

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

March 7, 2023

Date of Report (Date of earliest event reported)

ChampionX Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38441
(Commission File Number)

82-3066826
(I.R.S. Employer Identification No.)

2445 Technology Forest Blvd
Building 4, 12th Floor
The Woodlands, Texas 77381
(Address of principal executive offices and zip code)

(281) 403-5772
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common stock, \$0.01 par value

Trading Symbol(s)
CHX

Name of each exchange on which registered
The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

ChampionX Corporation (the “Company”) will host its 2023 Investor Day on Tuesday, March 7, 2023 beginning at 1:00 p.m. Eastern time. A live webcast and a replay of the presentation will be available on the Company’s website at investors.championx.com. The slides prepared to accompany the Investor Day presentation will also be available on the Company’s website at investors.championx.com and are furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information provided in this Item 7.01 (including Exhibit 99.1) is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 (“Exchange Act”) or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any filing made by the Company under the Exchange Act or the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | ChampionX Corporation Investor Day Presentation Slides March 7, 2023 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ChampionX Corporation

Date: March 7, 2023

By: /s/ JULIA WRIGHT

Julia Wright

Senior Vice President, General Counsel and Secretary



CHAMPIONX

Investor Day

Tuesday, March 7, 2023

Forward-Looking Statements

This investor presentation 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, 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, 2022, 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.

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 herein 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.

About Non-GAAP Measures

In addition to financial results determined in accordance with generally accepted accounting principles in the United States ("GAAP"), this presentation presents non-GAAP financial measures. Management believes that adjusted EBITDA and adjusted EBITDA margin, provide useful information to investors regarding the Company's financial condition and results of operations because they reflect the core operating results of our businesses and help facilitate comparisons of operating performance across periods. In addition, free cash flow, free cash flow to adjusted EBITDA ratio, adjusted net operating profit, and net debt are used by management to measure our ability to generate positive cash flow for debt reduction and to support our strategic objectives. Although management believes the aforementioned non-GAAP financial measures are good tools for internal use and the investment community in evaluating ChampionX's overall financial performance, 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, including net income (loss) attributable to ChampionX, cash flows from operating activities and total long-term debt is included in the appendix herein.

| | | | | | | |
|--|---|--|--|---|--|--|
| | | | | | | |
| Soma Somasundaram President and Chief Executive Officer | Deric Bryant Chief Operating Officer and President, Chemical Technologies | Paul Mahoney President, Production & Automation Technologies | Saurabh Nitin Senior Vice President, Emissions Technologies | Ali Raza Senior Vice President and Chief Digital Officer | Rob Galloway President, Drilling Technologies | Ken Fisher Executive Vice President and Chief Financial Officer |

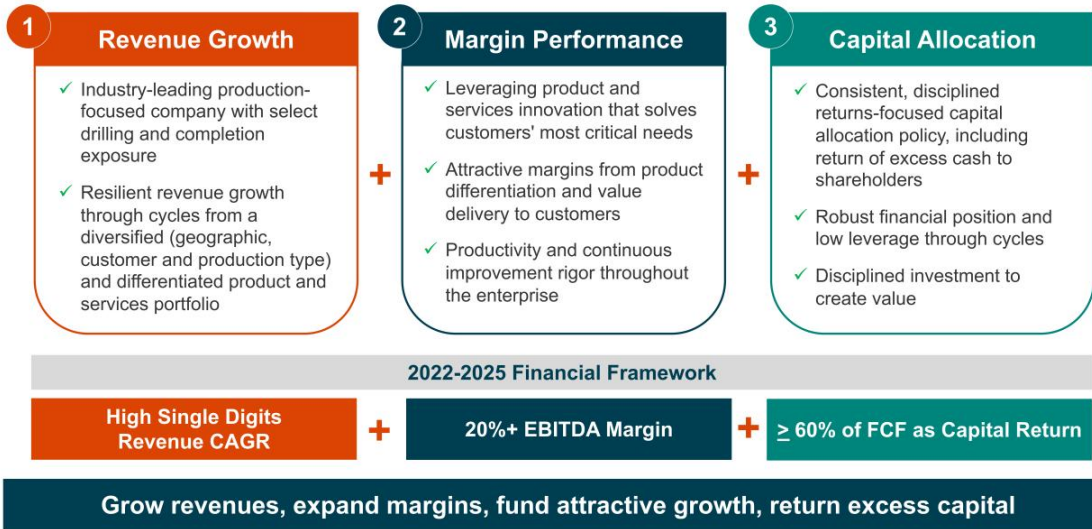
**Motivated and
passionate team
focused on:**

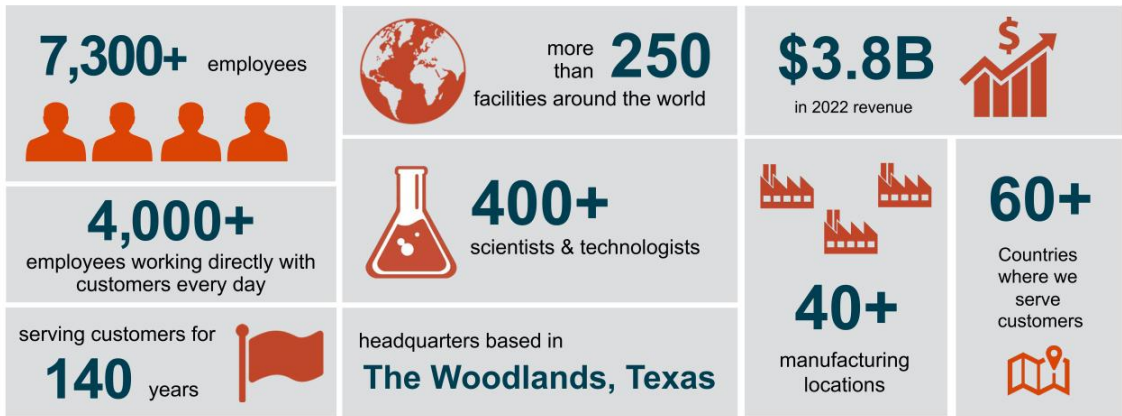
Our purpose-driven journey
Delivering for customers
Creating value for our shareholders

| Time | Topic | Presenter |
|------------------|--|---|
| 1 – 1:30 p.m. | Welcome and ChampionX introduction | Soma Somasundaram |
| 1:30 – 3:30 p.m. | Business presentations Chemical Technologies Production & Automation Technologies | Deric Bryant Paul Mahoney |
| | Break – 15 minutes | |
| | Emissions Technologies Digital Technologies Drilling Technologies | Saurabh Nitin Ali Raza Rob Galloway |
| 3:30 – 4:45 p.m. | ChampionX Tradeshow and Interactive Exhibits | |
| 4:45 – 5:30 p.m. | Financial summary and outlook Closing and Q&A | Ken Fisher Leadership Panel |
| 5:30 – 6:30 p.m. | Reception | |

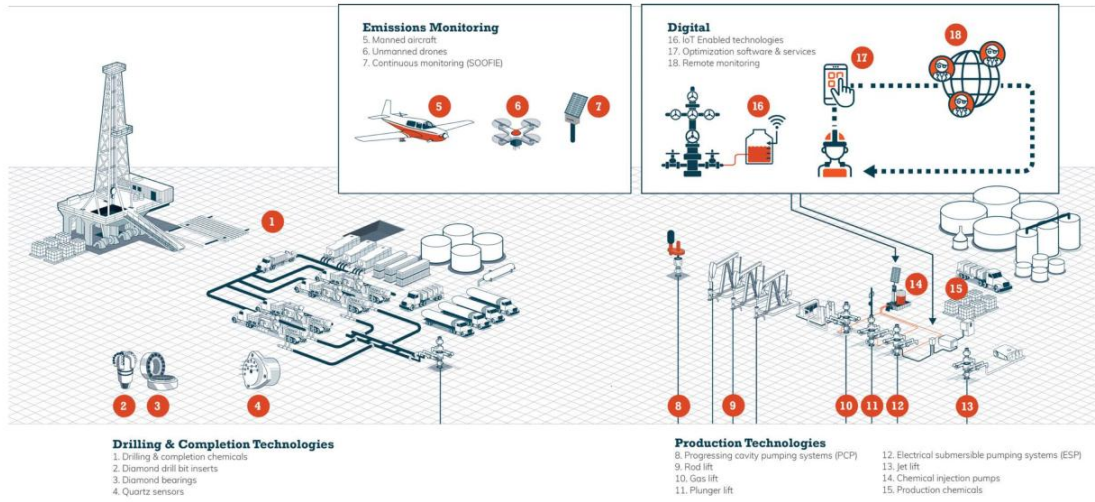


-  Delivered \$125 million of targeted annualized cost synergies ahead of schedule
-  Built foundation to drive revenue synergies, which are growing
-  Achieved target 1x net debt / adjusted EBITDA level
-  Executed well to deliver targeted exit 2022 adjusted EBITDA margin of 18%
-  Established leading presence in nascent emissions monitoring market
-  Implemented capital allocation framework to return excess capital to shareholders

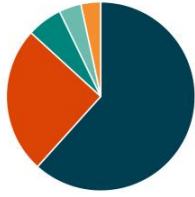




We Deliver Customer Value Across the Wellsite and Throughout the Life Cycle of the Well



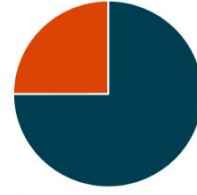
Sales by Segment



~87% from Production

■ PCT ■ PAT ■ DT ■ RCT ■ Cross Supply Agreement

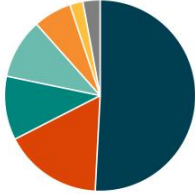
Sales by End Market



~26% from Offshore / Deepwater

■ Onshore ■ Offshore / Deepwater

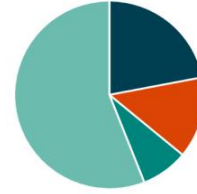
Sales by Region



~50% Outside the U.S.

■ United States ■ Latin America ■ Middle East & Africa
 ■ Canada ■ Europe ■ Asia Pacific
 ■ Australia/Other

Sales by Customer



~36% from IOC and NOC Customers

■ IOC ■ NOC ■ OFS ■ Others

Our Portfolio: Attractive Positions in Attractive Markets **CHAMPIONX**

| | Production Chemical Technologies | Production & Automation Technologies | Drilling Technologies | Reservoir Chemical Technologies | Digital (Included in PAT Segment) |
|---|---|---|---|--|--|
| 2022 Revenues (\$MM) | \$2,348 | \$955 | \$229 | \$145 | \$197 |
| 2022 Target Market Size Estimate | \$8B | \$11B | \$0.6B | \$2B | \$4.4B¹ |
| Key Market Drivers | Global Upstream & Midstream OPEX, Total Fluids Produced, Producing Well Count | Global Upstream CAPEX & OPEX, New Well Completions, Producing Well Count | Global Upstream CAPEX, Global Rig Count | Global Upstream CAPEX, New Well Completions | Global Upstream & Midstream CAPEX & OPEX, New Well Completions, Producing Well Count |
| ChampionX Competitive Moat | Industry Leading Technology, Best Service, Global Supply Assurance | Broadest Artificial Lift Portfolio, Industry Leading Brands, Best Service | Rapid Innovation, Best Technology, Best Speed | Differentiated Technology, Technical Support & Service | Domain Expertise, Installed Base, Predictive Models (Physics + AI) |

Distinctive strategic vision, operating philosophy, and Continuous Improvement culture

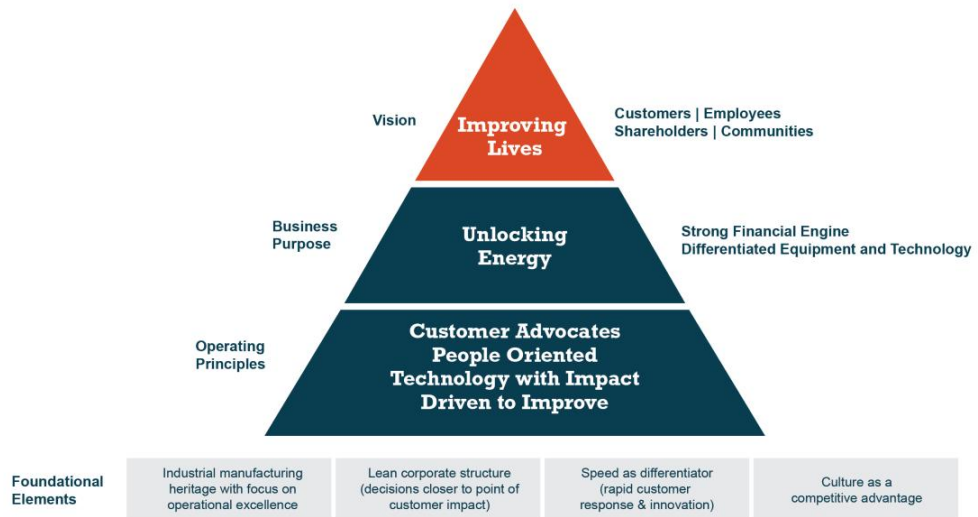
Leading provider of energy production optimization solutions

Attractive organic growth opportunities

Uniquely positioned to help decarbonize energy production operations

Strong balance sheet and free cash flow profile through industry cycles

Clear capital allocation framework and attractive value creation algorithm for shareholders



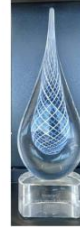
Top honors in EnergyPoint Research's 2022 Oilfield Products Customer Satisfaction Survey



Results based on independent survey of more than 3,700 qualified respondents

First recipient of ExxonMobil global honor

- Annual award based on high-performance standards, service quality, and responsiveness to meet ExxonMobil's business needs
- Nominees evaluated criteria including on-time delivery, safety, responsiveness, service quality, innovation capabilities, and commitment to sustainability and diversity
- ChampionX supports global ExxonMobil Upstream activities, including U.S. and Guyana operations



"As our inaugural supplier of the year, ChampionX exemplified performance and responsiveness to our business needs that were especially noteworthy for our major assets in Guyana and the Permian Basin. We value our ongoing collaboration with ChampionX and congratulate them on this notable recognition."

