



**Apergy Combination  
with ChampionX**  
December 19, 2019

# Forward-Looking Statements

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

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

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

# Important Additional Info and No Offer or Solicitation

## Important Information About the Transaction and Where to Find It

In connection with the proposed transaction, Apergy and ChampionX intend to file registration statements with the SEC. Apergy will also file a proxy statement. Ecolab stockholders are urged to read the prospectus and/or information statement that will be included in the registration statements and any other relevant documents when they become available, and Apergy stockholders are urged to read the proxy statement and any other relevant documents when they become available, because they will contain important information about Apergy, ChampionX, Ecolab and the proposed transactions. The proxy statement, prospectus and/or information statement and other documents relating to the proposed transactions (when they become available) can also be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). The proxy statement, prospectus and/or information statement and other documents (when they are available) can also be obtained free of charge from Ecolab upon written request to Ecolab, Inc., Attn: Investor Relations, 1 Ecolab Place, St. Paul, MN 55102, or by e-mailing [investor.info@ecolab.com](mailto:investor.info@ecolab.com) or upon written request to Apergy, Investor Relations, 2445 Technology Forest Boulevard, The Woodlands, Texas 77381 or by e-mailing [davidskipper@apergy.com](mailto:davidskipper@apergy.com).

## Participants in the Solicitation

This communication is not a solicitation of a proxy from any security holder of Apergy. However, Apergy, Ecolab and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from shareholders of Apergy in connection with the proposed transaction under the rules of the SEC. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of Apergy in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement/prospectus when it is filed with the SEC. Information about the directors and executive officers of Ecolab may be found in its Annual Report on Form 10-K filed with the SEC on March 1, 2019, and its definitive proxy statement relating to its 2019 Annual Meeting of Shareholders filed with the SEC on March 15, 2019. Information about the directors and executive officers of Apergy may be found in its Annual Report on Form 10-K filed with the SEC on February 27, 2019, and its definitive proxy statement relating to its 2019 Annual Meeting of Stockholders filed with the SEC on March 25, 2019.

## No Offer or Solicitation

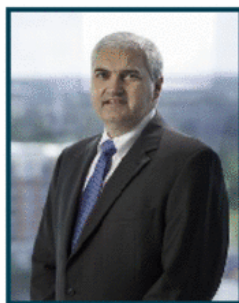
This communication is not intended to and shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote of approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation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

# Today's Presenters



**Soma**  
**SOMASUNDARAM**

President & Chief  
Executive Officer



**Jay**  
**NUTT**

Senior Vice President &  
Chief Financial Officer



**Deric**  
**BRYANT**

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

# Combination Creates Global Leader in Production-Optimization Solutions

**Brings Together Differentiated Portfolio of Production-Optimization Solutions onto Single Platform for Enhanced Customer Productivity**

**Combines Two Highly Complementary Leaders with Established Operational Excellence and Attractive End Markets**

**Expanded and Diversified Global Customer Base Supports Growth and Stability Through-the-Cycle**

**Global Presence Across Key International Regions, with Exposure to Onshore and Offshore Production, Creates Scale and Diversification**

**Attractive Through-Cycle Financial Profile with High Recurring Revenue, Strong Returns and Substantial Free Cash Flow Generation**

**Compelling Long-Term Value Creation including ~\$75 million of Expected Annual Cost Synergies plus Accelerated Revenue Growth Opportunities**

