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**Apergy Combination  
with ChampionX**  
May 4, 2020

# Forward-Looking Statements

This investor presentation, and the related discussions, includes “forward-looking statements” as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements regarding the proposed transaction between Apergy Corporation (“Apergy”), ChampionX Holding Inc. (“ChampionX”) and Ecolab Inc. (“Ecolab”). These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “forecast,” “outlook,” “target,” “endeavor,” “seek,” “predict,” “intend,” “strategy,” “plan,” “may,” “could,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” or the negative thereof or variations thereon or similar terminology generally intended to identify forward-looking statements. All statements, other than historical facts, including, but not limited to, statements regarding the expected timing and structure of the proposed transaction, the ability of the parties to complete the proposed transaction, the expected benefits of the proposed transaction, including future financial and operating results and strategic benefits, the tax consequences of the proposed transaction, and the combined company’s plans, objectives, expectations and intentions, legal, economic and regulatory conditions, and any assumptions underlying any of the foregoing, are forward looking statements.

These forward-looking statements are based on Apergy and ChampionX’s current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from Apergy and ChampionX’s current expectations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) that one or more closing conditions to the transaction, including certain regulatory approvals, may not be satisfied or waived, on a timely basis or otherwise, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the proposed transaction, may require conditions, limitations or restrictions in connection with such approvals or that the required approval by the stockholders of Apergy may not be obtained; (2) the risk that the proposed transaction may not be completed on the terms or in the time frame expected by the parties, or at all; (3) unexpected costs, charges or expenses resulting from the proposed transaction; (4) uncertainty of the expected financial performance of the combined company following completion of the proposed transaction; (5) risks related to disruption of management time from ongoing business operations due to proposed transaction; (6) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the proposed transaction or integrating the businesses of Apergy and ChampionX, or at all; (7) the ability of the combined company to implement its business strategy; (8) difficulties and delays in the combined company achieving revenue and cost synergies; (9) the occurrence of any event that could give rise to termination of the proposed transaction; (10) the risk that stockholder litigation in connection with the proposed transaction or other settlements or investigations may affect the timing or occurrence of the proposed transaction or result in significant costs of defense, indemnification and liability; (11) the effects of external events on the economy including COVID-19 or other pandemics; (12) evolving legal, regulatory and tax regimes; (13) changes in general economic and/or industry specific conditions (including actions taken by OPEC); (14) actions by third parties, including government agencies; (15) Apergy’s ability to remediate the material weaknesses in internal control over financial reporting described in Part II, Item 9A – Controls and Procedures in Apergy’s Annual Report on Form 10-K for the year ended December 31, 2019; and (16) other risk factors detailed from time to time in Apergy and Ecolab’s reports filed with the SEC, including Apergy and Ecolab’s annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC. The foregoing list of important factors is not exclusive.

Any forward-looking statements speak only as of the date of this communication. None of Apergy, ChampionX or Ecolab undertakes any obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

## 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.

This investor presentation is not an offer to sell or the solicitation of an offer to buy any securities of Apergy, nor will there be any sales of securities of Apergy in any jurisdiction in which the offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

# Important Additional Info and No Offer or Solicitation

## Important Information About the Transaction between Apergy, ChampionX, and Ecolab and Where to Find It

In connection with our proposed merger with ChampionX, the upstream energy business of Ecolab, Apergy has filed a definitive proxy statement on Schedule 14A and a registration statement on Form S-4 containing a prospectus, declared effective April 30, 2020, with the SEC and ChampionX Holding Inc. has filed a registration statement on Form S-4 and Form S-1 containing a prospectus, declared effective April 30, 2020. Investors and securityholders are urged to read the registration statements/prospectuses and definitive proxy statement as well as any other relevant documents when they become available, because they contain or will contain important information about Apergy, ChampionX, Ecolab and the proposed transactions. The registration statements/prospectuses and definitive proxy statement and other documents can also be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). The registration statements/prospectuses and definitive proxy statement and other documents (when they are available) can also be obtained free of charge from Ecolab upon written request to Ecolab Inc., Attn: Investor Relations, 1 Ecolab Place, St. Paul, MN 55102, or by e-mailing [investor.info@ecolab.com](mailto:investor.info@ecolab.com) or upon written request to Apergy, Investor Relations, 2445 Technology Forest Boulevard, The Woodlands, Texas 77381 or by e-mailing [david.skipper@apergy.com](mailto:david.skipper@apergy.com).

## Participants in the Solicitation

This communication is not a solicitation of a proxy from any security holder of Apergy. However, Apergy, Ecolab and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from shareholders of Apergy in connection with the proposed transaction under the rules of the SEC. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of Apergy in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in Apergy's definitive proxy statement relating to the proposed transaction filed with the SEC on April 29, 2020. Information about the directors and executive officers of Ecolab may be found in its Annual Report on Form 10-K filed with the SEC on February 28, 2020, and its definitive proxy statement relating to its 2020 Annual Meeting of Shareholders filed with the SEC on March 20, 2020. Information about the directors and executive officers of Apergy may be found in its Annual Report on Form 10-K filed with the SEC on March 2, 2020, and its definitive proxy statement relating to its 2020 Annual Meeting of Stockholders filed with the SEC on April 2, 2020.

## No Offer or Solicitation

This communication is not intended to and shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote of approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

# Today's Presenters



**Soma**  
**SOMASUNDARAM**

President & Chief  
Executive Officer



**Jay**  
**NUTT**

Senior Vice President &  
Chief Financial Officer



**Deric**  
**BRYANT**

Executive Vice President &  
President of Ecolab's Upstream  
Energy Business

# Agenda

A Powerful Combination: Key Messages for Investors

Overview of Apergy and ChampionX

Apergy + ChampionX: Better Together

Synergy Opportunity Overview

Combined Company Financial Summary

Summary and Q&A

Appendix

The background features a repeating pattern of small, light teal triangles pointing upwards, arranged in a grid. A large, dark teal, irregular shape overlaps the pattern, creating a layered effect. The text is centered within the dark teal area.

**A Powerful Combination:  
Key Messages for Investors**

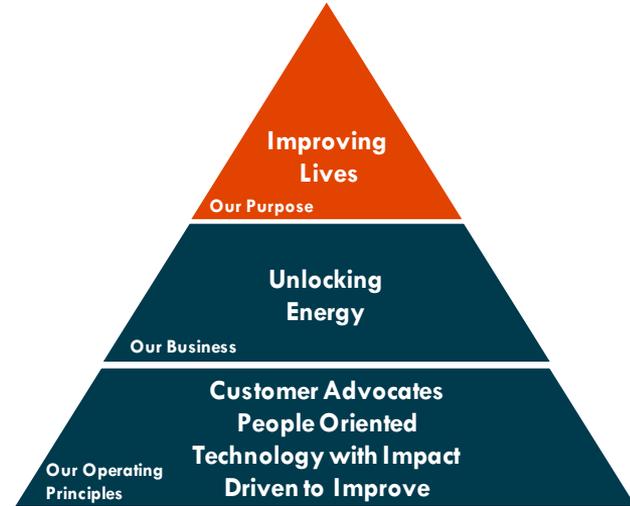
# Key Messages for Today

- Transformative and complementary combination on both strategic and financial dimensions
- As a global leader in production optimization, the combined company will be an essential player and long-term winner in a challenging oilfield environment given its production exposure and substantial recurring revenue
- Combined company has strong free cash flow and is built to withstand industry downturns
- Strengthened balance sheet with low leverage and high liquidity; strong cash flow will be used to delever going forward
- Combination uniquely well positioned to take advantage of attractive and profitable growth opportunities in the oilfield equipment and chemicals market
- Strong investment thesis to support long-term value creation for shareholders

# Introducing CHAMPIONX

- Launching a global company with a new name capturing the “best of both”
- Positioned to benefit from ChampionX’s global brand recognition
- New logo preserves the apex “A” from the Apergy logo signifying the values that are core to Apergy
- Combined company will continue using strong and recognized product-line level brands (i.e. US Synthetic, Norris, Harbison Fischer, etc.)
- Designed to maintain and strengthen Apergy’s purpose and operating principles as a new, larger and more resilient organization

## Distinctive Strategic Vision and Operating Philosophy



**United behind a  
common purpose**

**Guided by our  
shared culture and  
operating principles**

# Two Highly Complementary Businesses

## Apergy

- Leading provider of highly engineered equipment and technologies throughout the well lifecycle
- Strong financial performance through-the-cycle, solid cash generation and disciplined capital allocation
- 60+ year heritage with the most trusted brands
- Strength in North America: over 2,000 customers with a focus on U.S. mid-tier independents
- Leader in artificial lift and digital technologies with over 2,500 patents
- Relentless customer focus and culture of safety and continuous improvement

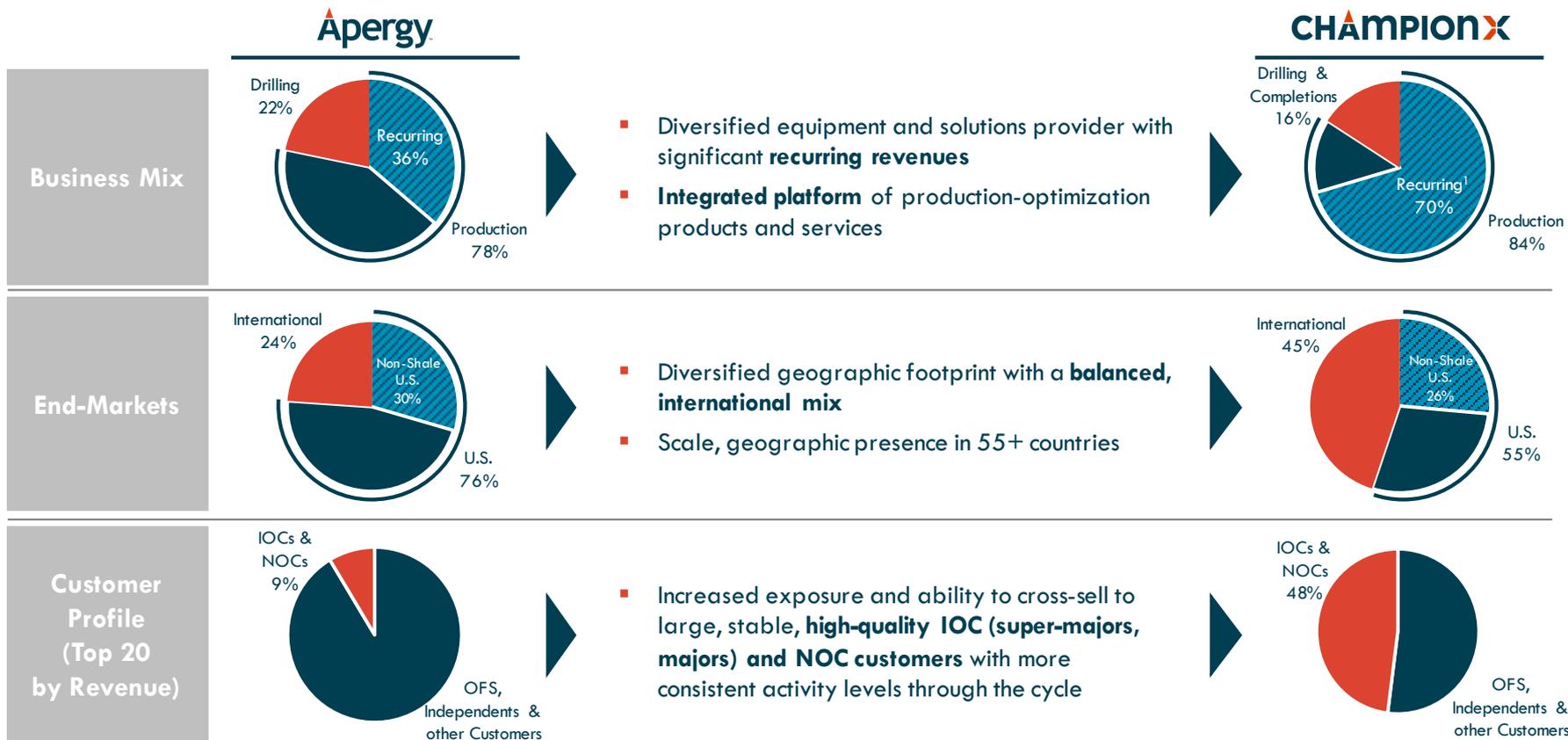
## CHAMPIONX



## ChampionX

- Global leader in onsite, technology driven, sustainable chemistry programs throughout the well lifecycle
- Strong financial performance through-the-cycle, solid cash generation, low capital intensity and high recurring revenue
- 90+ year heritage through Nalco and Champion
- Global strength: Intimate relationships with IOCs, NOCs and largest, blue chip E&P operators
- Leader in innovative production chemistries with over 1,700 patents
- Uncompromising focus on safety, customers and innovation

