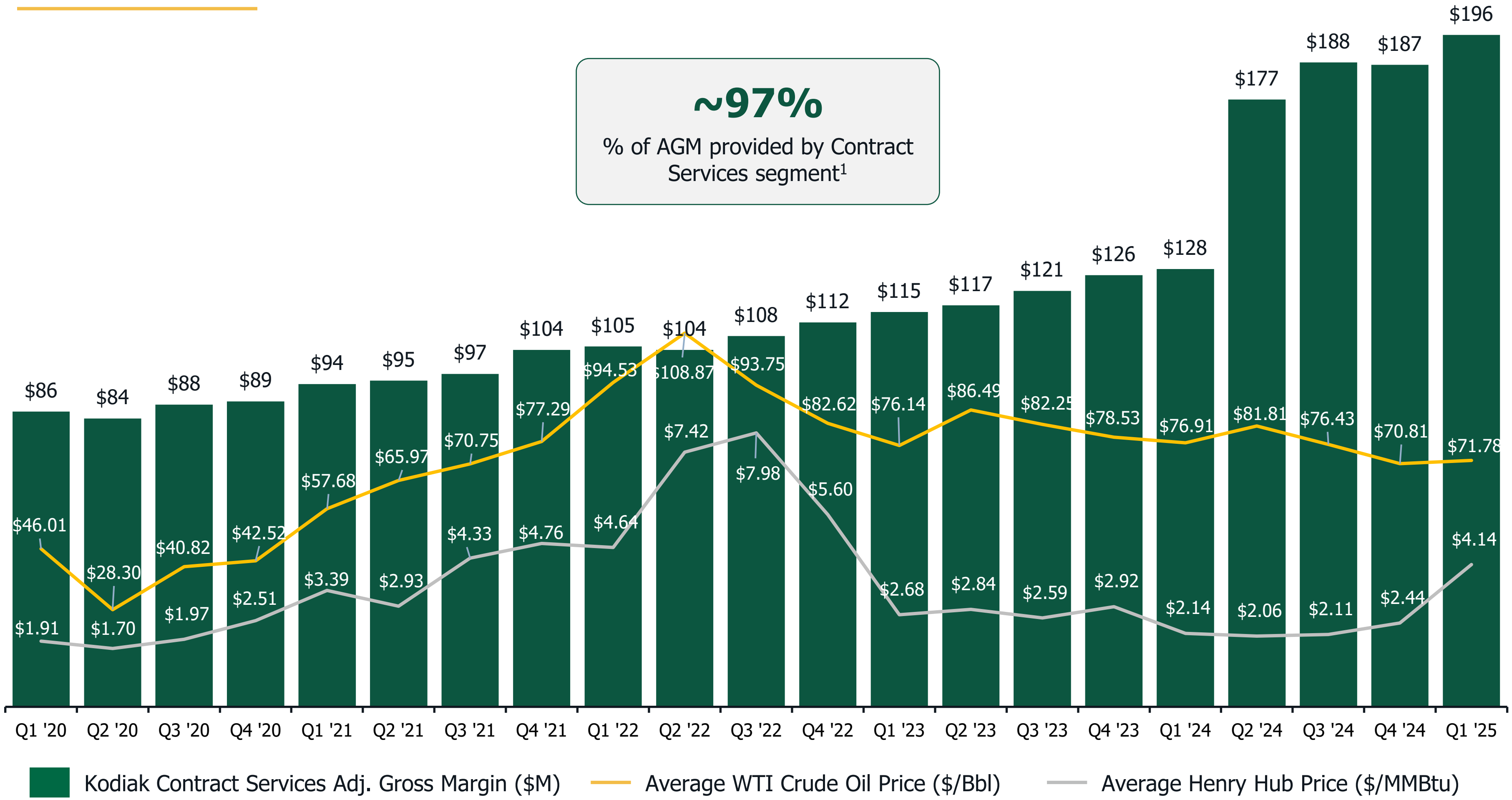
[1] Utility peers consist of AEP, CEG, DUK, NEE, PCG & SRE. Pipeline peers consist of KMI & WMB. Gathering & Processing peers consist of TRGP, HESM & KNTK
[2] Adjusted Gross Margin is a non-GAAP financial measure. Please see the Supplemental Slides for a reconciliation

