



Earnings Conference Call

Third Quarter 2020

October 29, 2020
9:00am Central Time

Forward-Looking Statements

This news release contains statements relating to future actions and results, which are "forward-looking statements" within the meaning of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, ChampionX's market position and growth opportunities. Forward-looking statements include, statements related to ChampionX's expectations regarding the performance of the business, financial results, liquidity and capital resources of ChampionX. Forward-looking statements are subject to inherent risks and uncertainties that could cause actual results to differ materially from current expectations, including, but not limited to, (1) demand for our products and services, which is affected by the price and demand for crude oil and natural gas, (2) our ability to successfully compete in our industry, (3) our ability to develop and implement new products and technologies, and protect and maintain critical intellectual property assets, (4) cost inflation and availability of raw materials, (5) evolving legal, regulatory, tax and tariff policies and regimes, (6) potential liabilities arising out of the installation and use of our products, (7) continuing consolidation within our customers' industry, (8) a failure of our information technology infrastructure or any significant breach of cyber security, (9) risks relating to our international operations and expansion into new geographic markets, including disruptions in the political, regulatory, economic and social conditions of those countries, (10) failure to attract, retain and develop key management, (11) credit risks, including bankruptcies among our customer base or the loss of significant customers, (12) dependence on joint venture and other local partners, (13) deterioration in future expected profitability or cash flows and its effect on our goodwill, (14) risks relating to improper conduct by any of our employees, agents or business partners, (15) fluctuations in currency markets, (16) the impact of natural disasters and pandemics, (17) changes in industry-specific conditions, including changes in production by OPEC, (18) the level of our indebtedness, (19) our ability to remediate the material weaknesses in internal control over financial reporting, (20) our ability to realize the anticipated cost synergies and growth opportunities from the Merger, (21) challenges in integrating the businesses of legacy Apergy and legacy ChampionX, (22) tax liabilities that could arise as a result of the Merger, (23) our ability to successfully replace the corporate services and financial strength legacy ChampionX received from Ecolab, (24) limitations on our ability to engage in certain transactions and certain activities competitive with Ecolab, and (25) other risk factors detailed from time to time in ChampionX's reports filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on ChampionX's forward-looking statements. Forward-looking statements speak only as of the day they are made and ChampionX undertakes no obligation to update any forward-looking statement, except as required by applicable law.

Non-GAAP Measures

This investor presentation, and the related discussions, contains certain non-GAAP financial measures, which should be considered only as supplemental to, and not as superior to financial measures prepared in accordance with generally accepted accounting principles ("GAAP"). Please refer to our earnings release for third quarter 2020 results for a reconciliation of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP and definitions and calculation methodologies of defined terms used in this investor presentation. For additional information about our non-GAAP financial measures, see our filings with the SEC.