# Combination is a Transformative Merger



# Prepared for Severe Downturn Scenarios

## Combined Company Performance During Previous Trough (2016A) (before synergies)

Revenue	\$2,936
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Adjusted EBITDA <sup>1</sup> (before synergies)	\$400
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% Adj. EBITDA Margin	14%
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Adj. Free Cash Flow <sup>2</sup>	\$242
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Adj. FCF % of EBITDA	61%
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Adj. FCF % of Revenue	8%
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## Considerations For a Severe Downturn Scenario

- **Topline:** Business more *production-focused today* which should help reduce level of revenue decline
- **Profitability:** Historical decremental EBITDA margin ~34% (peak to trough) prior to synergies
  - Decremental margins vary quarter to quarter
- **Cash Generation:** Expect to be *cash flow positive* through the downturn
  - Prior to \$75 million high confidence expected *synergies* which *represent upside*
  - *FCF benefits from release of working capital and cost out actions*

Note: Dollars in millions.

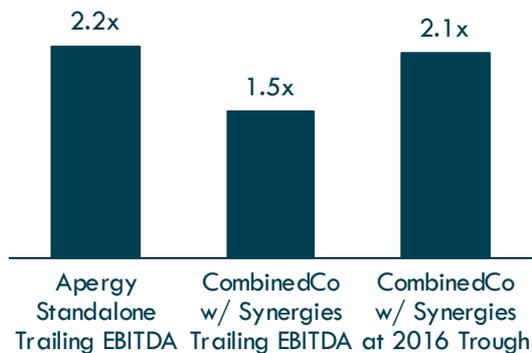
<sup>1</sup> Includes \$33mm standalone costs for ChampionX.

<sup>2</sup> Free Cash Flow defined as cash flow from operations less capital expenditures. ChampionX figures presented on a standalone adjusted basis and includes interest expense assuming \$537mm of new Term Loan debt. Apergy FCF includes illustrative after-tax interest expense based on 2019A.

# Stronger Balance Sheet With Lower Leverage and Enhanced Liquidity

## Lower Net Leverage

Net Debt / Adj. EBITDA



- Total leverage and interest coverage covenants apply to Revolver only

## Higher Liquidity

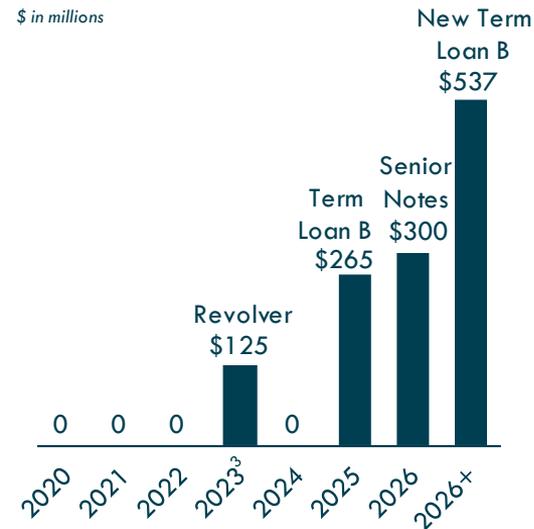
\$ in millions



- Upsized Revolver to \$400mm at closing

## No Near-Term Maturities

\$ in millions



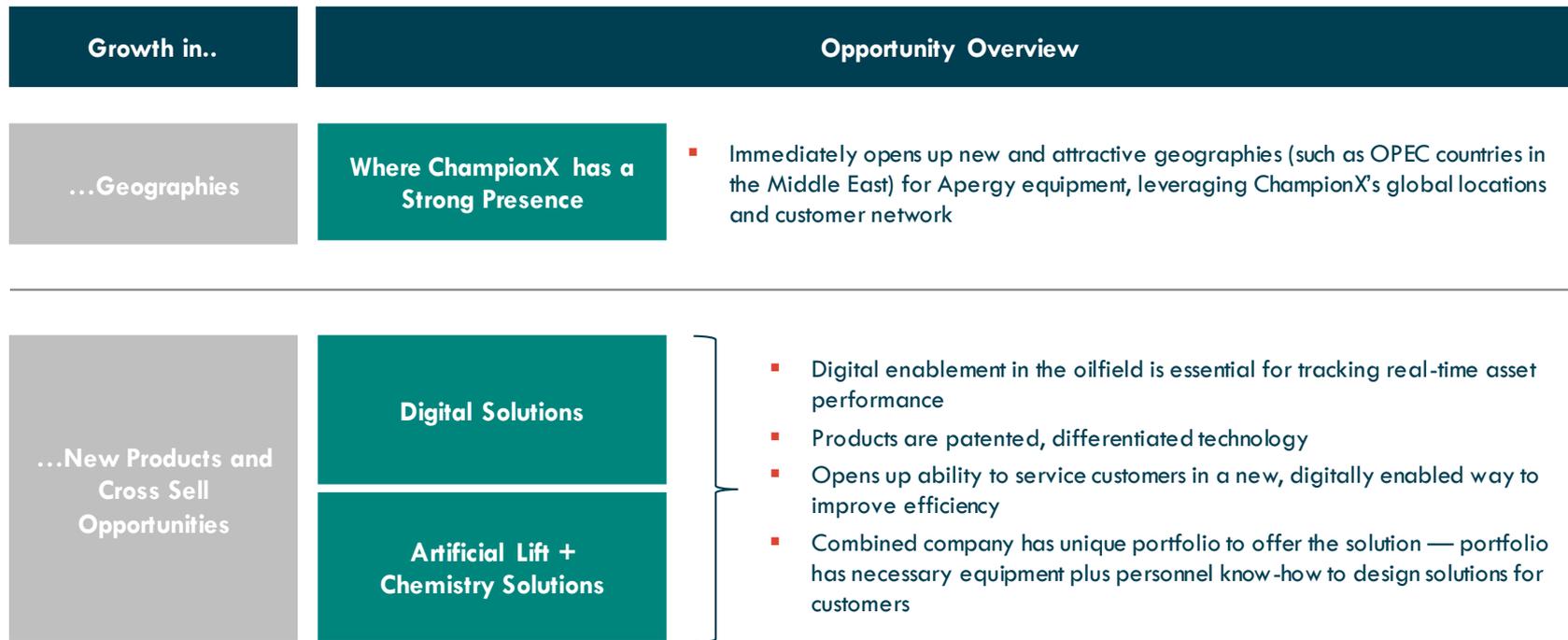
- Average 2016 – 2019 combined FCF ~\$230mm (prior to synergies)

<sup>1</sup>Apergy cash and equivalents balance of \$179mm as of 4/30/20. ChampionX expected cash balance of \$45mm at close.

<sup>2</sup>Revolving credit facility upside expected to \$400mm, less \$125mm draw and estimated outstanding LCs for Apergy and ChampionX.

<sup>3</sup>Upsized Revolver of \$400mm matures in May 2023.

# Combined Company has Tangible Growth Opportunities Even in a Challenging Market



# Both Short and Long-Term Trends Favor the Combined Company

## Combined Company Positioning

### Shorter / Medium Term Trends

Uncertain E&P capex environment

Customers reducing non-essential expenditures

- ✓ **Increases focus on production (84% of combined revenues)** which has historically been more resilient through a downturn than drilling & completion activity
- ✓ Provider of **differentiated, proprietary, and critical** equipment and consumable chemicals that are **essential spend in customers' operating budgets** to maximize production and cash flows

### Longer Term Trends

World's energy demand expected to grow

ESG as a differentiator

- ✓ **Global footprint and relationships with leading IOCs and NOCs** to meet the estimated **~100mbpd+ oil production needs** and the expected **increase in demand with GDP/population growth** over time
- ✓ Significant opportunity to **leverage existing and new technologies** to **help customers extract and produce oil with lower carbon footprint and less water usage**

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# Apergy Overview

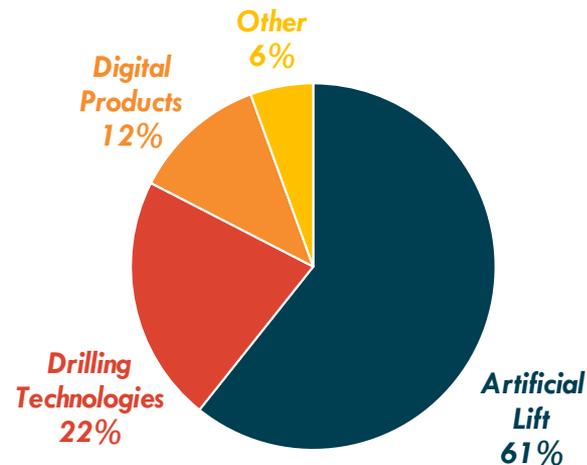
# Apergy at a Glance



Production-focused equipment and digital technology provider to the upstream O&G industry

- Broad artificial lift portfolio, “fit-for-purpose” digital solutions and differentiated drilling technologies business
- Customer-centric business model with focus on U.S. mid-tier independents within diverse customer base
- Multiple growth opportunities across the business
- Strong through-cycle revenue and adjusted EBITDA performance

2019 Revenue: ~80% Production Focus



100% = \$1.1 billion

## Key Differentiating Factors

### Comprehensive Artificial Lift Product Offerings

Only provider of all 6 major forms of Artificial Lift solutions

### Trusted and Differentiated Drilling Productivity Equipment Provider

95%+ of drill bit inserts are customized to meet exact specifications

### High Growth Digital IoT Platform Across Well Lifecycle

Full suite of production optimization, downhole monitoring and asset integrity management technology