– Pamela Skaufel
ExxonMobil VP, Global Procurement
November 30, 2022

Increasing energy demand

- Global footprint and relationships with leading IOCs, NOCs, and Independents
- Incremental barrels require more production technologies

Strong upstream capital discipline

- Increasing focus on existing production is driving higher OPEX spend
- Greater customer willingness to adopt new technologies

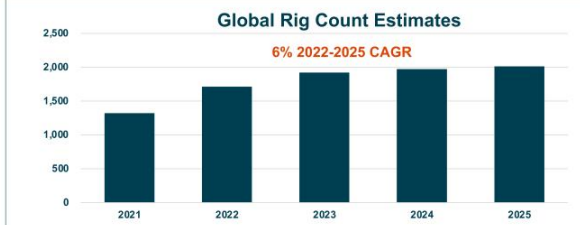
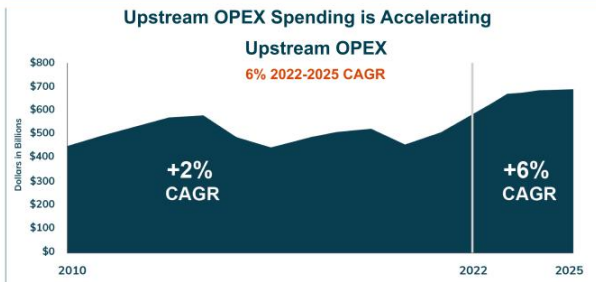
Increasing production complexity

- Increasing need for Production Chemicals, Artificial Lift, and Digital Technologies to improve well productivity
- Significant demand for production optimization solutions

Decarbonizing energy systems

- Growing need for emissions monitoring and reduction technologies
- Demand for innovation to improve energy efficiency/productivity at well site

16 million+ barrels per day of incremental production needed by 2030 to offset decline and meet demand



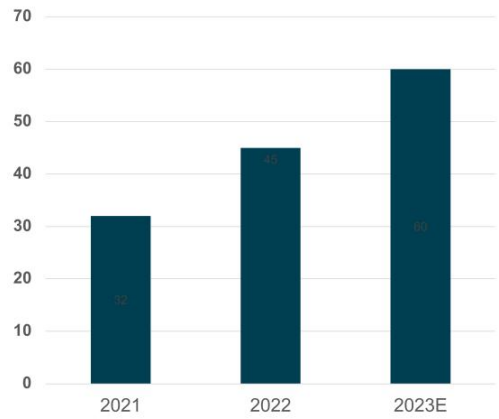
17 Sources: JPMorgan, U.S. Energy Information Administration, Wood Mackenzie, Enverus, Spears, Rystad, and FactSet

Opportunity Pipeline Significantly Increased in 2022 Compared to 2021

Current Opportunity Pipeline: **\$397 million**
 (US: \$225MM; International: \$172MM)



New Wins Increased 41% in 2022 Compared to 2021



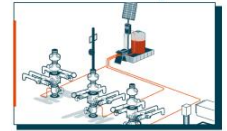
Bringing Together Our Portfolio to Deliver Customer Value and Drive ChampionX Growth



Case Study: IOC Major Onshore Asset

Full suite of ChampionX technologies deployed

- Digital 'Expert in a box': Edge / artificial intelligence
- XSPOC solution for broad production software suite
- ESP surface & downhole tools
- Corrosion-resistant sucker rods
- Rod pump downhole tools
- Intelligent Chemical injection (multi-well, accurate dosage control, etc.)
- Chemistry solutions
- Plunger-assisted gas lift analytics & autonomous control

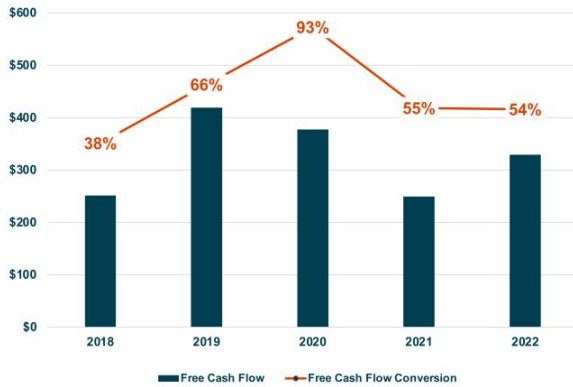


Value to Customer

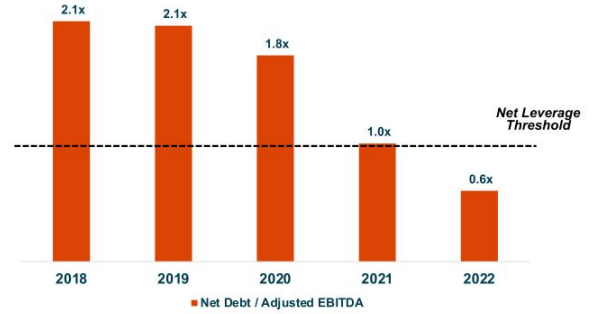
- **84% reduction** in intervention downtime
- **Estimated \$54 million** annual productivity improvement (based on \$70/bbl WTI)

Increased growth opportunities for ChampionX by leveraging our full suite of technologies to deliver strong customer returns

FCF / Adjusted EBITDA Conversion



Net Leverage



20 FCF conversion = free cash flow / Adjusted EBITDA. Net Debt = Gross Debt less cash and cash equivalents on face of balance sheet. See Appendix for reconciliation of non-GAAP financial metrics, including net debt, free cash flow and Adjusted EBITDA.

Strong Balance Sheet Provides Flexibility ...

*Consistent,
Strong Cash
from
Operations*

\$413 MM
**Trailing 4
Quarters**
~11% of Revenue

*Target
1x Net Debt /
Adjusted
EBITDA*

| | |
|---------------------|--------------|
| Debt ⁽¹⁾ | \$628 |
| Less: Cash | 250 |
| Net Debt | \$378 |

~0.6x Trailing 4 Qtrs. Adjusted EBITDA

*Ample
Liquidity*

| | |
|---|--------------|
| Cash | \$250 |
| Credit Facility Availability ⁽¹⁾ | 638 |
| Liquidity | \$889 |

... To Fund Our Capital Allocation Priorities

- 1 Maintain 1x Net Debt / EBITDA, through-the-cycle**
- 2 Fund internal investment**
 - Maintenance capital
 - Growth capital
 - Investments in innovation
 - Highest ROI investments
- 3 Pay sustainable, growing dividend**
 - Recently increased to \$0.085/share
 - Expect to grow over time with free cash flow growth
- 4 Pursue value-creating acquisitions**
 - Disciplined M&A framework
 - Strategic, tuck-in opportunities that add to our capabilities and growth profile
 - Drive returns above cost of capital
- 5 Return excess capital to shareholders**
 - \$750 million share repurchase authorization
 - \$180 million repurchased in 2022





◀ Our Malaysia team marked 1.5 million safe hours with no LTIs by releasing hundreds of endangered turtles into Mak Nik Bay.



◀ Our Australia team supported Conservation Volunteering Australia to pick up trash near the Brisbane River.



▲ ChampionX families in Bahrain recently participated in a local beach clean-up drive.



◀ Our Essence ERG hosted a blood drive through the Gulf Coast Regional Blood Center, collecting enough blood to save up to 54 lives.



▲ Our UNBRIDLED ESP Systems team came together to improve lives recently – building a new fence and improving landscaping at the Ronald McDonald House in Tulsa, OK.



▲ The ChampionX Law Department team recently spent a rewarding afternoon working on Improving Lives at the Montgomery County Food Bank in Texas.



▲ Following the recent devastating earthquakes in Turkey, our Qatar-based team, with support from some of our Oman team, delivered donated children's gloves, baby formula, flashlights and hundreds of batteries to the global Turkey earthquake relief effort.



Chemical Technologies

Deric Bryant

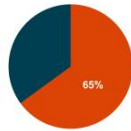
2022 Revenue

\$2.5B

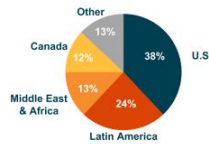
(+26% increase, YoY)

- Global leading provider – **broad range of chemical solutions and services** required onshore and offshore in the reservoir, production and midstream
- Operate across **all production markets** assisting in production assurance, oil/water separation and treatment, asset integrity and flow maximization
- Greater than 60% of our employees have **direct customer facing roles** providing consultations, field services and troubleshooting support
- **Global ecosystem** of laboratory, manufacturing, and service capabilities

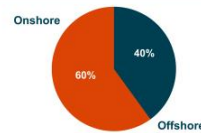
% Total ChampionX¹



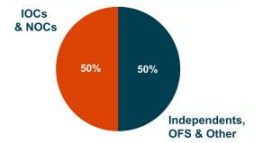
Geography¹



Onshore/Offshore Revenue¹



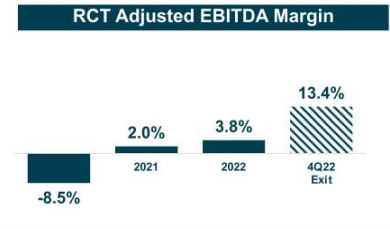
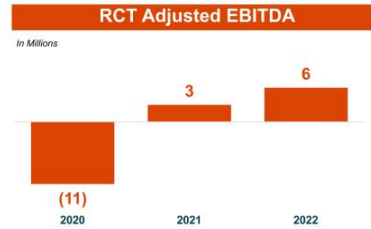
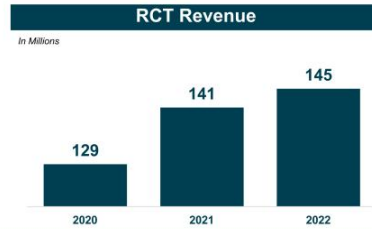
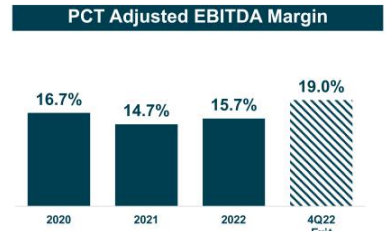
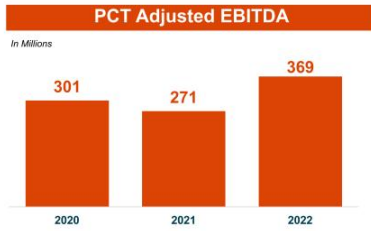
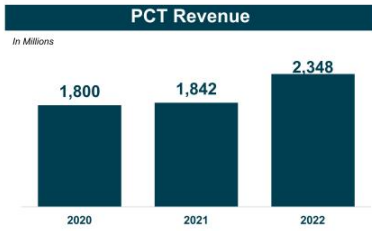
Customer Mix¹



26

1. Based on 2022 reported revenue.

Segment Financial Trends



Overcoming inflation; increasing margin momentum

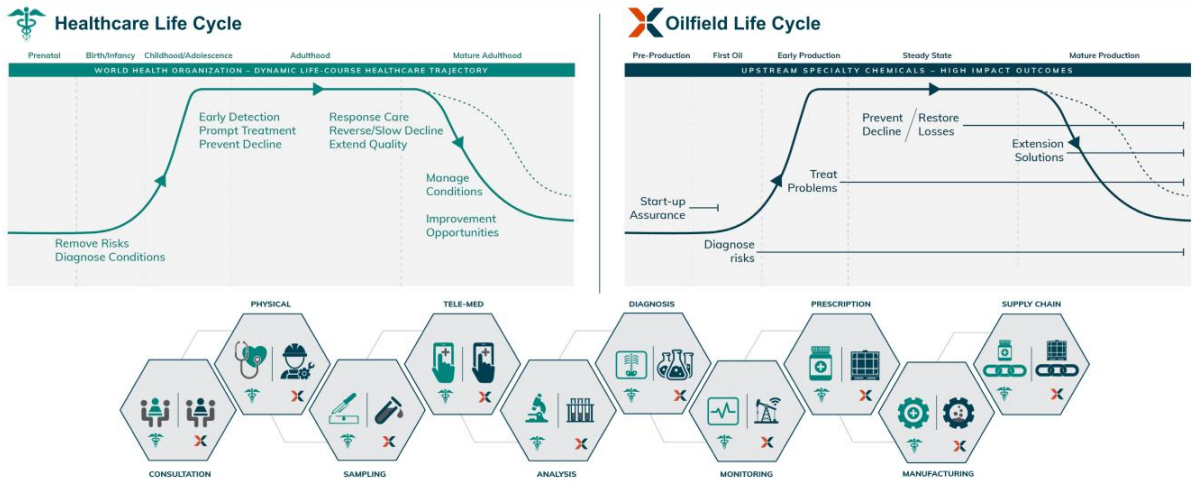


- Enhance well drilling and construction operations
- Assist asset design and de-risk start up
- Maximize well productivity

- Pre-production design and engineering
- Improve well productivity/Enhanced Oil Recovery
- Enhance oil/water/gas separation
- Ensure hydrocarbon sales quality specifications

- Prevent asset corrosion
- Maximize flow of produced hydrocarbons
- Restore losses in production
- Clean water for disposal or reuse

Enabling operators to expand profits, reduce total costs and de-risk operations.



Delivering health and longevity across long life cycle

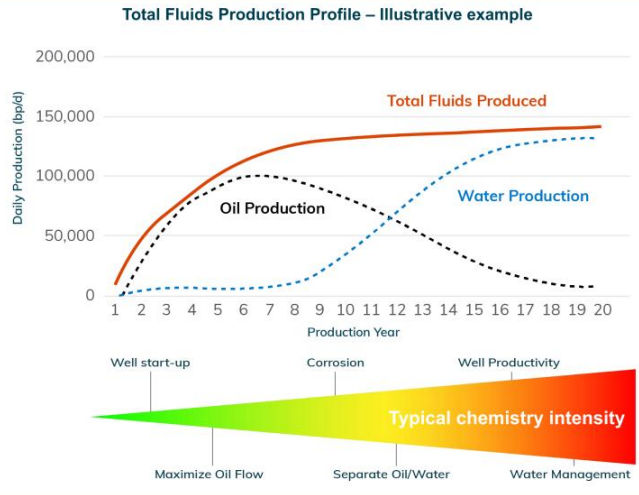
Our Typical Revenue Journey

Our **chemistry revenue** begins with first oil and continues through the life of the field

All wells eventually begin producing **water in addition to oil**

Water production further increases **chemistry intensity**

Our **revenue trends higher** with total fluids and chemistry intensity



Total fluids and chemistry intensity drives revenue

Team – Circling the Customer

Local expertise.
Deep relationships.
Global knowledge.