# Transaction Summary

<b>Structure &amp; Consideration</b>	<ul style="list-style-type: none"><li>▪ Apergy to combine in tax-free Reverse Morris Trust transaction with ChampionX, Ecolab's Upstream Energy Business<ul style="list-style-type: none"><li>▪ Combined enterprise value of ~\$7.4bn<sup>1,2</sup></li><li>▪ Apergy shareholders and existing Ecolab shareholders to own 38% and 62% of the combined entity, respectively</li><li>▪ Total enterprise value for ChampionX of ~\$4.4bn including ~\$3.9bn<sup>1</sup> in newly issued Apergy shares and \$492m in cash proceeds to Ecolab</li><li>▪ Transaction value represents ~12.5x ChampionX 2019E EBITDA, ~10.3x including cost synergies, and less than 9.5x 2020E EBITDA including cost synergies (\$75m of cost synergies)</li></ul></li></ul>
<b>Merged Company</b>	<ul style="list-style-type: none"><li>▪ Global headquarters to remain in The Woodlands, TX</li></ul>
<b>Management &amp; Board</b>	<ul style="list-style-type: none"><li>▪ Apergy CEO Sivasankaran "Soma" Somasundaram to lead the combined entity along with executives from both companies, including Apergy CFO Jay Nutt as the CFO, and EVP of Ecolab's Upstream business Deric Bryant as COO</li><li>▪ Daniel Rabun to continue as Chairman of the Board</li><li>▪ Board comprised of 7 current Apergy and 2 Ecolab designated directors</li></ul>
<b>Timing &amp; Closing Conditions</b>	<ul style="list-style-type: none"><li>▪ Subject to Apergy shareholder approval, regulatory approvals and customary closing conditions</li><li>▪ Transaction anticipated to close by the end of the second quarter of 2020</li></ul>



# Merger of Complementary Leaders in Production Technologies & Services



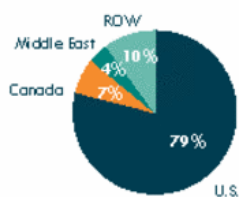
<b>Production-Focused</b>	<ul style="list-style-type: none"> <li>▪ Leading provider of highly engineered equipment and technologies throughout the lifecycle of a well</li> </ul>	<ul style="list-style-type: none"> <li>▪ Global leader in onsite, technology driven, sustainable chemistry programs throughout the lifecycle of a well</li> </ul>
<b>Heritage &amp; Brands</b>	<ul style="list-style-type: none"> <li>▪ 60+ year heritage with the most trusted brands</li> </ul>	<ul style="list-style-type: none"> <li>▪ 90 year heritage through Nalco and Champion</li> </ul>
<b>Customer Base</b>	<ul style="list-style-type: none"> <li>▪ Broad base of over 2,000 customers globally</li> </ul>	<ul style="list-style-type: none"> <li>▪ Intimate relationships with blue chip E&amp;P operators and international and national oil companies</li> </ul>
<b>Geographic Reach</b>	<ul style="list-style-type: none"> <li>▪ Strength in North America</li> </ul>	<ul style="list-style-type: none"> <li>▪ Global presence in over 55 countries</li> </ul>
<b>Culture</b>	<ul style="list-style-type: none"> <li>▪ Relentless customer focus and culture of safety and continuous improvement</li> </ul>	<ul style="list-style-type: none"> <li>▪ Uncompromising focus on safety and customers</li> </ul>
<b>“Top Box” Through-the-Cycle Performance</b>	<ul style="list-style-type: none"> <li>▪ Strong financial performance through-the-cycle, solid cash generation, and disciplined capital allocation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong financial performance through-the-cycle, with solid cash generation, low capital intensity, and high recurring revenue</li> </ul>

# Apergy is a Premier, Independent Oilfield Equipment & Technology Company

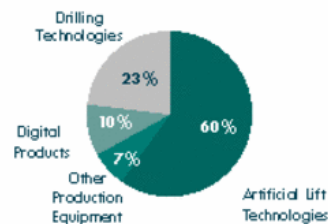
## Key Financial Metrics (2019E)<sup>1</sup>

<b>Revenue</b>	<b>~\$1.1bn</b>
<b>Adjusted EBITDA</b>	<b>~\$265m</b>
<b>Adjusted EBITDA Margin</b>	<b>~23%</b>

## Geography<sup>2</sup>



## Product Line<sup>2</sup>



## Presence Across the Wellsite

Drilling Technologies (23%)	Production & Automation Technologies (77%)			
	Artificial Lift		Digital Products	
<ul style="list-style-type: none"> <li>Diamond Drill Bit Inserts</li> <li>Diamond Bearings</li> </ul>	<ul style="list-style-type: none"> <li>Progressive Cavity Pumps</li> <li>Rod Lift</li> </ul>	<ul style="list-style-type: none"> <li>Plunger Lift</li> <li>ESP</li> <li>Gas Lift</li> </ul>	<ul style="list-style-type: none"> <li>IIoT Enabled Technologies</li> </ul>	<ul style="list-style-type: none"> <li>Optimization Software</li> <li>Remote Monitoring</li> </ul>