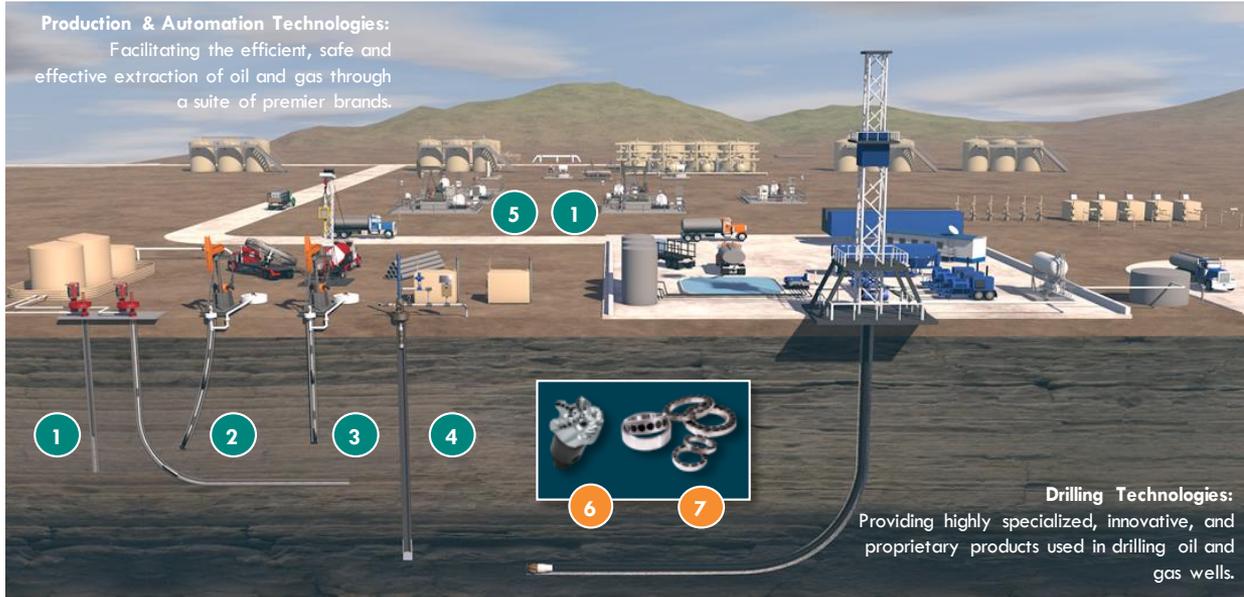
### Large and Dedicated Sales and Service Network

~90% of operating wells in key unconventional oil-rich basins within 2 miles of a service center

# Active Across the Wellsite



**Production & Automation Technologies:**  
Facilitating the efficient, safe and effective extraction of oil and gas through a suite of premier brands.



**Drilling Technologies:**  
Providing highly specialized, innovative, and proprietary products used in drilling oil and gas wells.



## ARTIFICIAL LIFT

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

## DRILLING TECHNOLOGIES

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

## DIGITAL

- 8. IIoT Enabled Technologies
- 9. Optimization Software
- 10. Remote Monitoring

# Leads Oilfield Products Segment in Customer Satisfaction



#1 Total Satisfaction



#1 Digital Oilfield



#1 Artificial Lift



#1 Horizontal & Directional Wells



#1 Onshore Applications



#1 Shale-oriented Applications



#1 Performance & Reliability



#1 Engineering & Design



#1 High Pressure High Temperature Applications

Results based on independent survey of more than 1,700 qualified respondents

The background features a repeating pattern of small, light teal triangles pointing upwards, arranged in a grid. A large, dark teal, irregular shape is overlaid on the right side of the image, creating a layered effect.

# ChampionX Overview

# ChampionX at a Glance

**Global leader in onsite, technology-driven, sustainable chemistry programs and services**

- Consumable, proprietary chemical solutions that enhance well production and maximize cash flow over the multi-decade life cycle
- Focused on production activity, paid out of customers' opex and influenced by lifting cost economics
- Partner to customers: on-site expertise, long-term, "sticky" customer relationships and recurring revenues
- ~20% of global revenue exposed to U.S. shale

## Key Differentiating Factors

### Leading Global Supply Chain Capability

55+ countries

30 global manufacturing facilities

### Innovation Powerhouse Delivering Proprietary Offerings

1,700 owned and licensed patents

400+ scientists and technologists

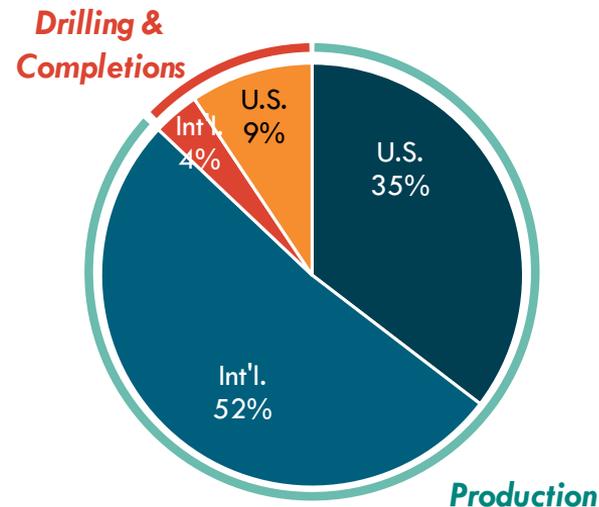
### Leading Position in Global Oilfield Chemicals Market

#1 market share in global production chemicals

### Highly Trained Experts Ensuring Strong Customer Satisfaction

#1 in customer satisfaction survey in production chemicals category<sup>1</sup>

2019 Revenue: 85%+ Production Focus



100% = \$2.3 billion

# Focus on Production Optimization Solutions Across the Well Lifecycle



- **Production Maximization** – Solutions for emulsions, foaming, viscosity reduction
- **Asset Integrity** – Solutions for corrosion, microbial control, hydrogen sulfide control
- **Flow Assurance** – Solutions for scale, hydrates, asphaltene and paraffin control
- **Water Management** – Solutions for water clarification and treatment

~87%<sup>1</sup> Production  
Opex Driven



- **Drilling and completion**
- **Acidizing**
- **Cementing**
- **Hydraulic fracturing**

~13%<sup>1</sup> D&C  
Capex Driven

# Highly Innovative, Proprietary Offering with Compelling Value Proposition

## Innovation Powerhouse Drives Ongoing Value Creation for Customers

- Develop cutting edge chemical and technology applications
- Supported by digital platforms that grow, optimize and protect customer assets

Revenue Driven by Products Developed in the Last 5 Years

~34%



Based on 2019 revenue of \$2.3bn

More Than 1,700 Owned and Licensed Patents and 400+ Scientists & Technologists

## Highly Trained Technical Experts Applying Our Differentiated Technology

- **Local deployment** of sales and service personnel on customer sites
- **Ongoing management** of chemical programs in our customers' unique and dynamic systems
- **Technical capabilities** across reservoir, production and midstream applications
- **Expertise in specialty solutions** for harder-to-reach, harder-to-treat energy sources

3,800 Sales, Service and Supply Chain Personnel; #1 in Customer Satisfaction in Production Chemicals Category <sup>1</sup>

# Diversified, Blue-Chip Customer Base

Long-standing relationships with highest quality global customers

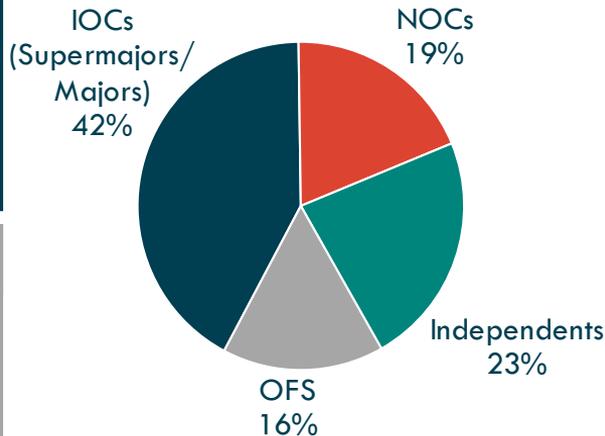
## IOCs (Supermajors/Majors)



## Oilfield Service



Top 20 Customers by Revenue =  
57% of 2019 Revenue



## NOCs



## Independents



Note: Customer logos represent select customers from each category corresponding to the pie chart. Customer logos are not representative of the top 20 customers and are shown for illustrative purposes.

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**Apergy + ChampionX:  
Better Together**

# Apergy + ChampionX: A Compelling Combination



# 1 Differentiated Portfolio of Complementary Products and Services with Well-Known Brands...

## Best in Class Products & Customer Service

**Apergy**

- Diamond Drill Bit Inserts
- Electric Submersible Pumps (ESP)
- Hydraulic & Gas Lift
- Rod Lift
- Digital Products and Solutions

**ChampionX**

- Production Maximization
- Asset Integrity
- Flow Assurance
- Water Management

## Iconic Brands

- Combined 160 year history of operational excellence, innovation and quality

**CHAMPIONX**

**Apergy** | ESP Systems

**HARBISON-FISCHER**

**NORRIS**

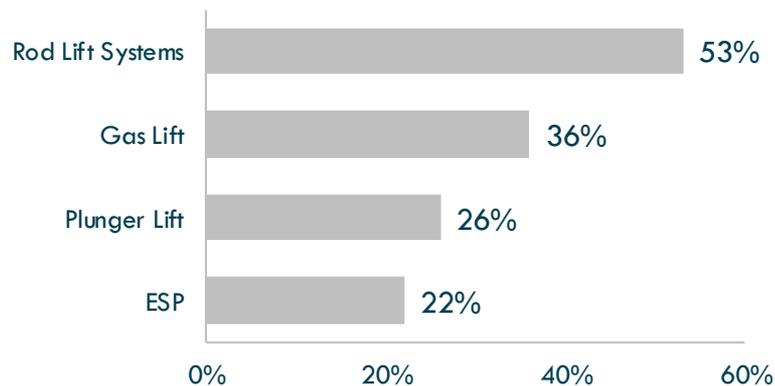
**PCS Ferguson**

**USSynthetic**

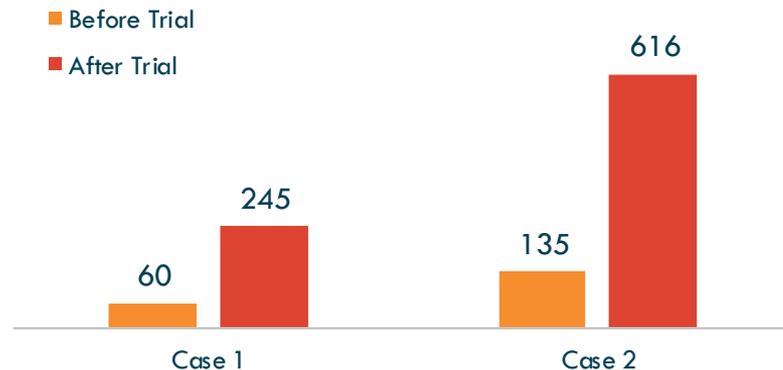
# 1 ...Across Artificial Lift & Production Chemicals on a Single Platform to Enhance Customer Productivity