60%+ Employees working directly with customers every day

Globally interconnected support:

- Intense customer focus
- Onsite application expertise
- Global solutions for global customers
- On demand remote support



Technology – Fueling Growth

Innovation for a complex environment.

600+ Ongoing customer support projects

Improved speed to solution via digital & data analytics **33%**



- **Engineering** – Creation of novel testing techniques and equipment
- **Chemistry** – Development of new molecules
- **Digital** – Enabled remote operations and enhanced data analytics

Supply – Unrivaled Footprint

Strong and agile.

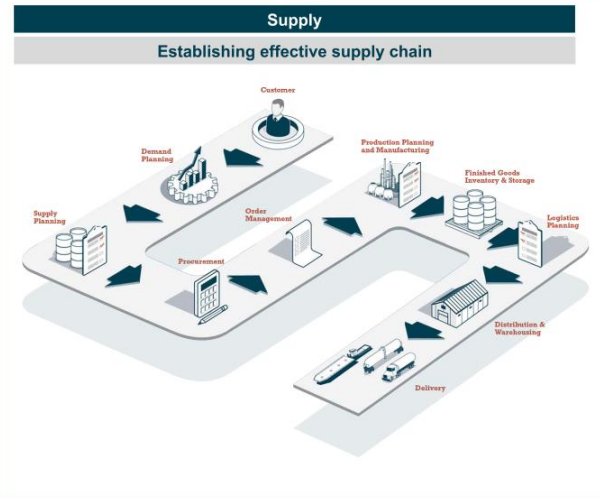
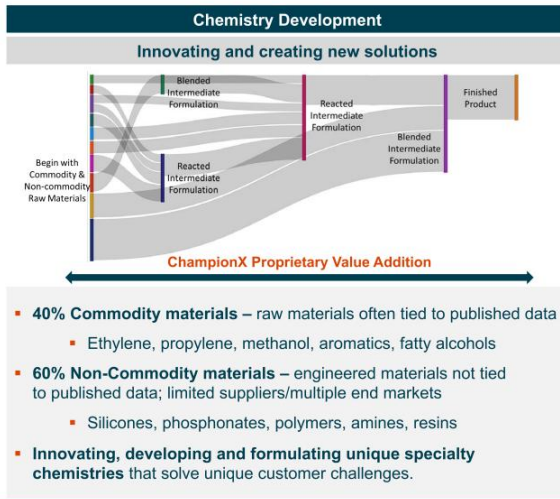


3 Super Hubs **6** Secondary Hubs

200+ Facility Locations **60+** Countries Active

- Global reach and secure local supply
- Connected "Hub and Spoke" network
- Digitally-optimized distribution

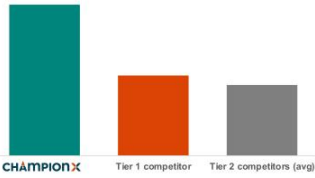
Customer intimate, unmatched ecosystem: Robust. Resilient. Reliable.



From field diagnosis to solution with trusted technology and supply

Customer Loyalty Score

Net Promoter Score - Worldwide Market vs. the other 4 major suppliers

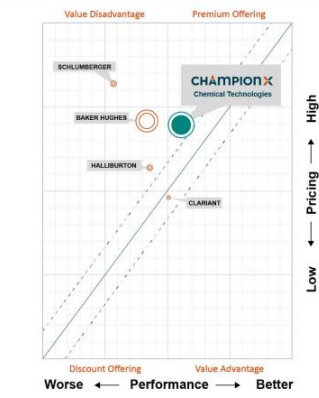


- #1 in Customer Loyalty in 2022
- Performance factors include
 - Performance/effectiveness
 - Responsiveness to needs
 - Competency of field personnel
 - Technical support/service
 - Product quality
 - Availability/delivery
 - Price competitiveness

Source: Kimberlite Production Chemicals Supplier Performance Report 2022



Value Map



Source: 2022 Value Map via Kimberlite Production Chemicals Supplier Performance Report 2022



Competitive Moats

Broad portfolio of differentiated chemistry offerings

Industry's innovation shaper

Resilient supply and distribution network

Expertise in every major oil producing basin

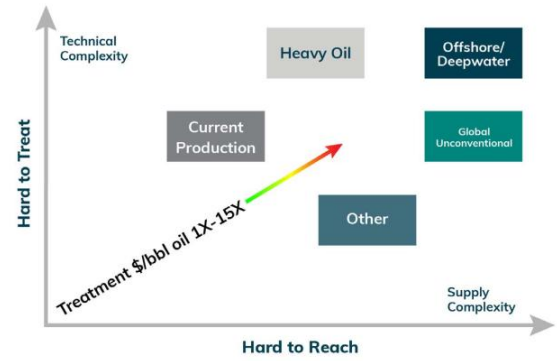
Depth of production chemistry subject matter expertise

Operational assurance via proprietary PROact platform

Production Portfolio is Increasingly Complex

| 2022 | | 2030 |
|--|---|--------------------------|
| ~100MM bo/d | | ~106MM bo/d ¹ |
| Current Production ¹ | ↓ | Natural decline |
| SOURCES OF PRODUCTION | | |
| Global Unconventional ¹ | ↑ | Increases ~6MM |
| Global Offshore/Deepwater ² | ↑ | Increases ~6MM |
| Heavy Oil ³ | ↑ | Increases ~1MM |
| Global Other | ↑ | Increases ~3MM |

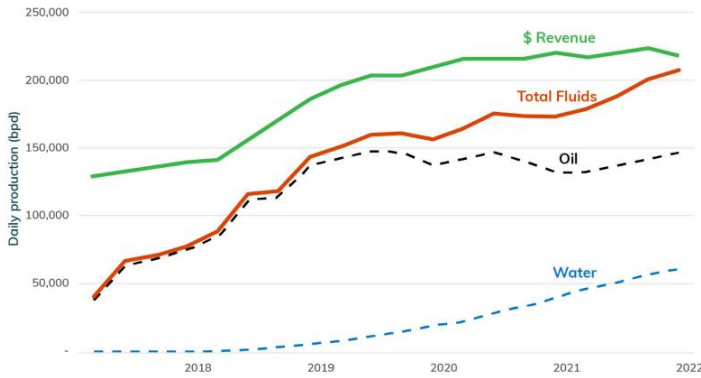
16MM+ bo/d incremental new production required to offset decline and meet demand



Both current and new production set to become more chemistry intensive

| | | |
|---|---|--|
| 1 | Current Production | <ul style="list-style-type: none"> Increasing water production drives total fluid volumes and treatment complexity Maturing asset treatment complexity drives revenue growth across the globe |
| 2 | New Production Offshore/Deepwater | <ul style="list-style-type: none"> Continuing technical innovation essential to meet increasingly harsh production conditions Leverage our transferable knowledge to offshore deepwater growth in Latin America and Africa |
| 3 | New Production Unconventional <small>North America, Latin America, Middle East</small> | <ul style="list-style-type: none"> Continued digital enhancement of supply and service capabilities enabling customer value at scale Leveraging our North American unconventional domain knowledge into emerging Latin America and Middle East markets Enhancing well productivity both in the reservoir and topside production systems |
| 4 | New Production Heavy Oil | <ul style="list-style-type: none"> We create technical advantage giving customers lower operating costs Focus on innovation to decrease energy and water usage |

Offshore asset – start of life
 Early field life | 1-5 Years



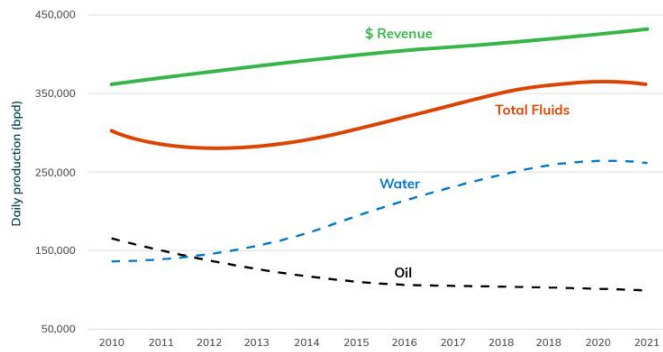
Source: ChampionX data

Typical Production Profile

- Data taken from an offshore asset at start of production life
- Water breakthrough – Year 1
- Hydrocarbon peaked but total fluids continue to increase with water
- Total mixed fluids require increasingly demanding technical solutions driving chemistry intensity

Our revenue first grows with oil, then water, then trends with total fluids and intensity

Complex oilfield – late in life
 Late field life | 25+ Years



Source: ChampionX data

Typical Production Profile

- Data taken from a complex oilfield development
- Late in life oilfield with >500 total wells in use decades beyond its peak oil rate
- Hydrocarbon peaked and has declined but total fluids and age of assets continue to increase, driving intensity and revenue

Late in field life, our revenue trends with fluids, age and intensity, despite oil decline



- Enhance Well Production**
Fit-for-Reservoir Chemical Technology
- Extend Well Life**
Engineered Well Intervention Portfolio
- Improve Equipment Run-life**
Remediation & Preventative Chemistry
- Maximize Recovery Factor**
Enhanced Oil Recovery Service

ChampionX proprietary experience

| | | | |
|---|--------------------------------|------------------------------------|--|
| Production Enhancement Surfactants | 20+ years experience | 400+ projects worldwide | 25% EUR increase |
| Water Shut-off Portfolio | 25+ years experience | 1050+ projects worldwide | \$5-10 Incremental bbl cost |
| Sand Control Technology | 20+ years experience | 30+ projects worldwide | >100% Extended ESP run life |
| Conformance Control | 20+ years experience | 130+ projects worldwide | 1-5% access of OOIP |

Our proprietary chemistries help get the most out of each well



Mitigating production declines in a large oilfield

- Continuous enhancement of chemistry enabled on-spec oil and increased well stimulation
- +400 million barrels additional produced with decline curve flattened
- On-spec oil decreased asset integrity risk

We deliver well productivity solutions with outsized value



Complexity – Hard to reach and treat

Industry leading challenges – Deepwater quick facts



**10K PSI,
40-375°F**

Crushing pressures
Extreme temperatures

**Stringent
product quality**

Aerospace
quality standard

**>20 million
liters sold**

of certified subsea
products sold per year

1,000+ miles

Gulf of Mexico
umbilicals filled
with our chemistry

66%

Deepwater fields started up and managed
by ChampionX in major basins

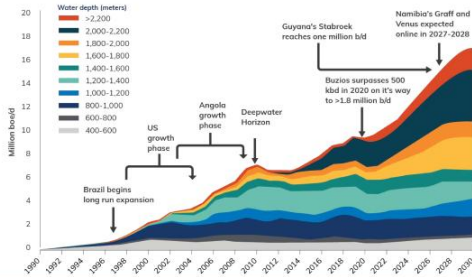
60%

Offshore deepwater boe/d growth projected by 2030

We are well positioned as deepwater growth returns



Deepwater oil and gas production growth by water depth



Global Deepwater view

Brazil, Guyana and Africa

Main growth regions this decade

5 | 16

Host vs SSTB Projects in GOM until 2026

46%

Current SSTB production in GOM

270+

Certified people – Onsite offshore support

Our differentiated technology essential for growth

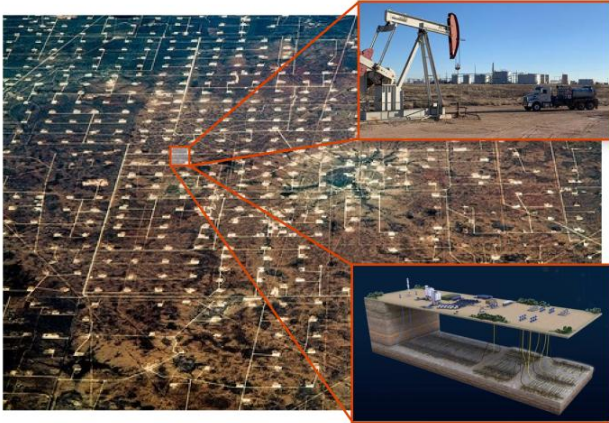
Asphaltene Inhibitor | Greener Chemistry | Flow Improver | SurFlo SE

17MM boe/d Global deepwater production is expected to reach by 2030

2024 Ultra deepwater will account for more than half of all deepwater production

2MM+ boe/d Deepwater production by 2032 that comes from 10 countries not yet producing

Source: Wood Mackenzie and ChampionX estimates



Complexity – Hard to reach

86,000

Square miles of Permian production. Supplying, treating and servicing

A typical day in the Permian



600
Samples Tested

3,000
Diagnostic Tests

40,000
Gallons Delivered

>30%

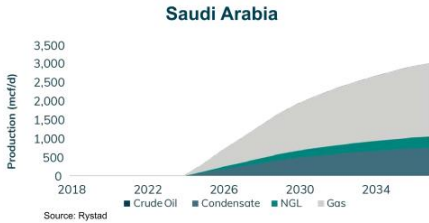
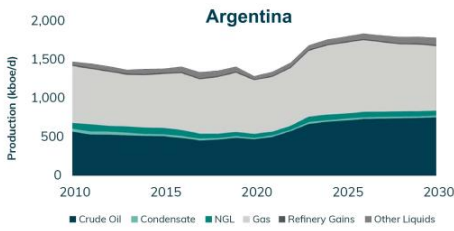
Market share, leading provider

40%

Global unconventional shale growth projected by 2030

ChampionX has leading position in largest U.S. unconventional basin

Production Output Projections



Source: Rystad

International Shale View

Argentina
Saudi Arabia

Main shale oil and gas development projects

11.5K
square miles

Producing area in Vaca Muerta

6.5K
square miles

Producing area in Jafurah

42%

Unconventional oil production in Argentina

Our differentiated technology essential for growth

Multifunctionals | Foamers | Paraffin Inhibitors | Digital

2

Countries leading international unconventional projects

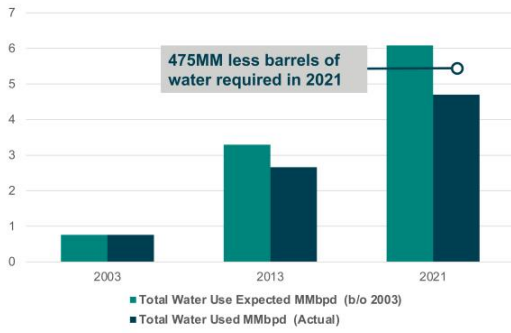
16,000+

New Wells projected over 20+ year period in Vaca Muerta and Jafurah

\$100B+

Expected investment over the next 10 years on wells, pipelines and processing plants

Chemistry Enables Water Use Reduction



Complexity – Hard to treat

| | |
|---------------------------------------|---|
| 55,000 | Square miles of Alberta production. Supplying, treating and servicing |
| 90% Water recycle and reuse | 3:1 Water to oil ratio requirement |
| | - 40°F/100°F Extreme ambient temperatures |
| 30% | Canadian heavy oil boe/d growth projected by 2030 |
| 4X | Technology-driven share gained |

Reducing, reusing and recycling water

- PCT revenue **strongly correlates** to OPEX
- Macro trends **favor strong growth** in OPEX
- We **expect to outperform** OPEX growth



OPEX spending climbs to ~\$700B by 2025

Key Drivers of our Outperformance

- ✓ **CONSTRUCTIVE OIL PRICE**
Customers focused on production maximization
- ✓ **CAPITAL DISCIPLINE**
Capital discipline demands smart OPEX
- ✓ **CHEMISTRY INTENSITY INCREASES**
Increasing current and new production complexity drives chemistry intensity
- ✓ **CHAMPIONX CAPABILITY DIFFERENTIATION**
Our strong capability & moat have us uniquely positioned

PCT revenues expected to grow high single-digit CAGR 22-25. Outperforming OPEX growth.

