



A SYSTEMS AND PROCESS COMPANY



Photo courtesy of Marathon Petroleum Corporation

Exterran Corporation 1Q21 Earnings Presentation

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 Exterran Corporation (“Exterran”, the “company”, “we,” “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 overall outlook, our expectations regarding future economic and market conditions and trends; our operational and financial strategies, including our planned capital expenditures; our financial and operational outlook; demand and growth opportunities for our products and services.

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: conditions in the oil and natural 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, which could depress or reduce the demand or pricing for Exterran’s natural gas compression and oil and natural gas production and processing equipment and services; reduced profit margins or the loss of market share resulting from competition or the introduction of competing technologies by other companies; economic or political conditions in the countries in which Exterran does business, including civil developments such as uprisings, riots, terrorism, kidnappings, violence associated with drug cartels, legislative changes and the expropriation, confiscation or nationalization of property without fair compensation; risks associated with natural disasters, pandemics and other public health crisis, and other catastrophic events outside of Exterran’s control, including the continued spread and impact of, and the response to, the COVID-19 pandemic; changes in currency exchange rates, including the risk of currency devaluations by foreign governments, and restrictions on currency repatriation; risks associated with cyber-based attacks or network security breaches; changes in international trade relationships, including the imposition of trade restrictions or tariffs relating to any materials or products (such as aluminum and steel) used in the operation of Exterran’s business; risks associated with Exterran’s operations, such as equipment defects, equipment malfunctions, environmental discharges and natural disasters; the risk that counterparties will not perform their obligations under their contracts with Exterran or other changes that could impact Exterran’s ability to recover its fixed asset investment; the financial condition of Exterran’s customers; Exterran’s ability to timely and cost-effectively obtain components necessary to conduct its business; employment and workforce factors, including Exterran’s ability to hire, train and retain key employees; Exterran’s ability to implement its business and financial objectives, including: (i) winning profitable new business, (ii) timely and cost-effective execution of projects, (iii) enhancing or maintaining Exterran’s asset utilization, particularly with respect to its fleet of compressors and other assets, (iv) integrating acquired businesses, (v) generating sufficient cash to satisfy Exterran’s operating needs, existing capital commitments and other contractual cash obligations, including Exterran’s debt obligations, and (vi) accessing the financial markets at an acceptable cost; Exterran’s ability to accurately estimate its costs and time required under its fixed price contracts; liability related to the use of Exterran’s products and services; changes in governmental safety, health, environmental or other regulations, which could require Exterran to make significant expenditures; and Exterran’s level of indebtedness and ability to fund its business.

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 2020 Form 10-K for the year ended December 31, 2020, 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.

Quarter Highlights



- ✔ EBITDA, as adjusted of \$33.1 million, with EBITDA margin, as adjusted of 24%⁽¹⁾
- ✔ Exterran Contract Operations (ECO) backlog ended at \$1.23 billion
- ✔ Product Sales backlog at the end of the quarter was \$445 million, compared to \$465 million at the end of 4Q20
- ✔ Bank Leverage was 3.8x⁽²⁾ with available revolver capacity of \$110 million
- ✔ Signed a \$200 million multi-year Exterran Water Solutions ECO contract during the first quarter of 2021

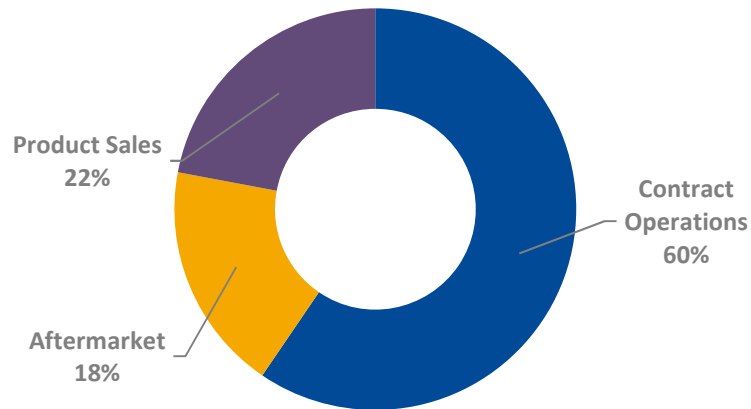
(1) See appendix for detailed reconciliation of EBITDA, as adjusted, and EBITDA, as adjusted, margin.

(2) Calculated as, Total Leverage Ratio as defined in our credit agreement as Total Indebtedness to EBITDA (as further defined in our credit agreement).