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>

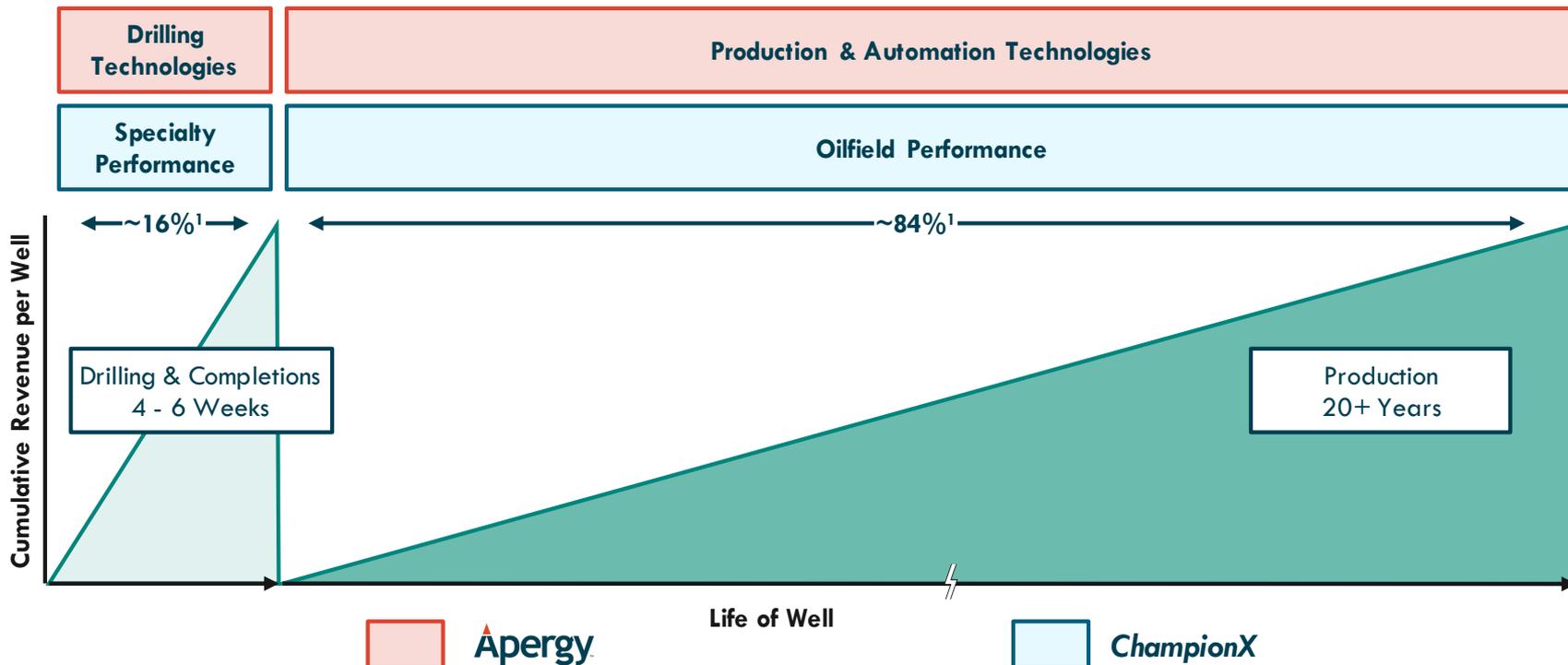


Case Study Results: Combining Rod Lift with Production Chemicals<sup>2</sup>  
(Rod pump lifetime in days)



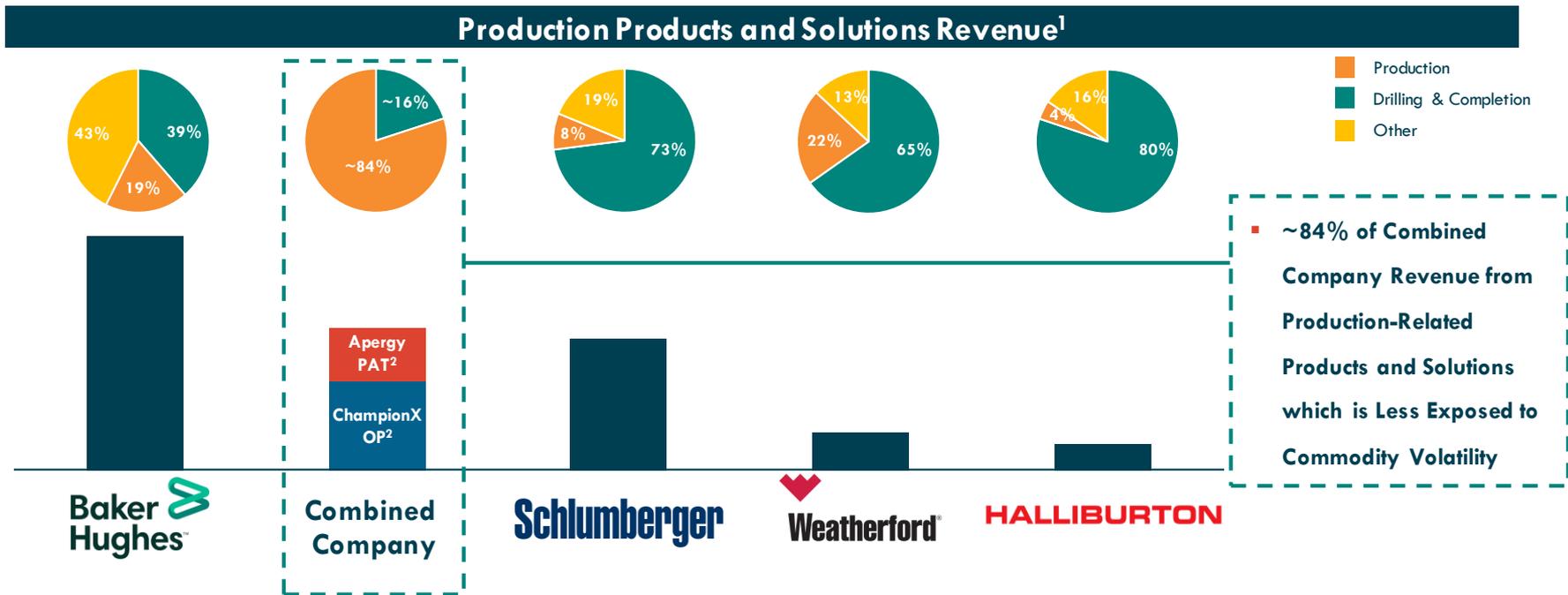
The Combined Company Will Have the Ability to Provide the Best Artificial Lift, Production Chemicals and Digital Solutions for Customers

## 2 High Exposure to Production Opex Supports More Stable, Recurring Revenue Through-The-Cycle



<sup>1</sup> Represents % of combined revenue for Full Year 2019.

## 2 Largest Pure-Play Production-Focused Portfolio



Large, Growing and Relatively Stable, Recurring Revenue Base

2

## Bringing Together Apergy's Leading Diversified Portfolio of Artificial Lift...

- Only provider of all six major forms of artificial lift solutions
- Product offering positioned to meet customer needs across the life cycle of the well

	Rod Lift	ESP	PCP	Gas	Plunger	Hydraulic	Production Optimization
<b>Apergy</b>							
<i>Competitor A</i>							
<i>Competitor B</i>							
<i>Competitor C</i>							
<i>Competitor D</i>							
<i>Competitor E</i>							

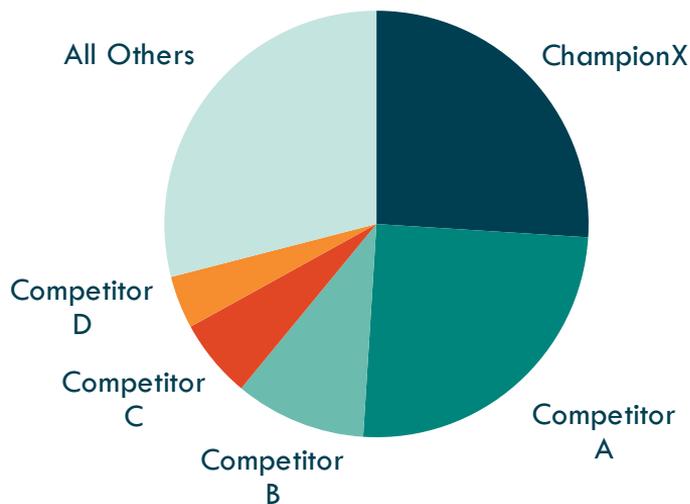
Source: Management estimates.

Note: Harvey balls represent position in market, ranging from no presence (open circle) to strongest possible position (full circle). Partnership & alliance excluded.

2

# ...With ChampionX's Leading Position in the Global Oilfield Chemicals Segment

## Estimated Global Production Chemicals Market Share



ChampionX benefits from market leadership 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

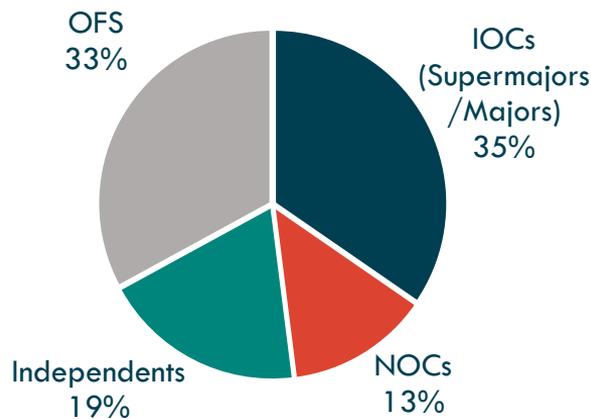
3

## Combined Customer Base Concentrated with Largest, Most Stable Players Globally

- Long-standing relationships with diverse, blue-chip customers
- Increases weighting towards high-quality customers, such as IOCs (supermajors and majors), NOCs, and large independents
- Combination results in significant cross-selling opportunities to combined customer base
- Customer-centric focus core to both companies exhibited by “best in class” net promoter scores

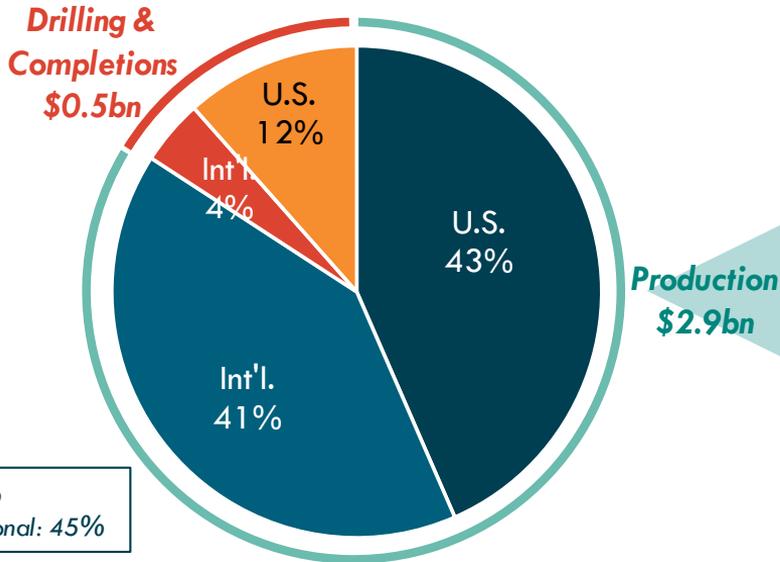
### 2019 Top 20 Customers by Combined Revenue