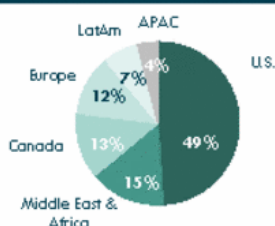


# ChampionX is a Global Leader in Onsite, Technology-Driven, Sustainable Chemistry Programs and Services

## Key Financial Metrics (2019E)

<b>Revenue</b>	<b>~\$2.4bn</b>
<b>Adjusted EBITDA</b>	<b>~\$350m</b>
<b>Adjusted EBITDA Margin</b>	<b>~15%</b>

## Geography<sup>1</sup>



## Product Line<sup>1</sup>



## Key Markets and Offerings Overview

### Specialty Performance (19%)

#### Conventional & Shale

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

### Oilfield Performance (81%)

#### Onshore

#### Offshore

#### Deepwater

#### EOR, Oilsands, Midstream

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

### Well Drilling & Completion Chemistries

### Production-Related Solutions and Services Delivered Through the Well Life Cycle

# How ChampionX Creates Value for Customers



**Innovative,  
Tailored  
Chemistry**

+



**Applied by  
On-site  
Technical  
Experts**

+



**Backed by  
Leading  
Global  
Supply Chain**

=



**Unrivaled  
Value for  
Customers**

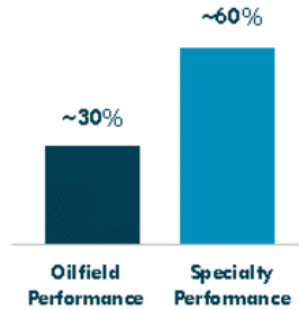
Supported by a World-Class Safety Culture

# ChampionX: Highly Differentiated, Proprietary Offering Combined with Large Global Sales & Service Force

## Innovation Powerhouse Drives Ongoing Value Creation for Customers

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

Revenue Driven by Products Developed in the Last 5 Years

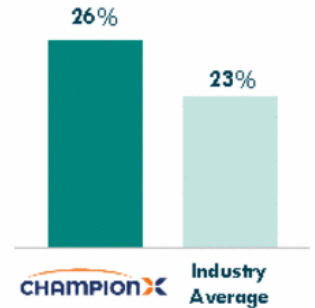


More Than 1,700 Owned and Licensed Patents and 400+ Scientists & Technologists

## Highly Trained Technical Experts Applying Our Differentiated Technology

- Full-time deployment of sales and service personnel on customer sites
- Ongoing management of chemical programs in our customers' unique and dynamic systems
- Technical capabilities across reservoir, production and midstream applications

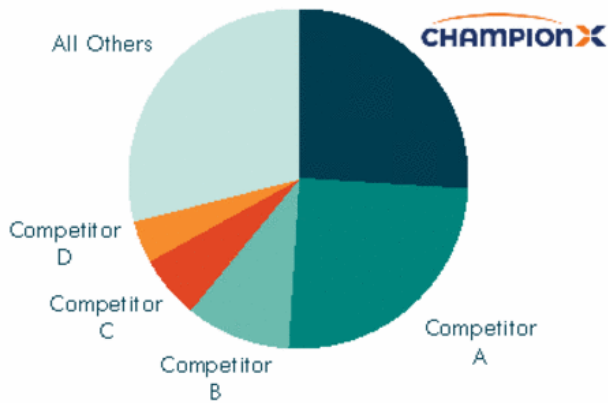
2019 Production Chemicals Net Promoter Score<sup>1</sup>



