



A SYSTEMS AND PROCESS COMPANY



Photo courtesy of Marathon Petroleum Corporation

Exterran Corporation Investor Presentation

November 2019

Forward Looking Statements



All statements in this presentation (and oral statements made regarding the subjects of this presentation) other than historical facts are forward looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These statements may include words such as “guidance,” “anticipate,” “estimate,” “expect,” “forecast,” “project,” “plan,” “intend,” “believe,” “confident,” “may,” “should,” “can have,” “likely,” “future” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. These forward looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties and factors that could cause actual results to differ materially from such statements, many of which are outside the control of Exterranean Corporation (“Exterranean”, “we,” “the company” “our” or “us”) which could cause actual results to differ materially from such statements. Examples of forward looking information in this presentation include, but are not limited to: the industry fundamentals, including the attractiveness of returns and valuation, stability of cash flows, demand dynamics and overall outlook, and our ability to realize the benefits thereof; our expectations regarding future economic and market conditions and trends; our operational and financial strategies, including our underlying assumptions, planned capital expenditures and growth activities, our ability to successfully effect those strategies and the expected results therefrom; our financial and operational outlook, our ability to fulfill that outlook; demand and growth opportunities for our products and services; statements related to performance, profitability, structural and process improvement initiatives, the expected timing thereof, our ability to successfully effect those initiatives and the expected results therefrom and the operational and financial synergies provided by our size.

Any such forward looking statements are not guarantees of performance or results, and involve risks, uncertainties (some of which are beyond our control) and assumptions. While we believe that the assumptions concerning future events are reasonable, we caution that there are inherent difficulties in predicting certain important factors that could impact the future performance or results of our businesses. Among the factors that could cause results to differ materially from those indicated by such forward-looking statements are: local, regional, national and international economic and political conditions and the impact they may have on Exterranean and its customers; Exterranean's reduced profit margins or loss of market share resulting from competition or the introduction of competing technologies by other companies; Exterranean's ability to customers win profitable new business; changes in international trade relationships including the imposition of trade restrictions or tariffs relating to any materials or products used in the operation of our business; conditions in the oil and gas industry, including a sustained imbalance in the level of supply or demand for oil or natural gas or a sustained low price of oil or natural gas; Exterranean's ability to timely and cost-effectively execute projects; Exterranean enhancing or maintaining its asset utilization, particularly with respect to its fleet of compressors and other assets; Exterranean's ability to integrate acquired businesses; employment and workforce factors, including the ability to hire, train and retain key employees; Exterranean's ability to accurately estimate costs and time required under Exterranean's fixed price contracts; liability related to the use of Exterranean's products and services; changes in political or economic conditions in key operating markets, including international markets; changes in current exchange rates, including the risk of currency devaluations by foreign governments, and restrictions on currency repatriation; risks associated with Exterranean's operations, such as equipment defects, equipment malfunctions, environmental discharges and natural disasters; risks associated with cyber-based attacks or network security breaches; any non-performance by third parties of their contractual obligations, including the financial condition of our customers; changes in safety, health, environmental and other regulations; and Exterranean's indebtedness and its ability to generate sufficient cash flow, access financial markets at an acceptable cost, fund its operations, capital commitments and other contractual cash obligations, including our debt obligations.

Any forward looking statement speaks only as of the date on which such statement is made and obligation to correct or update any forward looking statement, whether as a result of new information, future events, or otherwise, except as required by applicable law. These forward looking statements are also affected by the risk factors, forward looking statements and challenges and uncertainties described in the 2018 Form 10-K for the year ended December 31, 2018, and those set forth from time to time in our filings with the Securities and Exchange Commission, which are currently available on the SEC's website, www.sec.gov. The discussion of these risks is specifically incorporated by reference into this presentation. Except as required by law, we expressly disclaim any intention or obligation to revise or update any forward looking statements whether as a result of new information, future events or otherwise.

INTEGRITY

We are reliable
and transparent.

