



**CHAMPIONX**

# **Simmons Energy Conference**

## **Gleneagles Goes Virtual**

September 2 and 3, 2020

## 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. Forward-looking statements are subject to inherent risks and uncertainties that could cause actual results to differ materially from current expectations, including, but not limited to, (1) demand for our products and services, which is affected by the price and demand for crude oil and natural gas, (2) our ability to successfully compete in our industry, (3) our ability to develop and implement new products and technologies, and protect and maintain critical intellectual property assets, (4) cost inflation and availability of raw materials, (5) evolving legal, regulatory, tax and tariff policies and regimes, (6) potential liabilities arising out of the installation and use of our products, (7) continuing consolidation within our customers' industry, (8) a failure of our information technology infrastructure or any significant breach of cyber security, (9) risks relating to our international operations and expansion into new geographic markets, including disruptions in the political, regulatory, economic and social conditions of those countries, (10) failure to attract, retain and develop key management, (11) credit risks, including bankruptcies among our customer base or the loss of significant customers, (12) dependence on joint venture and other local partners, (13) deterioration in future expected profitability or cash flows and its effect on our goodwill, (14) risks relating to improper conduct by any of our employees, agents or business partners, (15) fluctuations in currency markets, (16) the impact of natural disasters and pandemics, (17) changes in industry-specific conditions, including changes in production by OPEC, (18) the level of our indebtedness, (19) our ability to remediate the material weaknesses in internal control over financial reporting, (20) our ability to realize the anticipated cost synergies and growth opportunities from the Merger, (21) challenges in integrating the businesses of legacy Apergy and legacy ChampionX, (22) tax liabilities that could arise as a result of the Merger, (23) our ability to successfully replace the corporate services and financial strength legacy ChampionX received from Ecolab, (24) limitations on our ability to engage in certain transactions and certain activities competitive with Ecolab, and (25) other risk factors detailed from time to time in ChampionX's reports filed with the Securities and Exchange Commission. 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.

## Non-GAAP Measures

This investor presentation, and the related discussions, contains certain non-GAAP financial measures, which should be considered only as supplemental to, and not as superior to financial measures prepared in accordance with generally accepted accounting principles ("GAAP"). Please refer to the Appendix of this investor presentation for a reconciliation of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP and definitions and calculation methodologies of defined terms used in this investor presentation. For additional information about our non-GAAP financial measures, see our filings with the SEC.

## Results on a Pro Forma Basis

On June 3, 2020, Apergy Corporation closed on the acquisition of ChampionX Holding Inc. ("the Transaction") and changed its name to ChampionX Corporation. "Reported results" reflect the respective contributions from each company based on the close of the Transaction. For comparative purposes, management has also presented herein certain unaudited pro forma financial information as if the Transaction was completed on January 1, 2019, including results on a pro forma basis for revenue, income before income taxes, income before income taxes margin, adjusted EBITDA, adjusted EBITDA margin, segment revenue, segment operating profit (loss), adjusted segment EBITDA, adjusted segment EBITDA margin for the year ended December 31, 2019 and the quarterly periods ended June 30, 2020, March 31, 2020, and June 30, 2019. The financial results on a pro forma basis are provided to assist investors in assessing ChampionX's performance on a basis that includes the combined results of operations of both Apergy Corporation and ChampionX Holding Inc. for the full reporting period. ChampionX management believes this unaudited pro forma historical financial information helps investors understand the long-term profitability trends of its newly combined business giving effect to the Transaction and facilitates comparisons of our profitability to prior and future periods and to our peers. The historical financial results on a pro forma basis herein may not be comparable to similarly titled measures reported by other companies.

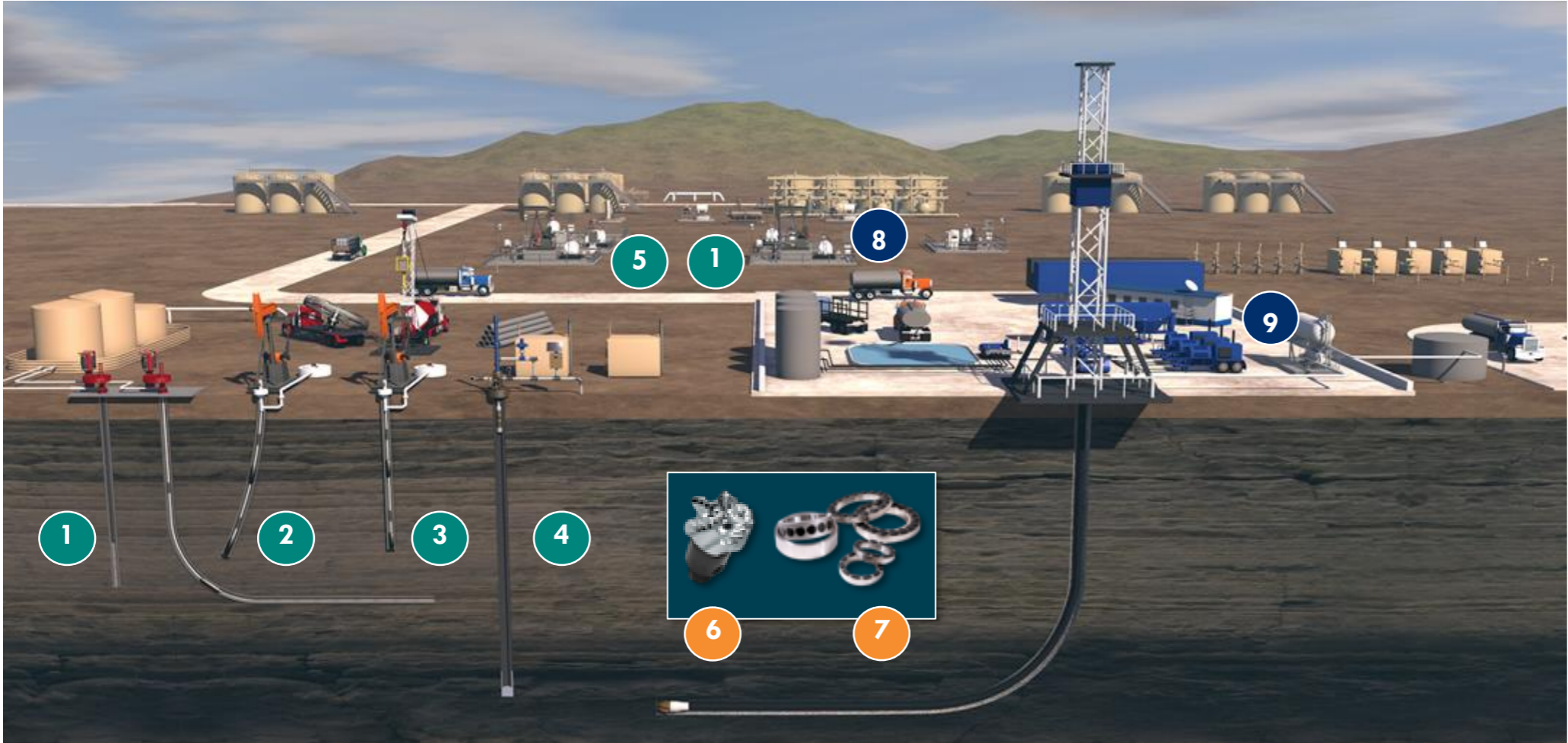
- Global leader in production-optimization solutions focused on collaboratively solving customer problems and enhancing well productivity
- Most trusted brands recognized for quality, performance, and customer service
- High recurring revenue with customer base with deep relationships among the largest and most stable players globally
- Global presence with balanced portfolio across regions and production types
- Strong financial profile – sustained profitability and free cash flow through business cycles
- Platform to develop cutting-edge technologies and accelerate digital adoption in the oil field

**WE ARE CHAMPIONX...**

Unlocking energy to drive value for our customers, employees and shareholders



# ChampionX is Present Across the Wellsite



**ARTIFICIAL LIFT**

- 1. Progressive Cavity Pumps
- 2. Rod Lift
- 3. Plunger Lift
- 4. ESP
- 5. Gas Lift

**DRILLING TECHNOLOGIES**

- 6. Diamond Drill Bit Inserts
- 7. Diamond Bearings

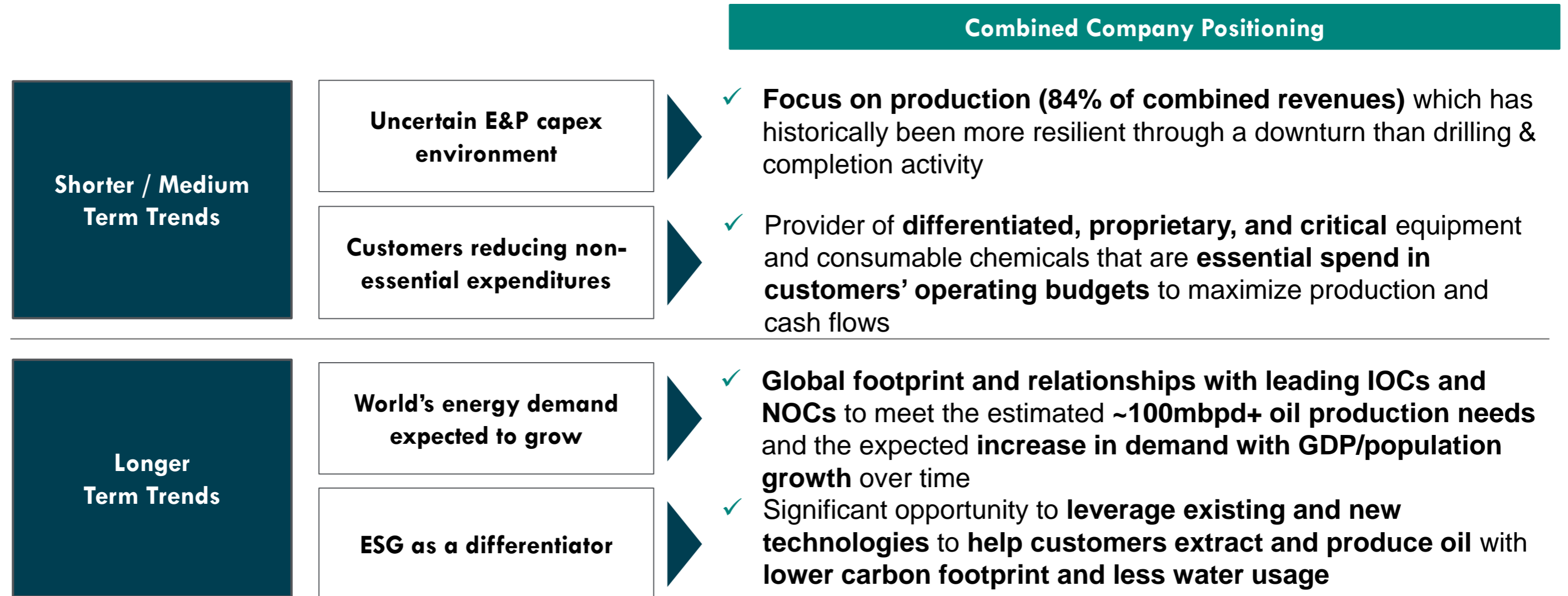
**CHEMICAL TECHNOLOGIES**

- 8. Production Chemicals
- 9. Drilling & Completion Chemicals

**DIGITAL**

- 10. IIoT Enabled Technologies
- 11. Optimization Software
- 12. Remote Monitoring