Results on a Pro Forma Basis

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

Soma Somasundaram

President and Chief Executive Officer

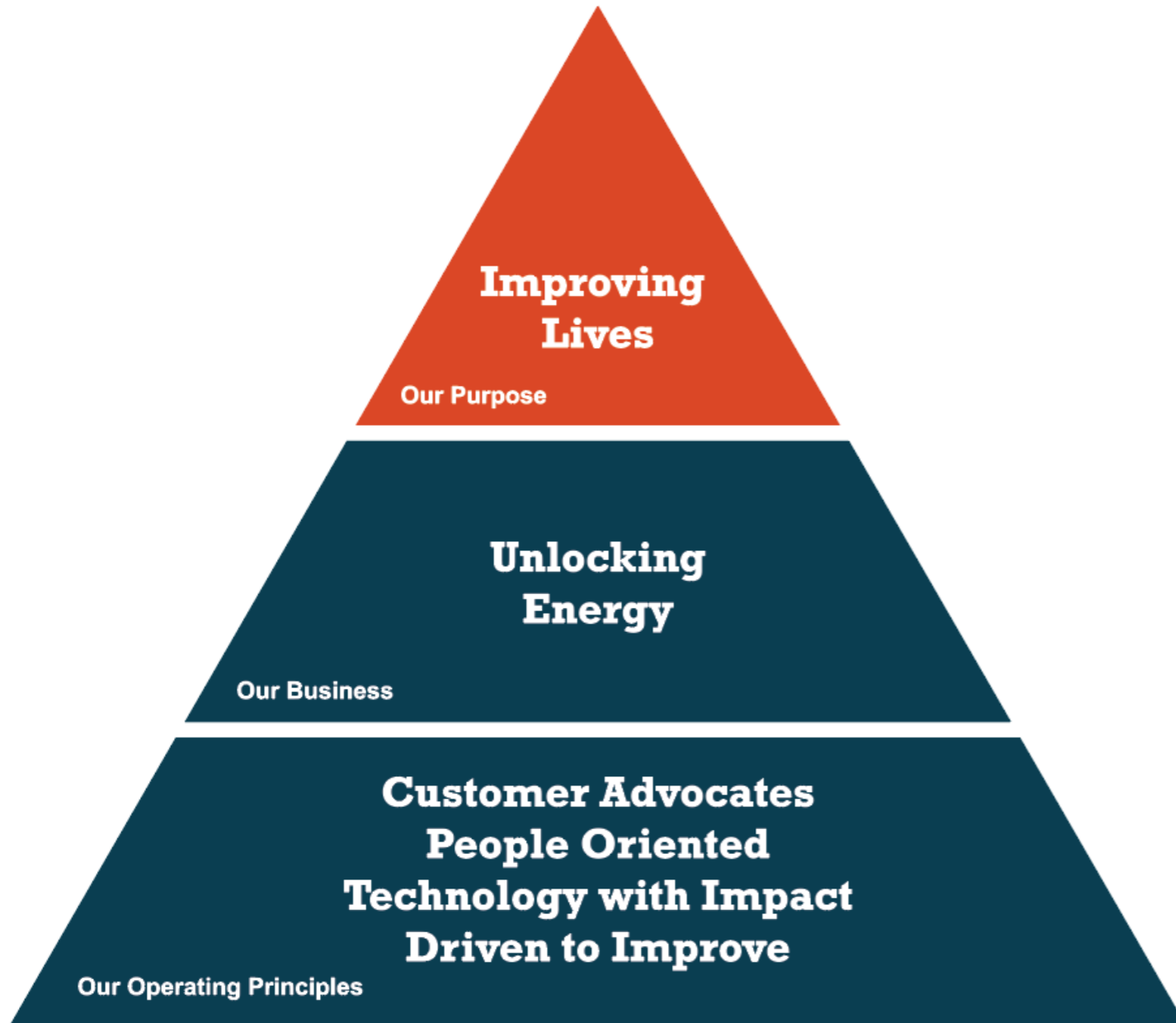
ChampionX's COVID-19 Response

The Health and Safety of Our Employees Remains Our Highest Priority

- **ChampionX's operations are classified as critical infrastructure and our manufacturing and field locations remain operational**
- **Continue to mobilize ChampionX's Crisis Management Team**
 - We have taken a data-driven approach to managing through the pandemic
 - Virtual situation room, including senior leadership team, HR, HSE, Legal, Finance, IT, and Operations meet as needed to evaluate situation, prioritize actions, and provide guidance and leadership to the company
 - Regular communication from the Crisis Management Team to our employee population
- **Implemented a comprehensive response plan to continue operating safely while supporting vital oil and gas infrastructure. Plan includes the following:**
 - Taking precautions consistent with local, state, and national government health authorities' guidelines including the Centers for Disease Control and Prevention (U.S.) and the World Health Organization
 - We have implemented flexible work schedules to support our employees
 - Protecting our employees:
 - Enacted social distancing procedures, including staggering shifts, implementing rotating work schedules, and modifying workspaces and break areas, as needed
 - Equipping our employees with additional personal protective equipment
 - Staying in close contact with our suppliers to manage our supply chain
- **We will continue to closely monitor the situation globally and address customers' needs as they evolve**



Our Distinctive ChampionX Purpose and Operating Philosophy Guides Everything We Do



United behind a
common purpose

Guided by our shared
culture and
operating principles

We Are Helping Customers Reduce Their Carbon Footprints In Tangible Ways



Challenge

- North Sea operator was experiencing some difficulty efficiently managing H₂S levels in export gas given platform storage constraints (for treating chemicals) and the remote location of the asset



Solution

- ChampionX developed a new product that significantly reduced the volume of chemical needed while delivering increased scavenging efficiency