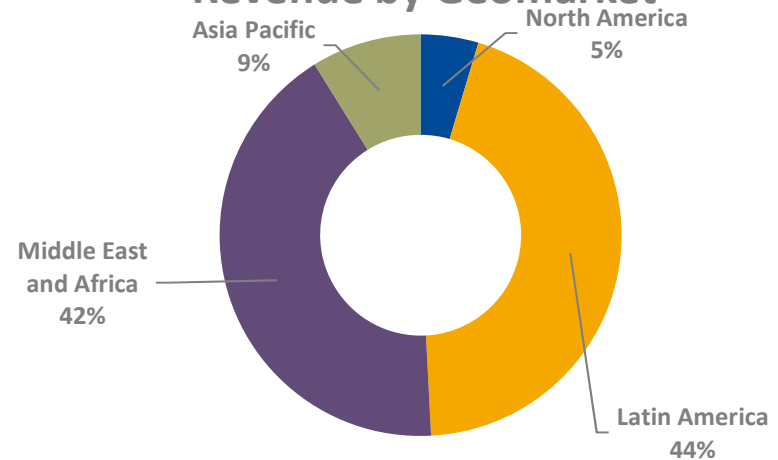
1Q 2021 Revenue Mix



Revenue by Segment



Revenue by Geomarket



	4Q 2020	1Q 2021	Seq Δ	1Q 2020	YoY Δ
Contract Operations	\$84	\$81	-4%	\$95	-15%
Aftermarket	\$30	\$25	-16%	\$28	-10%
Product Sales	\$38	\$30	-21%	\$38	-21%
Total Revenues	\$152	\$136	-10%	\$161	-15%

Segment Adjusted Gross Margin ⁽¹⁾	4Q 2020	1Q 2021	Seq Δ	1Q 2020	YoY Δ
Contract Operations	\$58	\$58	-1%	\$63	-9%
Aftermarket	\$6	\$5	-8%	\$7	-24%
Product Sales	\$5	\$4	-15%	-\$1	-635%
Total Adjusted Gross Margin	\$69	\$67	-3%	\$69	-3%

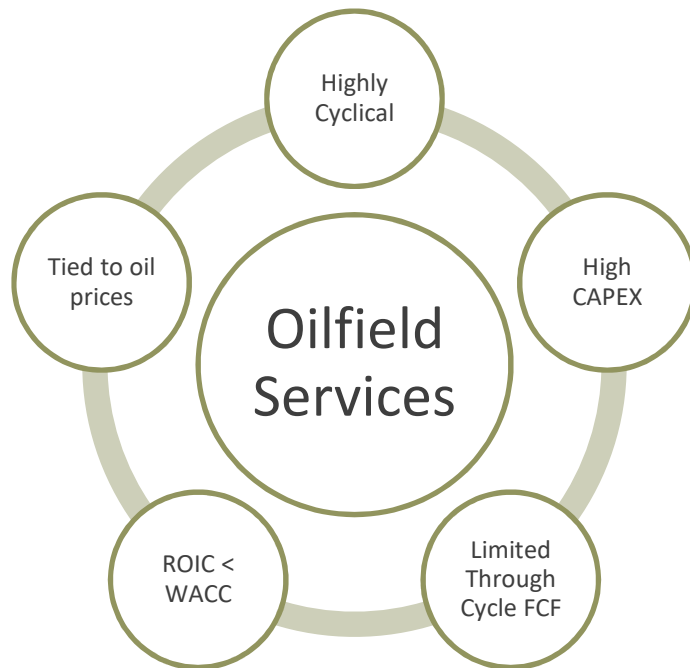
Segment Adjusted Gross Margin % ⁽¹⁾	4Q 2020	1Q 2021	Seq Δ (bps)	1Q 2020	YoY Δ (bps)
Contract Operations	69%	71%	169	67%	438
Aftermarket	18%	20%	184	24%	-377
Product Sales	14%	15%	91	-2%	1703
Total Adjusted Gross Margin %	46%	49%	378	43%	633

Revenue by Geomarket	4Q 2020	1Q 2021	Seq Δ	1Q 2020	YoY Δ
North America	\$13	\$6	-51%	\$9	-30%
Latin America	\$64	\$61	-6%	\$77	-21%
Middle East and Africa	\$48	\$57	18%	\$56	3%
Asia Pacific	\$26	\$12	-54%	\$19	-38%
Total Revenues	\$152	\$136	-10%	\$161	-15%