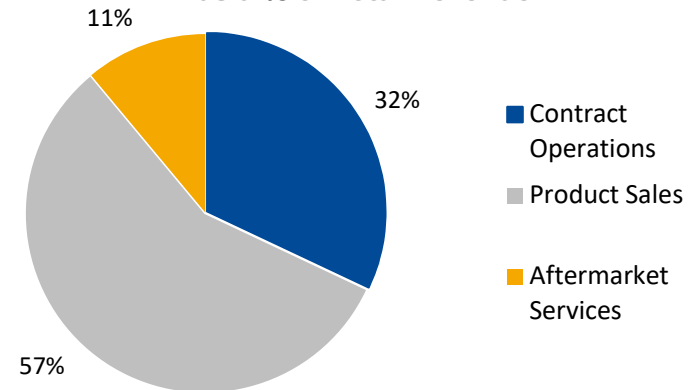
Who We Are

Company Overview (NYSE: EXTN)

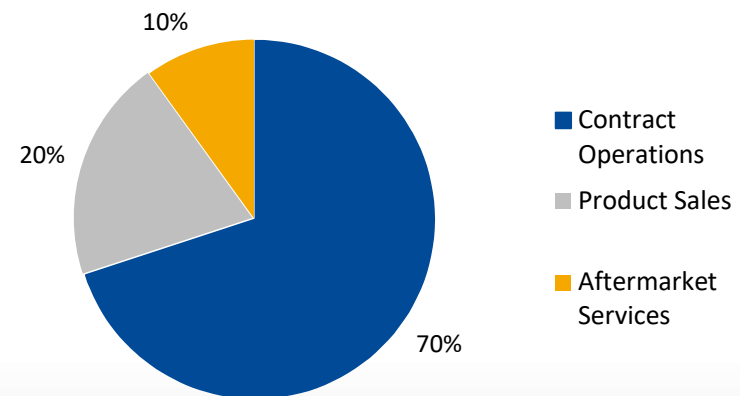


- ✔ Systems and Process Company for oil, gas, water and power
- ✔ Provider of hydrocarbon processing facilities along with production and treating equipment
- ✔ Strong balance sheet and fiscally disciplined for our investors, employees and customers
- ✔ Global footprint with local presence operating in approximately 25 countries
- ✔ A \$100 million share buyback authorization in place, with roughly \$61 million remaining

Segment Revenue 3Q19
as a % of Total Revenue




Segment Gross Margin 3Q19 ⁽¹⁾
as a % of Total Gross Margin



⁽¹⁾ Gross margin is defined as revenue less cost of sales (excluding depreciation and amortization expense)

Key Investment Highlights



- 
- The background of the slide is a 3D rendering of an industrial facility, likely a gas processing plant, situated in a vast green landscape under a blue sky. The facility includes various pipes, tanks, and structures. Overlaid on this image are five white rounded rectangular boxes, each containing a blue checkmark icon followed by a key investment highlight.
- ✓ Leveraged to Production Amidst Global Infrastructure Build-Out
 - ✓ Integrated Business Model to Deliver Value Proposition
 - ✓ Significant Exposure to Recurring Revenue with Stable Margins
 - ✓ Global Footprint in Key Hydrocarbon Production Regions with Key Customers
 - ✓ Focused on Driving Returns and Shareholder Value

A Systems Approach ...



Oil

- ✓ Gathering & Transmission Systems
- ✓ Oil Treating & Conditioning
- ✓ Storage



Gas

- ✓ Gas Dehydration
- ✓ Gas Conditioning
- ✓ Gas Processing Residue
- ✓ Gas Turbine Fuel Boosting
- ✓ Gas Lift & Re-injection



Water

- ✓ Processing of water for recycling
- ✓ De-Sanding
- ✓ De-Oiling



Power

- ✓ On-site generator packages, controls and site distribution
- ✓ Grid alternative solutions for processing plants and compression stations