Delivering Tangible Value to the Customer

\$1.2M

COST SAVINGS PER YEAR

231
metric tonnes

OF CO₂ SAVED PER YEAR

70% REDUCTION
IN H₂S SCAVENGER
TOTE TANKS SHIPPED

9.5 DAYS PER YEAR LESS
CHEMICAL EXPOSURE
FOR LAB TECHS

2 MAN-HOURS PER SHIFT
SAVED; \$64K PER LAB TECH
MAN-HOUR ANNUALLY



Equivalent of
reducing
50 Cars on roads

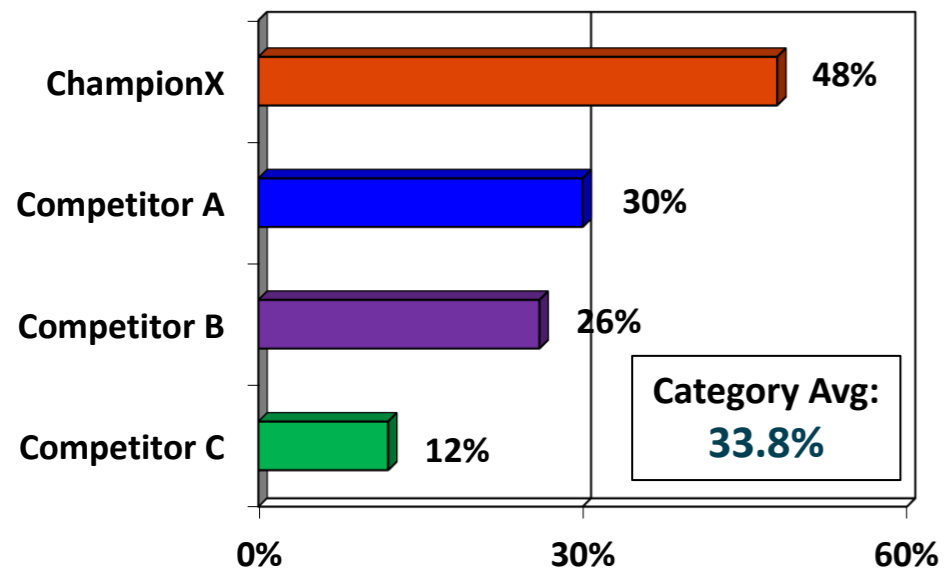
Continued ChampionX Artificial Lift Leadership Stems from Strong Customer Advocacy



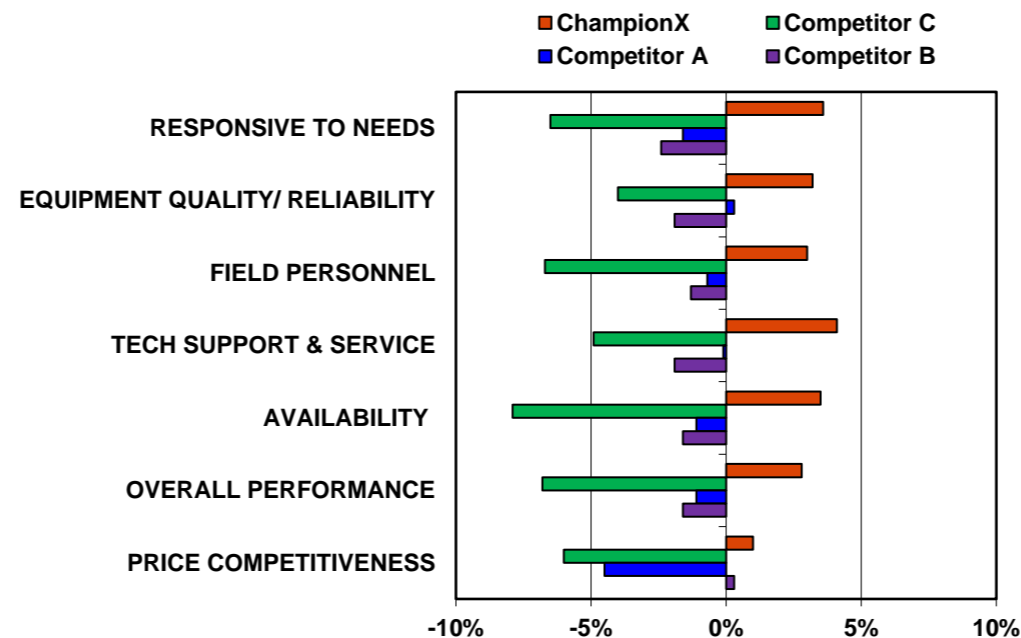
Key Highlights from 2020 Kimberlite Artificial Lift Supplier Performance Report

- ChampionX is the customer loyalty (Net Promoter Score) leader within artificial lift industry for 5th consecutive year, based on feedback from 400+ customers from 200+ oil & gas companies globally.
- Wide gap advantage for ChampionX, with strong leadership across all seven key characteristics.
- #1 market share position in sucker rods, rod pumps, production optimization software, hydraulic and plunger lift.