# Both Short and Long-Term Trends Favor ChampionX



Geography <sup>1</sup>	Business Mix <sup>1</sup>	Top 20 Customer Profile <sup>2</sup>
<p>A pie chart illustrating the company's geographic footprint. The largest segment is the U.S. at 50%. Other significant regions include Middle East &amp; Africa (14%), APAC (11%), Europe &amp; Russia (10%), and Canada (10%). Latin America represents 4% of the total.</p>	<p>A pie chart showing the company's business mix. Production is the dominant segment at 88%. Recurring revenue accounts for 74% of the total, and Drilling &amp; Completions represents 12%.</p>	<p>A pie chart detailing the top 20 customer profile. IOCs &amp; NOCs (Independent Oil Companies and National Oil Companies) account for 48% of the revenue. OFS, Independents &amp; other Customers represent the remaining 52%.</p>
<ul style="list-style-type: none"> <li>▪ Diversified geographic footprint with a balanced international mix</li> <li>▪ Scale, geographic presence in 55+ countries</li> </ul>	<ul style="list-style-type: none"> <li>▪ Diversified equipment and solutions provider with significant recurring revenue</li> <li>▪ Integrated platform of production-optimization and services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Top 20 customers represent 47% of 2019 consolidated pro forma revenue</li> <li>▪ High exposure to large, stable, high-quality National and International Oil Companies</li> </ul>

## Production-focused portfolio with strong product & technology offering

Note: See appendix for reconciliation of non-GAAP financial measures including pro forma revenue.

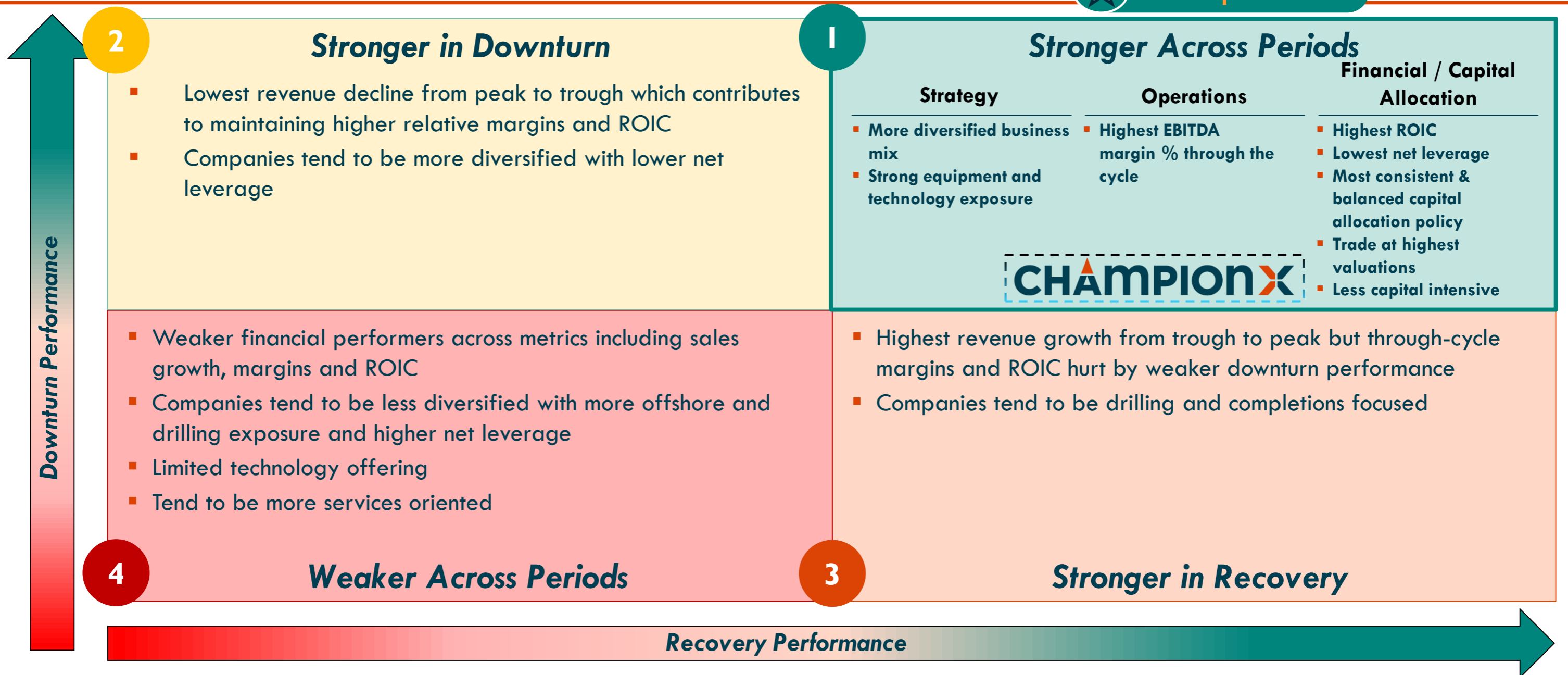
1. Based on pro forma revenue for the twelve months ended June 30, 2020.

2. Based on pro forma revenue for full year 2019.

3. Analysis assumes substantially all Production Chemical Technologies segment revenue is recurring.

# Value Creation in Oilfield Services & Equipment

★ "Top Box"



**"Top Box" performers drive long-term shareholder value**



# ChampionX's Value Creation Algorithm

Consistent with "Top Box" Characteristics

1

## Revenue Growth

- ✓ Focus on stable revenue growth from a diversified and differentiated product portfolio
- ✓ Continue business mix toward production; with selected exposure to drilling and completions where we can win

2

## Margin Performance

- ✓ Maintain high margins from product differentiation & value delivered to customers
- ✓ Leverage innovation to deliver products and services that solve customers' most critical needs
- ✓ Continue productivity rigor

3

## Capital Allocation

- ✓ After initial de-leveraging, adopt a consistent & balanced return-focused capital allocation policy, including return of cash to shareholders
- ✓ Disciplined organic investment plus M&A approach which maintains "top box" performance



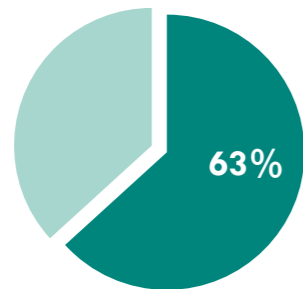
# Overview of Production Chemical Technologies

Pro Forma LTM Q2-20  
Revenue

**\$1,976mm**

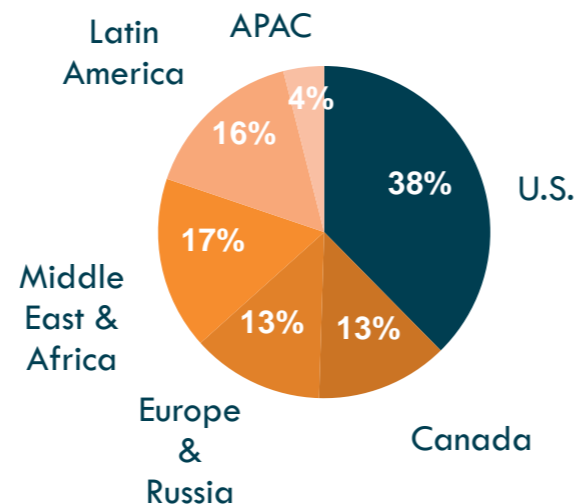
- Consumable, proprietary chemical solutions that enhance well production and maximize cash flow over the multi-decade life of a well
- Full range of onshore, offshore, conventional, unconventional, and oil sands operations supporting the entire life cycle of the well
- Onsite experts, logistics specialist and over 1,700 owned and licensed patents
- Innovative solutions for corrosion management, oil and water separation, sour gas treatment, flow assurance, water treatment and related issues
- Focused on production activity, paid out of customers' operating expense and influenced by lifting cost economics
- Global presence with locations in over 55 countries

**% Total ChampionX<sup>1</sup>**

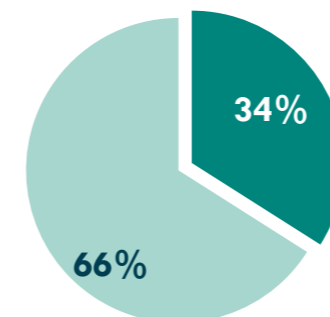


Production Chemical Technologies

**Geography<sup>1</sup>**



**Product Innovation<sup>1</sup>**



Revenue from new products introduced in last 3 years

**Domain Expertise**

- 400+ Scientists and Technologists
- 3,800 Sales, Service, and Supply Chain Personnel
- #1 in Customer Satisfaction in Production Chemicals Category<sup>2</sup>