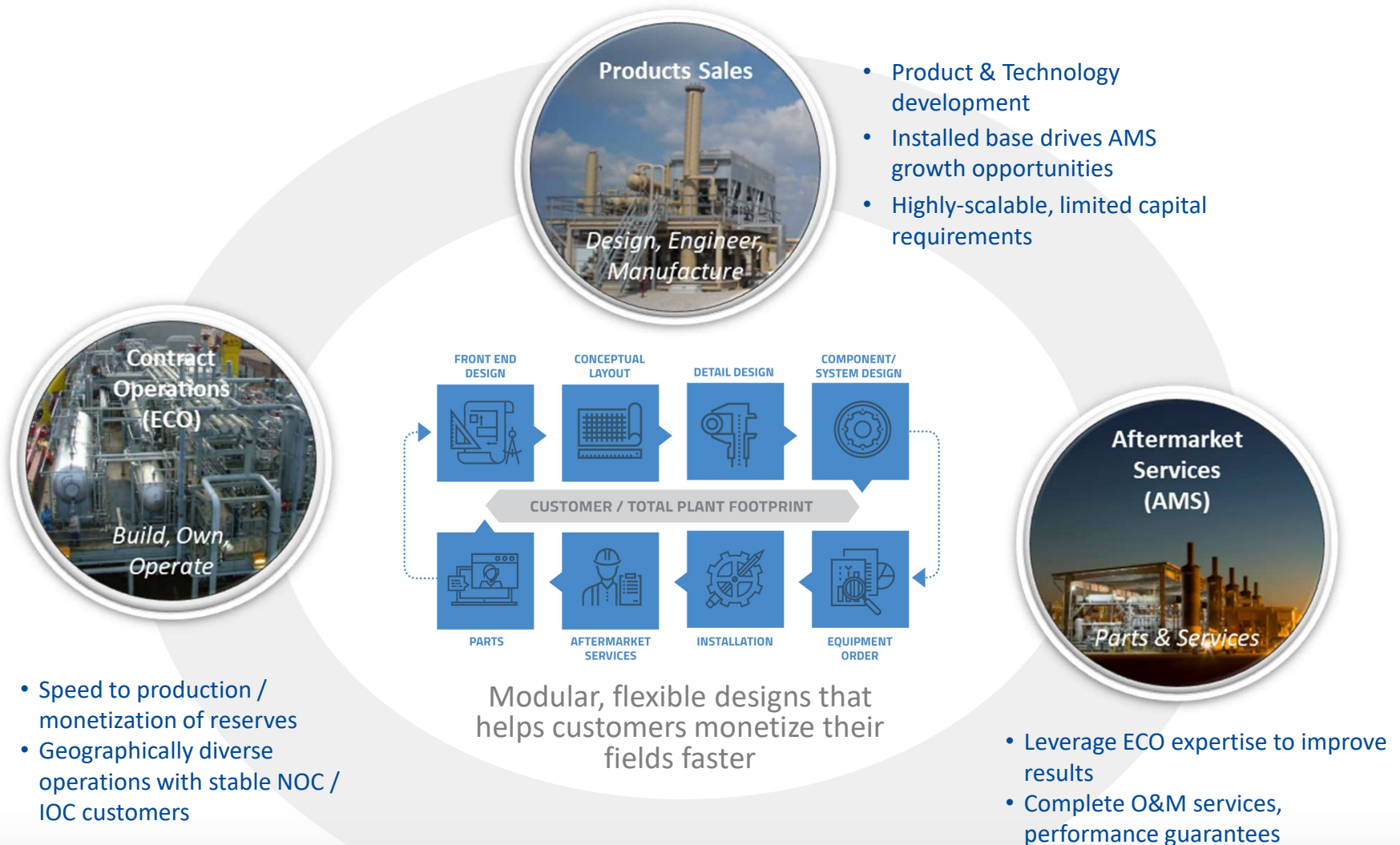
Focusing on Oil, Gas, Water And Power

CURIOSITY

We are inquisitive
because we want to
learn and grow.