Net Promoter Score

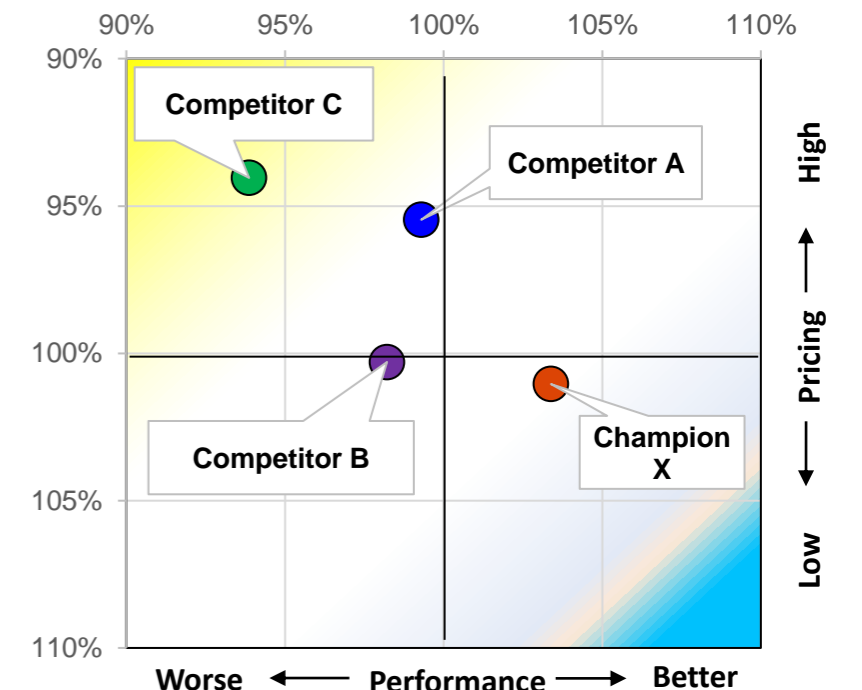


Industry Average vs. Suppliers



Source: Kimberlite International Oilfield Research.

Value Map



Jay Nutt

Senior Vice President & Chief Financial Officer

Third Quarter 2020 Highlights

Consolidated revenue profile stabilizing

- Consolidated revenue of \$633.5 million, +3% sequentially, on a pro forma basis¹
- North America revenue of \$354.4 million, +12% sequentially, on a pro forma basis¹

Robust cash generation

- Cash from operating activities of \$111.4 million, after paying \$33.4 million of transaction and integration costs
- Free cash flow of \$98.6 million
- Free cash flow to revenue ratio of 16%; would have been 21% excluding cash transaction costs

Strong profit growth

- Net loss of (\$7.9) million; adjusted net income of \$5.5 million
- Adjusted EBITDA of \$86.8 million, +38% sequentially, on a pro forma basis
- Adjusted EBITDA margin of 13.7%, +350 bps sequentially, on a pro forma basis
- Continued progress toward our cost savings targets for legacy Apergy and legacy ChampionX
- Strong progress on synergy execution – resulting in sequential synergy savings of \$12 million realized in Q3

Production related segment performance

- ChampionX production-related segments continued to generate significant segment adjusted EBITDA
- Production Chemical Technologies operating profit of \$35.2 million; segment adjusted EBITDA of \$71.5 million
- Production & Automation Technologies operating loss of \$7.5 million; segment adjusted EBITDA of \$25.0 million

Note: See ChampionX Third Quarter of 2020 earnings release for reconciliation of non-GAAP financial measures including adjusted EBITDA, pro forma adjusted EBITDA, segment adjusted EBITDA, pro forma segment adjusted EBITDA, free cash flow, and free cash flow to revenue ratio.

¹ Includes revenue of \$49.5 million from Cross Supply and Product Transfer Agreement with Ecolab in Q3-20.