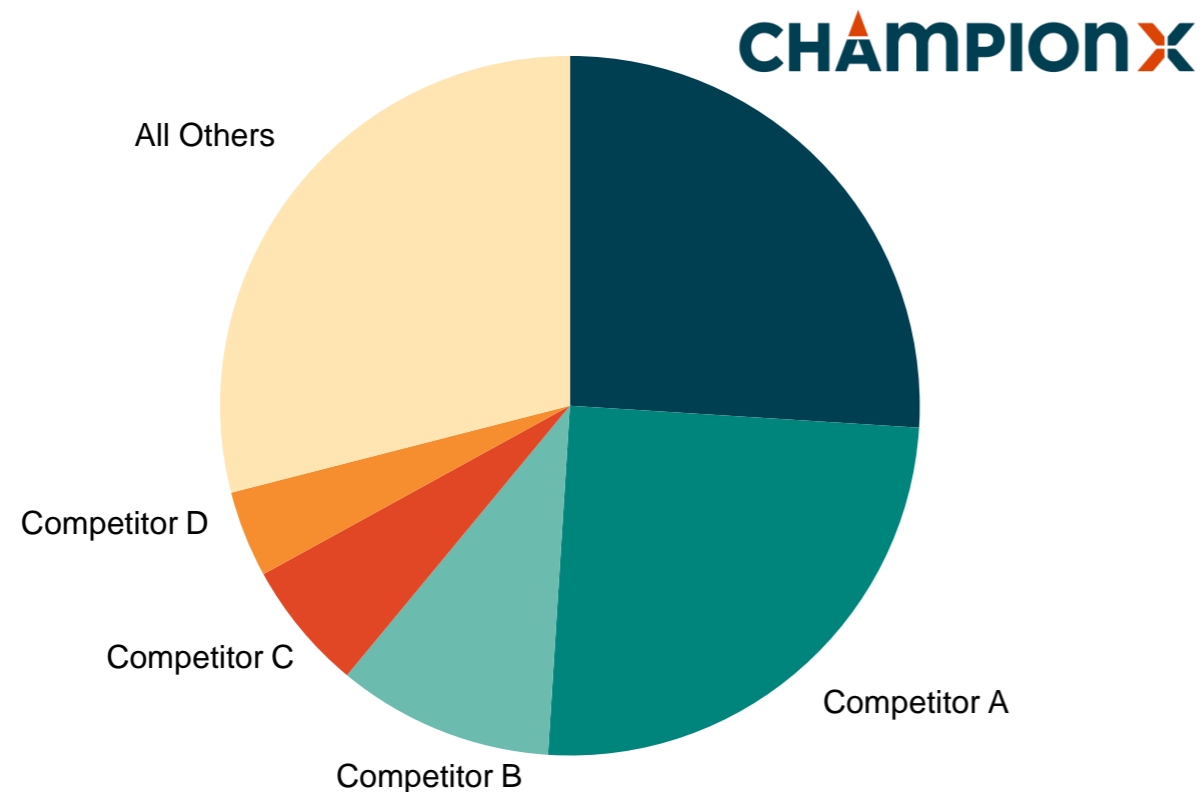
Note: May not foot due to rounding. See appendix for reconciliation of non-GAAP financial measures including pro forma revenue.

<sup>1</sup> Percent of ChampionX pro forma revenue for twelve months ended June 30, 2020.

<sup>2</sup> Awarded by EnergyPoint Research.

# Production Chemical Technologies Has a Leading Position in the Global Oilfield Chemicals Market

## Estimated Global Production Chemicals Market Share



ChampionX benefits from top 3 leadership positions across key categories:

- Corrosion management and control
- Scale management and control
- Bacteria management and control
- Oil and water separation
- Wax and asphaltene management and control
- Water shut off and control
- H<sub>2</sub>S management and control
- Hydrate management and control
- Automated chemical control and reporting

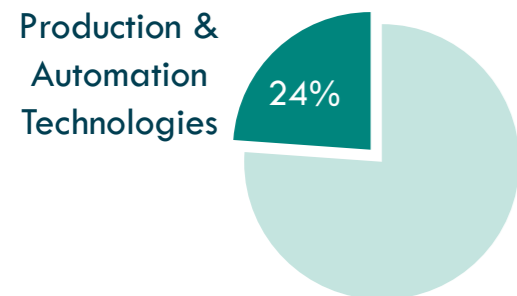
# Overview of Production & Automation Technologies

LTM Q2-20 Revenue

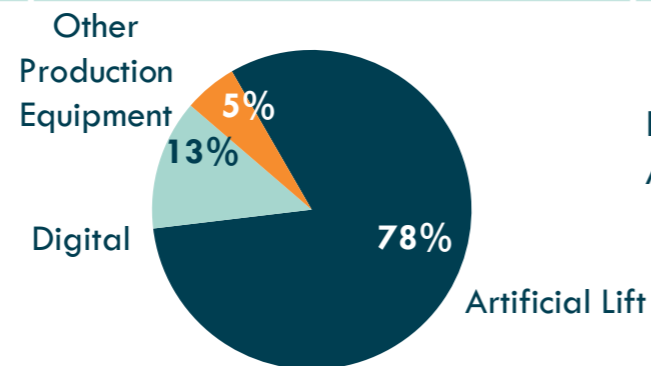
\$746mm

- Leading provider of production and automation equipment and digital solutions for global E&P operators
- Proven brands known for performance reliability, technology, manufacturing quality and pre and post sales support
- Broadest artificial lift portfolio that supports oil and gas operators over life of well
- Trusted partner to lower production costs for operators and optimize well efficiency
- Investment in New Product Development within ESP and our Digital platforms will continue to deliver share of wallet gains in the cycle and further diversify our revenue mix
- Global sales & service locations: 110+ (North America) & 22 (Rest of World)

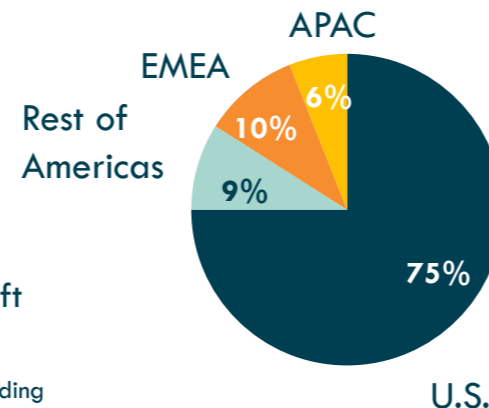
## % Total ChampionX<sup>1</sup>



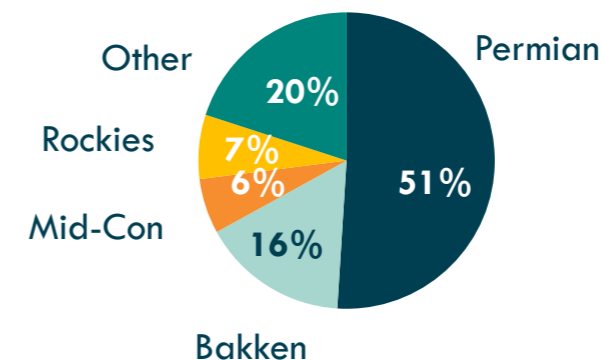
## Product Mix<sup>2</sup>



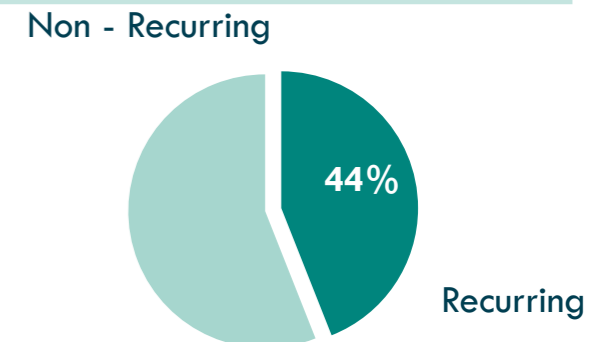
## Geography<sup>2</sup>



## U.S. Basin<sup>2</sup>



## Recurring Revenue<sup>3</sup>



Note: May not foot due to rounding. See appendix for reconciliation of non-GAAP financial measures including pro forma revenue.

<sup>1</sup> % of ChampionX pro forma revenue for twelve months ended June 30, 2020.

<sup>2</sup> % of segment revenue for twelve months ended June 30, 2020.

<sup>3</sup> Estimated recurring revenue % for full year 2019

# Artificial Lift Product Offering

Managing the Life Cycle of the Well



**XSPOC™ Production Optimization Software Tools**  
**Smarten™ Hardware (RTU/Controllers)**



LTM Q2-20  
 Artificial Lift  
 Revenue  
 \$581mm

**Electrical Submersible  
 Pump (ESP)**

33% of Sales<sup>1</sup>

**Rod Lift**

39% of Sales<sup>1</sup>

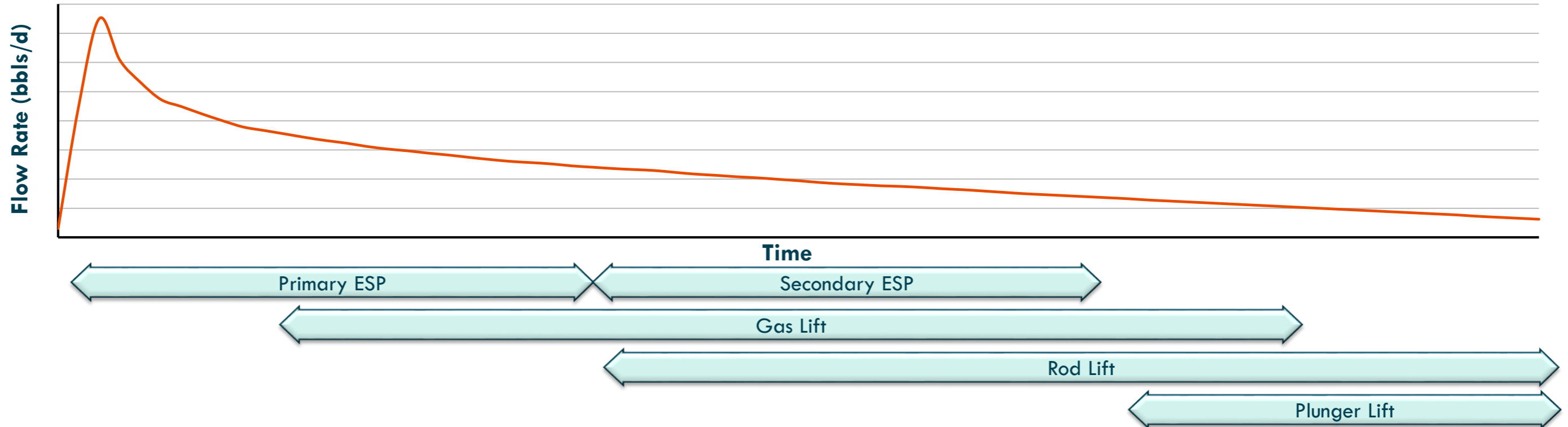
**Gas Lift &  
 Hydraulic Lift**

8% of Sales<sup>1</sup>

**Other <sup>2</sup>**

20% of Sales<sup>1</sup>

**Illustrative Well Production and Optimal Form of Artificial Lift Progression**



<sup>1</sup> Represents % of LTM Q2-20 worldwide artificial lift product revenue.