Operational Segments

An Integrated Business Model



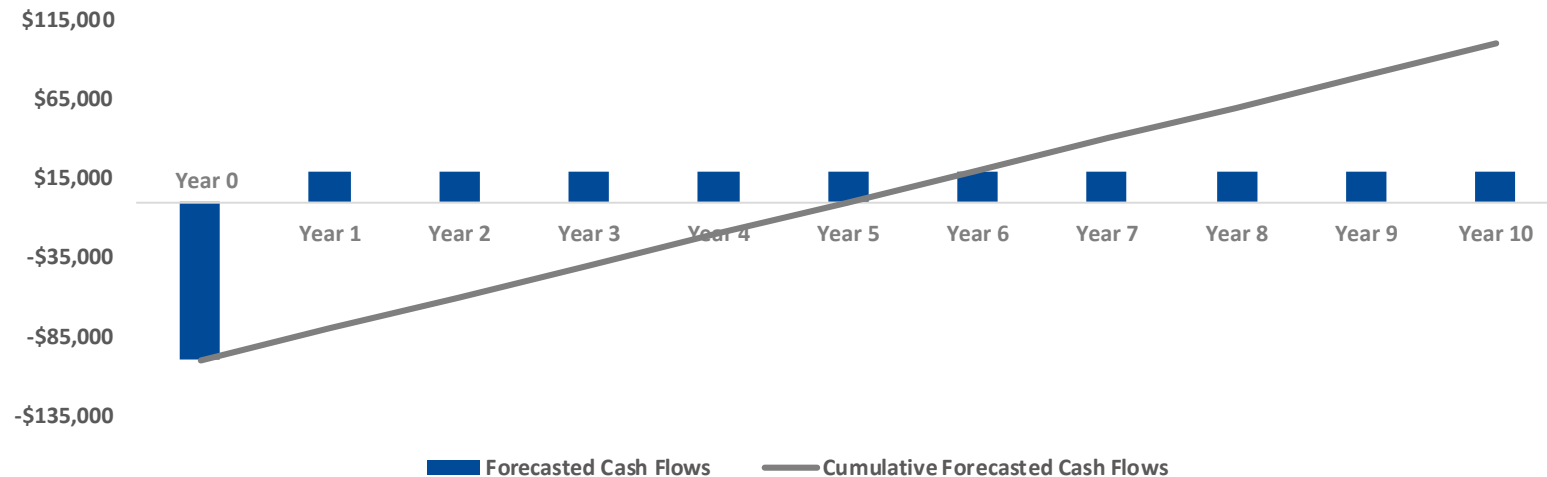
Value Proposition for ECO

- ✓ Full-suite project design, manufacturing, operations and maintenance expertise drive “stickiness” of customer relationships
- ✓ Large scale infrastructure in the field with significant switching costs for customers
- ✓ Stable cash flows...Gross Margins were 66% YTD
- ✓ Substantial, long-term visibility and stability...backlog \$1.2B (3Q19), historical renewal rate ~85%



DBOOM – Design, Build, Own, Operate, Maintain

Hypothetical ECO Cash Flow Scenario



*Assumptions: 15% IRR, no reimbursements, 10 year term contract (not assuming extensions)

- ✓ CAPEX incurred prior to commencement of project
- ✓ Larger contracts generally require partial customer reimbursement of our CAPEX
- ✓ Revenue/margin booked on P&L over life of contract, targeting mid-teen IRRs
- ✓ IRR calculation does not assume renewals, which typically occurs 85% of the time

Customer Relationships (NOCs and Majors) along with Operating Expertise

Application/Field Services

- Field studies
- Water analysis
- Site analysis
- Solution recommendation

Primary Treatment

- De-sanding

Secondary Treatment

- De-oiling
- Iron
- ORP*
- PH
- TSS**

Tertiary Treatment

- Oil & solids removal

* ORP Oxygen Reducing Potential

** TSS Total Suspended Solids



P-KLONE™ Hydrocyclone



REVOLIFT® Flotation



SABIAN® BWS Filters

Our Value Proposition

- | | |
|--|--|
| ✓ Complete produced water treatment solution | ✓ Mobile units |
| ✓ Wide operating band (flow & water quality handling) | ✓ Lower capex costs potential |
| ✓ Automated control system | ✓ Lower operating costs potential |
| ✓ Integrated chemical & de-oiling skid | ✓ Potential for reduction of SWD (saltwater disposal) |

Global Business, Local Expertise



- Regional Headquarters
- Engineering and Manufacturing Centers
- Other Major International Locations



Diversified Portfolio By Geography And Product Lines Providing Stability

High Performing Organization	• Building, developing and training global talent to perform with integrity and excellence
Operating Excellence	• Committed to safety and reliability
Economic and Environmental Efficiency	• Providing products and services which are cost efficient and reduce customer and community environmental impact
Diverse Work Force	• Multigenerational workforce located in 25 countries with over 75% of workforce comprised of foreign nationals hired locally
Aligned Compensation Practices	• 85% of CEO's compensation at risk , robust stock ownership guidelines, performance metrics consistent with Company's goals and strategy



ACCOUNTABILITY

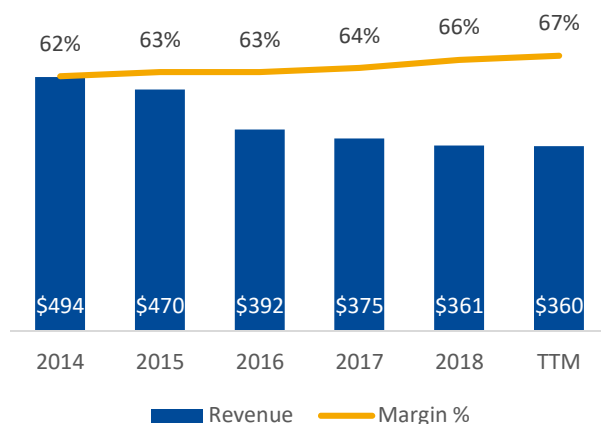
We take responsibility
for our actions.