- **Essential production partnering** over entire asset life cycle
- Our **ecosystem** is delivering **unmatched and differentiated value**
- **Growth** driven by strong **demand**, increasing **complexity** and chemical **intensity**

Production & Automation Technologies

Paul Mahoney

Production & Automation Technologies Overview **CHAMPIONX**

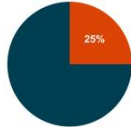
2022 Revenue

\$955MM

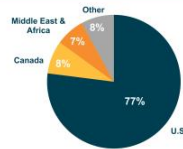
(+25% increase, YoY)

- **Broadest artificial lift portfolio** coupled with digital solutions, supporting oil and gas operators over the production life cycle
- Industry-leading brands known for **performance reliability, technology, manufacturing quality, pre- and post-sales support**
- **Continued investment in ESP and digital platform new product development** will continue to deliver share of wallet gains and further diversify our revenue mix
- **Responsive service with scale:** 116 (North America) & 36 (rest of world) sales & service locations for customer support

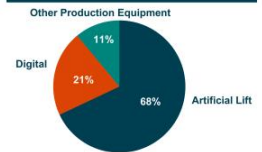
% Total ChampionX¹



Geography¹



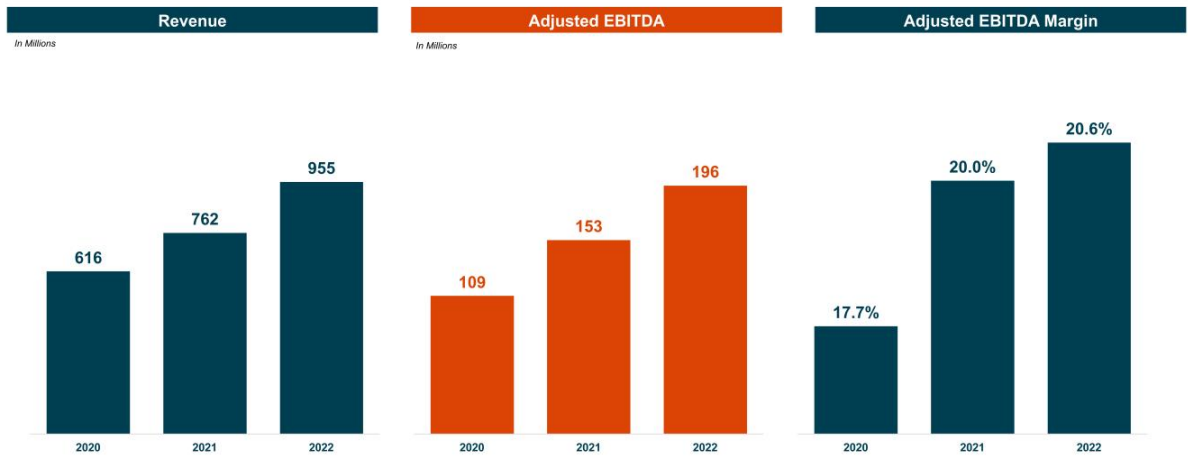
Product Mix¹



48

1. Based on 2022 reported revenue.

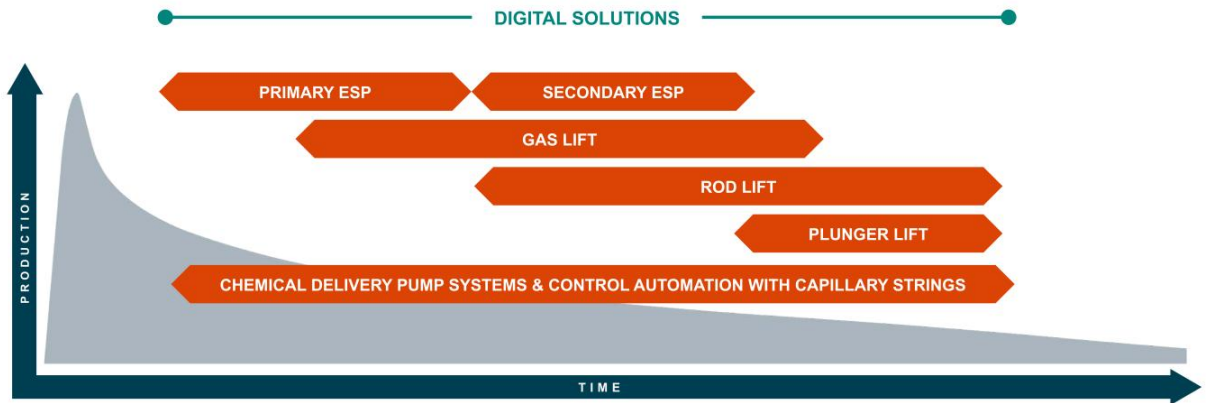
Segment Financial Trends



Strong recovery from pandemic downturn

49 See Appendix for reconciliation of non-GAAP financial metrics, including Adjusted EBITDA

GENERATING VALUE THROUGH THE LIFE OF THE WELL



Broad Artificial Lift Offering Delivering Value Across Life Cycle

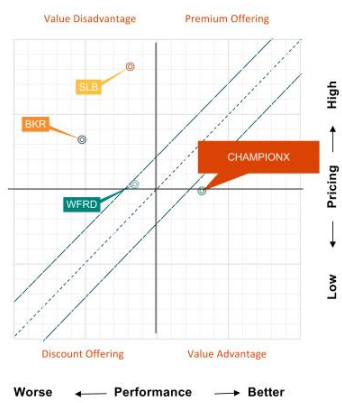
Integrated Digital Platform

| Electrical Submersible Pumping (ESP) | Rod Lift | Gas Lift & Hydraulic Lift | Other |
|--|--|--|--|
| 33% of Sales ¹ | 43% of Sales ¹ | 7% of Sales ¹ | 16% of Sales ¹ |
| <ul style="list-style-type: none"> Full line of ESP systems Centrifugal pumps Gas handling devices Sand / gas separators Protectors and motors Web-based monitoring Surveillance & optimization | <ul style="list-style-type: none"> Full line of rod lift systems Sucker rods, drive rods Full range of downhole pumps Accessories including BOP, stuffing box, guides Gas & solids separators | <ul style="list-style-type: none"> Mandrels, valves, packers Gas lift automation hardware & optimization software Jet pumps Hydraulic reciprocating pumps Surface multiplex pumps | <ul style="list-style-type: none"> Full range of plunger lift equipment & services Full range of PCP equipment: drive heads, pumps, guides, RPUs, services |
| '22 Global Market Size \$5.5B | '22 Global Market Size \$2.1B | '22 Global Market Size \$1.1B | '22 Global Market Size \$0.8B |
|  Growth Rate Strong |  Growth Rate Strong |  Growth Rate Strong |  Growth Rate Medium |

Customer Loyalty Score



Value Map



Competitive Moats

- Full portfolio** to manage life cycle of well
- Technology innovation** that drives asset performance & reliability
- Depth of artificial lift SME & service network** across key North American basins
- World-class digital optimization** that supports operator returns
- Autonomous control** that enhances well productivity and baseline improvements

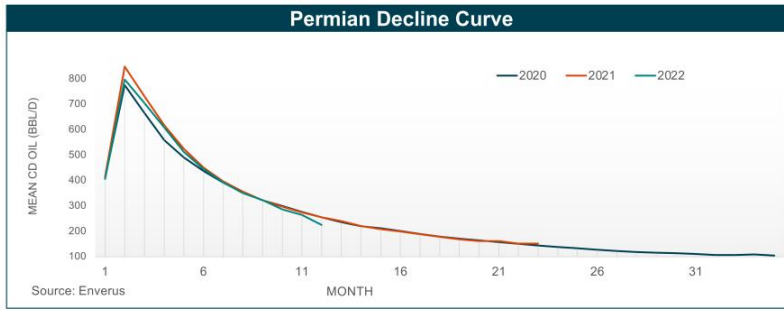
Broad Artificial Lift / Digital Solutions Enabling Share Gains

| 2018 | | | | | 2022 | | | | |
|----------|-----|----------|---------|---------|----------|-----|----------|---------|---------|
| Customer | ESP | Rod lift | GL / PL | Digital | Customer | ESP | Rod lift | GL / PL | Digital |
| A | ✓ | ✓ | | ✓ | A | ✓✓ | ✓✓✓ | ✓ | ✓ |
| B | ✓ | ✓ | ✓ | ✓ | B | ✓ | ✓ | ✓ | ✓ |
| C | ✓ | ✓ | | ✓ | C | ✓✓ | ✓ | ✓ | ✓✓✓ |
| D | ✓ | | | ✓ | D | ✓ | ✓✓✓ | ✓✓ | ✓✓ |
| E | ✓ | | ✓ | ✓ | E | ✓ | ✓ | ✓ | ✓ |
| F | ✓ | | | ✓ | F | ✓ | ✓ | ✓ | ✓ |
| G | ✓ | ✓ | | ✓ | G | ✓ | ✓ | ✓✓ | ✓ |
| H | ✓ | | ✓ | ✓ | H | ✓ | ✓ | ✓ | ✓ |
| I | ✓ | ✓ | ✓ | ✓ | I | ✓ | ✓ | ✓ | ✓ |
| J | ✓ | | ✓ | ✓ | J | ✓ | ✓ | ✓ | ✓ |
| K | ✓ | | ✓ | ✓ | K | ✓ | ✓ | ✓ | ✓ |
| L | ✓ | | | ✓ | L | ✓ | ✓ | ✓ | ✓✓✓ |
| M | ✓ | ✓ | ✓ | ✓ | M | ✓ | ✓ | ✓ | ✓ |
| N | ✓ | ✓ | ✓ | ✓ | N | ✓ | ✓✓✓ | ✓ | ✓ |
| O | ✓ | ✓ | ✓ | ✓ | O | ✓ | ✓ | ✓ | ✓ |

Customer white space gains
grew 369%
from 2018

| | |
|-----|---------------|
| ✓ | 0-10% growth |
| ✓✓ | 10-99% growth |
| ✓✓✓ | >100% growth |

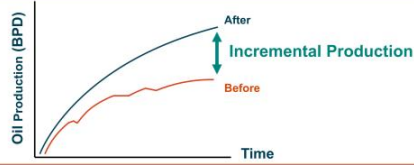
| | | |
|----------|--|--|
| 1 | Improving well productivity | <ul style="list-style-type: none">▪ Powerful combination of technology and experts to drive improvements with unconventional decline curve challenges |
| 2 | Expanding international presence | <ul style="list-style-type: none">▪ Increased spending patterns in the Middle East, Latin America, and Africa, coupled with combined ChampionX presence |
| 3 | Driving digital customer adoption | <ul style="list-style-type: none">▪ Using proven digital technologies and methods to drive well productivity from initial production through proven/mature wells |
| 4 | Increasing operator returns with innovation | <ul style="list-style-type: none">▪ Commercializing new solutions to address production challenges with technology and consultative partnering approaches |



OPERATOR CHALLENGES

- Parent – child well interference
- Rising gas-oil ratio (GOR)
- Inventory depth and spacing
- Longer laterals
- DUC inventory

**ChampionX
ESP Solution**



- Increased production by 150 BOPD, \$9,000 per day
- Reduced workover costs \$200,000
- Cost avoidance of failed equipment \$75,000
- Deferred production savings \$171,000 per workover

Significant positive impact to operator economics

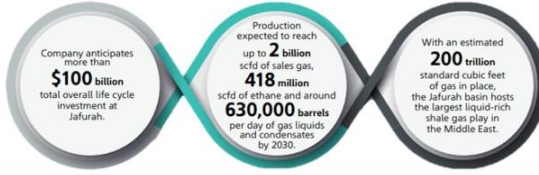


Key Customers

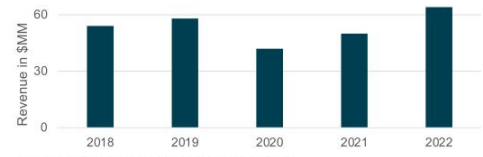


Latin America & Middle East/Africa revenue growth 18% CAGR from '20-22

MEA revenue growth 13% CAGR (FY '12-'22)



PAT Middle East Revenue

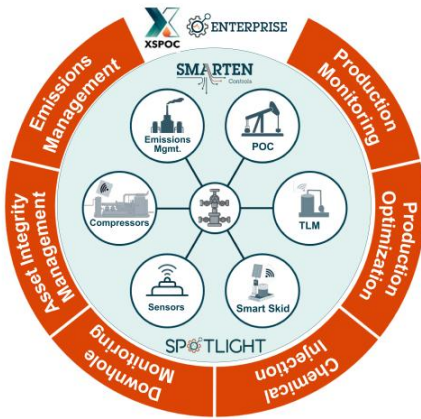


2012-2017 Revenue is derived from internal management reports.