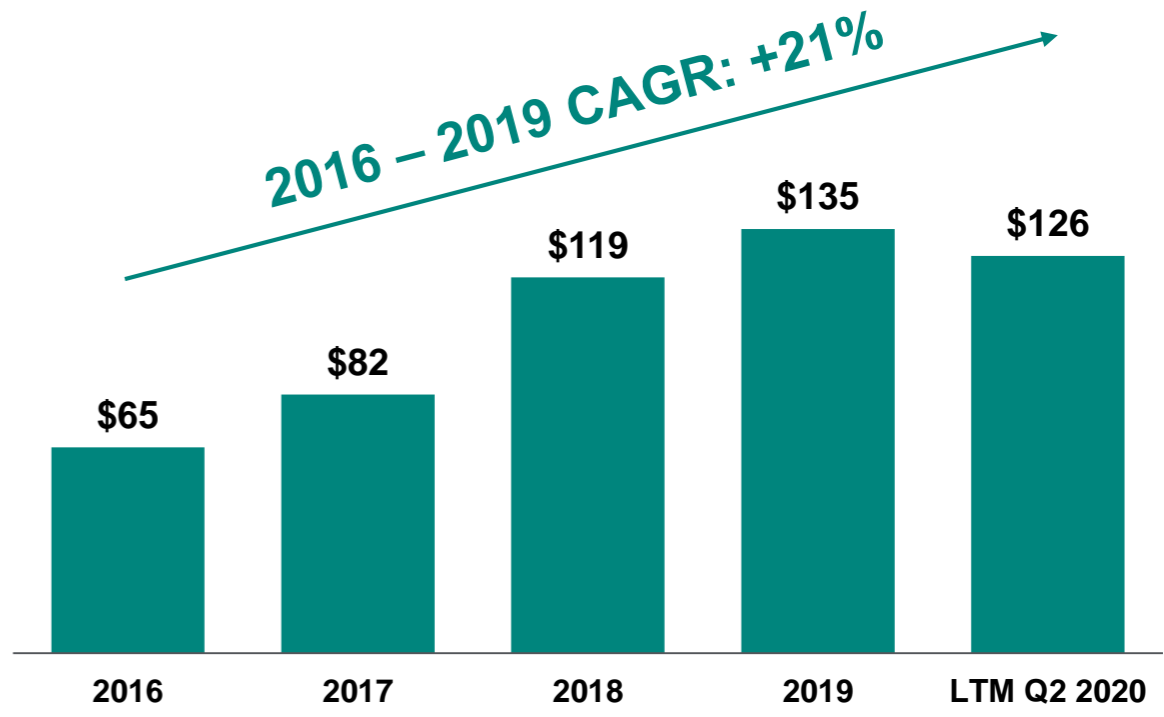
<sup>2</sup> Other includes PCP and plunger lift.

# Platform to Deliver Production Optimization Solutions and Accelerate Digital Adoption in the Oilfield **CHAMPIONX**

<p><b>Chemical Solutions</b></p>	<p><b>Fluid and Chemical Injection Optimization</b></p> <ul style="list-style-type: none"> <li>Controlled dosing of chemicals for well optimization and performance</li> <li>Scalable dosing solution for different lift types</li> <li>Optimal gas injection software for higher yield</li> </ul>
<p><b>Artificial Lift &amp; Drilling</b></p>	<p><b>Production Surveillance and Monitoring</b></p> <ul style="list-style-type: none"> <li>Continuous reservoir monitoring</li> <li>Smart edge devices for the well site</li> <li>Field level optimization algorithms</li> <li>Remote monitoring and control</li> </ul>
<p><b>Asset Integrity Management</b></p>	<p><b>Predictive Failure Analysis of Production Equipment</b></p> <ul style="list-style-type: none"> <li>Services to periodically review well performance</li> <li>Continuous equipment health monitoring through AI models</li> <li>AI models deployed in the cloud for prescriptive insights</li> </ul>

**ChampionX's Strong Track Record of Digital Revenue Growth**

*\$ in millions*

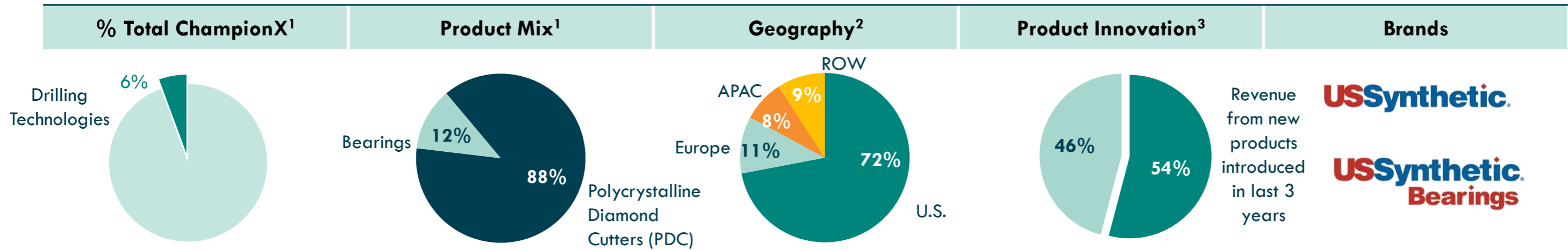




# Overview of Drilling Technologies



- Industry leader in polycrystalline diamond cutters for oil & gas drilling and diamond bearings with industry reputation for innovation, quality and customer service
- Critical partner to customers in achieving drilling productivity
  - 95%+ of drill bit inserts are designed to meet unique requirements and finished to exact customer specifications
- Well positioned to leverage industry trends – U.S. shale, horizontal drilling, increasing laterals, more difficult drilling formations
- Leveraging diamond science for additional growth



Note: May not foot due to rounding. See appendix for reconciliation of non-GAAP financial measures including pro forma revenue.

<sup>1</sup> Percent of ChampionX pro forma revenue for LTM Q2-20.

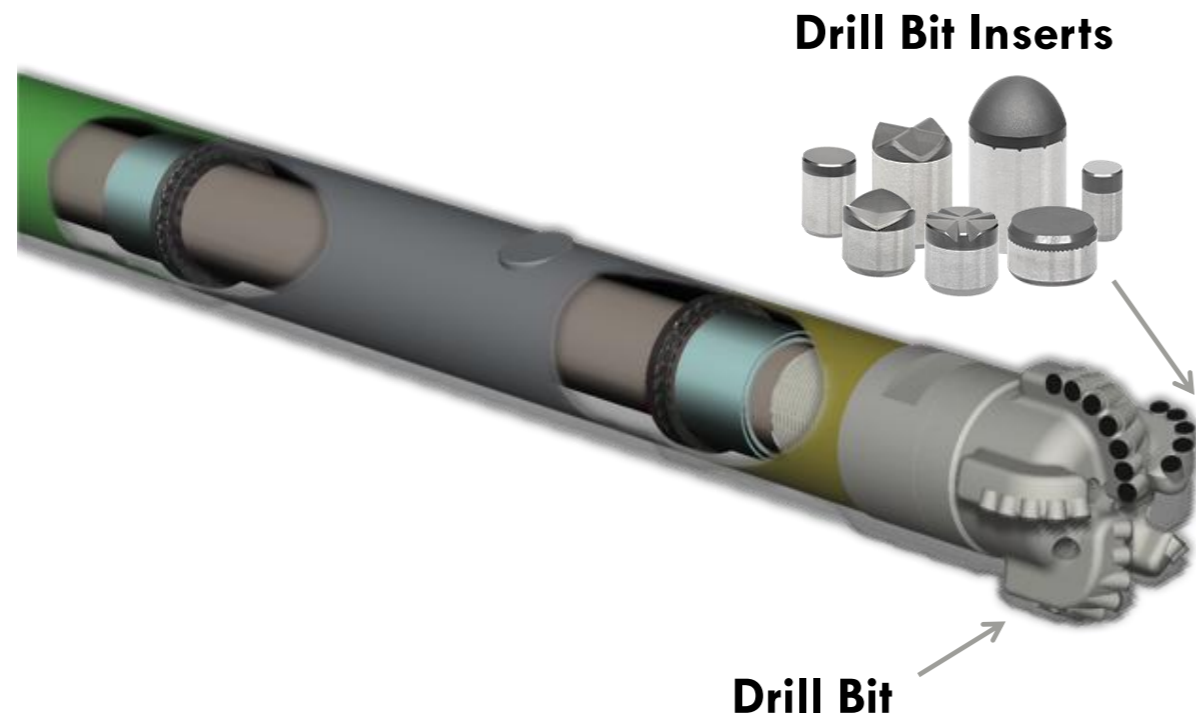
<sup>2</sup> Represents geography by sales destination for LTM Q1-20.

<sup>3</sup> Drilling Technologies revenue for Q2-20.