Financials and Liquidity

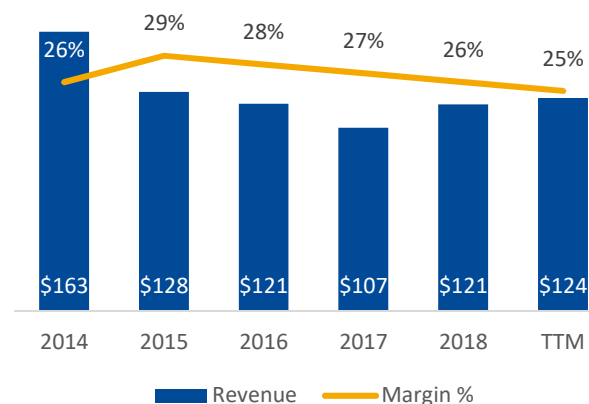
Stable, Through-Cycle Margin Levels



ECO Revenue (\$MM) and Gross Margin (%)⁽¹⁾



AMS Revenue (\$MM) and Gross Margin (%)⁽¹⁾



- ✓ Maintaining margin levels during fluctuations in the commodity markets
- ✓ Margin dollars remain consistent despite oil price degradation
- ✓ Midstream buildout should drive growth going forward

Strong Margins on Recurring Revenue Streams ... Stable Through Cycles

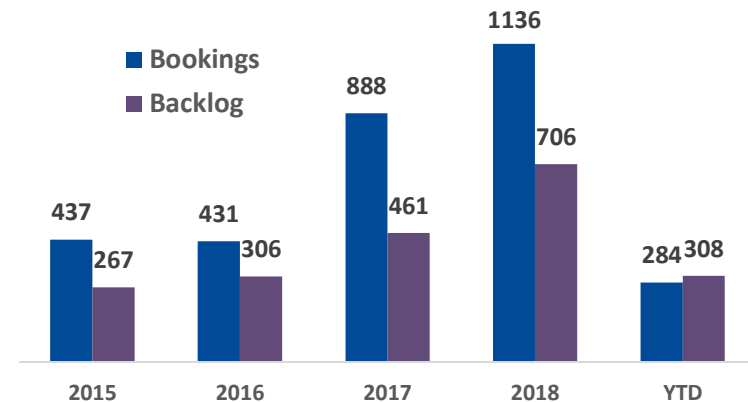
(1) Gross margin is defined as revenue less cost of sales (excluding depreciation and amortization expense). Gross margin percentage is defined as gross margin divided by revenue. 15

Bookings and Backlog

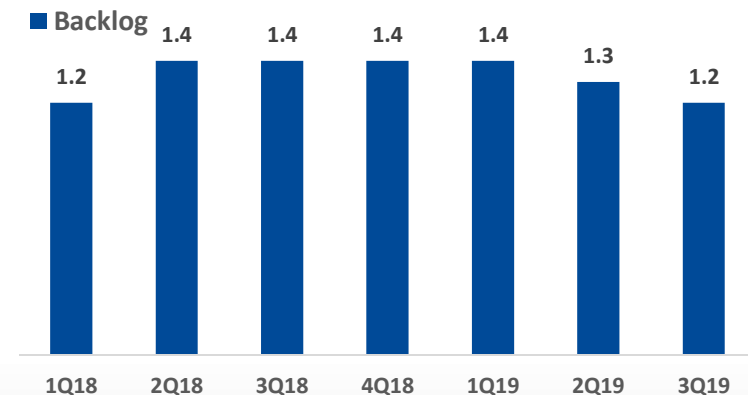


- ✓ Product sales bookings slow due to capital discipline within the energy space
- ✓ P&T bid book over \$750 million as of September 2019
- ✓ Continued steady ECO backlog ... opportunity set still sits north of \$2 billion, with another \$300-400 million of renewal opportunities
- ✓ ECO backlog stood at \$1.2 billion as of 3Q19
- ✓ Over \$1 billion in ECO awards since spin