3,800 Sales, Service and Supply Chain Personnel

# ChampionX Has a Leading Position in the Global Oilfield Chemicals Segment

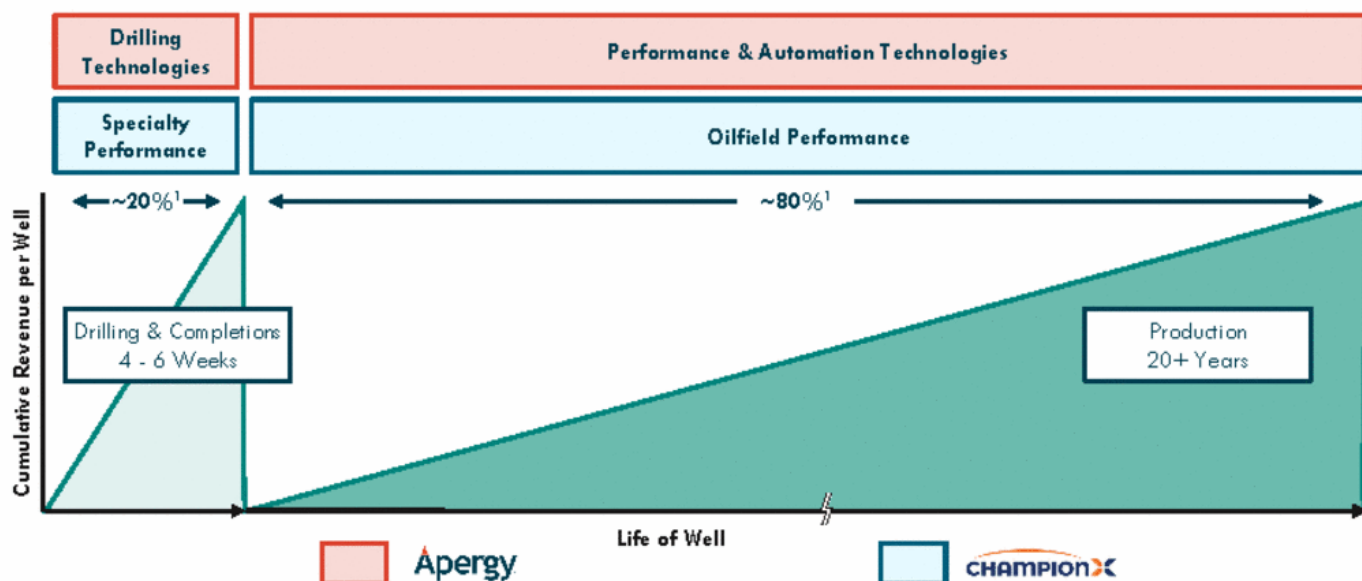
Estimated Global Production Chemicals Market Share



ChampionX benefits from top 3 leadership positions across key categories:

- Corrosion management and control
- Scale management and control
- Bacteria management and control
- Oil and water separation
- Wax and asphaltene management and control
- Water shut off and control
- H2S management and control
- Hydrate management and control
- Automated chemical control and reporting

# High Exposure to Production Supports Relatively Stable and Recurring Revenue Through-The-Cycle



# Strategic Rationale



- 1 Differentiated Portfolio of Complementary Products and Services with Well-Known Brands
- 2 Creates a Global Leader in Production-Optimization Solutions
- 3 Broad & Diverse Global Customer Base Enhances Cross-Selling Opportunities
- 4 Global Presence with Balanced Portfolio Across Regions and Production Types
- 5 Platform to Deliver Production Optimization Solutions and Accelerate Digital Adoption in the Oilfield
- 6 Compelling Value Creation Through Expected Synergies and Strong Financial Profile

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

## Best in Class Products & Customer Service

**Apergy**

- Diamond Drill Bits
- Electrical Submersible Pumping (ESP)
- Hydraulic & Gas Lift
- Rod Lift
- Digital Products and Solutions