# Product Overview: Polycrystalline Diamond Drill Bit Inserts & Bearings

## Polycrystalline Diamond Drill Bit Inserts

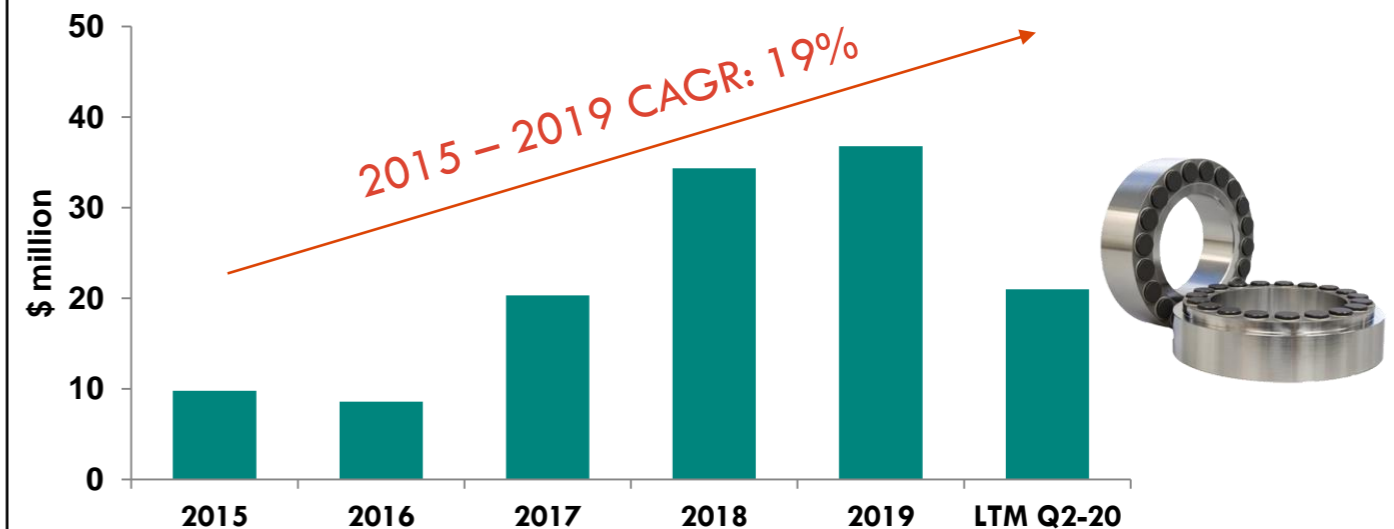
- State of the art custom designed and manufactured drill bit inserts
- Proprietary technology driven by constant innovation
- Uncompromising commitment to outstanding quality and superior customer service



## Diamond Bearings

- Diamond bearings in downhole tools is a fast growing product line, which:
  - Provides higher load capability
  - Allows designs with seals, less prone to failure
  - Longer life with lower repair cost

### Diamond Bearings Revenue Trend

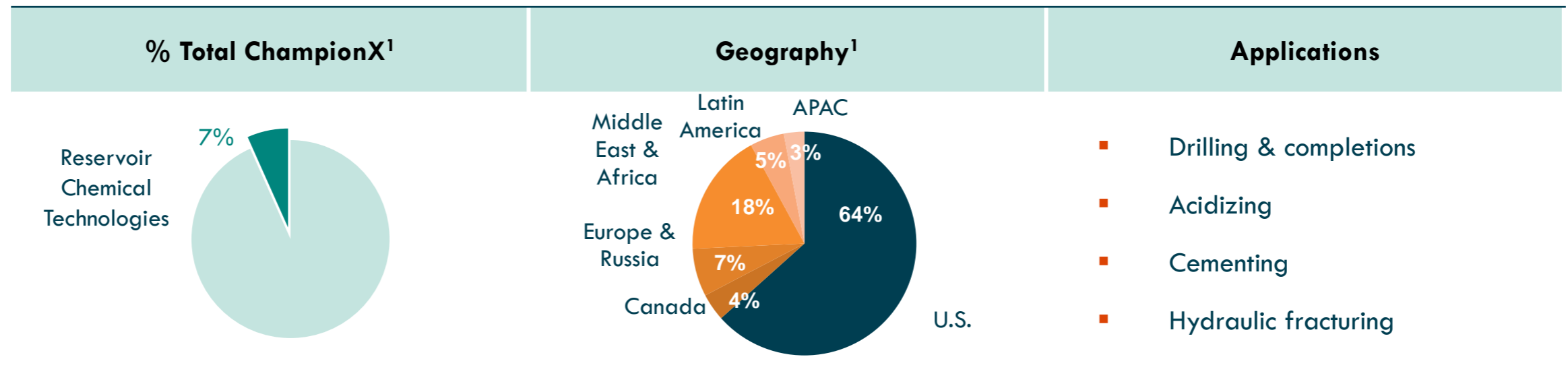


# Overview of Reservoir Chemical Technologies

Pro Forma LTM Q2-20  
Revenue

**\$209mm**

- Full range of drilling, completion, and well stimulation chemistries addressing a wide range of water, temperature, and pressure conditions
- Driving more successful and efficient drilling and hydraulic fracturing operations for national and international oil and gas service companies
- Sales and service experts supported by corporate account leaders and research scientists



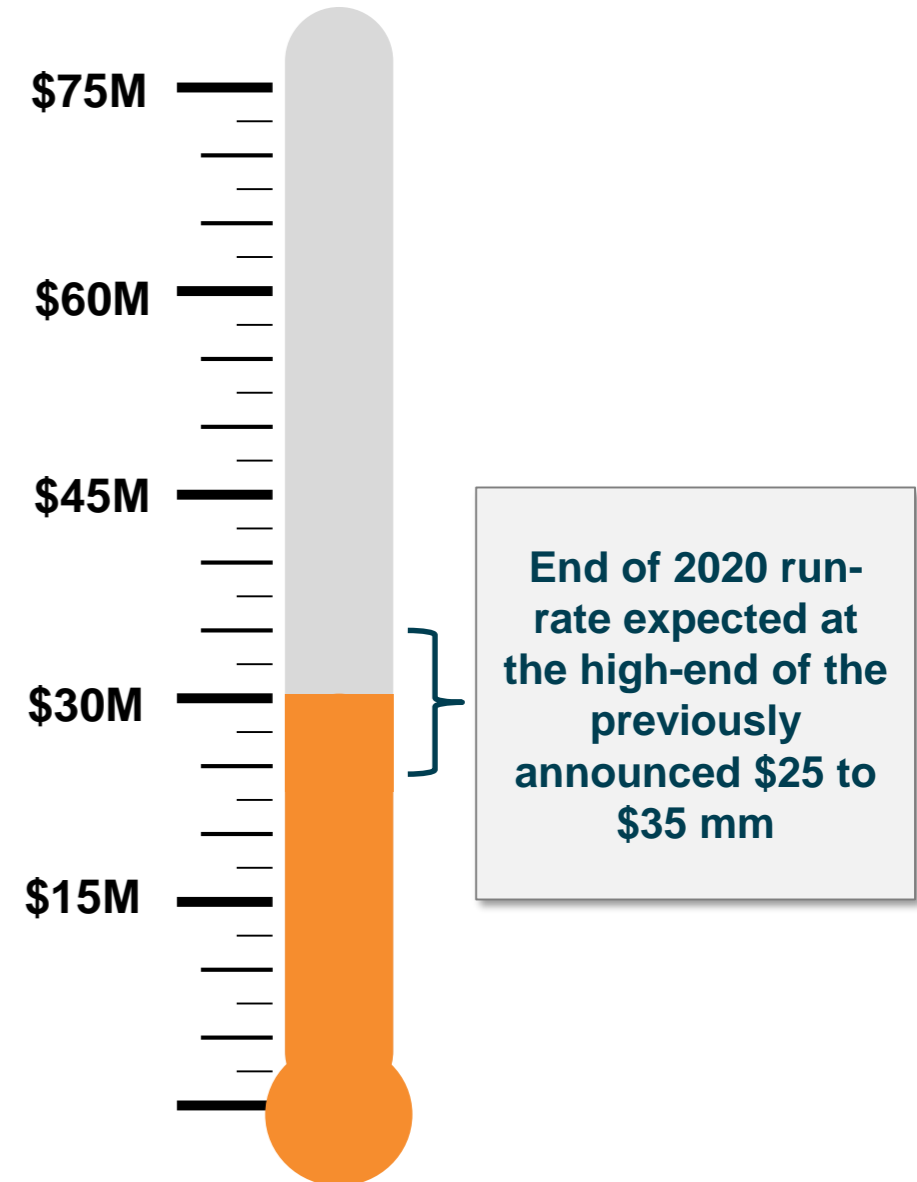
Note: May not foot due to rounding. See appendix for reconciliation of non-GAAP financial measures including pro forma revenue.

<sup>1</sup> Pro forma revenue for twelve months ended June 30, 2020.