Steady Business in Any Price Environment

Quarterly Contract Services Adjusted Gross Margin

~97%

% of AGM provided by Contract Services segment[1]



Source: Company filings; FactSet; Adjusted Gross Margin is a non-GAAP financial measure; see Supplemental Slides for reconciliation

[1] Contract Services segment adjusted gross margin as a percent of total adjusted gross margin in Q1 2025

Sustained Cash Flow During Price Volatility

Business Model Supports Sustained Cash Flow in Periods of Commodity Price Volatility

2025

- No commodity price exposure
- Fixed-revenue, term contracts with inflation escalators
- Fully contracted 2025 new unit capex program
- High-quality customer base; >60% investment grade rated
- >95% utilization rate industrywide
- Limited evidence of competitors building speculatively

2026 and Beyond

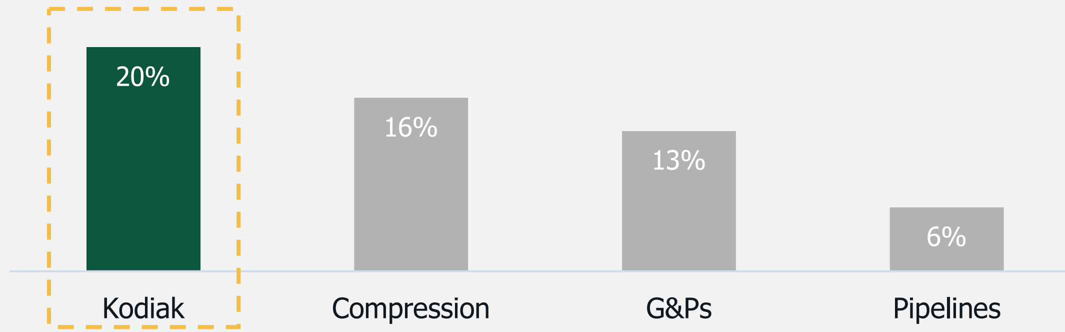
- Strong U.S. natural gas demand fundamentals driven by LNG and power
- Long-term relationships with investment grade customers with multi-year planning horizons
- >80% of Kodiak's contract compression horsepower is in economically advantaged basins—Permian Basin and Eagle Ford
- Long lead times for new equipment—9 months +

Attractive Valuation

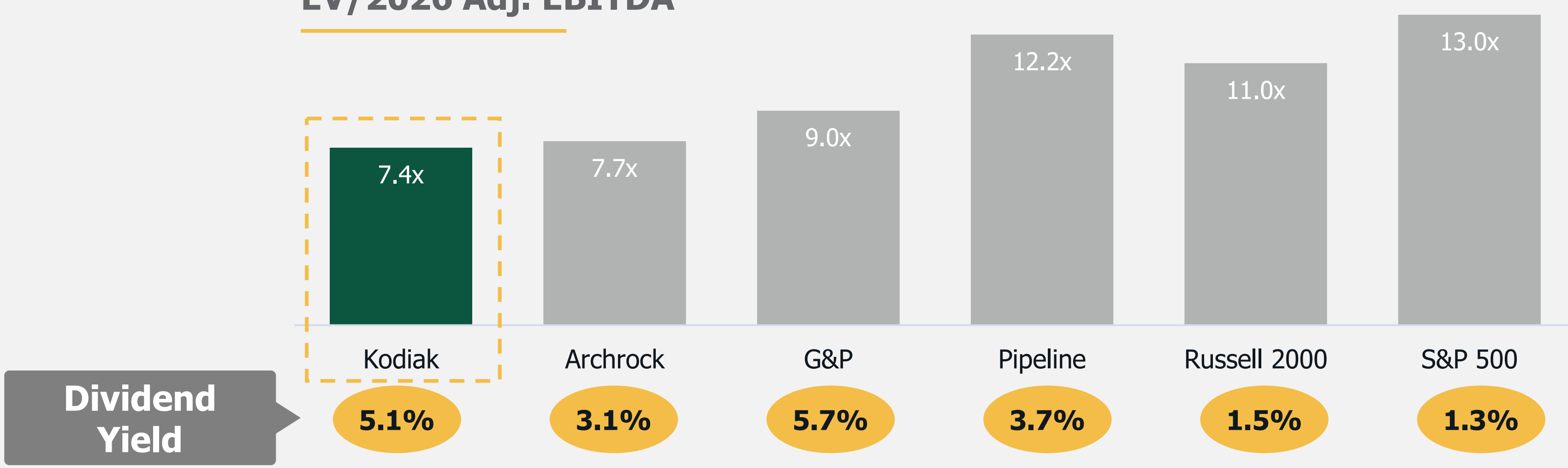
Creating Value for Shareholders

- Valuation provides the potential for further upside
- Shareholder return program provides attractive cash return