*Top 20 Customers = 47% of 2019 Revenue*



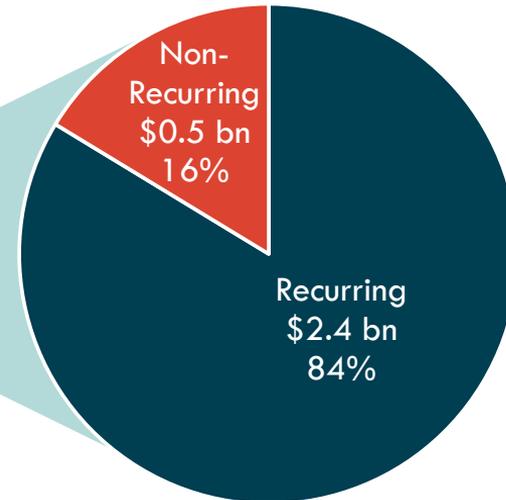
# 4 Global Presence with Balanced Portfolio Across Regions and High Recurring Revenue

Revenue by Geography



100% =  
\$3.5bn Combined Company Revenue

High Recurring Production Revenue<sup>1</sup>



100% =  
\$2.9bn of Production-Focused Revenue

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

## Chemical Solutions

### Fluid and Chemical Injection Optimization

- Controlled dosing of chemicals for well optimization and performance
- Scalable dosing solution for different lift types
- Optimal gas injection software for higher yield

## Artificial Lift & Drilling

### Production Surveillance and Monitoring

- Continuous reservoir monitoring
- Smart edge devices for the well site
- Field level optimization algorithms
- Remote monitoring and control

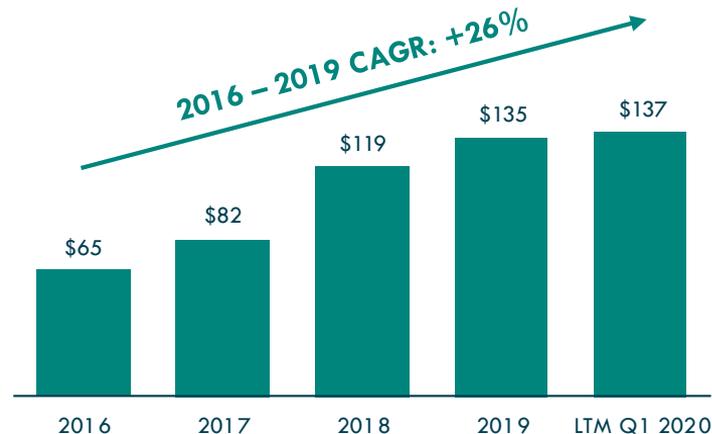
## Asset Integrity Management

### Predictive Failure Analysis of Production Equipment

- Services to periodically review well performance
- Continuous equipment health monitoring through AI models
- AI models deployed in the cloud for prescriptive insights

## Apergy's Strong Track Record of Digital Revenue Growth

\$ in millions



# Platform to Accelerate Digital Adoption in the Oilfield: Chemical Skids Case Study

## Chemical Skids Market Today: Underserved Customer Needs

- Loss production problems due to equipment failures
- Low visibility on true pump operation
- No chemical usage transparency
- Need to connect stranded data real-time
- High, overall operational cost

**\$300+ million Market Today**

## Chemical Skids Market Tomorrow: Modular, Digitally Enabled Chemical Skids

- Low cost connectable skid with real time capabilities
- Remote operation and optimization enabled
- Modular and scalable

Total Skid

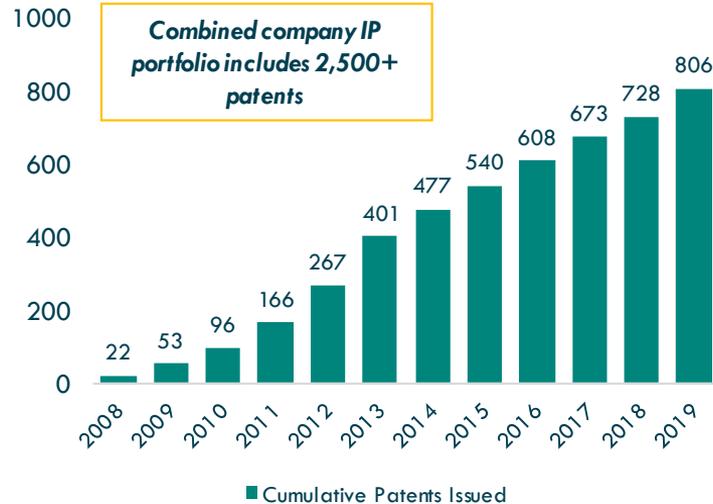


Digital Enablement



# Strong R&D Capabilities and “Best-in-Industry” Technology and Engineering Talent

## Apergy Patent Portfolio <sup>1</sup>



Revenue from new products introduced within last 3 years: 54%

## ChampionX Innovation Focus

Innovation powerhouse drives ongoing value-creation for customers

- Developing cutting-edge chemical and technology applications to minimize risks in production and protect integrity of customer assets
- More than 1,700 global patents
- 400+ scientists and technologists
- \$42mm R&D spend in 2019 (~2% of sales)

Revenue from new products introduced within last 5 years: 34%

<sup>1</sup> Represents patents for Drilling Technologies only.

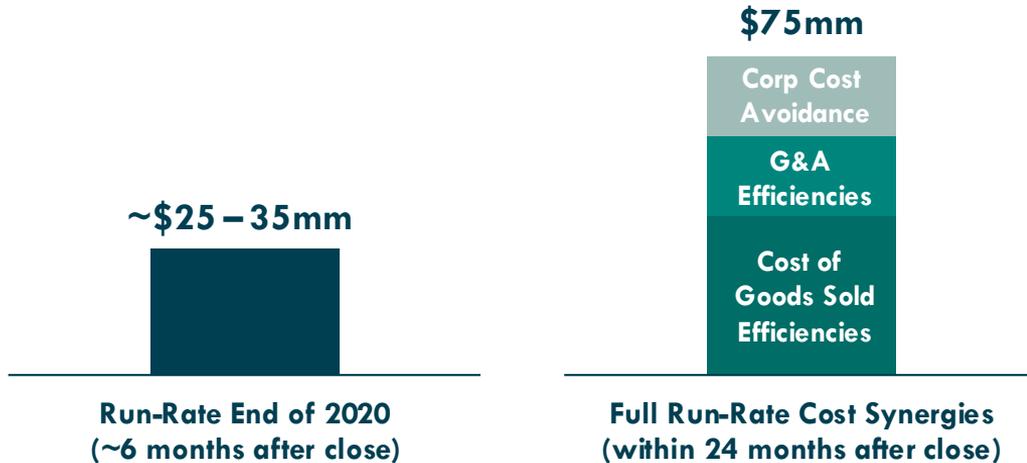


# **Synergy Opportunity Overview**

# Compelling Value Creation Through Synergies

## Run-rate Cost Synergy Estimate

*High confidence in achievable expected synergies*



## Status Update

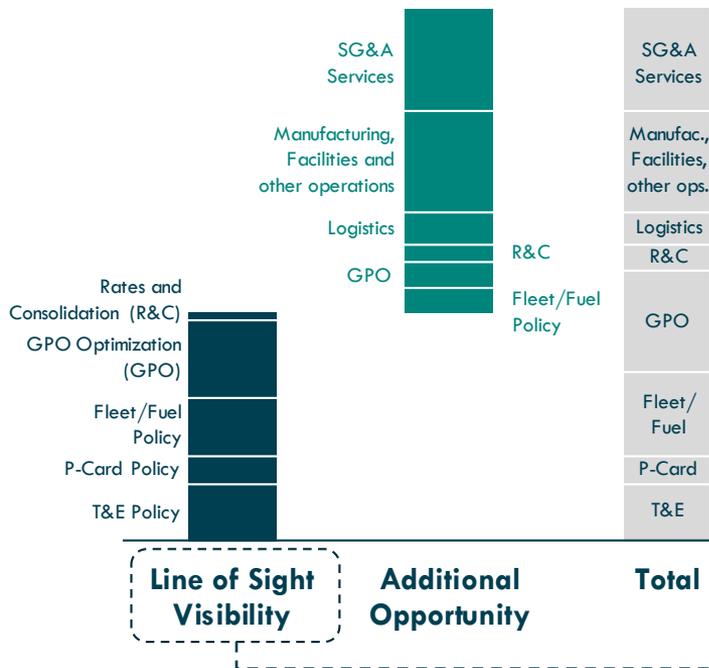
- ✓ \$75mm in expected cost synergies
- ✓ Planning on track for realization
- ✓ Will reach ~\$25-35mm run-rate expected cost synergies by end of 2020
- ✓ Plus incremental sales growth opportunities

# Cost Synergy Planning Progress on Track

Cost Synergy Areas of Focus		Value Tracking Progress				Status
		Opportunity Estimated	"Line of Sight" Visibility	Action Plan In Place	P&L Impact	
Corp Cost Avoidance	Duplicative Direct and Indirect Costs	[Progress bar: 100%]				<ul style="list-style-type: none"> <li>Immediate P&amp;L impact starting Day 1</li> </ul>
COGS Efficiencies	Procurement Savings (Indirect Costs)	[Progress bar: 80%]				<ul style="list-style-type: none"> <li>Action plans in place to impact P&amp;L starting Day 1</li> </ul>
	Supply Chain and Production Optimization	[Progress bar: 60%]				<ul style="list-style-type: none"> <li>Clear line of sight for first set of initiatives. More in pipeline</li> </ul>
	Facility Consolidation	[Progress bar: 50%]				<ul style="list-style-type: none"> <li>Validation in progress</li> </ul>
G&A Efficiencies	Function specific cost reduction (indirects)	[Progress bar: 80%]				<ul style="list-style-type: none"> <li>Clear line of sight for first set of initiatives. More in pipeline</li> </ul>
	Organization Optimization	[Progress bar: 60%]				<ul style="list-style-type: none"> <li>Sized opportunity using benchmarks. Designing optimal functional organization</li> </ul>

# Example: Indirect Savings Opportunity

## Indirect Savings Initiatives Summary



## Update on “Line of Sight” Identified Initiatives

Savings Lever	Realization Timing	Implementation Status
<b>Rates and Consolidation</b>	Q4 2020 onwards	Identified MRO and office supplies consolidation opportunities
<b>GPO Optimization</b>	Q3 2020 – Q2 2021	In progress; planning expected to be finalized prior to Day 1
<b>Fleet/Fuel Policy</b>	Q3 2020 onwards	Policy recommendations finalized
<b>P-Card Policy</b>	Q4 2020	Policy recommendations finalized
<b>T&amp;E Policy</b>	Q3 2020	Policy recommendations finalized

# Tangible Revenue Growth Opportunities Identified

Objective	Strategy	Example Markets / Products	Market Opportunity
<p><b>1</b></p> <p><i>International Artificial Lift Expansion</i></p> 	<ul style="list-style-type: none"> <li>Leverage ChampionX's strong international presence and IOC / NOC relationships to deliver Artificial Lift solutions to global producers</li> </ul>	<ul style="list-style-type: none"> <li>Prioritized 7 countries in for targeted expansion in select SE Asia, Middle East, and Latin American markets</li> </ul>	<p><i>Estimated Artificial Lift Market Size in 7 Prioritized Countries:</i></p> <p><b>~\$1.5bn</b></p> <p><i>Limited to no lift presence today in targeted countries; substantial upside</i></p>
<p><b>2</b></p> <p><i>Digital Uplift</i></p> 	<ul style="list-style-type: none"> <li>Leverage Apergy's digital leadership position to drive value for ChampionX's customers</li> <li>Develop joint digital offerings for production equipment and chemical solutions</li> </ul>	<ul style="list-style-type: none"> <li>Targeted product development:               <ul style="list-style-type: none"> <li>Modular digitally-enabled chemical injection skid</li> <li>Digital H<sub>2</sub>S mitigation skid</li> <li>Integrated Artificial Lift and Chemical digital solutions</li> </ul> </li> </ul>	<p><i>Estimated NAM Market Size for Targeted Digital Solutions:</i></p> <p><b>~\$0.7bn</b></p> <p><i>New penetration opportunity; 100% upside</i></p>
<p><b>3</b></p> <p><i>North America Joint Sell Uplift</i></p> 	<ul style="list-style-type: none"> <li>Deliver joint production optimization solutions to lower customer operating expenses</li> <li>Targeted approach to specific customer segments which value joint sell</li> </ul>	<ul style="list-style-type: none"> <li>Select NAM Production Chemicals and Artificial Lift markets</li> </ul>	<p><i>Estimated NAM Artificial Lift and Production Chemicals Market Size:</i></p> <p><b>~\$8-\$9bn</b></p> <p><i>~20% share today; significant opportunity</i></p>