Product Sales Backlog and Bookings (\$MM)



ECO Backlog (\$B)



Meaningful Opportunities Across Product Lines Ensuring Long Term Profit And Cash Flow

Recent Financial Highlights

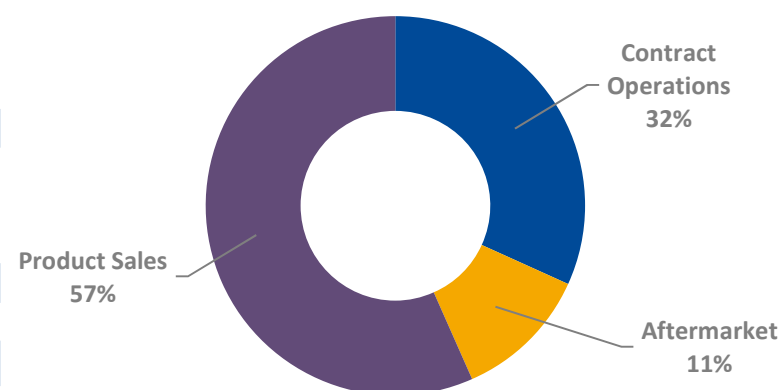


	2Q 2019	3Q 2019	Seq Δ	3Q 2018	YoY Δ
Contract Operations	\$90	\$96	7%	\$85	13%
Aftermarket	\$30	\$35	16%	\$30	16%
Product Sales	\$271	\$171	-37%	\$220	-22%
Total Revenues	\$391	\$302	-23%	\$335	-10%

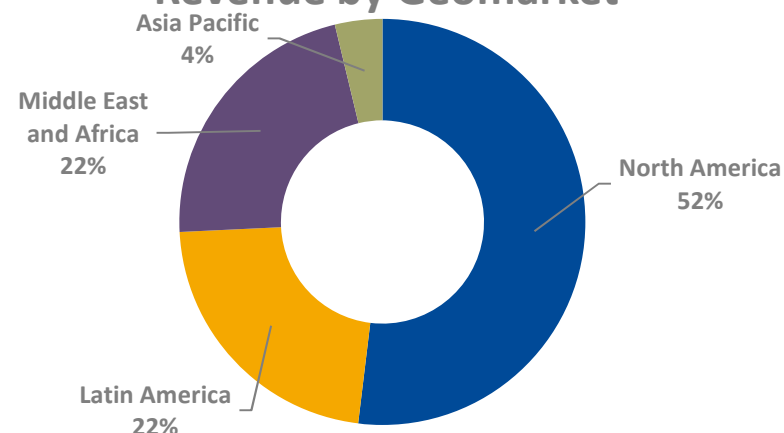
Gross Margin⁽¹⁾					
Contract Operations	\$59	\$62	4%	\$57	8%
Aftermarket	\$9	\$9	-3%	\$8	12%
Product Sales	\$30	\$18	-40%	\$32	-43%
Total Gross Margin	\$99	\$89	-10%	\$97	-8%

Gross Margin %⁽¹⁾			Seq Δ (bps)		YoY Δ (bps)
Contract Operations	66%	64%	-187	67%	-296
Aftermarket	30%	25%	-495	26%	-93
Product Sales	11%	11%	-58	14%	-380
Total Gross Margin %	25%	29%	412	29%	53

Revenue by Segment ⁽²⁾



Revenue by Geomarket ⁽²⁾



(1) Gross margin is defined as revenue less cost of sales (excluding depreciation and amortization expense). Gross margin percentage is defined as gross margin divided by revenue. See Appendix for detailed reconciliation of Total Gross Margin.