Adjusted EBITDA Growth Annual CAGR 2023 – 2026[1,2]



EV/2026 Adj. EBITDA[2]

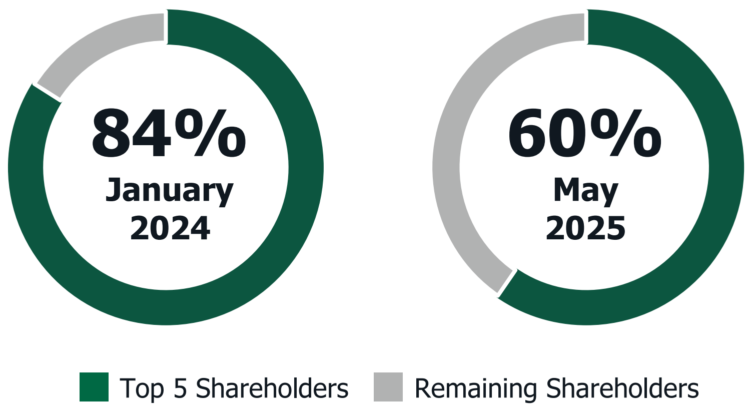


[1] Based on Bloomberg consensus estimates as of May 30, 2025. Compression peers consists of AROC & USAC; G&P Peers consist of HESM, KNTK & TRGP; Pipeline peers consist of KMI & WMB. [2] Adjusted EBITDA is a non-GAAP financial measure, see Supplemental Slides for reconciliation

Increasing Liquidity & Buying Back Stock

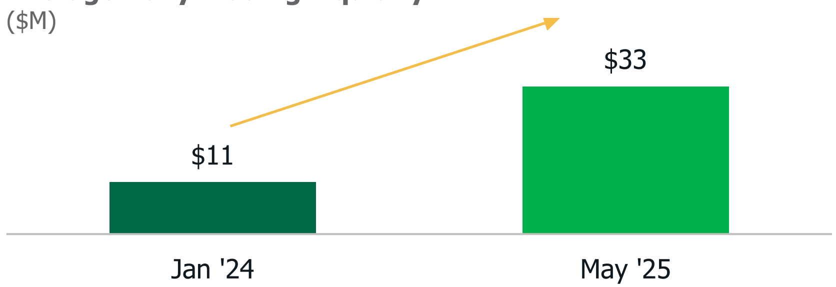
Top 5 Shareholders

(% of common shares outstanding)[1]



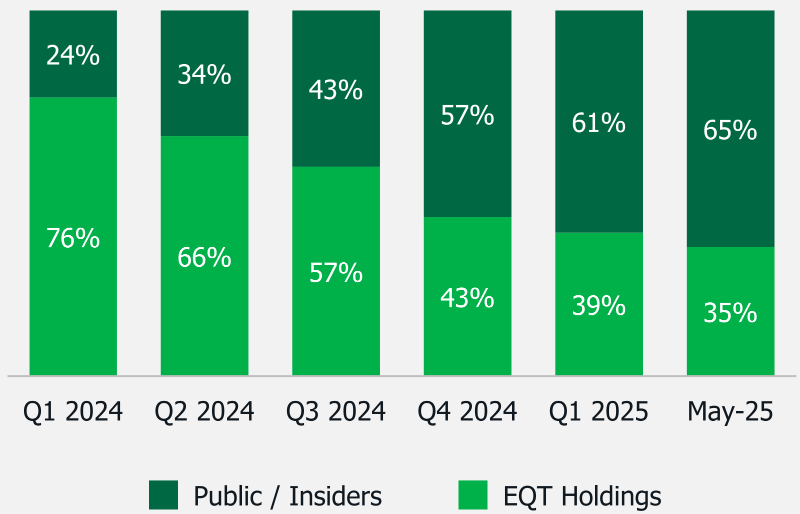
Improved Shareholder Liquidity

Average Daily Trading Liquidity
($M)