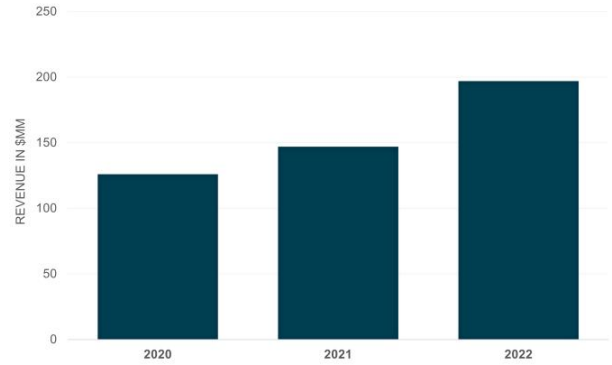
Leveraging our U.S. unconventional expertise for international growth

Enabling Solutions Partner Engagements



ChampionX Digital Revenue

ACCELERATING ADOPTION



Accelerating growth across wellsite driving operator productivity



2,000+
Annual licenses

High
Recurring revenue

1 billion+
pump cards

200+
customers

25+
years

135k+
wells

2,000+
ESPs monitored & optimized

| | Data & Monitoring (Tier 1) | Diagnostics & Insights (Tier 2) | Intelligent Automation (Tier 3) |
|-----------------------|-------------------------------|------------------------------------|------------------------------------|
| Rod lift | ● | ● | ● |
| ESP | ● | ● | ● |
| Gas Lift | ● | ● | ● |
| Plunger Lift | ● | ● | ● |
| Chemicals | ● | ● | ● |
| Wellsite Surveillance | ● | ● | ● |

● Commercially available
● In development; Partially available

Powerful combination is driving adoption and real operating results

Maximize the return on producing assets

Rod lift autonomous control




- Delivered an avg. **215 BOPD incremental production**
- Added **\$848,000 in additional revenue** in just 60 days
- Potential for **annual increase of \$26MM+**

Proportional chemical injection



- Eliminated **~450 BBLS** in deferred production
- Cut more than **\$100,000** in annual compressor maintenance costs
- Enabled **99% injection accuracy** vs. the target set point

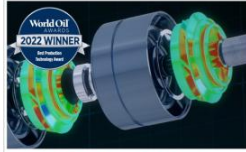
ESP multi-variate analysis



- Proactively prevented ESP failure, **avoided \$250,000 in intervention costs**
- **Eliminated 24 hours of non-productive time** with immediate ESP field service dispatch to location

Technology with Impact

\$100MM IN NEW PRODUCT SALES IN 2022



HIGH RISE™
series pumps



XSPOC™ 3.2.2
production optimization
software



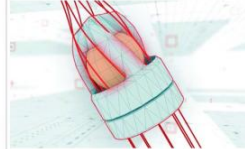
HIGH RISE™
Kronos
gas handling pump



SMARTEN™
retrofit kit



SmartSpin™ wireless
rod rotator sensor



HFX™
rod pump cage



Norris CS™
corrosion-resistant rods



Chemical Injection
multi-well control

- Uniquely positioned with **full portfolio of “best-in-class” artificial lift solutions** to drive operator returns through the life of the well
- **Strong subject matter expertise**, installed base, innovation, and **rich data sources** dedicated to each form of lift across life cycle
- **Providing digital solutions** with accelerating adoption, impacting operator returns
- **Broad-based demand** across ESP / rod lift / gas lift technology modalities
- **Leading brand equity and market positions in growing geographies:** North America conventional and unconventional, Middle East, and Latin America

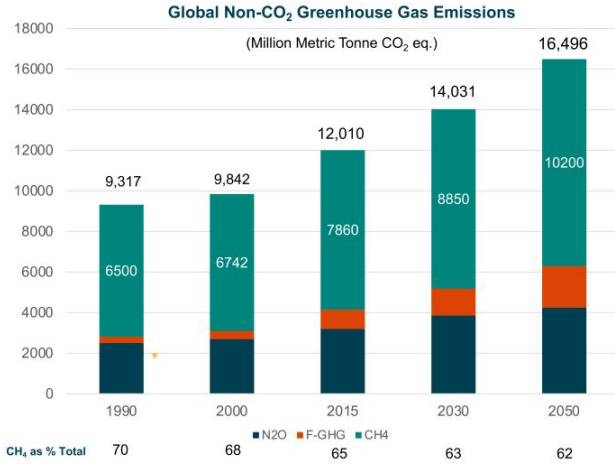
Emissions Technologies

Saurabh Nitin

Improving Lives of all our stakeholders by:

- Delivering a suite of the **most impactful technology solutions**
- Being humble and agile, **continuously learning and innovating** and relying on science to guide the way – without judgement or bias
- Becoming the **thought leader and trusted partner** for industry operators, government entities and non-governmental organizations

Enabling deep emissions reductions and helping deliver decarbonized energy solutions



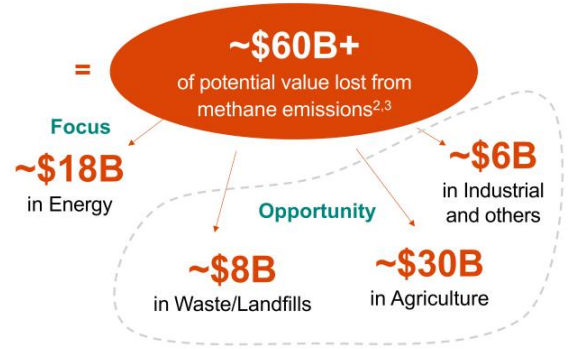
Source: EPA Global Non-CO₂ Greenhouse Gas Emission Projections & Mitigation Potential: 2015-2050

1. Methane Greenhouse Warming Potential Factor for 100-year time horizon equals 25 and for a 20-year horizon equals 80

2. Methane is 149.3Mcf/tonne at standard temperature and pressure
3. Assumed average global price of natural gas as \$4/Mcf

7.9B tonnes
CO₂ eq methane emitted
in 2015

at **25-80x¹**
stronger global warming
potential to CO₂



What drives the right to win?

ChampionX Advantage



Deep subject matter expertise

- Early mover advantage: Built a team of industry thought leaders from academia & research, start-ups, oil and gas majors, service companies



Fit-for-purpose and diverse solution offerings

- Robust offerings for methane identification and detection (planes, drones, helicopters, cameras); market leading presence



In-basin and remote service and support

- Leveraging 4,000+ global ChampionX sales & service personnel
- In-basin US installation and support teams
- Fully staffed technical customer service servicing remotely



Seamless data integration

- Highly secure and standardized data architecture
- Fit-for-purpose customization and feed into customer systems



Continuous innovation and scientific research

- Part of our values and culture
- We are built on science – Work with both industry and non-industry players

We are capitalizing on our strengths, culture, and values

Full Suite of Emissions Monitoring Offerings to Meet Customer's Needs



Continuous monitoring

SOOFIE® offers 7-day-a-week, 24-hours-a-day monitoring that provides cost-effective, real-time emissions alerts



Aerial optical gas imaging

Helicopter-mounted and handheld thermal imaging camera helping detect and attribute emissions for remediation



Drone monitoring

Providing close-up monitoring, quantification and diagnosis for emissions hotspots



Aerial monitoring

Uniquely suited for fast and large-area coverage, helping quantify your operations site-wide

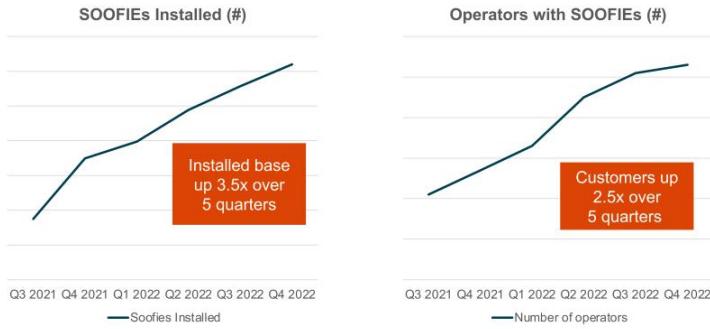


Infrared camera

Breakthrough AURA OGI™ intelligent MidWave InfraRed (MWIR) Optical Gas Imaging (OGI) cameras

Launching in 2H 2023

Privileged to be the first choice for our customers for ground methane monitoring sensors with our SOOFIE™ offering



Thousands of SOOFIEs in operation across nearly all North American basins

Steadily increased recurring revenues with service offerings/rentals



~30%+ recurring revenue business as of Q4 2022

- Breakthrough rugged industrial, high-resolution OGI camera
- Built by OGI and LDAR experts for LDAR practitioners
- Designed specifically to meet current and future requirements of emissions monitoring



We thrive on continuous innovation

- Methane emissions reduction is our current focus. It's a **high-impact, large market opportunity** with significant regulatory and investor tailwinds
- We have a **right to win this space** – with our diverse and fit-for purpose offerings, our market-leading presence, our ChampionX customer reach and culture of continuous innovation
- We continue to **evolve our position** and introduce **new pathbreaking products**

Digital Technologies

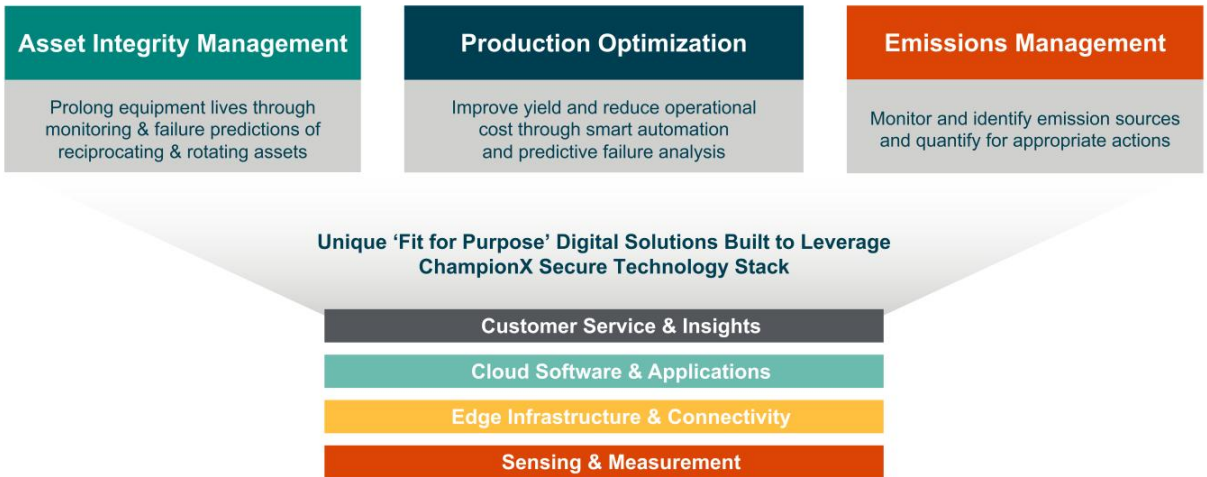
Ali Raza

CHAMPIONX

Enabling an efficient,
low-carbon future

Mission-critical digital technology solutions to help customers operate their assets and processes safely, efficiently and sustainably

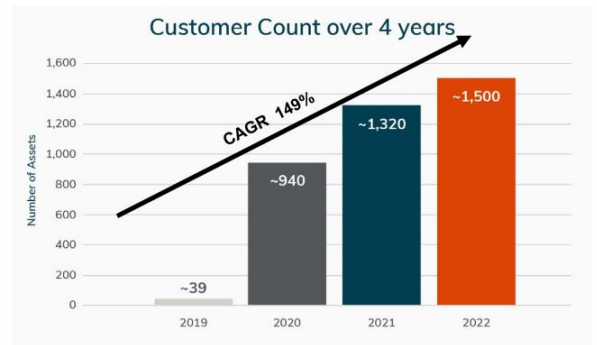
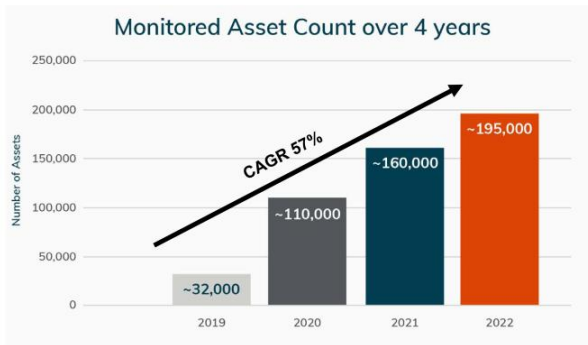
Driving high ROIC outcomes and meeting ESG goals for our customers



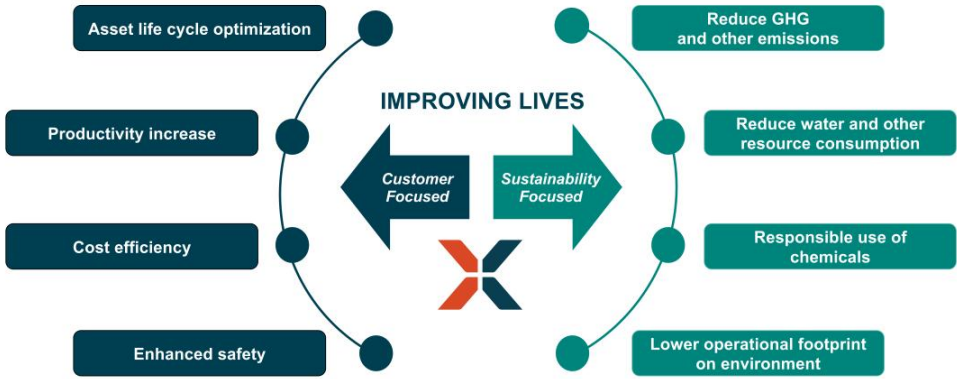
Driving Measurable Customer Impact Through Scalable Technology Stack



Growing Customer Base Contributes to Continuous Growth in Monitored Assets



'Fit-for-purpose' technology is driving digital and digitally enabled revenue



ChampionX solutions & expertise help customers achieve business objectives and environmental goals

Predict gas blockage in the system to avoid unplanned shutdowns and heavy repairs

Challenge

Gas interference causes high failure rates in high-investment ESP systems

Approach

Use operational data to predict a gas slug and gas lock problem through artificial intelligence models