(2) For the quarter ended September 30, 2019

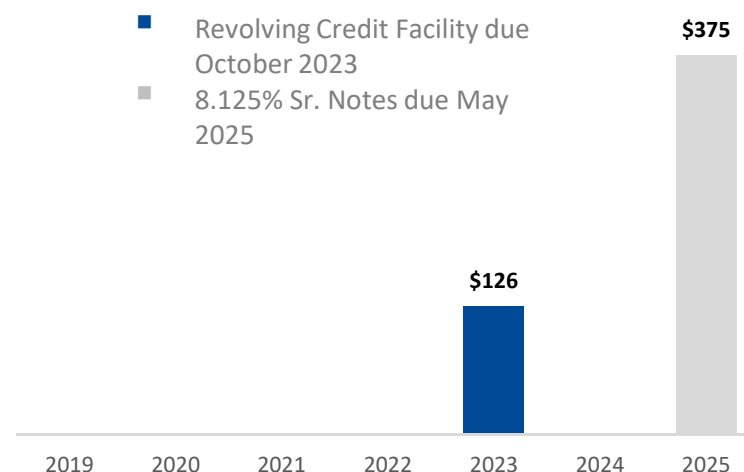
Debt and Liquidity



Liquidity Summary

In Millions	September 30, 2019
Revolving Credit Facility Capacity	\$700
Borrowings Under Facility	(\$126)
Letters of Credit	(\$23)
Revolving Credit Facility Availability	\$473
Cash	\$22
Total Liquidity	\$495

Debt Maturity Schedule (\$MM)



- ✓ 2019 committed gross growth CAPEX slated around \$155 million
- ✓ Total CAPEX around \$190-200 million
- ✓ Reimbursable CAPEX of \$100 million

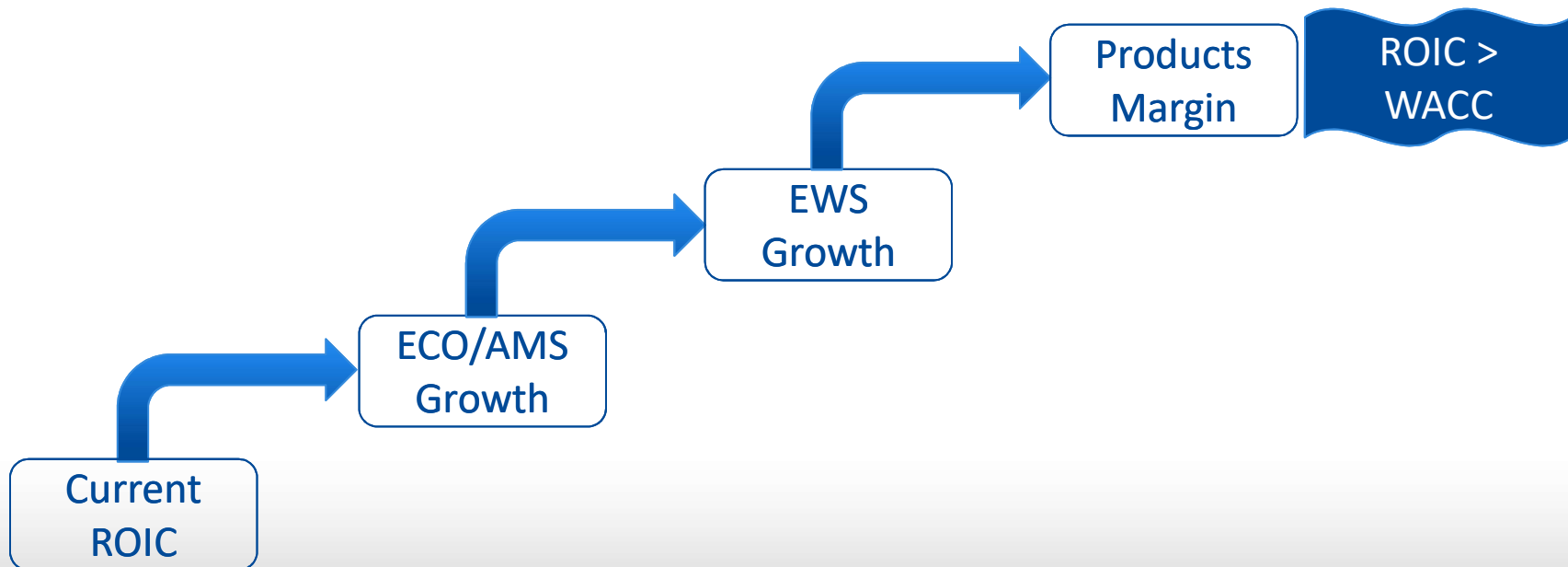
- ✓ Leverage ratio at the end of the 3rd quarter was 2.3x