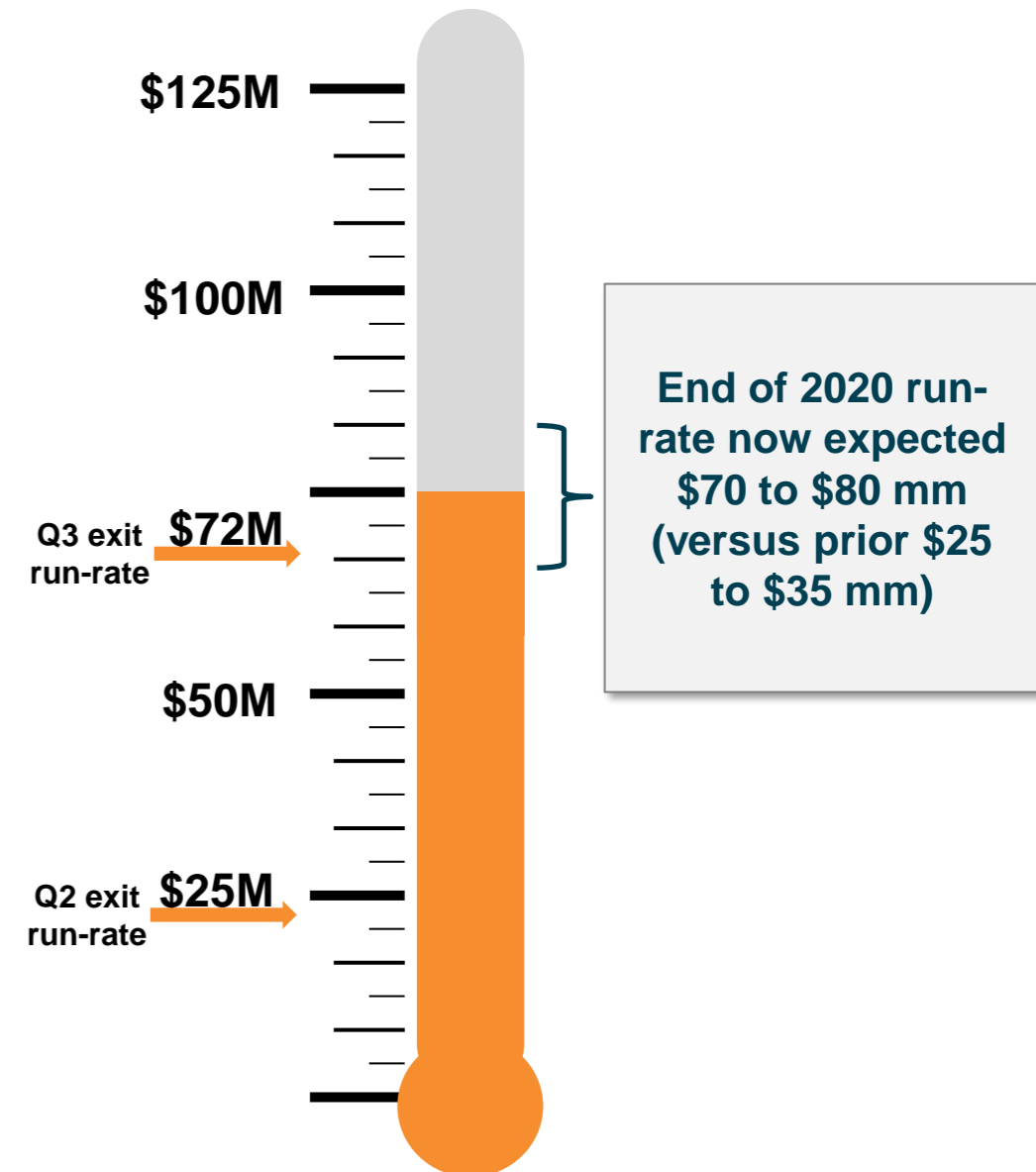
Cost Synergies

- Integration progressing ahead of schedule, primarily driven in the third quarter by:
 - Execution on supply chain opportunities
 - Fit-for-purpose lower cost structure as we integrate Chemical Technologies as part of ChampionX
- **Increasing our expected run-rate of cost synergies to \$125 million** (versus prior \$75 million) within 24 months of closing, including corporate cost avoidance, as well as G&A and cost of goods sold efficiencies
 - These additional synergy opportunities are heavily weighted towards supply chain productivity improvements and incremental G&A savings

Revenue Synergies

- Good progress on North America Joint Sell, Digital and International Artificial Lift Expansion growth opportunities
- Secured a multi-year international artificial lift contract

Cost Synergy Annualized Run-Rate Tracker



Strong Balance Sheet	
\$ in Millions	At 9/30/20
Total Debt ¹	\$1,021
Total Net Debt / Pro Forma Adjusted EBITDA ²	1.9x
Available Liquidity ³	\$527

Capital Allocation Priorities

- Organic growth investments
- Critical R&D, digital and innovation projects
- Further debt reduction
- Selective, bolt-on technology acquisitions

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

¹ Net of debt discounts and deferred financing costs.