EQT Position

(% of common & preferred shares outstanding)



$60 million

Stock repurchased[2]

[1] Based on Kodiak's share count as of May 6, 2025. Top shareholders as of May 30, 2025 per Bloomberg
[2] Total share repurchases as of May 12, 2025, since September 2024

KODIAK GAS SERVICES

Full-Year 2025 Guidance

(All amounts below are in thousands except per share amounts and percentages)

		Low		High
Adjusted EBITDA [(1)]	$	695,000	$	725,000
Discretionary Cash Flow [(1)(2)]	$	430,000	$	455,000
Segment Information				
Contract Services Revenues	$	1,150,000	$	1,200,000
Contract Services Adjusted Gross Margin Percentage [(1)]		66.5%		68.5%
Other Services Revenues	$	160,000	$	180,000
Other Services Adjusted Gross Margin Percentage [(1)]		14.0%		17.0%
Capital Expenditures				
Growth Capital Expenditures	$	180,000	$	205,000
Other Capital Expenditures	$	60,000	$	65,000
Maintenance Capital Expenditures	$	75,000	$	85,000

KODIAK GAS SERVICES

[1] The Company is unable to reconcile projected Adjusted EBITDA to projected net income (loss), projected Discretionary Cash Flow to projected net cash provided by operating activities, and projected Adjusted Gross Margin % to projected gross margin, the most comparable financial measures calculated in accordance with GAAP, respectively, without unreasonable efforts because components of the calculations are inherently unpredictable, such as changes to current assets and liabilities, unknown future events, and estimating certain future GAAP measures. The inability to project certain components of the calculation would significantly affect the accuracy of the reconciliations. [2] Discretionary Cash Flow assumes no change to Secured Overnight Financing Rate futures

Supplemental Slides

KODIAK GAS SERVICES

Non-GAAP Financial Measures

Adjusted Gross Margin and Adjusted Gross Margin Percentage

Adjusted Gross Margin and Adjusted Gross Margin Percentage are considered non-GAAP financial measures. We define Adjusted Gross Margin as revenue less cost of operations, exclusive of depreciation and amortization expense. We define Adjusted Gross Margin Percentage as Adjusted Gross Margin divided by total revenues. We believe that Adjusted Gross Margin is useful as a supplemental measure of our operating profitability. Adjusted Gross Margin is impacted primarily by the pricing trends for service operations and cost of operations, including labor rates for service technicians, volume and per compression unit costs for lubricant oils and coolants, quantity and pricing of routine preventative maintenance on compression units and property tax rates on compression units. Adjusted Gross Margin should not be considered an alternative to, or more meaningful than, gross margin or any other measure of financial performance presented in accordance with GAAP. Moreover, Adjusted Gross Margin as presented may not be comparable to similarly titled measures of other companies. Because we capitalize assets, depreciation and amortization of equipment is a necessary element of our costs. To compensate for the limitations of Adjusted Gross Margin as a measure of our performance, we believe that it is important to consider gross margin determined under GAAP, as well as Adjusted Gross Margin, to evaluate our operating profitability.

Adjusted EBITDA and Adjusted EBITDA Percentage

Adjusted EBITDA and Adjusted EBITDA Percentage are considered non-GAAP measures. We define Adjusted EBITDA as net income (loss) before interest expense; income tax expense; and depreciation and amortization; plus (i) loss on extinguishment of debt; (ii) loss (gain) on derivatives; (iii) equity compensation expense; (iv) severance expenses; (v) transaction expenses; (vi) loss (gain) on sale of assets; and (vii) impairment of compression equipment. We define Adjusted EBITDA Percentage as Adjusted EBITDA divided by total revenues. Adjusted EBITDA and Adjusted EBITDA Percentage are used as supplemental financial measures by our management and external users of our financial statements, such as investors, commercial banks and other financial institutions, to assess:

- the financial performance of our assets without regard to the impact of financing methods, capital structure or historical cost basis of our assets;
- the viability of capital expenditure projects and the overall rates of return on alternative investment opportunities;
- the ability of our assets to generate cash sufficient to make debt payments and pay dividends; and
- our operating performance as compared to those of other companies in our industry without regard to the impact of financing methods and capital structure.