# Example: International Artificial Lift Expansion

	Market Size (\$mm) <sup>1</sup>	“Right to Win” Rationale
<b>Share Expansion Opportunities</b>	Country 1  \$350	▪ ChampionX relationships with key accounts and enhanced service footprint
	Country 2  \$300	▪ Value-add well design; local content and service footprint
	Country 3  \$250	▪ Strong ChampionX relationships and service footprint
	Country 4  \$110	▪ Combined brand recognition & existing footprint/ customer relationships
<b>New Market Entry Opportunities</b>	Country 5  \$250	▪ ChampionX customer relationships and service footprint
	Country 6  \$125	▪ Differentiated lift product and local content / service footprint
	Country 7  \$75	▪ ChampionX customer relationships & value-add lift design
<b>Total: ~\$1.5bn</b>		<b>Incremental Share Capture Potential: 10 – 15% over 3-5 years</b>



# Combined Financial Summary

# Attractive Combined Company Financial Profile

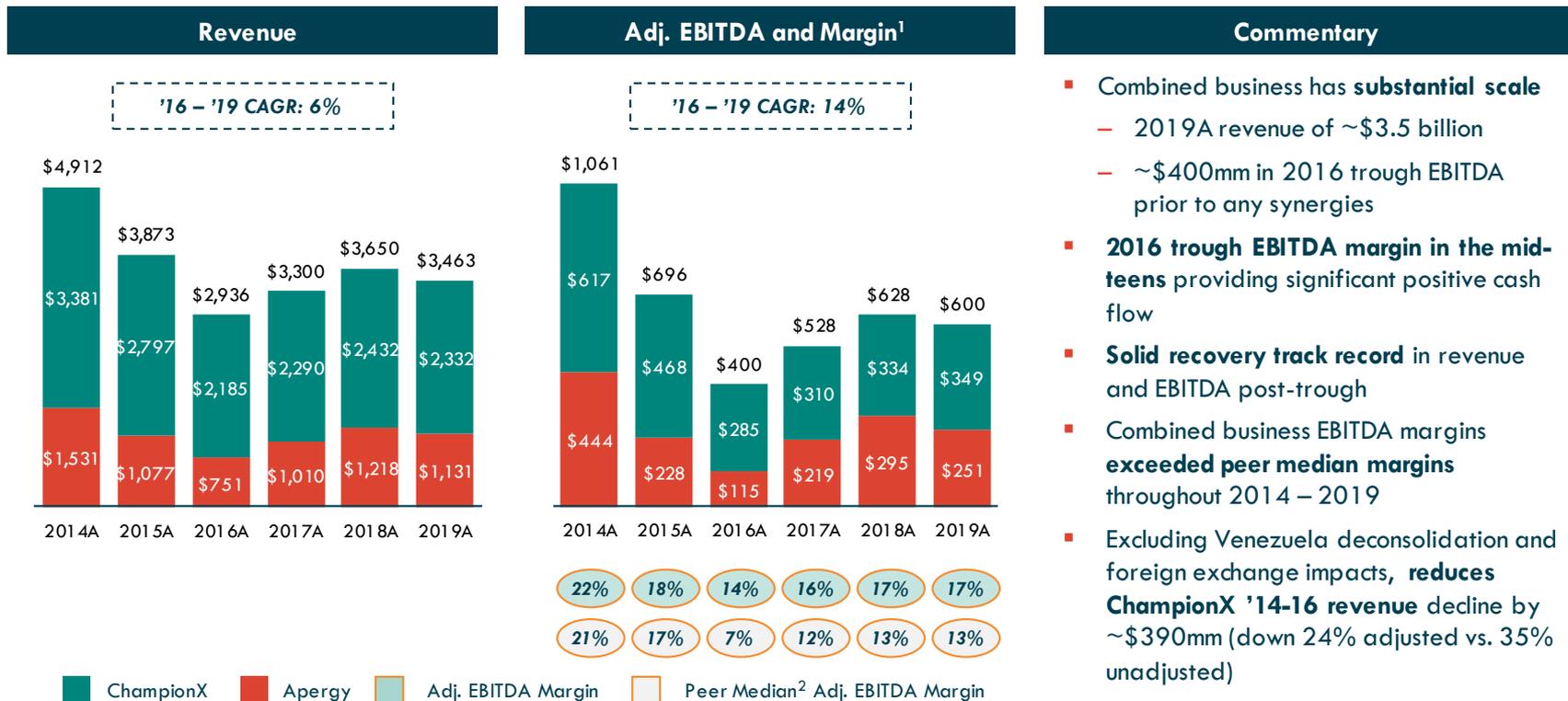
	Apergy	ChampionX	Combined Company
<b>2019A Revenue</b>	\$1.1bn	\$2.3bn	\$3.5bn
<b>2019A Adj. Gross Profit</b> <i>2019A Adj. Gross Margin</i>	\$377mm ~33%	\$650mm ~28%	\$1,028mm ~30%
<b>2019A Adj. EBITDA</b> <i>2019A Adj. EBITDA Margin</i>	\$251mm ~22%	\$349mm <sup>1</sup> ~15%	\$675mm <sup>2</sup> (With Synergies) \$600mm (Without Synergies)  ~19% <sup>2</sup> (With Synergies) ~17% (Without Synergies)
<b>2019A Free Cash Flow<sup>3</sup></b> <i>2019A FCF Conversion</i>	\$116mm ~46%	\$246mm <sup>1</sup> ~71%	\$362mm ~60% (Without Synergies)

<sup>1</sup> ChampionX adjusted EBITDA and Free Cash Flow figures presented on a standalone basis. FCF includes interest expense assuming \$537mm of new Term Loan debt.

<sup>2</sup> Includes ~\$75m of expected potential run-rate cost synergies.

<sup>3</sup> Free Cash Flow defined as cash flow from operations less capital expenditures. Free Cash Flow Conversion ratio defined as Free Cash Flow / Adjusted EBITDA.

# Historical Combined Company Financial Performance



■ ChampionX   
 ■ Apergy   
 ■ Adj. EBITDA Margin   
 ■ Peer Median<sup>2</sup> Adj. EBITDA Margin

Note: Dollars in millions. Does not include synergies.

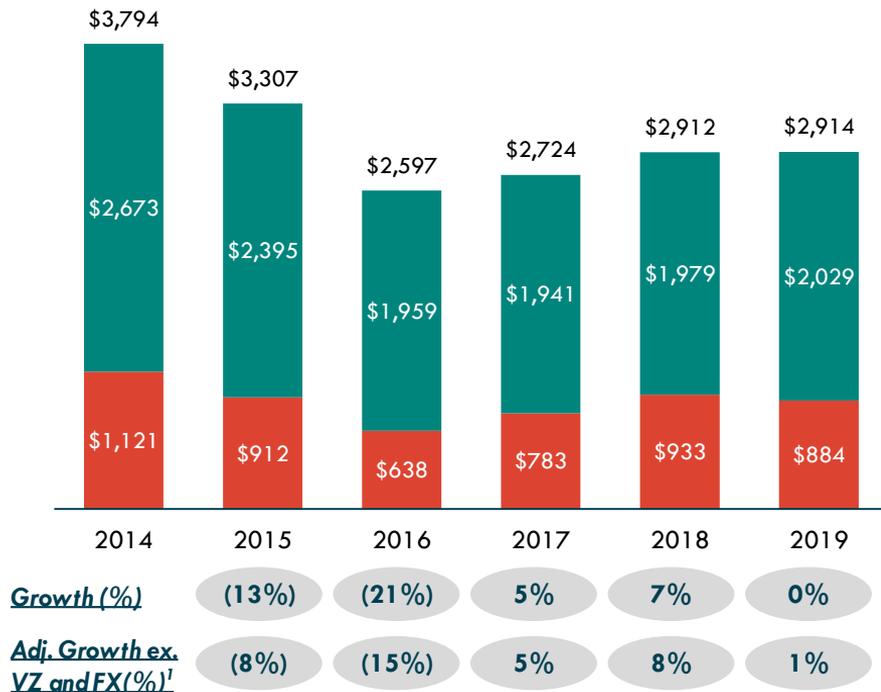
<sup>1</sup> ChampionX figures presented on a standalone basis assuming \$33mm of standalone costs in each year.

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

# Historical Segment Performance

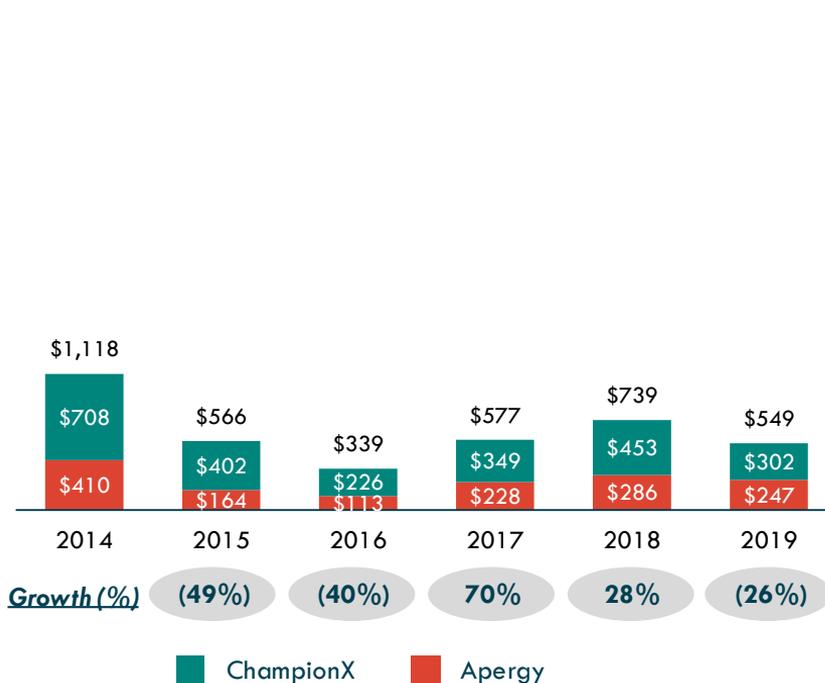
## Combined Company Production Focused Revenue

Production and Automation Technologies (Apergy) &  
Oilfield Performance (ChampionX) Segments



## Combined Company Drilling / Completion Revenue

Drilling Technologies (Apergy) &  
Specialty Performance (ChampionX) Segments



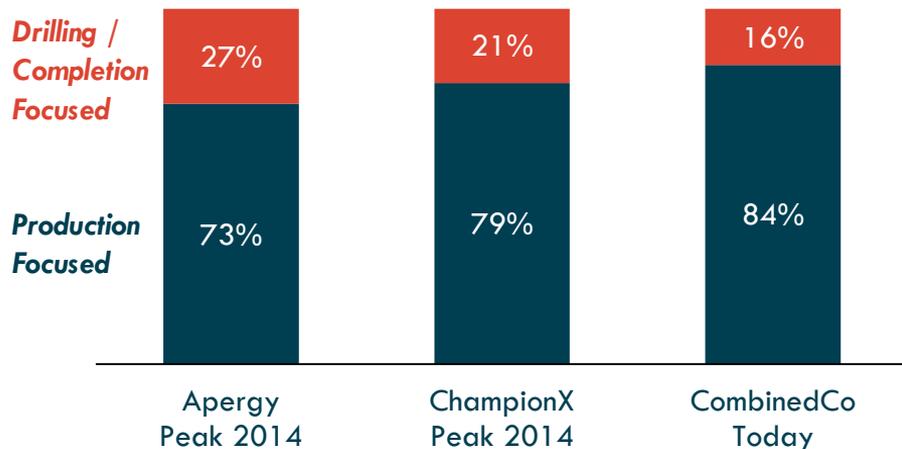
Note: Dollars in millions.