**CHAMPION**

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

## Iconic Brands

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

**CHAMPION**

**Apergy** | ESP Systems

**HF**  
HARBISON-FISCHER

**NORRIS**

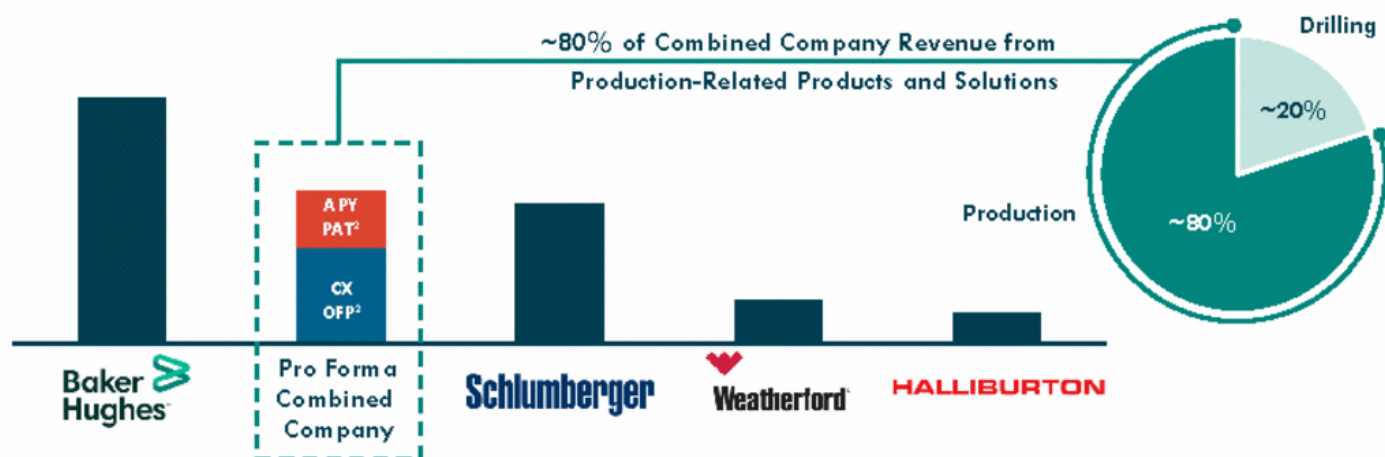
**PCS**Ferguson

**USSynthetic**

Providing Customers with a Full Suite of Production Optimization Products on a Single Platform

## 2 Creates a Global Leader in Production-Optimization Solutions

### Production Products and Solutions Revenue<sup>1</sup>



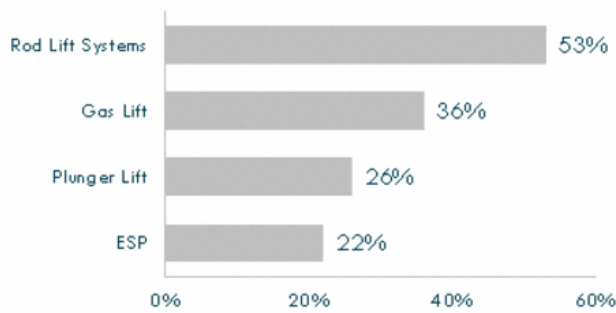
Large, Growing and Relatively Stable Revenue Base



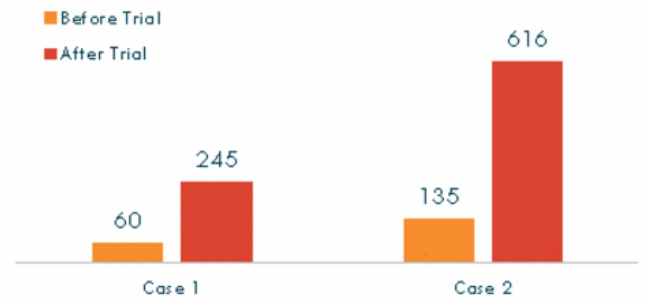
## 2 Artificial Lift & Production Chemicals on a Single Platform to Enhance Customer Productivity

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

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



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



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

### 3 Broad & Diverse Global Customer Base Enhances Cross-Selling Opportunities

- Long-standing relationships with diverse, blue-chip customers
- Increases weighting towards IOCs, NOCs, and large independents
- Combination results in significant cross-selling opportunities from combined customer base