We believe that Adjusted EBITDA and Adjusted EBITDA Percentage provide useful information because, when viewed with our GAAP results and the accompanying reconciliation, they provide a more complete understanding of our performance than GAAP results alone. We also believe that external users of our financial statements benefit from having access to the same financial measures that management uses in evaluating the results of our business.

Adjusted EBITDA and Adjusted EBITDA Percentage should not be considered as alternatives to, or more meaningful than, revenues, net income (loss), operating income, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP as measures of operating performance and liquidity. Moreover, our Adjusted EBITDA and Adjusted EBITDA percentage as presented may not be comparable to similarly titled measures of other companies.

Given we are a capital-intensive business, depreciation, impairment of compression equipment and the interest cost of acquiring compression equipment are necessary elements of our costs. To compensate for these items, we believe that it is important to consider both net income (loss) and net cash provided by operating activities determined under GAAP, as well as Adjusted EBITDA and Adjusted EBITDA Percentage, to evaluate our financial performance and our liquidity. Our Adjusted EBITDA and Adjusted EBITDA percentage exclude some, but not all, items that affect net income (loss) and net cash provided by operating activities, and these measures may vary among companies. Management compensates for the limitations of Adjusted EBITDA and Adjusted EBITDA percentage as an analytical tool by reviewing the comparable GAAP measures, understanding the differences between the measures and incorporating this knowledge into management's decision-making processes.

Discretionary Cash Flow

Discretionary Cash Flow is considered a non-GAAP measure. We define Discretionary Cash Flow as net cash provided by operating activities less (i) maintenance capital expenditures; (ii) certain changes in operating assets and liabilities; and (iii) certain other expenses; plus (w) cash loss on extinguishment of debt; (x) severance expenses; and (y) transaction expenses. We believe Discretionary Cash Flow is a useful liquidity and performance measure and supplemental financial measure for us in assessing our ability to pay cash dividends to our stockholders, make growth capital expenditures and assess our operating performance. Our ability to pay dividends is subject to limitations due to restrictions contained in our ABL Credit Agreement, as further described elsewhere herein. Discretionary Cash Flow is presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP, such as revenues, net income (loss), operating income (loss) or cash flows from operating activities. Discretionary Cash Flow as presented may not be comparable to similarly titled measures of other companies.

Free Cash Flow

We define Free Cash Flow as net cash provided by operating activities less (i) maintenance capital expenditures; (ii) certain changes in operating assets and liabilities; (iii) certain other expenses; and (iv) growth and other capital expenditures; plus (w) cash loss on extinguishment of debt; (x) severance expenses; (y) transaction expenses; and (z) proceeds from sale of assets. We believe Free Cash Flow is a liquidity measure and useful supplemental financial measure for us in assessing our ability to pursue business opportunities and investments to grow our business and to service our debt. Free Cash Flow is presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP, such as revenues, net income (loss), operating income (loss) or cash flows from operating activities. Free Cash Flow as presented may not be comparable to similarly titled measures of other companies.

Reconciliation of Non-GAAP Financial Measures

Gross Margin to Adjusted Gross Margin

(in thousands)	Q1 2024	Q4 2024	Q1 2025
Total revenues	**$215,492**	**$309,519**	**$329,642**
Cost of operations (exclusive of D&A and SG&A)	(83,556)	(118,250)	(128,461)
Depreciation and amortization	(46,944)	(70,413)	(70,529)
Gross margin	**$84,982**	**$120,856**	**$130,652**
Depreciation and amortization	46,944	70,413	70,529
Adjusted Gross Margin	**$131,926**	**$191,269**	**$201,181**
Adjusted Gross Margin %	**61.2%**	**61.8%**	**61.0%**

Net Cash Provided by Operating Activities to DCF and FCF

(in thousands)	Q1 2024	Q4 2024	Q1 2025
Net cash provided by operating activities	**$51,542**	**$118,485**	**$114,328**
Maintenance capital expenditures	(10,642)	(14,858)	(16,407)
Severance expense[1]	-	(712)	376
Transaction expenses[2]	7,880	4,731	1,786
Change in operating assets and liabilities	24,556	1,732	18,679
Other[3]	(1,411)	(1,688)	(2,678)
Discretionary Cash Flow	**$71,925**	**$107,690**	**$116,084**
Growth capital expenditures[4]	(52,221)	(44,693)	(55,983)
Other capital expenditures	(7,180)	(26,393)	(22,258)
Proceeds from sale of assets	-	20,053	9,376
Free Cash Flow	**$12,524**	**$56,657**	**$47,219**