Results

Reduced ESP downtime by over 24 hours by providing earlier notifications to the operator with high level of accuracy



88% precision across 141 wells operated by 4 customers

| | Customer #1 | Customer #2 | Customer #3 | Customer #4 |
|------------------------------|------------------|-----------------|-----------------|-----------------|
| Well count | 49 | 61 | 23 | 8 |
| Confirmed model calls | 104 | 34 | 21 | 38 |
| Precision | 90% | 80% | 100% | 80% |
| Shutdown hrs. avoided | 1217 hrs. | 354 hrs. | 273 hrs. | 395 hrs. |
| Annual savings | \$5.7m | \$1.6m | \$1.2m | \$1.8m |

Four months data proves major savings through early detection of gas slugs and gas locks

Solution to enhance compressor performance for a major midstream operator

Challenge

Equipment failures cause unplanned shutdowns resulting in loss of production and costly equipment repairs

Approach

'Fit for Purpose' predictive analysis models with varying fidelity to predict failure in advance

Results

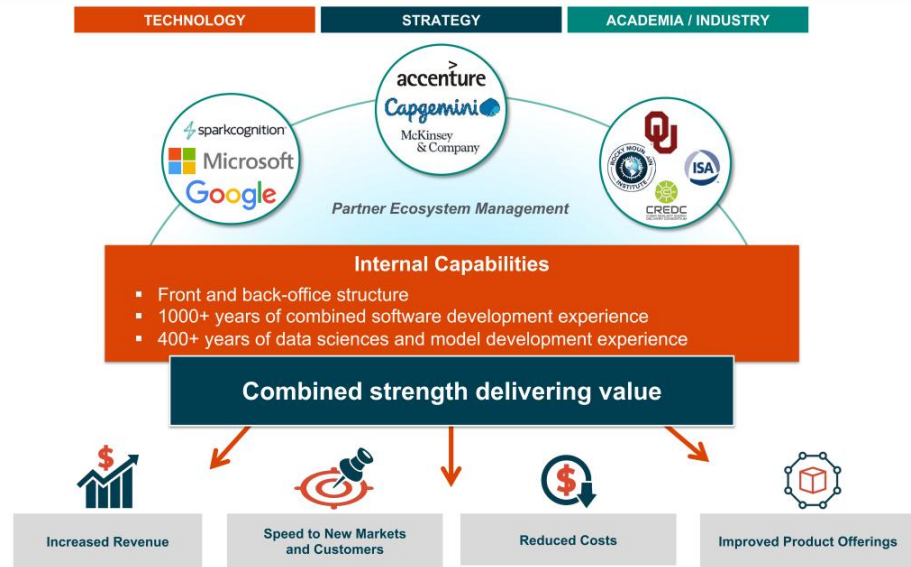
Highly accurate predictive analytics drove higher reliability and lower maintenance cost

The infographic illustrates the solution architecture and its benefits. At the top, a target icon is next to the text "97% precision upto 6 weeks in advance predictions". Below this, three boxes represent the technology stack: "SAAS" (Software as a Service), "AI Models", and "Edge Analytics". The "AI Models" box is connected to a cloud icon labeled "ENTERPRISE". The "Edge Analytics" box is connected to a "Spotlight Edge" device, which is in turn connected to "Spotlight Sensors" mounted on a compressor. The compressor is shown with various gauges and pipes.

- SAAS
- AI Models
- Edge Analytics
- ENTERPRISE
- Spotlight Edge
- Spotlight Sensors

- Saved annual equipment maintenance cost of \$60M for our customers
- Emissions reduction by eliminating 50M miles of travel due to remote monitoring
- 90% reduction in major leak events across monitored compressor because of continuous monitoring
- A cost reduction of 40%+ per leak event

Investment in Capabilities and Support for Future Digital Growth



- We are a **full stack digital technology provider** that is focused on driving customer value every step of the way
- We are **committed to provide 'fit for purpose' Digital solutions** to help our customers operate safely, reliably and efficiently
- As the technology leader in Digital Oil & Gas arena, we are making a **significant difference in our customers' daily operations** and in their **sustainability journeys**
- We are **continuously investing in building an expert ecosystem** to sustain our leadership in Digital Oil & Gas for a growing future

Drilling Technologies

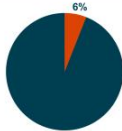
Rob Galloway

2022 Revenue

\$229MM
(+33% increase, YoY)

- Undisputed industry leader in polycrystalline diamond cutters for oil & gas drilling and diamond bearings
- Industry **reputation for innovation, quality, and customer service**
- **Critical partner** to customers in achieving drilling productivity:
 - **95%+ of ChampionX drill bit inserts are designed to meet unique requirements and finished to exact customer specifications**
- Well positioned to leverage industry trends – **growing global drilling, horizontal drilling, increasing laterals, more difficult drilling formations**
- Leveraging **diamond science** technology to grow in other industry segments

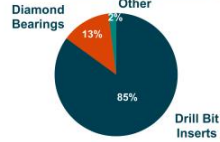
% Total ChampionX¹



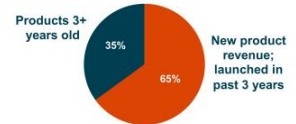
Geography¹



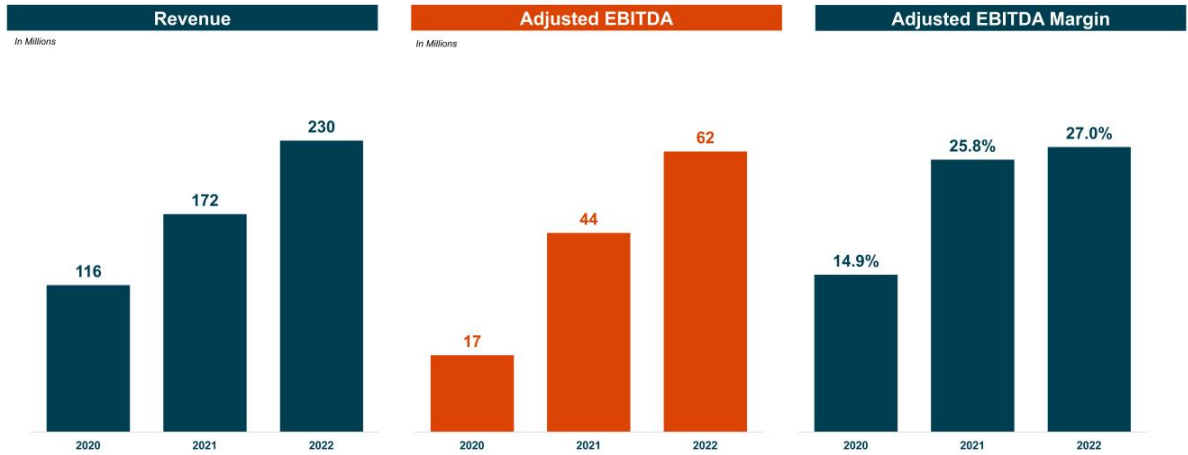
Product Mix¹



Product Innovation¹



Segment Financial Trends



Positive trends, beginning with the doubling of revenue from 2020 to 2022

83 See Appendix for reconciliation of non-GAAP financial metrics, including adjusted EBITDA.

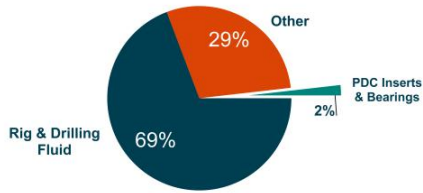
| | <p>Oil & Gas Drill Bit Inserts</p> | <p>Diamond Bearings</p> | <p>Diamond Sciences</p> | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|--|---|---|----------|-------|----------|-------------------------|----------------------|--------------------------|---------------|----------------------------|----------------|------------|----------------------------------|--|--------------------|--------|-------------------|----------|-----------------------------|------|-------------------------|---------------|------------------|--------------------------------|-------------------------|-------------|
| Tools | | | <p>Property</p> <table border="0"> <thead> <tr> <th>Property</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>hardness</td> <td>100 GPa Knoop (hardest)</td> </tr> <tr> <td>thermal conductivity</td> <td>2,000 W/m-K (4 x copper)</td> </tr> <tr> <td>melting point</td> <td>4,000°C (500°C > tungsten)</td> </tr> <tr> <td>sonic velocity</td> <td>18,000 m/s</td> </tr> <tr> <td>coefficient of thermal expansion</td> <td>1.1x10⁻⁶ K⁻¹ (< silicon)</td> </tr> <tr> <td>electrical bandgap</td> <td>5.5 eV</td> </tr> <tr> <td>breakdown voltage</td> <td>10 MV/cm</td> </tr> <tr> <td>optical index of refraction</td> <td>2.42</td> </tr> <tr> <td>coefficient of friction</td> <td>0.03 (teflon)</td> </tr> <tr> <td>chemically inert</td> <td>resistant to all acids & bases</td> </tr> <tr> <td>Biologically compatible</td> <td>pure carbon</td> </tr> </tbody> </table> | Property | Value | hardness | 100 GPa Knoop (hardest) | thermal conductivity | 2,000 W/m-K (4 x copper) | melting point | 4,000°C (500°C > tungsten) | sonic velocity | 18,000 m/s | coefficient of thermal expansion | 1.1x10 ⁻⁶ K ⁻¹ (< silicon) | electrical bandgap | 5.5 eV | breakdown voltage | 10 MV/cm | optical index of refraction | 2.42 | coefficient of friction | 0.03 (teflon) | chemically inert | resistant to all acids & bases | Biologically compatible | pure carbon |
| Property | Value | | | | | | | | | | | | | | | | | | | | | | | | | | |
| hardness | 100 GPa Knoop (hardest) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| thermal conductivity | 2,000 W/m-K (4 x copper) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| melting point | 4,000°C (500°C > tungsten) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| sonic velocity | 18,000 m/s | | | | | | | | | | | | | | | | | | | | | | | | | | |
| coefficient of thermal expansion | 1.1x10 ⁻⁶ K ⁻¹ (< silicon) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| electrical bandgap | 5.5 eV | | | | | | | | | | | | | | | | | | | | | | | | | | |
| breakdown voltage | 10 MV/cm | | | | | | | | | | | | | | | | | | | | | | | | | | |
| optical index of refraction | 2.42 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| coefficient of friction | 0.03 (teflon) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| chemically inert | resistant to all acids & bases | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Biologically compatible | pure carbon | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Application Challenges | <ul style="list-style-type: none"> Wear Impact forces Thermal damage Downtime Cost | <ul style="list-style-type: none"> High Loads High Speed Harsh fluids Downtime Cost | | | | | | | | | | | | | | | | | | | | | | | | | |
| Diamond Properties | <ul style="list-style-type: none"> Hardness (hardest known) Heat management > copper Stiffness > carbide or steel | <ul style="list-style-type: none"> Friction < Teflon Heat management Strength | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advantage | <ul style="list-style-type: none"> Longer Life / Total Depth Drilling Speed Drilling Uptime | <ul style="list-style-type: none"> Longer Life Simpler Tools No Seals | | | | | | | | | | | | | | | | | | | | | | | | | |

8.4 Our diamond sciences expertise drives differentiated performance products portfolio

| | | |
|----------|---|---|
| 1 | Deliver premium value with field performance | <ul style="list-style-type: none">▪ Diamond inserts and bearings enable faster, longer drilling at lower total cost |
| 2 | Gain share through rapid innovation | <ul style="list-style-type: none">▪ High rate of innovation consistently delivers industry-leading products customized for the application |
| 3 | Expand diamond bearing technology | <ul style="list-style-type: none">▪ Diamond bearings continue to be adopted into a variety of downhole tools and other high-wear applications |

Drill Bit Inserts / Bearings Have Outsized Impact on Economics

Drilling Cost Breakdown of an Average Well (1)



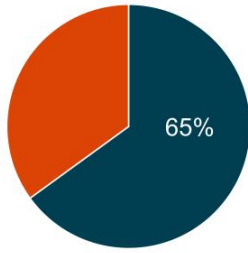
Buying quality drill bit inserts and bearings help customers drill faster and reduce interruptions and unprofitable downtime



Small impact on drilling cost; big impact on drilling efficiency

86 Source: IHS.(1) Represents breakdown of average drilling cost of \$1.3mm.

New Product Revenue



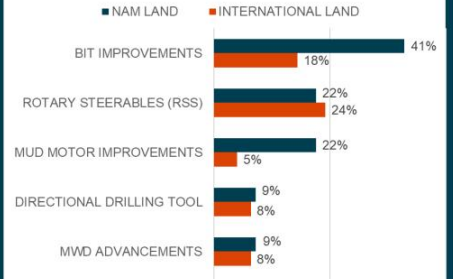
- Revenue from new products launched in the last three years demonstrates our capability to drive innovation.
- Systematic innovation is aligned to the most critical customer needs.



