



ChampionX Agrees to Acquire RMSpumptools, Expanding Reach in International, Offshore Production Technologies Markets

03/22/2024

THE WOODLANDS, Texas, March 22, 2024 (GLOBE NEWSWIRE) -- ChampionX Corporation ("ChampionX" or the "Company") (NASDAQ: CHX), a global leader in oilfield technology, announced today it plans to acquire RMSpumptools Limited, a business unit of the energy division of UK-based James Fisher and Sons plc ("JFS"). The unit designs and manufactures highly engineered mechanical and electrical solutions for complex artificial lift applications.

Under the terms of the agreement, the net purchase price is approximately £86 million (approximately \$110 million at the current exchange rate) inclusive of net working capital adjustments. The integration of RMSpumptools technology will enhance ChampionX's Production and Automation Technologies portfolio, providing added value to the Company's customers worldwide. The acquisition will further strengthen the Company's presence and participation in a broad range of international markets including the Middle East, Latin America, and global offshore developments. The Company anticipates that RMSpumptools will achieve approximately \$65 million in 2024 revenues and approximately \$18 million in 2024 adjusted EBITDA.

With over 40 years of experience, RMSpumptools has established itself as a technology leader in wellhead electrical penetrator and mechanical connector systems, completion systems and intervention tools, and subsea connector systems for challenging electrical submersible pumping (ESP) applications. RMSpumptools designs, manufactures, and delivers its solutions from locations in the United Kingdom, Saudi Arabia and the United Arab Emirates and has sales in most oilfield markets worldwide. Approximately 80% of RMSpumptools's revenues are from outside North America.

"We are excited and look forward to welcoming RMSpumptools' talented team to the ChampionX family. The acquisition of RMSpumptools is consistent with our capital allocation framework which includes bolt-on technology acquisitions. RMSpumptools' highly complementary portfolio aligns seamlessly with ChampionX's existing Production and Automation Technologies offerings, with minimal product overlap," said Sivasankaran "Soma" Somasundaram, President and CEO of ChampionX. "Furthermore, the acquisition of RMSpumptools broadens our growth opportunities, with particular focus on expanding our presence in the Middle East and offshore markets. Their technologies and expertise complement our own, allowing us to deliver even greater value to our customers and stakeholders."

The acquisition will be funded by cash on hand and does not impact ChampionX's 2024 return of capital framework which includes returning at least 60% of our 2024 free cash flow to our shareholders. The transaction currently is expected to close towards the end of second quarter or beginning of the third quarter of 2024, following the receipt of customary regulatory and JFS shareholder approval, satisfaction of closing conditions and determination of potential purchase price adjustments.

About ChampionX

ChampionX is a global leader in chemistry solutions and highly engineered equipment and technologies that help companies drill for and produce oil and gas safely and efficiently around the world. ChampionX's products provide efficient functioning throughout the lifecycle of a well with a focus on the production phase of wells.

ChampionX Production & Automation Technologies (PAT) offers technology and services that facilitate the safe, efficient, and cost-effective extraction of oil and gas through artificial lift and digital automation applications. ChampionX PAT designs, manufactures, markets, and services a full range of artificial lift equipment, end-to-end automation, and digital solutions, as well as other production equipment and emissions monitoring solutions. To learn more about ChampionX, visit www.championx.com.

About RMSpumptools

With a presence in the UK, Europe & Africa, North & South America, Middle East and Asia Pacific, RMSpumptools is a dynamic, proactive company servicing the global oil and gas industry. Our extensive range of products including Electrical Penetrator & Connector Systems, ESP Completion Systems & Mechanical Tools, Subsea Wet-Mate & Dry-Mate Connector Systems and Artificial Lift Sensors, enables us to provide a complete end-to-end system.

About Non-GAAP Measures

This press release contains projected adjusted EBITDA for RMSpumptools. Adjusted EBITDA is a non-GAAP financial measure. The Company has not provided projected net income for RMSpumptools, the most directly comparable GAAP measure, or a reconciliation of projected adjusted EBITDA. Management cannot predict with a reasonable degree of accuracy certain of the necessary components of net income for RMSpumptools, such as depreciation and amortization expense. As such, a reconciliation of projected adjusted EBITDA to projected net income of RMSpumptools is not available without unreasonable effort. The actual amount of one-time expenses associated with the proposed acquisition of RMSpumptools and its separation from JF, and other amounts to be excluded from projected adjusted EBITDA, could have a significant impact on net income for RMSpumptools.

Forward-Looking Statements

This news release contains statements relating to future actions and results, which are "forward-looking statements" within the meaning of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, ChampionX's market position and growth opportunities. Forward-looking statements include statements related to ChampionX's expectations regarding the performance of the business, financial results, liquidity and capital resources of ChampionX, and the projected revenue and adjusted EBITDA of RMSpumptools. Forward-looking statements are subject to various assumptions by the Company, and inherent risks and uncertainties that could cause actual results to differ materially from current expectations, including, but not limited to, changes in economic, competitive, strategic, technological, tax, regulatory or other factors that affect the operation of ChampionX's businesses. You are encouraged to refer to the documents that ChampionX files from time to time with the Securities and Exchange Commission ("SEC"), including the "Risk Factors" in ChampionX's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and in ChampionX's other filings with the SEC. Readers are cautioned not to place undue

reliance on ChampionX's forward-looking statements. Forward-looking statements speak only as of the day they are made and ChampionX undertakes no obligation to update any forward-looking statement, except as required by applicable law.

Investor Contact: Byron Pope, byron.pope@championx.com, 281-602-0094

Media Contact: John Breed, john.breed@championx.com, 281-403-5751