# Integration & Synergy Capture Update

- Integration on track and progressing as scheduled
- Continue to expect run-rate of \$75 million of cost synergies within 24 months of closing, including corporate cost avoidance, as well as G&A and cost of goods sold efficiencies
- Implementing plans to capture revenue growth opportunities

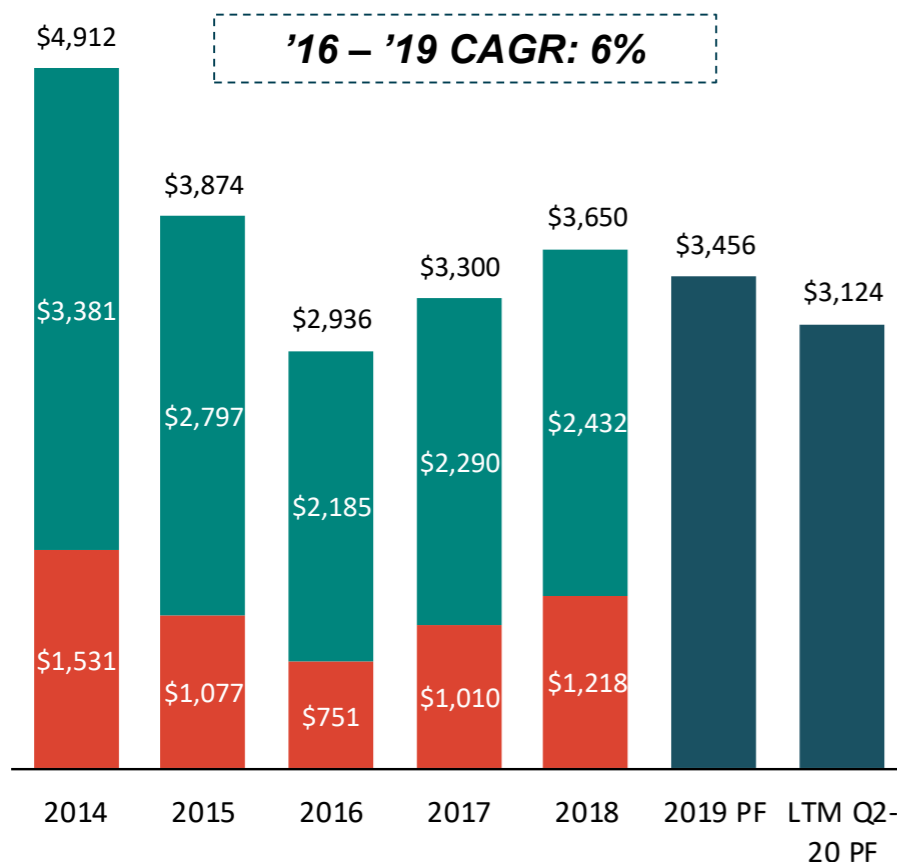
## Cost Synergy Annualized Run-Rate Tracker



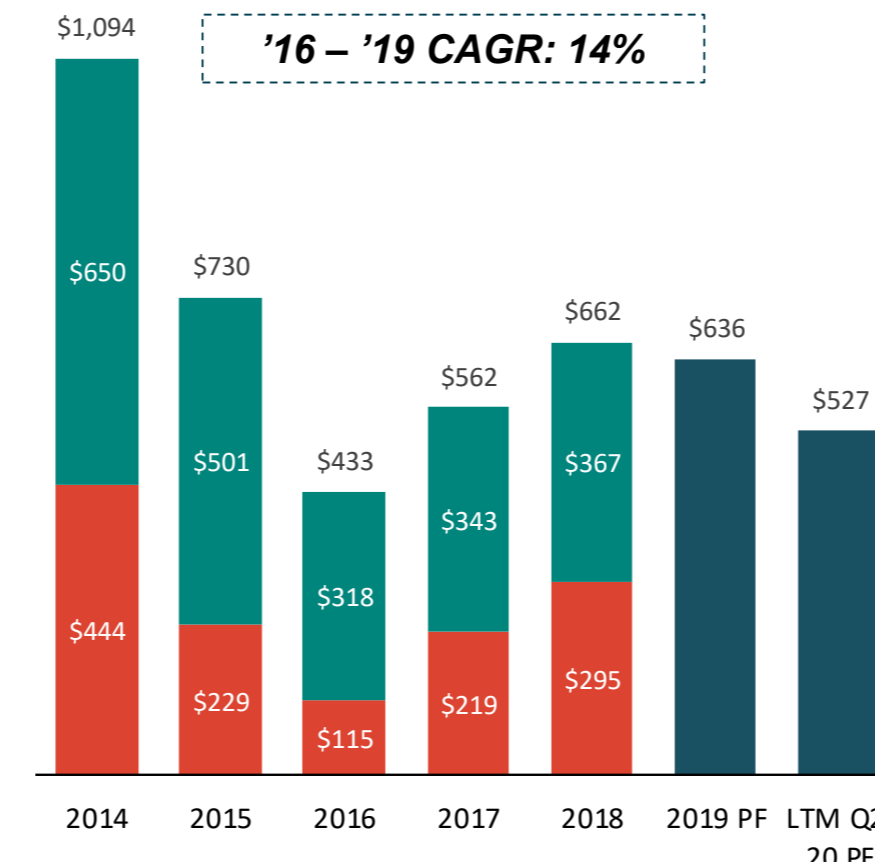
Revenue Growth Opportunities	Recent Activities
North America Joint Sell Uplift	<ul style="list-style-type: none"> <li>Developing “Joint Sell” teams, while preserving the commercial strengths of legacy Apergy and ChampionX</li> </ul>
Digital Uplift	<ul style="list-style-type: none"> <li>Digital and chemical technologies teams fully engaged in joint product development to bring cutting edge technologies to legacy ChampionX customers</li> </ul>
International Artificial Lift Expansion	<ul style="list-style-type: none"> <li>Teams progressing on prioritized international markets and starting to operationalize execution plans</li> </ul>

# Historical Financial Performance

## Revenue



## Adj. EBITDA and Margin<sup>1</sup>



## Commentary

- Combined business has **substantial scale**
  - 2019 pro forma revenue of ~\$3.5 billion
  - ~\$433mm in 2016 trough EBITDA prior to any synergies
- 2016 trough EBITDA margin in the mid-teens** providing significant positive cash flow
- Solid recovery track record** in revenue and EBITDA post-trough
- Combined business EBITDA margins **exceeded peer median margins** throughout 2014 – 2019
- Excluding Venezuela deconsolidation and foreign exchange impacts, **reduces ChampionX '14-16 revenue decline** by ~\$390mm (down 24% adjusted vs. 35% unadjusted)

Note: Dollars in millions.

<sup>1</sup> See appendix for reconciliation of non-GAAP measures including adjusted EBITDA, pro forma adjusted EBITDA, and adjusted EBITDA margin

<sup>2</sup> Peers include BKR, HAL, SLB, NOV, OIS, FET, and WHD.

<sup>3</sup> Revenue and adjusted EBITDA are derived from the legacy ChampionX audited financial statements within the registration statement on Form S-4.



# Historical Segment Performance



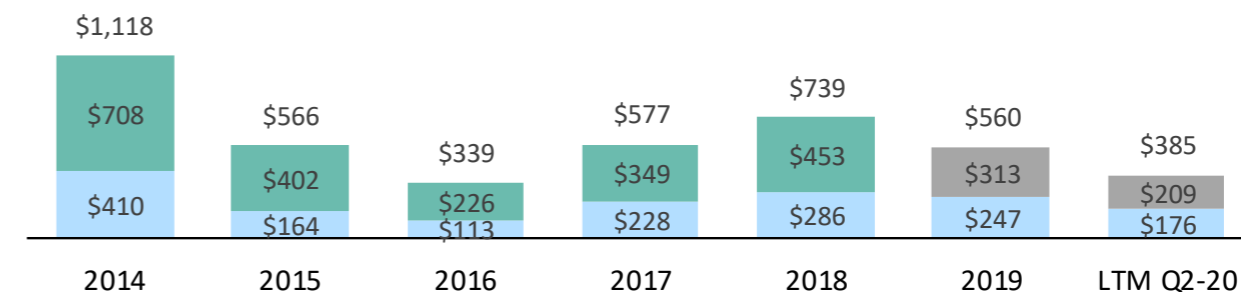
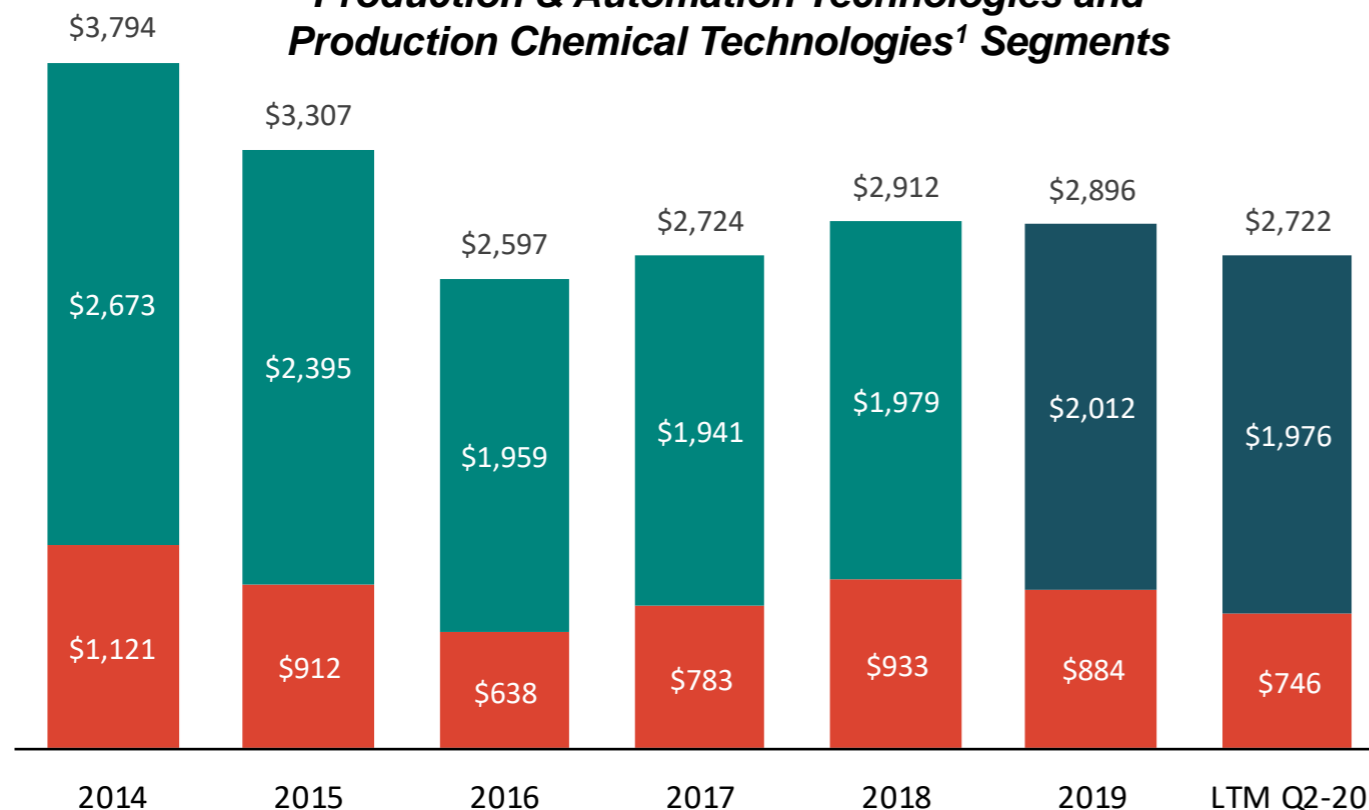
## Combined Company Production Focused Revenue