² Calculated as \$1,021.2 million of long-term debt less \$171.5 million of cash at September 30, 2020 divided by \$446.3 million of pro forma adjusted EBITDA for the twelve months ended September 30, 2020.

³ Available liquidity defined as \$355.4 million available but undrawn capacity under ChampionX's revolving credit facility at September 30, 2020, plus \$171.5 million in cash and cash equivalents as of September 30, 2020. At September 30, 2020, ChampionX had \$51.6 million of outstanding letters of credit.

On a consolidated basis in the fourth quarter of 2020, we expect:

- Revenue of \$635 million to \$650 million
 - Sequential revenue growth is expected to be driven by improvement in international Production Chemical Technologies revenue and Drilling Technologies activity
 - Seasonal holiday impact in North America
- Adjusted EBITDA of \$80 million to \$90 million
- Interest expense slightly lower than the third quarter
 - A result of the debt reduction achieved
- Depreciation & amortization expense similar to the third quarter
- Capital expenditures, including investment in leased assets, of approximately \$15 million

Soma Somasundaram

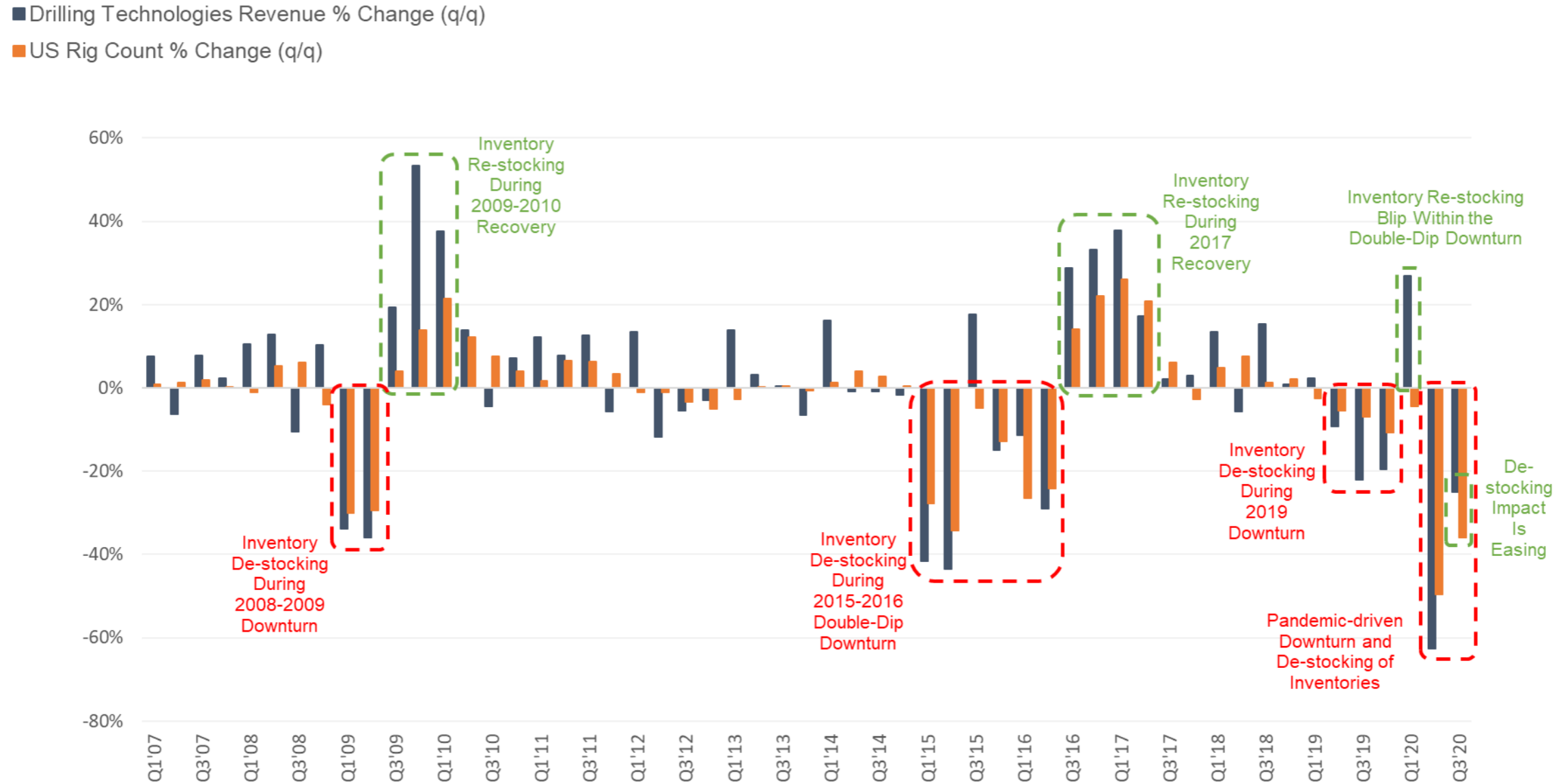
President and Chief Executive Officer

We Are Clear and Focused on Our Strategic Priorities

	Priorities	Key Elements
1	Realize Better Together Potential	<ul style="list-style-type: none">Continue building on our purpose of Improving Lives and having a positive cultureLeverage our production optimization expertise into broader production solutionsRemain laser focused on cost synergy initiatives – G&A, Supply Chain, Cost AvoidanceThoughtfully integrate back office functions and leverage shared services opportunities
2	Accelerate Digital and Digitally-enabled Revenue Streams	<ul style="list-style-type: none">Grow digitally-enabled products to support existing sales (e.g. smart skids)Expand new digital revenue streams (e.g. monitoring, modeling & analytics services)Establish partnerships to leverage industry digital ecosystem
3	Leverage Global Footprint to Expand International Sales	<ul style="list-style-type: none">Execute on targeted international expansion of artificial lift using Chemicals footprintGrow IOC & NOC share across lift and chemicals via combined offering & relationships
4	Build Enterprise-wide Continuous Improvement Rigor	<ul style="list-style-type: none">Further build upon and execute on ChampionX Operational Excellence modelIntegrate productivity improvements as part of operating cadence across the enterpriseLeverage digital to automate workflows & eliminate waste in business processes