Premium shaped-diamond bit inserts

Combination radial-thrust bearing

Key Developments Delivering Customer Success

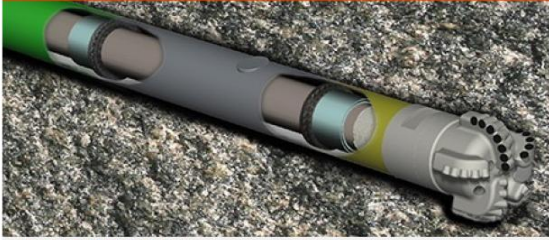


Bits and drilling tools with bearings top the list as key customer developments in 2022

Our new product introductions are aligned with customer success factors

Directional Drilling

Downhole Tools



Improvements:

- Precise drilling through long laterals
- Longer life and more reliable trips
- More compact tool improved steerability

Results:

- Increased bearing life from 300 hours to 3,000 hours
- 70% higher load capacity to enhance directional drilling
- 100% success in challenging conditions

Renewable Energy

River Powered Generator



Improvements:

- Allowed remote village in Alaska to replace costly diesel-fuel power generation with continuous, sustainable zero-carbon power solution
- Longer application runtime and less maintenance required

Results:

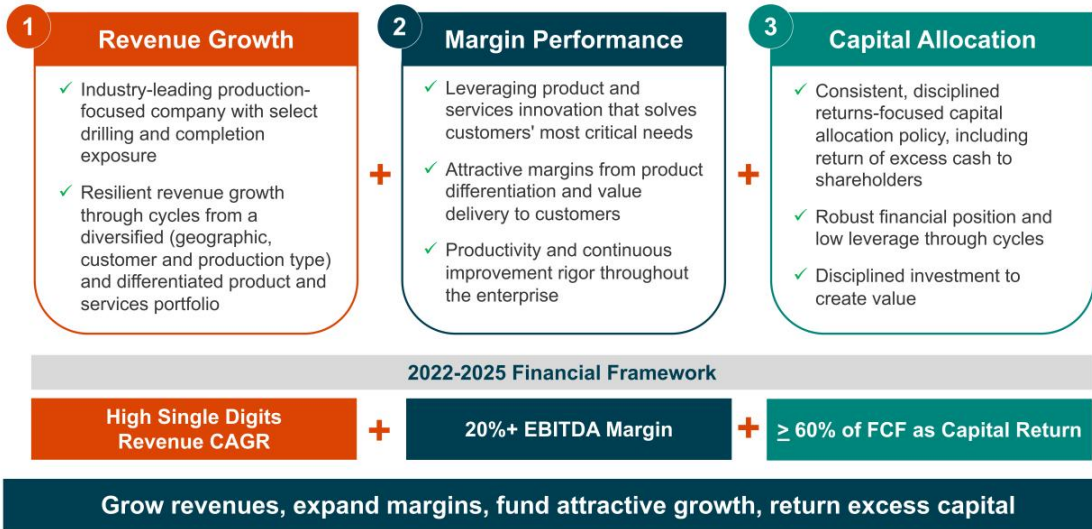
- 22,981 gallons of diesel saved annually
- 24/7/365 power
- Noise eliminated and environmental risk decreased

Strong bearings growth in oilfield applications; promising opportunities in new end markets

- Drillers rely on **premium diamond performance** for reliable and efficient drilling
- **Rapid innovation and customization** are key drivers of industry leadership
- **Diamond bearings** are being incorporated as **critical elements in downhole tools and other equipment**

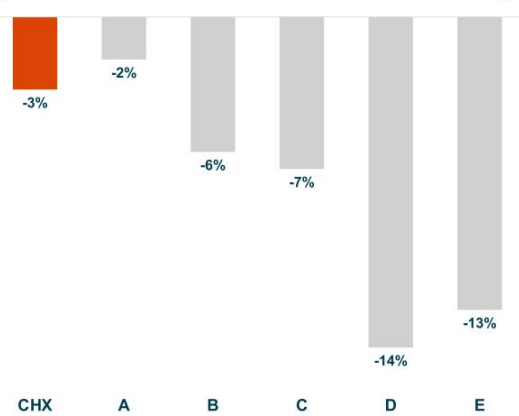
Financial Overview

Ken Fisher

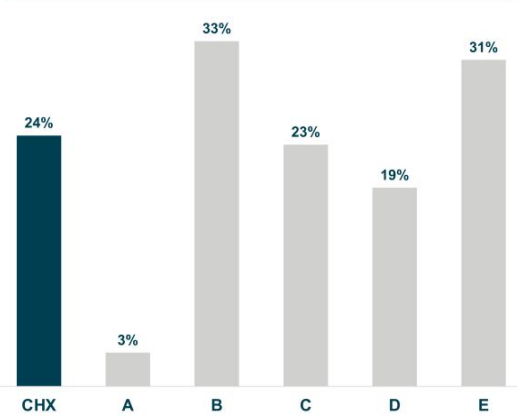


| Prudent Financial Management Designed To Ensure Delivery of Long-Term Value | |
|---|--|
| Resilient production focused portfolio | <ul style="list-style-type: none"> Diversified by Geography, Customer and Production Type |
| Capital discipline – portfolio actively managed for returns and value | <ul style="list-style-type: none"> “Capital Light” business model Expanding margins and strong Working Capital management |
| Strong free cash flow generation through cycles | <ul style="list-style-type: none"> 50%-60% Conversion from Adjusted EBITDA |
| Low leverage and strong balance sheet through cycles | <ul style="list-style-type: none"> Less than 1x Net Leverage Target |
| Robust liquidity | <ul style="list-style-type: none"> Strength through industry cycles and volatility |
| Capital allocation priorities... $\geq 60\%$ of free cash flow returned to shareholders | <ul style="list-style-type: none"> Sustainable dividend growing with Free Cash Flow Excess Free Cash Flow to share repurchases |
| Supports ChampionX strategy and value creation | |

Revenue CAGR 2014-2022



2022 Annual Revenue Growth

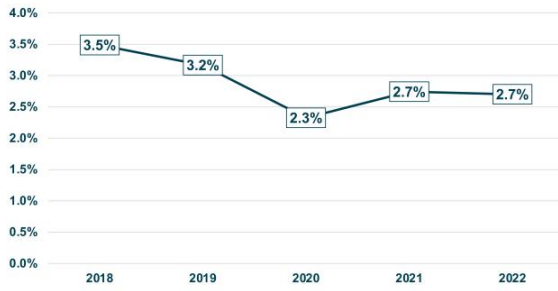


Strong through cycle performance versus top OFS peers

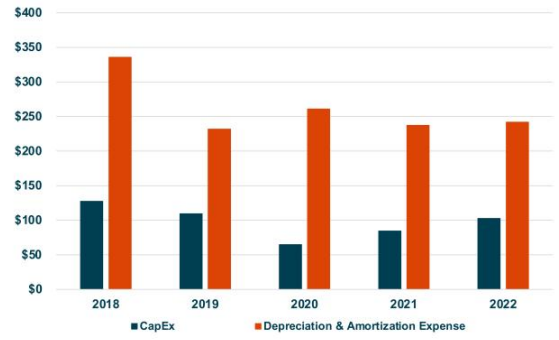
Peers include BKR, HAL, NOV, SLB, WFT

9.3 Revenue for 2014 is derived from the combined (i) unaudited financial statements of Apergy Corporation, as reflected in the Selected Historical Combined Financial Data section of the Company's Information Statement included as Exhibit 99.1 to the Company's registration statement on Form 10, effective April 19, 2018, and (ii) management's estimates of revenue for the Chemical Technologies business.

CAPEX as % Revenue



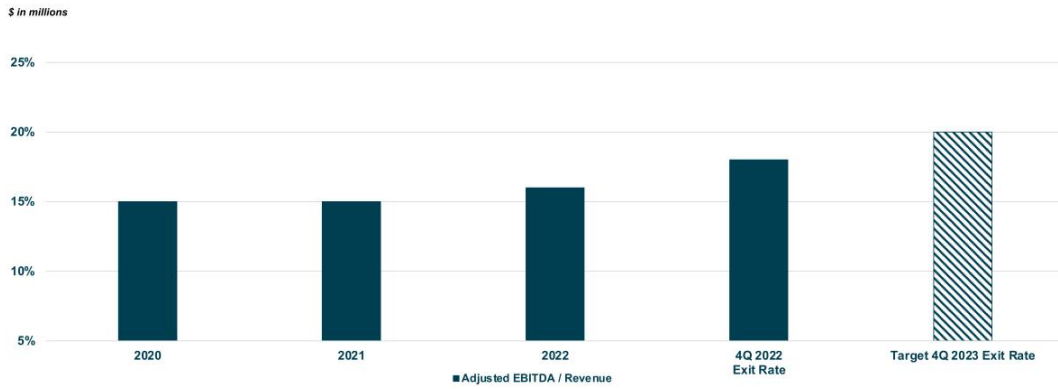
CAPEX versus D&A



Low reinvestment requirement; strong capital discipline

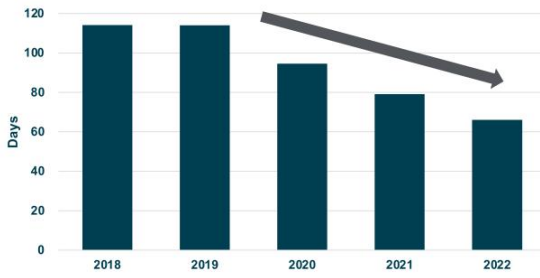
9.4 See Appendix footnotes for the calculation of CapEx for the 2018 – 2020 periods.

Adjusted EBITDA Margin Expansion

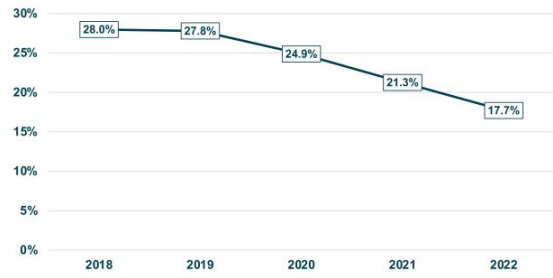


Focused on expanding adjusted EBITDA margins across all segments

Cash Conversion Cycle



Net Working Capital % of Revenue



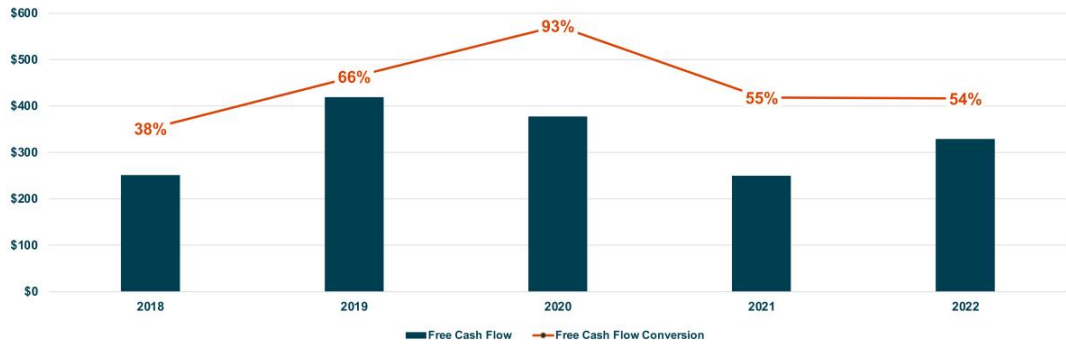
Improved cash conversion cycle 40% since 2019

Cash conversion cycle = DSO + DOH - DPO
 • DSO (Days Sales Outstanding) = Receivables, net / daily average revenue of prior 3 months (90 days)
 • DOH (Days of Inventory on Hand) = Inventories, net / daily average cost of goods sold of prior 3 months (90 days)
 • DPO (Days Payables Outstanding) = Accounts payable / daily average cost of goods sold of prior 3 months (90 days)

96 Net working capital = receivables, net + inventories, net - accounts payable

\$ in millions

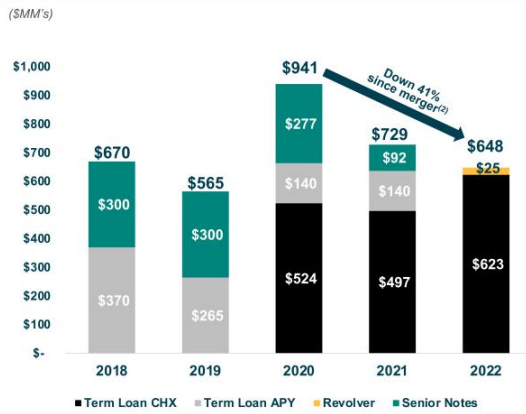
2018-2022 Average FCF / Adjusted EBITDA Conversion of 58%



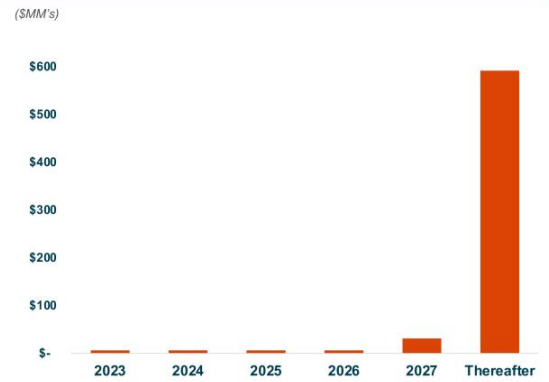
Strong and consistent FCF generation since initial spin despite sector volatility

97 FCF conversion = free cash flow / Adjusted EBITDA.
See Appendix for reconciliation of non-GAAP financial metrics, including free cash flow and Adjusted EBITDA.

Gross Debt⁽¹⁾



Debt Maturity Profile

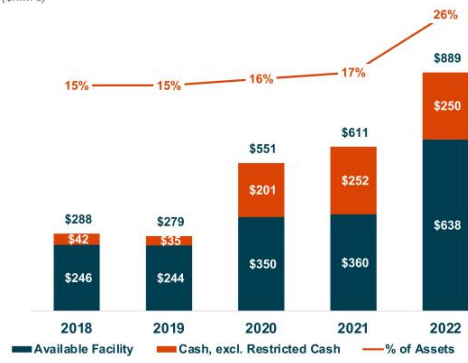


Significant debt paydown since merger; well-managed maturity tower

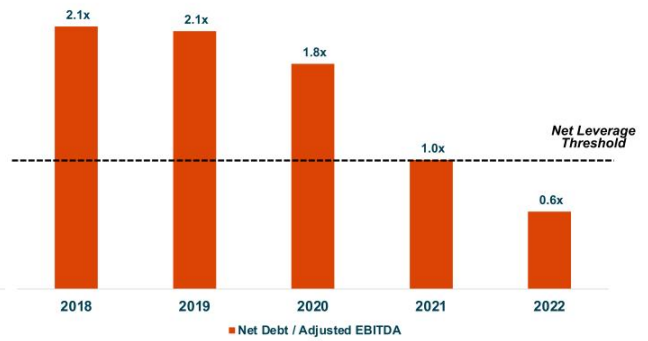
(1) Total long-term debt before net unamortized discounts and issuance costs.
 (2) Gross debt outstanding at June 3, 2020 of \$1,102 MM.

Liquidity

(\$MM's)



Net Leverage



Strengthened financial position with upsized revolver; deleveraged to target since merger

99 Gross Debt = long-term debt on face of balance sheet; Net Debt = Gross Debt less cash and cash equivalents on face of balance sheet. See Appendix for reconciliation of non-GAAP financial metrics, including net debt and Adjusted EBITDA.



Improving returns since merger – targeting 20%+ (as reported) in 2023 and beyond

10.0 ROIC = Adjusted net operating profit / (total assets – total liabilities excluding long-term debt).
See Appendix for reconciliation of non-GAAP financial metrics, including adjusted net operating profit.