Capital Discipline Focused on Driving Shareholder Value

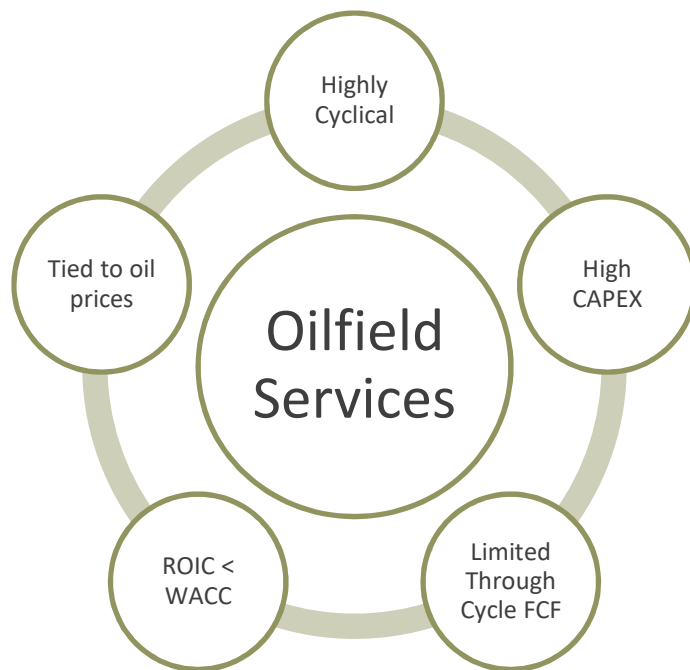
2019 Strategic Focus – Long-Term ROIC Improvement



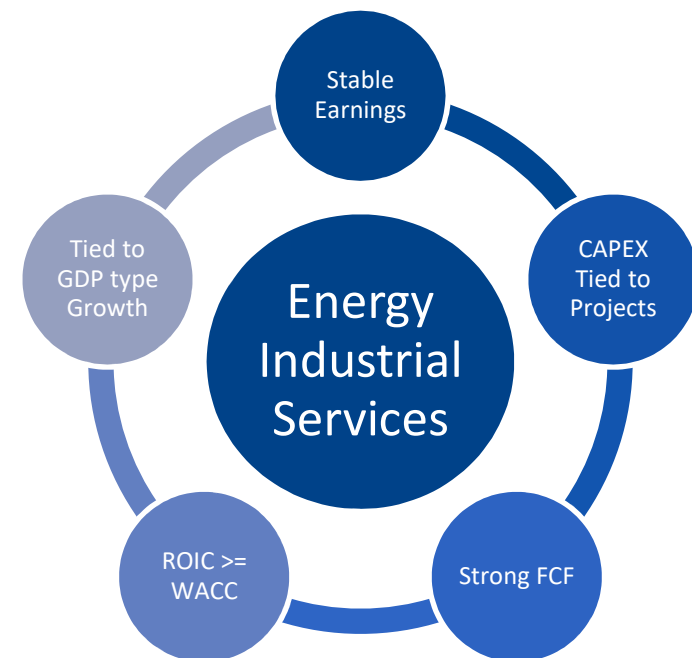
- ❑ Execute on ECO backlog and focus on quality backlog growth
- ❑ Review Options for U.S. Compression Fabrication Business
- ❑ Commercialize and grow Exterran Water Solutions business
- ❑ Drive new product development to enhance Product Sales gross margins



Current View = Oilfield Service Company



Strategic View = Energy Industrial Services



Create Sustainable Stakeholder Value

COURAGE

We act as leaders to
face challenges boldly
and with confidence.

Appendix

Non-GAAP Financial Measures



Gross Margin Reconciliation

(\$ in thousands)

	Q3-2018	Q2-2019	Q3-2019
Income (loss) before income taxes	\$ 11,150	\$ (4,170)	\$ (7,818)
Selling, general and administrative	45,103	45,636	37,702
Depreciation and amortization	31,108	36,319	42,133
Long-lived asset impairment	2,054	5,919	2,970
Restatement related recoveries, net	(342)	(28)	-
Restructuring and other charges	264	5,788	1,794
Interest expense	7,685	9,928	10,103
Other (income) expense, net	(285)	(477)	2,101
Total gross margin	<u>\$ 96,737</u>	<u>\$ 98,915</u>	<u>\$ 88,985</u>