5	Evolve Portfolio for Sustained Growth	<ul style="list-style-type: none">Leverage core capabilities across energy markets and natural adjacenciesDevelop ESG framework & roadmap which are integrated with our purpose and strategyContinue to allocate capital in ways consistent with our value creation framework

Appendix

Drilling Technologies – Polycrystalline Diamond Cutter De-stocking and Re-stocking Cycles



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, adjusted EBITDA margin, adjusted segment EBITDA, adjusted segment EBITDA margin, adjusted net income attributable to ChampionX, adjusted diluted earnings per share attributable to ChampionX, pro forma adjusted EBITDA, pro forma adjusted EBITDA margin, pro forma segment revenue, pro forma segment operating profit (loss), and pro forma adjusted segment EBITDA reflect the core operating results of our businesses and help facilitate comparisons of operating performance across periods. In addition, free cash flow and free cash flow to revenue ratio are used by management to measure our ability to generate positive cash flow for debt reduction and to support our strategic objectives, while adjusted working capital provides a meaningful measure of operational results by showing changes caused by revenue or our operational initiatives. The foregoing non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, other measures of financial performance prepared in accordance with GAAP. A reconciliation of these non-GAAP measures to the comparable GAAP measures is included in the financial tables accompanying our earnings release of third quarter 2020 results.

The pro forma results for the period ended September 30, 2019 have been reclassified to conform to the presentation of current period financial statements. Long-lived asset impairment for the period has been reclassified from selling, general and administrative expense to conform with our current period presentation of long-lived asset impairment on the condensed consolidated statement of income (loss). The pro forma results for the period ended September 30, 2019 have also been revised for the correction of immaterial errors related to (i) the assessing and recording of liabilities for state sales tax and associated penalties and interest, primarily resulting in an understatement of our selling, general, and administrative expense and interest expense, and (ii) previously recorded amounts including, but not limited to, the write-off of inventory and leased assets, timing of revenue recognition, and revenue classification, that the Company concluded were immaterial to our previously filed condensed consolidated financial statements.