#### IOCs



#### Independents



#### NOCs

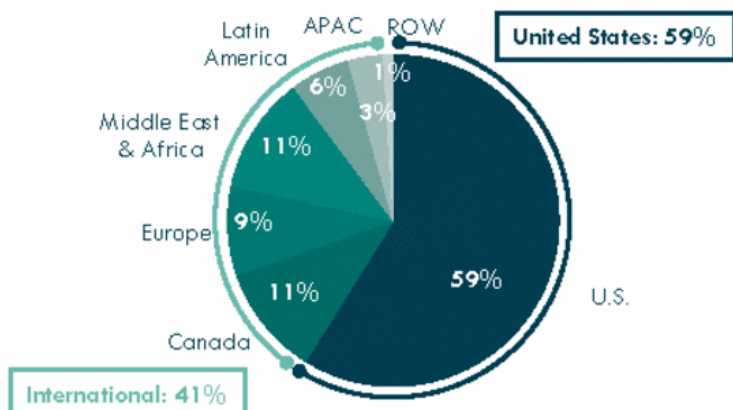


#### Oilfield Service

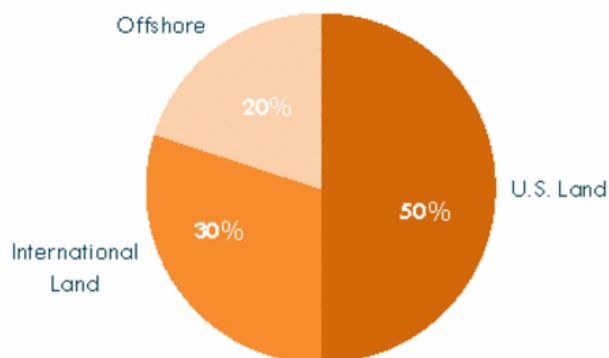


## 4 Global Presence with Balanced Portfolio Across Regions and Production Types

Pro Forma Geography<sup>1</sup>






Pro Forma Onshore / Offshore Mix<sup>1</sup>



Substantial Recurring Revenue Base with Balanced Exposure to Global Onshore and Offshore Markets

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

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

## 6 Compelling Value Creation Through Synergies

### "Day 1" Cost Avoidance

- Public company cost avoidance

### Cost of Goods Sold

- Production and supply chain initiatives
- Rooflines and footprint (facilities / yards) consolidation

### G&A and Other

- Organization optimization
- Indirect savings from enterprise scale benefits

### **PLUS** Incremental Sales Growth Opportunities

- Cross-selling of products and services
- Expanded international market penetration
- Enhanced go-to market with combined digital offerings

### Run-rate Cost Synergy Estimate Within 24 Months of Closing

~\$75m

Corp Cost  
Avoidance

Cost of  
Goods Sold

G&A and Others

Cost Synergies

**Estimated Cost to Achieve Synergies Less Than  
One-Time Run-rate Cost Synergies**

## 6 Strong Financial Profile

	 Apergy	 CHAMPIONX	Pro Forma Combined Company
2019E Revenue	~\$1.1bn <sup>1</sup>	~\$2.4bn	~\$3.5bn
2019E Adj. EBITDA	~\$265m <sup>1</sup>	~\$350m	~\$690m <sup>2</sup> (With Synergies) ~\$615m (Without Synergies)
2019E Adj. EBITDA Margin	~23% <sup>2</sup>	~15%	~20% <sup>2</sup> (With Synergies) ~18% (Without Synergies)
2019E FCF Conversion <sup>3</sup>	~45% – 50%	~60% – 65%	~55% – 60%

<sup>1</sup> Based on Q4 2019 revenue guidance of \$255m – \$270m and adjusted EBITDA guidance of \$53m – \$63m as of October 23, 2019.



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

<sup>3</sup> Free Cash Flow, a non-GAAP measure, is defined as cash provided by operating activities plus proceeds from sale of fixed assets and proceeds from sale of business minus capital expenditures. Free Cash Flow Conversion Ratio, a non-GAAP measure, is defined as Free Cash Flow divided by Adjusted EBITDA. ChampionX includes standalone adjustments and pro forma interest expense assuming approximately \$492m of net debt.