Strong Balance Sheet Provides Flexibility ...

**Consistent,
Strong Cash
from
Operations**

\$413 MM
**Trailing 4
Quarters**
~11% of Revenue

**Target
1x Net Debt /
Adjusted
EBITDA**

| | |
|---------------------|--------------|
| Debt ⁽¹⁾ | \$628 |
| Less: Cash | 250 |
| Net Debt | \$378 |

~0.6x Trailing 4 Qtrs. Adjusted EBITDA

**Ample
Liquidity**

| | |
|---|--------------|
| Cash | \$250 |
| Credit Facility Availability ⁽¹⁾ | 638 |
| Liquidity | \$889 |

Note: USD in millions. Certain numbers may not add up due to rounding of numbers.
(1) Debt = debt on face of balance sheet at December 31, 2022.

... To Fund Our Capital Allocation Priorities

- 1 **Maintain 1x Net Debt / EBITDA, through-the-cycle**
- 2 **Fund internal investment**
 - Maintenance capital
 - Growth capital
 - Investments in innovation
 - Highest ROI investments
- 3 **Pay sustainable, growing dividend**
 - Recently increased to \$0.085/share
 - Expect to grow over time with free cash flow growth
- 4 **Pursue value-creating acquisitions**
 - Disciplined M&A framework
 - Strategic, tuck-in opportunities that add to our capabilities and growth profile
 - Drive returns above cost of capital
- 5 **Return excess capital to shareholders**
 - \$750 million share repurchase authorization
 - \$180 million repurchased in 2022

2022

69% of FCF returned in 2022

Moving Forward



- Sustainable regular dividend growing with Free Cash Flow
 - 13% Increase on February 16, 2023
- ≥ 60% of FCF returned to shareholders via quarterly dividend and share repurchases

Value creation aligned to reward shareholders

10.2 See Appendix for reconciliation of non-GAAP financial metrics, including free cash flow.

On a consolidated basis in the first quarter of 2023, we expect:

- Revenue of \$952 million to \$982 million
 - Expect typical seasonal declines in our international operations, partially offset by rebound in our North American land businesses
- Adjusted EBITDA of \$164 million to \$172 million
- We expect adjusted EBITDA margin to improve during 2023 from the Q1 seasonal low
- Depreciation and amortization similar to the fourth quarter of 2022

For full year 2023, we expect:

- 2023 exit rate adjusted EBITDA margin of 20%
- Adjusted EBITDA to free cash flow conversion of at least 50%
- Return of at least 60% of free cash flow to our shareholders

Note: This presentation also contains certain forward-looking non-GAAP financial measures, including adjusted EBITDA and free cash flow. Due to the forward-looking nature of the aforementioned non-GAAP financial measure, management cannot reliably or reasonably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures, such as net income. Accordingly, we are not able to present a quantitative reconciliation of such forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures. Amounts excluded from these non-GAAP measures in the future could be significant.

| | |
|-----------------------------|--|
| Revenue 3-year CAGR: | High single digits |
| EBITDA Margin: | ≥ 20% Company rate |
| ROIC: | > 20% |
| Net Leverage: | ≤ 1x Net Leverage through the cycles |
| FCF Generation: | 50%-60% of adjusted EBITDA conversion |
| Shareholder Returns: | ≥ 60% of Free Cash Flow |

Industry-leading production-focused company delivering differential value

Closing

Soma Somasundaram



We are excited about our future ... the best is yet to come

Q&A session

Appendix

Reconciliations

Reconciliations



Net Income (Loss) Attributable to ChampionX to Adjusted EBITDA and Free Cash Flow

| (in thousands) | Years Ended December 31, | | | | | Q4 |
|--|--------------------------|--------------|--------------|--------------|--------------|------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2022 |
| Revenue | \$ 3,649,656 | \$ 3,456,354 | \$ 2,775,027 | \$ 3,074,990 | \$ 3,805,948 | |
| Net income (loss) attributable to ChampionX | 194,937 | 229,126 | (777,553) | 113,299 | 154,969 | 67,857 |
| Pre-Tax Adjustments: | | | | | | |
| Restructuring and other related charges | 19,147 | 23,974 | 27,979 | 14,624 | 65,158 | (16,784) |
| Goodwill and long-lived asset impairment | - | 1,746 | 805,011 | - | 39,617 | 39,617 |
| (Gain) loss on disposal groups | - | - | - | (38,131) | 18,493 | 1,978 |
| Acquisition and integration related costs | - | 822 | 1,134 | 35,233 | 10,759 | 1,001 |
| Acquisition costs and related adjustments | - | - | (8,050) | (13,636) | (17,648) | (7,112) |
| Loss on debt extinguishment and modification | - | - | - | 11,098 | 6,070 | - |
| Russia sanctions compliance and impacts | - | - | - | - | 928 | (2,909) |
| Intellectual property defense | - | 400 | 1,278 | 6,622 | 781 | 27 |
| Separation and supplemental benefit costs | 14,649 | 6,377 | 539 | 1,559 | - | - |
| Latin America tax matters | - | - | - | (2,968) | - | - |
| Professional fees related to material weakness remediation and impairment analysis | - | 2,780 | 6,240 | - | - | - |
| Royalty expense | 2,277 | - | - | - | - | - |
| Environmental costs | - | 1,988 | - | - | - | - |
| Other charges | 1,300 | - | - | - | - | - |
| Tax impact of adjustment | (3,308) | (8,718) | (28,903) | (3,024) | (18,903) | 3,848 |
| Adjusted net income attributable to ChampionX | 229,002 | 258,495 | 27,675 | 124,676 | 260,224 | 87,523 |
| Tax impact of adjustment | 3,308 | 8,718 | 28,903 | 3,024 | 18,903 | (3,848) |
| Net income attributable to noncontrolling interest | 1,954 | 8,216 | 2,898 | 941 | 1,594 | (1,588) |
| Depreciation and amortization | 335,761 | 231,702 | 260,930 | 237,285 | 241,880 | 64,119 |
| Provision for income taxes | 63,662 | 51,147 | 18,598 | 38,445 | 40,243 | 21,008 |
| Interest expense, net | 27,648 | 77,741 | 65,434 | 51,921 | 45,204 | 11,622 |
| Adjusted EBITDA | \$ 661,335 | \$ 636,019 | \$ 404,438 | \$ 456,292 | \$ 608,048 | \$ 178,836 |
| Cash flows from operating activities | \$ 374,800 | \$ 520,099 | \$ 431,169 | \$ 328,219 | \$ 413,360 | \$ 195,093 |
| Less: capital expenditures | (127,318) | (109,480) | (64,545) | (84,464) | (102,808) | (28,056) |
| Plus: proceeds from asset sales | 3,187 | 7,998 | 10,305 | 5,236 | 18,017 | 1,593 |
| Free Cash Flow | \$ 250,669 | \$ 418,617 | \$ 376,929 | \$ 248,991 | \$ 328,569 | \$ 168,630 |

(*) Management's estimate of the combined results of legacy Apergy as reported in our 2020 Form 10-K, plus legacy ChampionX as reported in our Registration Statement on Form S-4 (File No. 333-236379).

(**) 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 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 adjustments.

Reconciliations



Net Income (Loss) Attributable to ChampionX, Adjusted Net Operating Profit and Net Debt

| | Years Ended December 31, | | | | |
|--|--------------------------|-------------|---------------------|-------------|-------------|
| | 2018 | 2019 | 2020* | 2021 | 2022 |
| (in thousands) | | | | | |
| Net income (loss) attributable to ChampionX | \$ 92,737 | \$ 52,164 | \$ (777,553) | \$ 113,299 | \$ 154,969 |
| Pre-Tax Adjustments: | | | | | |
| Restructuring and other related charges | 4,347 | 9,307 | 27,979 | 14,624 | 65,158 |
| Goodwill and long-lived asset impairment | - | 1,746 | 805,011 | - | 39,617 |
| (Gain) loss on disposal groups | - | - | - | (38,131) | 18,493 |
| Acquisition and integration related costs | - | 10,145 | 1,134 | 35,233 | 10,759 |
| Acquisition costs and related adjustments | - | - | (8,050) | (13,636) | (17,648) |
| Loss on debt extinguishment and modification | - | - | - | 11,098 | 6,070 |
| Russia sanctions compliance and impacts | - | - | - | - | 928 |
| Intellectual property defense | - | 400 | 1,278 | 6,622 | 781 |
| Separation and supplemental benefit costs | 14,649 | 6,377 | 539 | 1,559 | - |
| Latin America tax matters | - | - | - | (2,968) | - |
| Professional fees related to material weakness remediation and impairment analysis | - | 2,780 | 6,240 | - | - |
| Royalty expense | 2,277 | - | - | - | - |
| Environmental costs | - | 1,988 | - | - | - |
| Other charges | - | - | - | - | - |
| Tax impact of adjustment | (3,308) | (7,777) | (28,903) | (3,024) | (18,983) |
| Adjusted net income attributable to ChampionX | 110,702 | 77,130 | 27,675 | 124,676 | 260,224 |
| Tax impact of adjustment | 3,308 | 7,777 | 28,903 | 3,024 | 18,903 |
| Net income attributable to noncontrolling interest | 454 | 796 | 2,898 | 941 | 1,594 |
| Depreciation and amortization | 124,461 | 119,938 | 260,930 | 237,285 | 241,880 |
| Provision for income taxes | 28,162 | 6,226 | 18,598 | 38,445 | 40,243 |
| Interest expense, net | 27,648 | 39,301 | 65,434 | 51,521 | 45,204 |
| Adjusted EBITDA | \$ 294,735 | \$ 251,188 | \$ 404,438 | \$ 456,292 | \$ 608,048 |
| Less: Net income attributable to noncontrolling interest | (454) | (796) | (2,898) | (941) | (1,594) |
| Less: Depreciation and amortization | (124,461) | (119,938) | (260,930) | (237,285) | (241,880) |
| Less: Adjusted provision for income taxes | (37,883) | (17,883) | (44,714) | (54,277) | (68,219) |
| Adjusted operating profit | \$ 132,137 | \$ 112,551 | \$ 95,896 | \$ 163,789 | \$ 296,355 |
| | | | December 31, | | |
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| Current portion of long-term debt | \$ - | \$ - | \$ 26,850 | \$ 26,850 | \$ 6,250 |
| Long-term debt | 658,623 | 555,291 | 905,764 | 697,657 | 621,702 |
| Gross debt | 658,623 | 555,291 | 932,614 | 724,507 | 627,952 |
| Less: Cash and cash equivalents | (41,832) | (35,290) | (201,421) | (251,678) | (250,187) |
| Net debt | \$ 616,791 | \$ 520,001 | \$ 731,193 | \$ 472,829 | \$ 377,765 |

(*) 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 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 adjustments.

Reconciliations

Segment Income (loss) before income taxes, Segment Adjusted EBITDA



| (in thousands) | Years Ended December 31, | | | Q4 |
|--|--------------------------|--------------|--------------|------------|
| | 2020* | 2021 | 2022 | 2022 |
| Segment revenue: | | | | |
| Production Chemical Technologies | \$ 1,800,175 | \$ 1,842,400 | \$ 2,347,526 | \$ 636,539 |
| Production & Automation Technologies | 615,918 | 762,371 | 954,646 | 244,181 |
| Drilling Technologies | 118,198 | 172,068 | 229,479 | 53,797 |
| Reservoir Chemical Technologies | 129,168 | 141,095 | 145,197 | 25,698 |
| Corporate and other | 113,580 | 157,058 | 129,100 | 25,640 |
| Total revenue | \$ 2,775,027 | \$ 3,074,990 | \$ 3,805,948 | \$ 985,855 |
| Income (loss) before income taxes: | | | | |
| Segment operating profit (loss): | | | | |
| Production Chemical Technologies | \$ 200,335 | \$ 165,463 | \$ 239,936 | \$ 96,418 |
| Production & Automation Technologies | (697,899) | 45,635 | 89,133 | 18,104 |
| Drilling Technologies | 2,574 | 30,409 | 54,512 | 9,426 |
| Reservoir Chemical Technologies | (174,635) | 30,311 | (90,212) | (16,884) |
| Total segment operating profit | (669,625) | 271,818 | 293,369 | 107,064 |
| Corporate and other | 21,000 | 67,212 | 51,359 | 8,165 |
| Interest expense, net | 65,433 | 51,921 | 45,204 | 11,622 |
| Income before income taxes | \$ (756,058) | \$ 152,685 | \$ 196,806 | \$ 87,277 |
| Operating profit margin / income (loss) before income taxes margin: | | | | |
| Production Chemical Technologies | 11.1% | 9.0% | 10.2% | 15.1% |
| Production & Automation Technologies | (113.3%) | 6.0% | 9.3% | 7.4% |
| Drilling Technologies | 2.2% | 17.7% | 23.8% | 17.5% |
| Reservoir Chemical Technologies | (135.2%) | 21.5% | (62.1%) | (65.7%) |
| ChampionX Consolidated | (27.2%) | 5.0% | 5.2% | 8.9% |
| Adjusted EBITDA | | | | |
| Production Chemical Technologies | \$ 300,629 | \$ 271,244 | \$ 369,054 | \$ 121,092 |
| Production & Automation Technologies | 108,863 | 152,734 | 196,261 | 50,620 |
| Drilling Technologies | 17,312 | 44,328 | 61,932 | 10,998 |
| Reservoir Chemical Technologies | (10,942) | 2,891 | 5,518 | 3,437 |
| Corporate and other | (11,424) | (14,903) | (24,717) | (7,311) |
| Adjusted EBITDA | \$ 404,438 | \$ 456,292 | \$ 608,048 | \$ 178,836 |
| Adjusted EBITDA margin | | | | |
| Production Chemical Technologies | 16.7% | 14.7% | 15.7% | 19.0% |
| Production & Automation Technologies | 17.7% | 20.0% | 20.6% | 20.7% |
| Drilling Technologies | 14.9% | 25.8% | 27.0% | 20.4% |
| Reservoir Chemical Technologies | (8.5%) | 2.0% | 3.8% | 13.4% |
| ChampionX Consolidated | 14.6% | 14.8% | 16.0% | 18.1% |

* 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 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 adjustments.