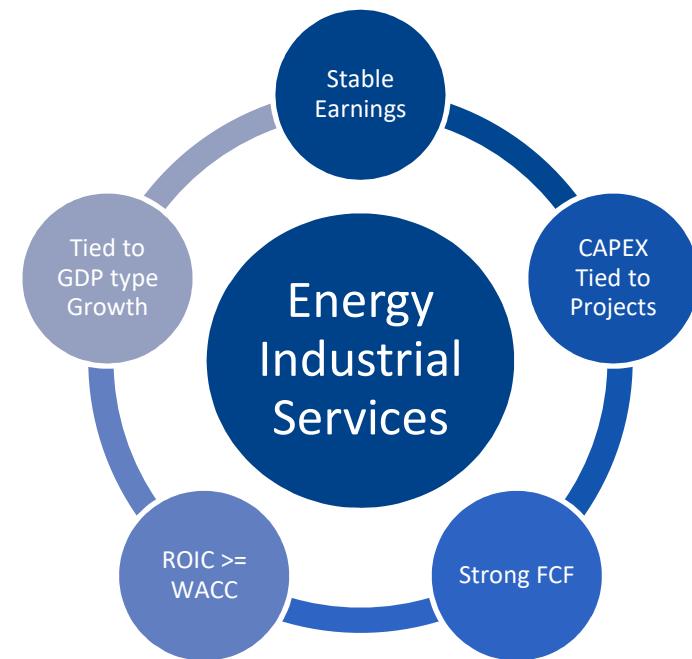
* U.S. compression fabrication moved to discontinued operations

(1) See appendix for detailed reconciliation of Adjusted Total Gross Margin and Total Gross Margin %.

Current View = Oilfield Service Company



Strategic View = Energy Industrial Services



Create Sustainable Long-Term Stakeholder Value

INTEGRITY

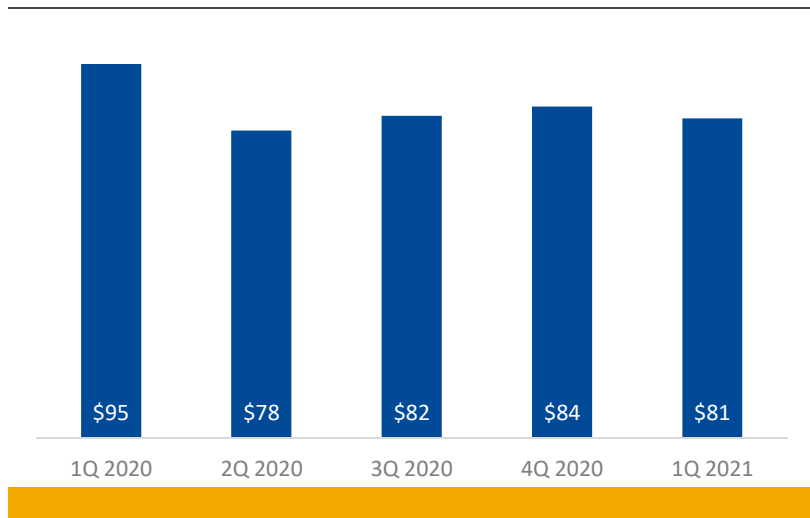
We are reliable
and transparent.

Financial Overview

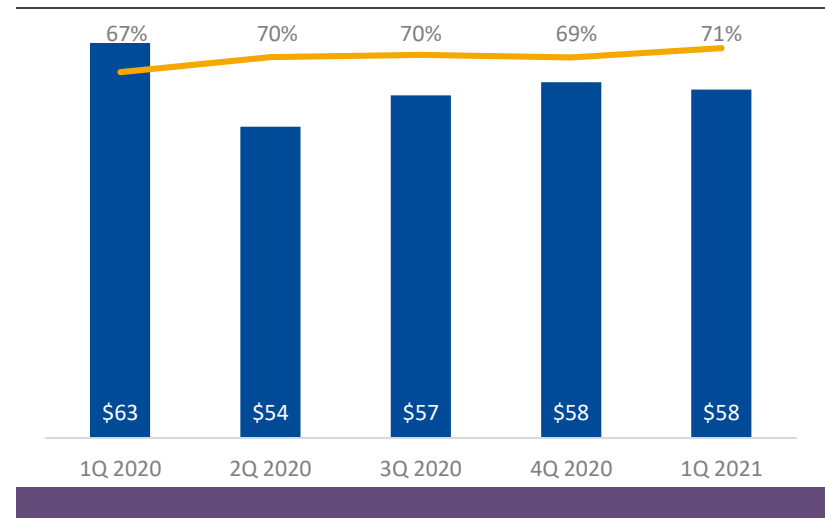
Exterran Contract Operations (ECO)



Revenue (\$MM)