## 6 Transaction Reduces Cyclicity Compared to Stand-alone Apergy

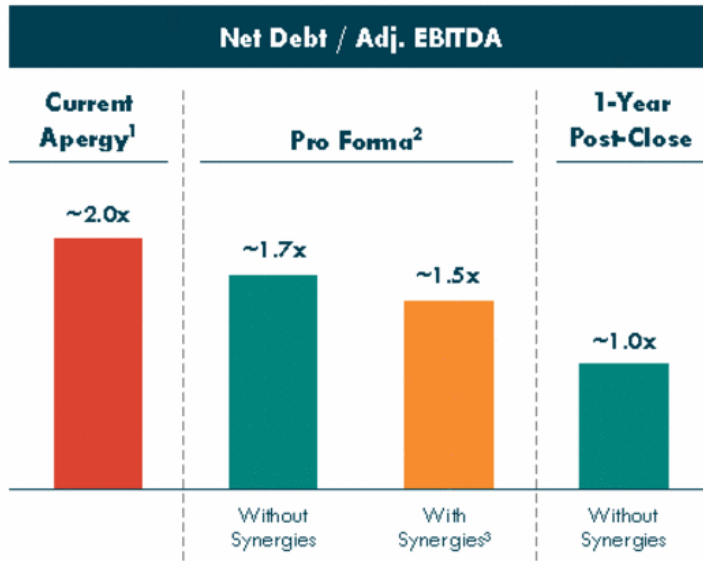
Combined Company % Change in Peak to Trough EBITDA of (60%) Compared to (74%) for Stand-alone Apergy

- Lower decrease in peak to trough EBITDA at ChampionX driven by significant exposure to IOCs, NOCs, and International, as well as production focus
- Combined Company to benefit from expanded customer base, significant global footprint, and exposure to global oil and gas basins including offshore and oil sands

	% Change 2014 Peak to 2016 Trough EBITDA	2019E EBITDA as % of 2014 Peak
Combined Company	(60%)	59%
 CHAMPIONX	(51%)	58%
 Apergy	(74%)	59%

Focus on the Production Phase of the Well Results in Lower Cyclicity

## 6 Strong Capital Structure and Disciplined Capital Allocation



- Deleveraging transaction
- Maintain low capital intensity
- Significant free cash flow to support investment, growth and shareholder returns


<sup>1</sup> Represents net debt / LTM EBITDA as of September 30, 2019.

<sup>2</sup> Based on \$589 million of debt and \$41 million of cash at Apergy as of September 30, 2019, plus approximately \$492 million of assumed net debt at ChampionX and Combined Company 2019E pro forma adjusted EBITDA of approximately \$615 million.

<sup>3</sup> Includes ~\$7.5m of expected run-rate cost synergies.



# Combined Company is a “Top Box” Performer

	Key Attributes	Combined Company Characteristics	Top Box Performer	
Strategy	<ul style="list-style-type: none"> <li>▪ <b>Business Mix</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Diversified business mix including higher exposure to production</li> <li>▪ Low capital intensity</li> </ul>	<i>Stronger in Downturn</i>	<i>Strong Across Periods</i>
Operations	<ul style="list-style-type: none"> <li>▪ Relative <b>revenue stability</b> during industry downturns</li> <li>▪ Favorable <b>EBITDA margin</b> performance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong relative revenue stability given a more diversified and differentiated product portfolio</li> <li>▪ Ability to differentiate products and provide increased value to customers</li> </ul>		
Financial / Capital Allocation	<ul style="list-style-type: none"> <li>▪ Strong <b>free cash flow conversion</b></li> <li>▪ Reasonable <b>leverage</b></li> <li>▪ Consistent &amp; balanced <b>capital allocation</b> policy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong conversion of EBITDA to free cash flow</li> <li>▪ Maintenance of modest leverage through the cycle</li> <li>▪ Consistent &amp; balanced through cycle allocation of capital between organic capital expenditures, mergers &amp; acquisitions, and return of capital</li> </ul>	<i>Weaker Across Periods</i>	<i>Stronger in Recovery</i>

# Summary of Transaction Benefits

Creates Differentiated Portfolio of Production Focused Equipment and Chemical Solutions for Enhanced Customer Productivity

Combines Two Highly Complementary Leaders with Established Operational Excellence and Attractive End Markets

Expanded and Diversified Global Customer Base Supports Growth and Stability Through-the-Cycle

Global Presence Across Key International Regions, with Exposure to Onshore and Offshore Production, Creates Scale and Diversification

Attractive Through-Cycle Financial Profile with High Recurring Revenue, Strong Returns and Substantial Free Cash Flow Generation

Compelling Long-Term Value Creation to Shareholders through Expected Cost Synergies and Accelerated Revenue Growth Opportunities

**Apergy**<sup>™</sup>

+

**CHAMPION**

***Unique Opportunity to  
Drive Substantial  
Long-Term Value  
Creation***