Net Income to Adjusted EBITDA

(in thousands)	Q1 2024	Q4 2024	Q1 2025
Net income (loss)	**$30,232**	**$19,600**	**$31,036**
Interest expense, net	39,740	51,280	47,224
Income tax (benefit) expense	9,875	15,547	10,524
Depreciation and amortization	46,944	70,413	70,529
(Gain) loss on derivatives	(19,757)	(17,790)	-
Equity compensation expense	2,848	5,594	6,978
Severance expense[1]	-	(712)	376
Transaction expenses[2]	7,880	4,731	1,786
(Gain) loss on sale of capital assets	-	20,409	9,211
Adjusted EBITDA	**$117,762**	**$169,072**	**$177,664**

Source: Company filings; [1]For the three months ended March 31, 2025 there was $0.4 million of severance expenses related to the CSI Acquisition. [2] Represents certain costs associated with non-recurring professional services, primarily related to the CSI Acquisition and secondary offerings. [3] Includes non-cash lease expense, provision for credit losses and inventory reserve. [4] For the three months ended March 31, 2025, growth capital expenditures includes a $14.1 million increase in accrued capital expenditures. [5] For the three months ended March 31, 2025, growth capital expenditures include a non-cash increase in sales tax accrual on compression equipment purchases of $1.2 million

Reconciliation of Non-GAAP Financial Measures

Gross Margin to Adjusted Gross Margin for Contract Services

(in thousands)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Total Revenues	**$131,616**	**$123,499**	**$128,355**	**$132,259**	**$137,445**	**$142,622**	**$148,595**	**$154,408**	**$157,495**	**$162,808**	**$163,662**	**$170,992**	**$177,697**	**$181,619**	**$186,673**	**$189,616**	**$193,399**	**$276,250**	**$284,313**	**$280,211**	**$288,956**
Cost of Operations (excluding D&A)	(45,899)	(39,045)	(39,897)	(43,110)	(43,269)	(47,929)	(51,124)	(50,491)	(52,937)	(58,336)	(55,872)	(58,570)	(62,770)	(65,017)	(65,470)	(63,835)	(65,882)	(99,333)	(96,617)	(93,184)	(93,235
Depreciation and Amortization	(32,751)	(38,147)	(37,567)	(37,167)	(38,049)	(39,126)	(40,789)	(42,081)	(42,405)	(43,397)	(44,111)	(44,550)	(44,897)	(45,430)	(46,087)	(46,455)	(46,944)	(69,463)	(73,452)	(70,413)	(70,529)
Gross Margin	**$52,966**	**$46,307**	**$50,891**	**$51,982**	**$56,127**	**$55,567**	**$56,682**	**$61,836**	**$62,153**	**$61,075**	**$63,679**	**$67,872**	**$70,030**	**$71,172**	**$75,116**	**$79,326**	**$80,573**	**$107,454**	**$114,244**	**$116,614**	**$125,192**
Depreciation and Amortization	32,751	38,147	37,567	37,167	38,049	39,126	40,789	42,081	42,405	43,397	44,111	44,550	44,897	45,430	46,087	46,455	46,944	69,463	73,452	70,413	70,529
Adjusted Gross Margin	**$85,717**	**$84,454**	**$88,458**	**$89,149**	**$94,176**	**$94,693**	**$97,471**	**$103,917**	**$104,558**	**$104,472**	**$107,790**	**$112,422**	**$114,927**	**$116,602**	**$121,203**	**$125,781**	**$127,517**	**$176,917**	**$187,696**	**$187,027**	**$195,721**
Adjusted Gross Margin %	**65.1%**	**68.4%**	**68.9%**	**67.4%**	**68.5%**	**66.4%**	**65.6%**	**67.3%**	**66.4%**	**64.2%**	**65.9%**	**65.7%**	**64.7%**	**64.2%**	**64.9%**	**66.3%**	**65.9%**	**64.0%**	**66.0%**	**66.7%**	**67.7%**

Source: Company filings; [1]Represents severance expense related to the CSI Acquisition. There were no such expenses for the year ended December 31, 2023. [2]Represents certain costs associated with non-recurring professional services and other costs, primarily related to the CSI Acquisition and secondary offerings

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