<sup>1</sup> Production focused revenues for ChampionX 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.

# Business Mix More Resilient Today

- 84% of Combined Company revenue today is from production
  - Higher than either Apergy or ChampionX during 2014 peak
- Production focused segments performed significantly better than drilling / completion focused segments from 2014 peak to 2016 trough

## Revenue Mix - Historical Versus Today



## Peak to Trough $\Delta$ in Financials ('14-'16)

	$\Delta$ in Revenue		
	Apergy	ChampionX	Combined
Drilling / Completion Focused Segments	(72%)	(68%)	(70%)
Production Focused Segments	(43%)	(27%)	(32%)

# Q1 2020 Performance Update

## Financial Performance Summary

	Revenue	% Sequential Growth
Apergy	\$261	5.5%
ChampionX	\$559	(2.9%)
<b>Total</b>	<b>\$821</b>	<b>(0.4%)</b>

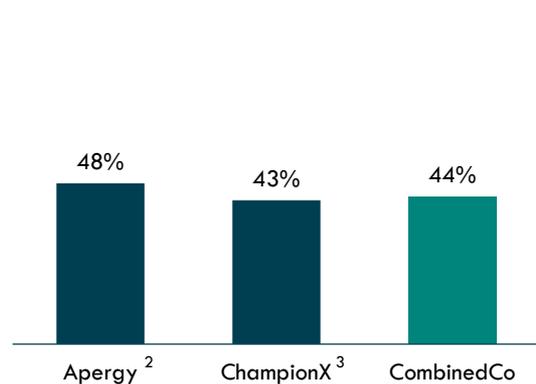
	Adj. EBITDA	% Margin
Apergy	\$53	20.4%
ChampionX <sup>(1)</sup>	\$85	15.1%
<b>Total</b>	<b>\$138</b>	<b>16.8%</b>

## Commentary

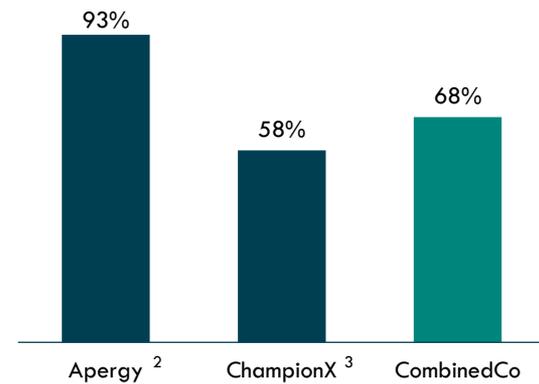
- **Solid start to the year** despite impact of COVID-19 and OPEC+ actions
  - Both companies met expectations
- **Taking actions** to reflect demand environment
  - Cost reduction – \$85 million announced to date for Apergy
  - Capex at maintenance levels only – \$30 million (including leased assets investment) in 2020 for Apergy
  - Cost and capex actions also taken at ChampionX
- Monitoring market developments; **prepared to take additional actions** to meet demand environment

# Strong Through-Cycle Free Cash Flow Generation and Low Capital Intensity

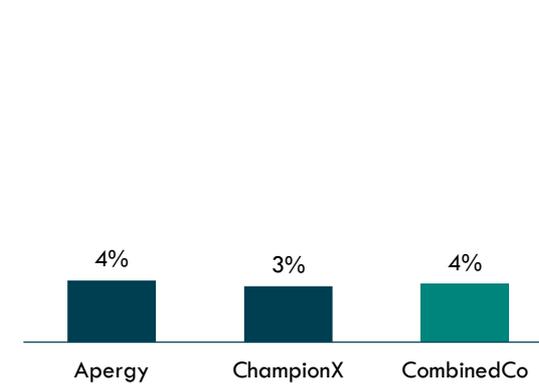
**FCF Conversion<sup>1</sup>**  
(2016–2019 Average)



**Trough (2016)**  
**FCF Conversion<sup>1</sup>**



**Capex as a % of Revenue**  
(2016–2019 Average)



Note: Dollars in millions. Analysis does not include synergies.

<sup>1</sup> Free Cash Flow Conversion defined as cash flow from operations less capital expenditures divided by Adj. EBITDA.

<sup>2</sup> Apergy presented on an as reported basis.

<sup>3</sup> ChampionX figures presented on a standalone adjusted basis and includes illustrative interest expense on \$537mm of new Term Loan debt.

# Delevering Transaction Enhances Credit Metrics

Net Debt		Net Debt / Adjusted EBITDA					
		Q1'20 Trailing EBITDA			2016 Trough EBITDA		
ChampionX	\$492	Net Debt	\$515	\$1,007 <sup>1</sup>	\$1,007 <sup>1</sup>	\$515	\$1,007 <sup>1</sup>
Apergy	515					4.5x	
Combined	\$1,007 <sup>1</sup>		2.2x	1.7x	1.5x		2.1x
			Apergy Standalone	Combined APY+ ChampionX	Combined APY+ ChampionX w/ Synergies	Apergy Standalone	Combined APY+ ChampionX w/ Synergies
		Reference EBITDA (in millions)					
		Apergy	\$235	\$235	\$235	\$115	\$115
		ChampionX		357 <sup>2</sup>	357 <sup>2</sup>		285 <sup>3</sup>
		Synergies			75		75
		Total		\$592	\$667		\$475

Note: Dollars in millions.

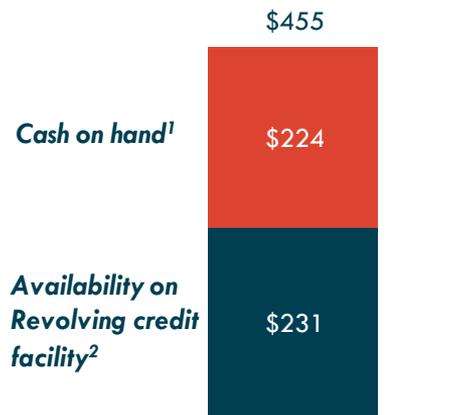
<sup>1</sup>Based on Apergy net debt as of 4/30/20 and ChampionX expected net debt of \$492mm at close.

<sup>2</sup>Represents ChampionX LTM Q1'20 EBITDA of \$390mm on a carve-out adjusted basis less \$33mm estimated standalone costs.

<sup>3</sup>Represents ChampionX 2016 EBITDA of \$318mm on a carve-out adjusted basis less \$33mm estimated standalone costs.

# Transaction Strengthens Liquidity; No Near-Term Maturities

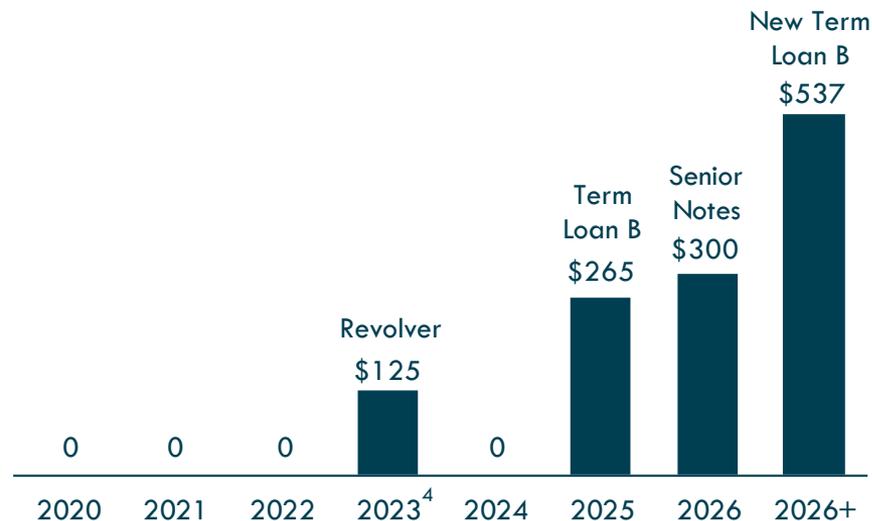
## Liquidity



## FCF Generation<sup>3</sup>



## Combined Company Debt Maturity Schedule



Note: Dollars in millions.

<sup>1</sup>Apergy cash and equivalents balance of \$179mm as of 4/30/20. ChampionX expected cash balance of \$45mm at close.

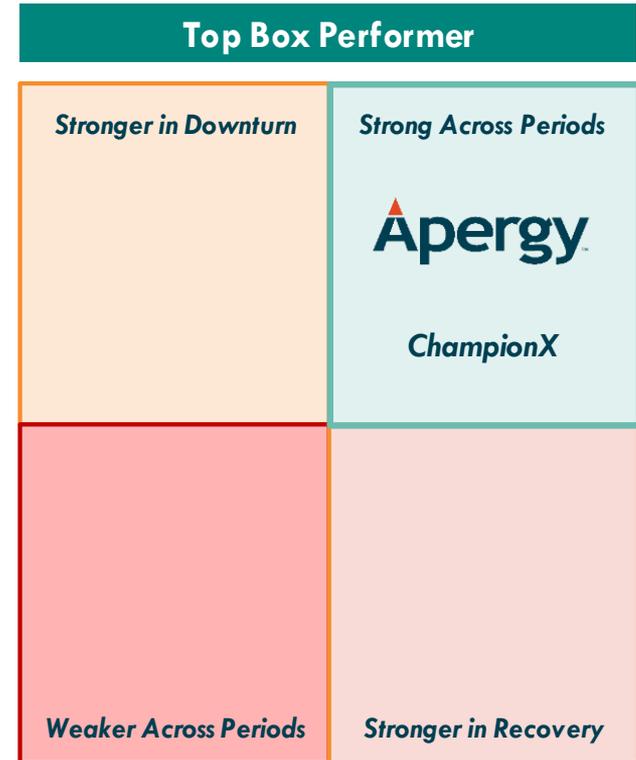
<sup>2</sup>Revolving credit facility upside expected to \$400mm, less \$125mm draw and estimated outstanding LCs for Apergy and ChampionX.