## Combined Company Drilling / Completion Revenue

Dollars in millions

### Production & Automation Technologies and Production Chemical Technologies<sup>1</sup> Segments

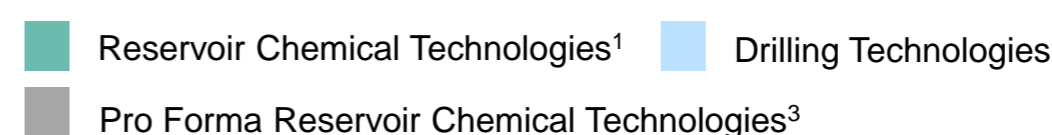
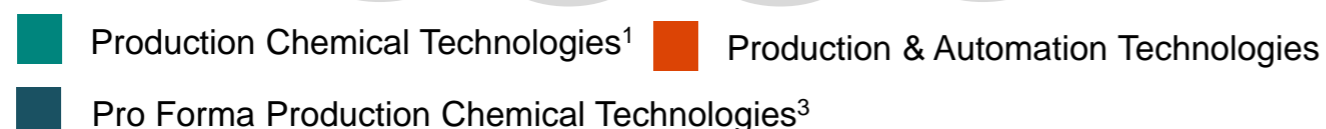
### Drilling Technologies and Reservoir Chemical Technologies<sup>1</sup> Segments



**Growth (%)**

**Growth (%)**

**Adj. Growth ex. VZ and FX(%)<sup>2</sup>**



<sup>1</sup> Production Chemical Technologies revenue prior to 2019 is Oilfield Performance segment revenue under legacy ChampionX. Reservoir Chemical Technologies revenue prior to 2019 is Specialty Performance segment revenue under legacy ChampionX. Revenue and adjusted EBITDA are derived from the legacy ChampionX audited financial statements within the registration statement on Form S-4.

<sup>2</sup> Production focused revenues for Production Chemical Technologies excludes Venezuela operations due to deconsolidation and foreign exchange impacts. Revenue impact due to Venezuela operations and foreign exchange of (\$186mm) in 2015 and (\$204mm) in 2016.

<sup>3</sup> See appendix for reconciliation of non-GAAP measures including segment pro forma revenue.

Strong Balance Sheet	
\$ in Millions	June 30, 2020
Total Debt <sup>1</sup>	\$1,099
Total Net Debt / Pro Forma Adjusted EBITDA <sup>2</sup>	1.8x
Available Liquidity <sup>3</sup>	\$501

- ### Disciplined Capital Allocation Priorities
- Near-term:
    - Prioritize essential investments to maintain critical R&D and growth projects
    - Use excess free cash flow to maintain liquidity and reduce net leverage
  - Medium-term as market stabilizes:
    - Organic growth investments
    - Continued funding of R&D
    - Further debt reduction
    - Selective acquisitions to expand technology and product portfolio and broaden geographic reach

Note: see appendix for reconciliation of non-GAAP financial measures including pro forma adjusted EBITDA.

<sup>1</sup> Net of debt discounts and deferred financing costs.

<sup>2</sup> Calculated as \$1,098.6 million of long-term debt less \$141.9 million of cash at June 30, 2020 divided by \$526.8 million of pro forma adjusted EBITDA for the twelve months ended June 30, 2020.

<sup>3</sup> Available liquidity defined as \$359.1 million available but undrawn capacity under ChampionX's revolving credit facility at June 30, 2020, plus \$141.9 million in cash and cash equivalents as of June 30, 2020. At June 30, 2020, ChampionX had \$40.9 million of outstanding letters of credit.

- Global leader in production-optimization solutions focused on the “long-tail” production phase of the well
- Differentiated portfolio of complementary products and services with well-known brands
- Broad and diverse global customer base with enhanced cross-selling opportunities
- Platform to capitalize on increasing customer adoption of digital solutions to drive wellsite productivity
- Proven business model and operating philosophy with strong relative performance across cycles, including high margins and stable free cash flow generation
- Strong balance sheet with low leverage
- Returns-focused capital allocation strategy with track record of organic and inorganic growth

**WE ARE CHAMPIONX...**

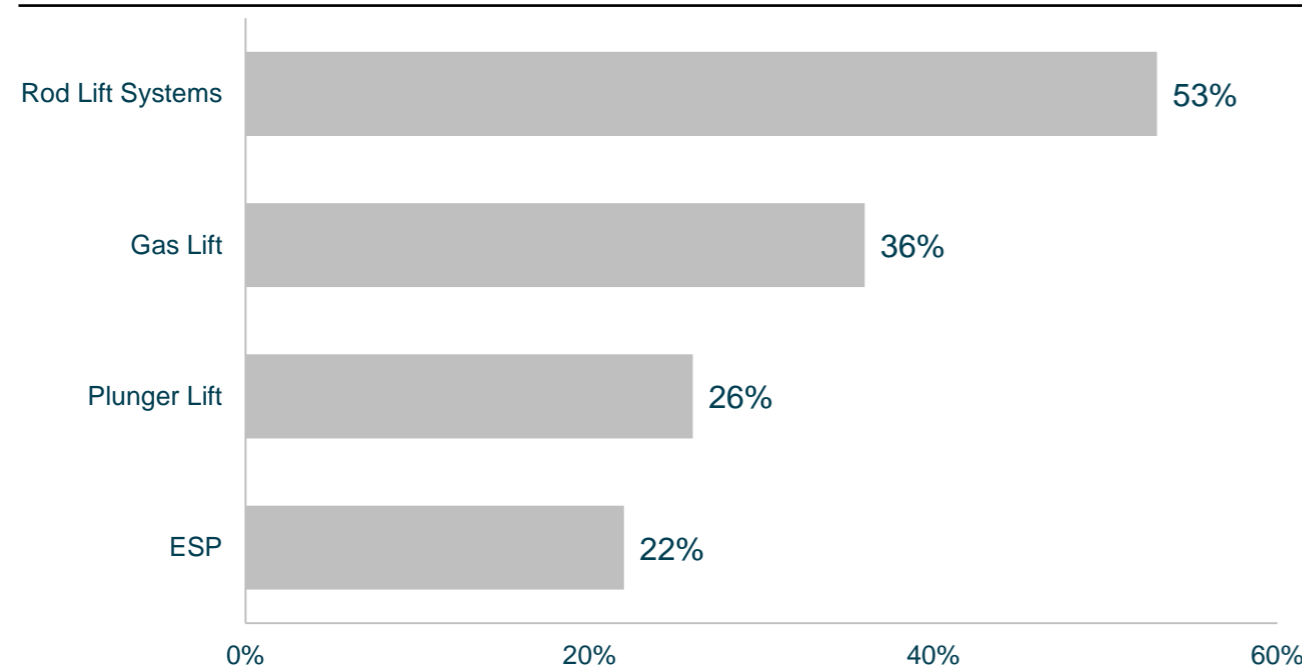
Unlocking energy to drive value for our customers, employees and shareholders

# ▶ Appendix

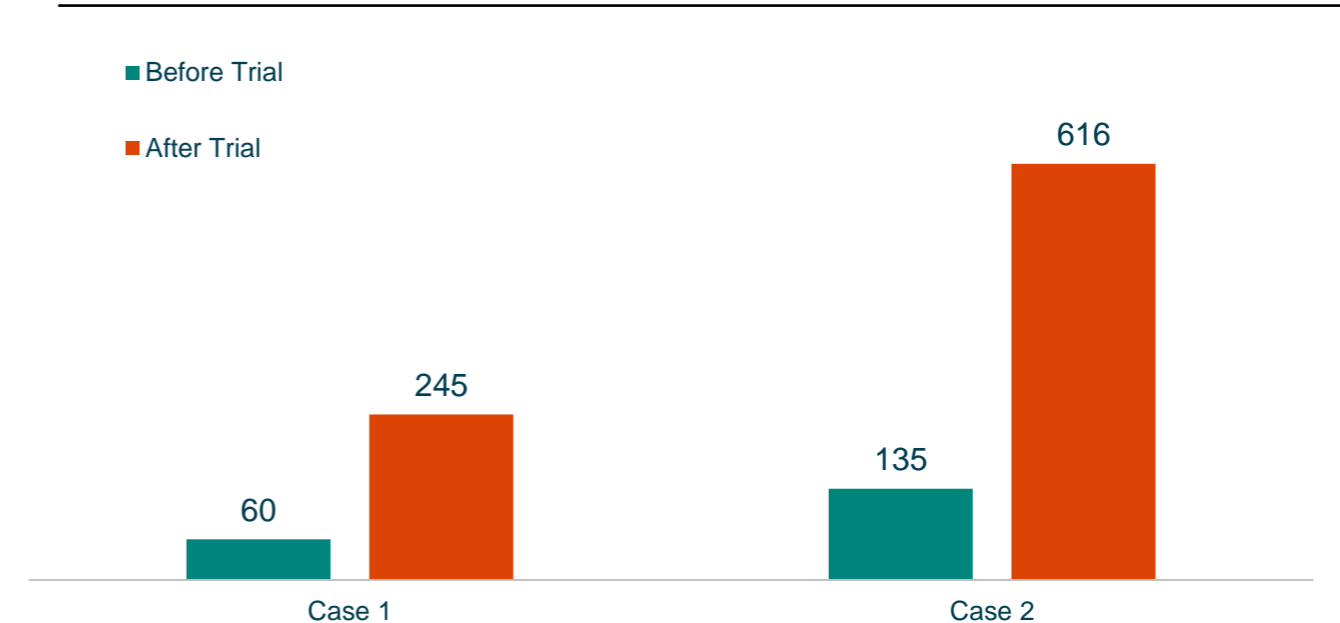
# Artificial Lift & Production Chemicals on a Single Platform to Enhance Customer Productivity

**Production Chemicals Reduce Artificial Lift Failures and Increase Equipment Run-life Creating Value for Customers**

## Artificial Lift Failures That Can Be Addressed by Production Chemicals<sup>1</sup>



## Case Study Results: Combining Rod Lift with Production Chemicals<sup>2</sup> (Rod pump lifetime in days)



**The Combined Company Will Have the Ability to Provide the Best Artificial Lift, Production Chemical and Digital Solution for Customers**

<sup>1</sup>Source: Kimberlite International Oilfield Research.

<sup>2</sup>Society of Petroleum Engineers whitepaper: Enhance Mean Time to Failure by Automating and Optimizing Continuous Chemical Injection in Moderate-Severe Corrosive Oil Field Well Applications.





# Reconciliations of Non-GAAP Measures

## Pro Forma Results

On June 3, 2020, Apergy Corporation closed on the acquisition of ChampionX Holding Inc. (“the Transaction”) and changed its name to ChampionX Corporation. “Reported results” reflect the respective contributions from each company based on the close of the Transaction. For comparative purposes, management has also presented herein certain unaudited supplemental financial information as if the Transaction was completed on January 1, 2019, including supplemental pro forma revenue, supplemental pro forma income before income taxes, supplemental pro forma income before income taxes margin, supplemental pro forma adjusted EBITDA, supplemental pro forma adjusted EBITDA margin, supplemental pro forma segment revenue, supplemental pro forma segment operating profit (loss), supplemental pro forma adjusted segment EBITDA, and supplemental pro forma adjusted segment EBITDA margin for the year ended December 31, 2019 and the quarterly periods ended June 30, 2020, March 31, 2020, and June 30, 2019. This supplemental financial information is provided to assist investors in assessing ChampionX’s performance on a basis that includes the combined results of operations of both Apergy Corporation and ChampionX Holding Inc. ChampionX management believes this unaudited supplemental historical financial information helps investors understand the long-term profitability trends of its newly combined business giving effect to the Transaction and facilitates comparisons of our profitability to prior and future periods and to our peers. The supplemental historical financial information herein may not be comparable to similarly titled measures reported by other companies

## About Non-GAAP Measures

In addition to financial results determined in accordance with generally accepted accounting principles in the United States (“GAAP”), this news release presents non-GAAP financial measures. Management believes that adjusted EBITDA, adjusted EBITDA margin, adjusted segment EBITDA, adjusted segment EBITDA margin, adjusted net income attributable to ChampionX, adjusted diluted earnings per share attributable to ChampionX, pro forma adjusted EBITDA, pro forma adjusted EBITDA margin, pro forma segment revenue, pro forma segment operating profit (loss), and pro forma adjusted segment EBITDA reflect the core operating results of our businesses and help facilitate comparisons of operating performance across periods. In addition, free cash flow and free cash flow to revenue ratio are used by management to measure our ability to generate positive cash flow for debt reduction and to support our strategic objectives, while adjusted working capital provides a meaningful measure of operational results by showing changes caused by revenue or our operational initiatives. The foregoing non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, other measures of financial performance prepared in accordance with GAAP. A reconciliation of these non-GAAP measures to the comparable GAAP measures is included in the accompanying financial tables.

# Reconciliation from Net Income to Adjusted EBITDA and Adjusted EBITDA Margin (\$ in millions)



## Legacy Apergy Net Income to Adjusted EBITDA

	2014	2015	2016	2017	2018
Net income (loss) attributable to Apergy	\$ 223	\$ 52	\$ (13)	\$ 110	\$ 93
Net income attributable to noncontrolling interest	1	1	2	1	0
Interest expense, net	0	1	1	1	28
Provision for (benefit from) income taxes	110	24	(8)	(22)	28
Depreciation and amortization	89	120	112	113	124
Separation and supplemental benefit costs	-	-	-	-	15
Restructuring and other related charges	3	21	15	7	4
Environmental costs	-	-	-	-	-
Acquisition transaction costs	-	-	-	-	-
Intellectual property defense	-	-	-	-	-
Extended filing costs	-	-	-	-	-
Royalty expense	18	10	7	10	2
<b>Adjusted EBITDA</b>	<b>\$ 444</b>	<b>\$ 229</b>	<b>\$ 115</b>	<b>\$ 219</b>	<b>\$ 295</b>

## Legacy ChampionX Net Income to Adjusted EBITDA

	2014	2015	2016	2017	2018
Net income including noncontrolling interest	\$ 314	\$ 41	\$ 34	\$ 169	\$ 104
Income tax expense (benefit)	114	6	2	(62)	36
Interest (income) expense, net	-	-	-	-	-
Depreciation	82	80	86	88	88
Amortization	122	119	124	123	123
Special (gains) and charges, net	18	256	73	24	16
<b>Adjusted EBITDA</b>	<b>\$ 650</b>	<b>\$ 501</b>	<b>\$ 318</b>	<b>\$ 343</b>	<b>\$ 367</b>

## Combined Company Adjusted EBITDA & Adjusted EBITDA margin

	2014	2015	2016	2017	2018
Legacy Apergy adjusted EBITDA	\$ 444	\$ 229	\$ 115	\$ 219	\$ 295
Legacy ChampionX adjusted EBITDA	650	501	318	343	367
<b>Combined company adjusted EBITDA</b>	<b>\$ 1,094</b>	<b>\$ 731</b>	<b>\$ 433</b>	<b>\$ 562</b>	<b>\$ 661</b>
Legacy Apergy revenue	\$ 1,531	\$ 1,077	\$ 751	\$ 1,010	\$ 1,218
Legacy ChampionX revenue	3,381	2,797	2,185	2,290	2,432
<b>Combined company revenue</b>	<b>\$ 4,912</b>	<b>\$ 3,874</b>	<b>\$ 2,936</b>	<b>\$ 3,300</b>	<b>\$ 3,650</b>
<b>Combined company adjusted EBITDA margin</b>	<b>22%</b>	<b>19%</b>	<b>15%</b>	<b>17%</b>	<b>18%</b>

# Reconciliation from Pro Forma Net Income to Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDA Margin (\$ in millions)



ChampionX Pro Forma Adjusted EBITDA		
	2019	LTM Q2-20
Pro Forma Net income (loss) attributable to ChampionX	\$ 229	\$ (675)
Net income attributable to noncontrolling interest	8	8
Goodwill and long-lived asset impairment	2	805
Separation and supplemental benefit costs	6	5
Restructuring and other related charges	24	33
Acquisition transaction costs	1	1
Material weakness remediation costs	-	5
Intellectual property defense	0	1
Environmental costs	2	2
Extended filing costs	3	3
Depreciation and amortization	232	247
Provision for (benefit from) income taxes	51	22
Interest (income) expense, net	78	71
<b>Pro Forma Adjusted EBITDA</b>	<b>\$ 636</b>	<b>\$ 527</b>
<b>Pro Forma Adjusted EBITDA Margin</b>	<b>18%</b>	<b>17%</b>
<b>Pro Forma Revenue</b>	<b>\$ 3,456</b>	<b>\$ 3,124</b>

# Reconciliation from As Reported Results to Pro Forma Results (\$ in millions)



Consolidated ChampionX			
	Year ended December 31, 2019		
	As Reported	Adjustments <sup>1</sup>	Pro Forma
Revenue	\$ 1,131	\$ 2,325	\$ 3,456
Pro Forma Net income (loss) attributable to ChampionX	\$ 52	\$ 177	\$ 229
Net income attributable to noncontrolling interest	1	7	8
Goodwill and long-lived asset impairment	2	0	2
Separation and supplemental benefit costs	6	0	6
Restructuring and other related charges	9	15	24
Acquisition transaction costs	1	0	1
Intellectual property defense	0	0	0
ChampionX integration costs	9	(9)	-
Environmental costs	2	0	2
Extended filing costs	3	0	3
Depreciation and amortization	120	112	232
Provision for (benefit from) income taxes	6	45	51
Interest (income) expense, net	39	38	78
<b>Adjusted EBITDA</b>	<b>\$ 251</b>	<b>\$ 385</b>	<b>\$ 636</b>

Segment Revenue			
	Year ended December 31, 2019		
	As Reported	Adjustments <sup>1</sup>	Pro Forma
Production Chemical Technologies revenue	\$ -	\$ 2,012	\$ 2,012
Reservoir Chemical Technologies revenue	\$ -	\$ 313	\$ 313

Note: Totals may not foot due to rounding.

- Includes the impact of the historical legacy ChampionX business on a stand-alone basis adjusted to give effect to the Merger under the acquisition method of accounting in accordance with Accounting Standards Codification 805, Business Combinations ("ASC 805"). The adjustments were prepared on the same basis as the adjustments included in our Registration Statement on Form S-4 (File No. 333-236379) and include a decrease in amortization and depreciation resulting from the preliminary purchase price adjustments, an increase in interest expense associated with the new term loan facility, removal of acquisition and integration related costs attributable to the Merger as well as the tax impact of those

Consolidated ChampionX			
	Twelve months ended June 30, 2020		
	As Reported	Adjustments <sup>1</sup>	Pro Forma
Revenue	\$ 1,085	\$ 2,039	\$ 3,124
Pro Forma Net income (loss) attributable to ChampionX	\$ (734)	\$ 59	\$ (675)
Net income attributable to noncontrolling interest	1	7	8
Goodwill and long-lived asset impairment	657	148	805
Separation and supplemental benefit costs	5	0	5
Restructuring and other related charges	20	12	33
Acquisition transaction costs	80	(79)	1
Material weakness remediation costs	5	0	5
Intellectual property defense	1	0	1
Environmental costs	2	0	2
Inventory step-up	6	(6)	-
Extended filing costs	3	0	3
Depreciation and amortization	144	102	247
Provision for (benefit from) income taxes	(34)	55	22
Interest (income) expense, net	39	32	71
<b>Adjusted EBITDA</b>	<b>\$ 196</b>	<b>\$ 331</b>	<b>\$ 527</b>

Segment Revenue			
	Twelve months ended June 30, 2020		
	As Reported	Adjustments <sup>1</sup>	Pro Forma
Production Chemical Technologies revenue	\$ 136	\$ 1,840	\$ 1,976
Reservoir Chemical Technologies revenue	\$ 9	\$ 199	\$ 209