<sup>3</sup>Free Cash Flow defined as cash flow from operations less capital expenditures

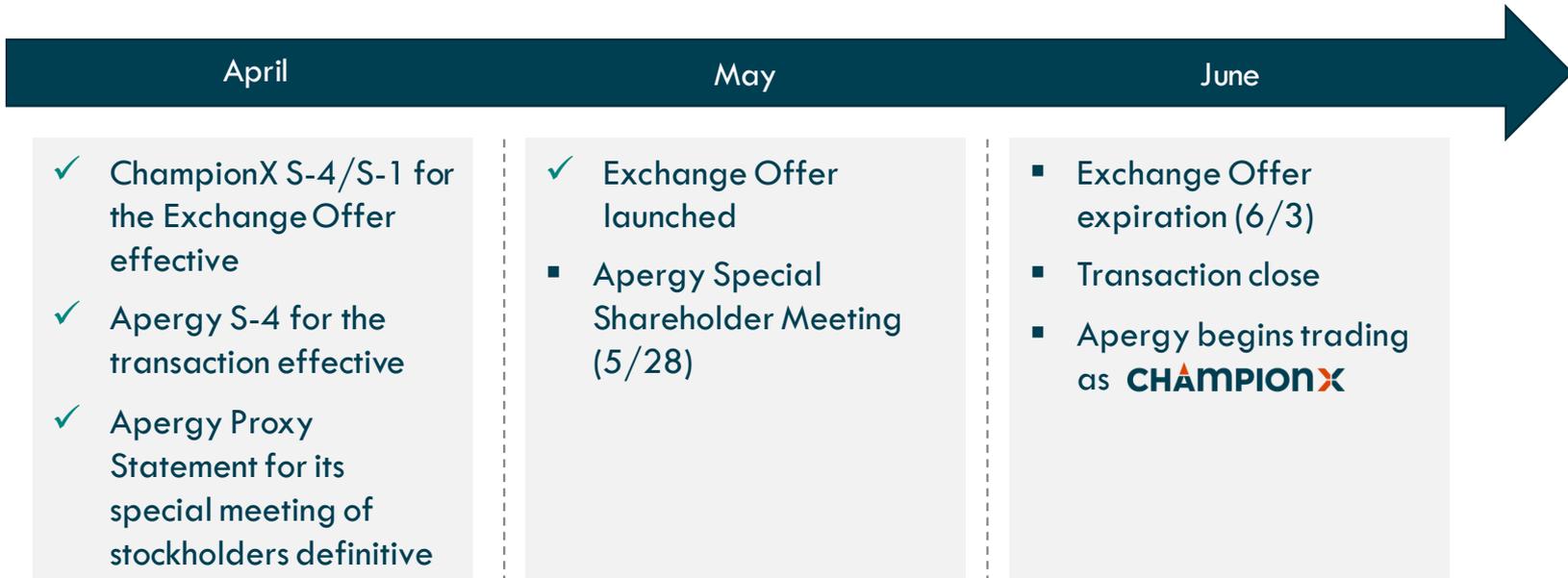
<sup>4</sup>Upsized Revolver of \$400mm matures in May 2023.

# Combined Financial and Operating Priorities Consistent with “Top Box” Framework

<p><b>Strategy</b></p>	<ul style="list-style-type: none"> <li>Focus portfolio on diverse, production-focused businesses across geographies (equipment + chemicals + digital)</li> </ul>
<p><b>Operating Principles</b></p>	<ul style="list-style-type: none"> <li>Apply strong operating discipline</li> <li>Capture cost synergies</li> <li>Leverage technology customers will pay for</li> <li>Emphasis on margins and returns</li> </ul>
<p><b>Capital Allocation Priorities</b></p>	<ol style="list-style-type: none"> <li>Pursue attractive return organic growth</li> <li>Use strong FCF to pay down debt</li> <li>Reach &lt; 1x Net Debt / EBITDA</li> <li>Consider return of excess capital to shareholders when target leverage reached</li> </ol>



# On Track to June Close



The background features a repeating pattern of small, light teal triangles pointing upwards, arranged in a grid. A large, dark teal, irregular shape is overlaid on the right side of the image, creating a layered effect.

## Summary and Q&A

# Summary Value Creation Thesis for Investors **CHAMPIONX**

<b>Increased Scale</b>	<b>Creates the premier oilfield production-optimization solutions platform with \$3.5bn revenue and \$600mm of adjusted EBITDA (2019A combined basis)</b>
<b>Complementary Portfolios</b>	<b>Combines two differentiated, efficiency enhancing oilfield equipment and chemical technology and service providers to create a balanced portfolio across customers and end-markets</b>
<b>Multiple Growth Drivers</b>	<b>Growth fueled by the ability to meet customer needs in various operational environments across regions and production types combined with value-added digital offerings</b>
<b>Innovation</b>	<b>Accelerated innovation through greater scale and combined R&amp;D capabilities with a strong new product development record, diverse IP portfolios and leading engineering talent</b>
<b>Compelling Synergies</b>	<b>\$75mm of achievable run-rate cost synergies in first 24 months with incremental upside from revenue synergies achieved through expanded reach to a global base of high-quality customers</b>
<b>Financial Profile</b>	<b>Returns focused enterprise with higher recurring revenues, lower through-cycle volatility, consistent FCF generation with low capital requirements and stronger balance sheet</b>
<b>Cultural Fit</b>	<b>Similar cultures and operating philosophies with relentless emphasis on safety</b>

The background features a repeating pattern of small, light teal triangles pointing upwards, arranged in a grid. A large, dark teal, irregular shape is overlaid on the right side of the image, partially obscuring the triangle pattern. The word "Appendix" is centered in white text within the dark teal area.

# Appendix

# ChampionX 2019 Performance and Carve-out Cost Detail

Business performed well and met projection of ~\$350mm of full year standalone adjusted EBITDA

(\$ in M)	2019A
ChampionX Adjusted EBITDA per S-4 (Carve Basis)	\$382
(-) Standalone Costs Net of Ecolab Allocations	(33)
<b>ChampionX Adjusted EBITDA (Standalone Cost Basis)</b>	<b>\$349</b>

# Historical Free Cash Flow Reconciliation

	Apergy (As Reported)				ChampionX				Combined Company			
	2016A	2017A	2018A	2019A	2016A	2017A	2018A	2019A	2016A	2017A	2018A	2019A
Revenue	\$751	\$1,010	\$1,218	\$1,131	\$2,185	\$2,290	\$2,432	\$2,332	\$2,936	\$3,300	\$3,650	\$3,463
Adj. EBITDA <sup>(1)</sup>	\$115	\$219	\$295	\$251	\$285	\$310	\$334	\$349	\$400	\$528	\$628	\$600
% margin	15%	22%	24%	22%	13%	14%	14%	15%	14%	16%	17%	17%
Operating Cash Flow <sup>(2)</sup>	133	76	164	156	314	179	211	364	447	255	375	520
(-) Post-Tax ChampionX Standalone Costs <sup>(3)</sup>	-	-	-	-	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)
(-) Post-Tax ChampionX Interest Expense <sup>(4)</sup>	-	-	-	-	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)
(-) Capital Expenditures	(26)	(37)	(58)	(40)	(101)	(81)	(69)	(70)	(127)	(117)	(127)	(109)
<b>Free Cash Flow</b>	<b>\$107</b>	<b>\$39</b>	<b>\$106</b>	<b>\$116</b>	<b>\$165</b>	<b>\$50</b>	<b>\$93</b>	<b>\$246</b>	<b>\$272</b>	<b>\$90</b>	<b>\$199</b>	<b>\$362</b>
<b>Free Cash Flow Conversion <sup>(5)</sup></b>	<b>93%</b>	<b>18%</b>	<b>36%</b>	<b>46%</b>	<b>58%</b>	<b>16%</b>	<b>28%</b>	<b>71%</b>	<b>68%</b>	<b>17%</b>	<b>32%</b>	<b>60%</b>
<b>Capital Expenditures as a % of Revenue</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>	<b>4%</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>

Note: Dollars in millions.

<sup>1</sup>ChampionX figures presented on a carveout adjusted basis with \$33mm of standalone costs each year.

<sup>2</sup>ChampionX operating cash flow presented on a carveout adjusted basis.

<sup>3</sup>Assumes an effective corporate tax rate of 23% on \$33mm of standalone costs each year for ChampionX.

<sup>4</sup>Illustrative interest expense on \$537mm of new Term Loan debt.

<sup>5</sup>Defined as cash flow from operations less capital expenditures divided by Adj. EBITDA.

# Transaction Shares Issued Summary

(in millions of shares)

	# of Outstanding	Exercise Price	Fully Diluted per Treasury Stock Method
Basic Shares Outstanding	77.5		77.5 <sup>1</sup>
Dilutive Securities	1.1		0.7 <sup>1 4</sup>
<b>Fully Diluted Apergy Shares</b>			<b>78.2</b>
Apergy PF Ownership			38.0%
Implied PF Fully Diluted Shares			205.8
<b>Fully Diluted New Issuance to Ecolab and ChampionX Employees</b>			<b>127.6</b>
Illustrative Apergy Shares on a TSM Basis to be Issued Pursuant to Employee Matters Agreement (See Derivation Below)			(5.9) <sup>1 4</sup>
<b>New Issuance of Basic Shares to Ecolab</b>			<b>121.7</b>

## As Converted (Apergy Equity Award) Assuming Illustrative ECL & APY Stock Prices of \$190.00 & \$8.90<sup>1</sup>

	# Outstanding		Fully Diluted per Treasury Stock Method <sup>1 4</sup>
	ChampionX	Apergy Post Conversion <sup>1 2</sup>	
Options	0.4 @ \$120.64	9.5 @ \$5.66 <sup>3</sup>	3.5
RSU	0.1	1.4	1.4
PSU	0.0	1.0	1.0
<b>Total</b>	<b>0.6</b>	<b>11.9</b>	<b>5.9</b>

## Stock Price Sensitivity

	ECL / APY <sup>1</sup>	# Outstanding <sup>1 2</sup>	Weighted Average Strike Price (Options Only) <sup>1 3</sup>	Fully Diluted per Treasury Stock Method <sup>1 4</sup>
APY -5%	\$190.00 / \$8.46	12.5	\$5.37	6.2
Price at 5/1/20	\$190.00 / \$8.90	11.9	\$5.66	5.9
APY +5%	\$190.00 / \$9.35	11.3	\$5.94	5.6

<sup>1</sup> Stock prices as of May 1, 2020. Actual prices used will be last close prices on June 3, 2020 at 12:01am as defined in the Employee Matters Agreement; the last day before merger close. Provided figures are illustrative based on recent closing stock prices. Share count as of 3/31/2020.

<sup>2</sup> Options/Units outstanding calculated as ECL price divided by APY price at May 1, 2020 multiplied by ECL options/units outstanding.

<sup>3</sup> Weighted average strike price calculated as APY price divided by ECL price at May 1, 2020 multiplied by ECL options weighted average strike price.

<sup>4</sup> Fully diluted shares per treasury stock method calculated as in the money options and units outstanding minus in the money options outstanding times the weighted average strike price (for options only) divided by the APY price at May 1, 2020.

# Exchange Offer Terms<sup>1</sup>

Stated Discount on APY:	10%
Exchange Ratio Limit:	24.6667x
Averaging Period:	May 27 <sup>th</sup> – 29 <sup>th</sup>
Expiration:	June 3 <sup>rd</sup> at 12:01 am
Exchange:	NYSE
Minimum Condition:	None

<sup>1</sup>Ecolab may extend, terminate or amend the terms of the exchange offer, as described in the Prospectus.