Segment Adjusted Gross Margin⁽¹⁾ (\$MM) and Adjusted Gross Margin %



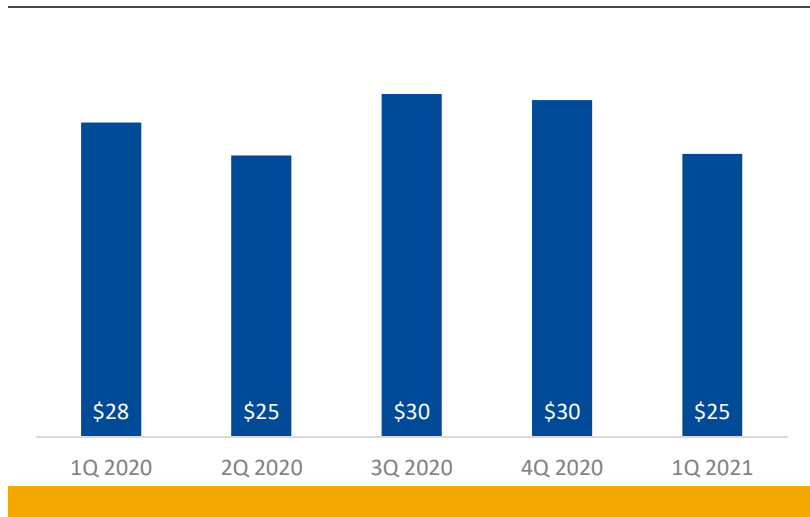
- Revenue down 4% sequentially with margin up 169 bps
- ECO backlog of \$1.23 billion at end of 1Q21

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

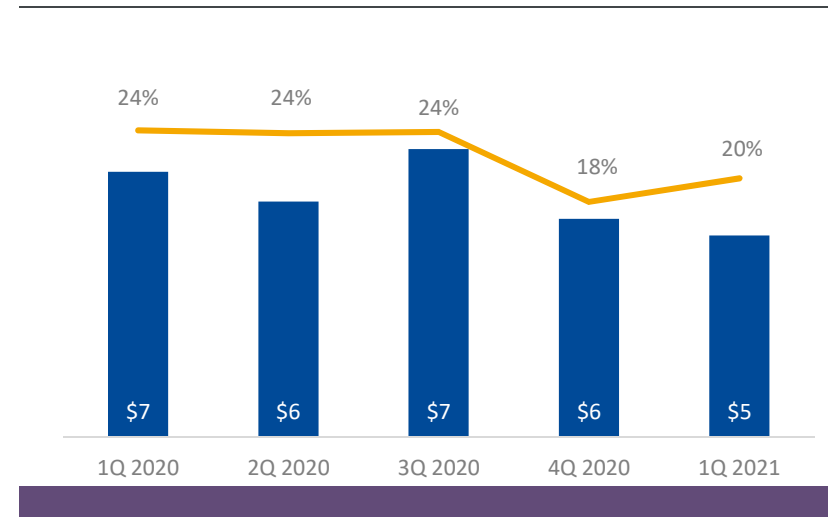
Aftermarket Services (AMS)



Revenue (\$MM)



Segment Adjusted Gross Margin⁽¹⁾ (\$MM) and Adjusted Gross Margin %



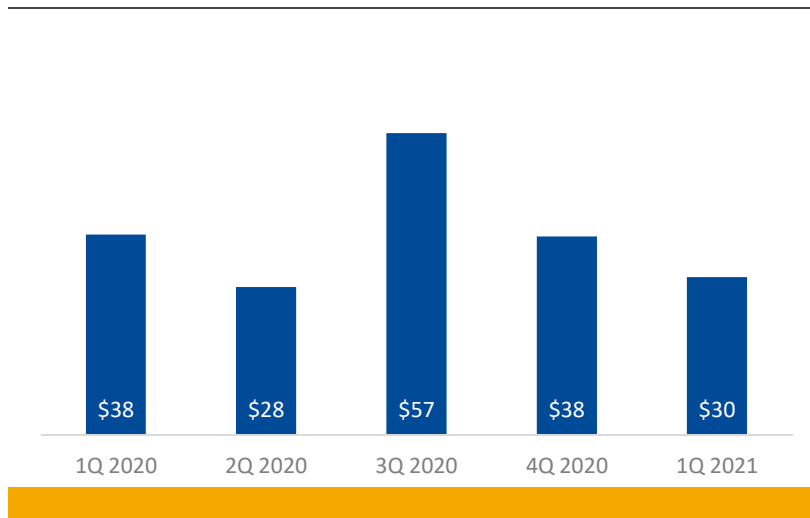
- Revenue down 16% sequentially due to typical seasonality
- Margin rate improved due to mix and timing of projects

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

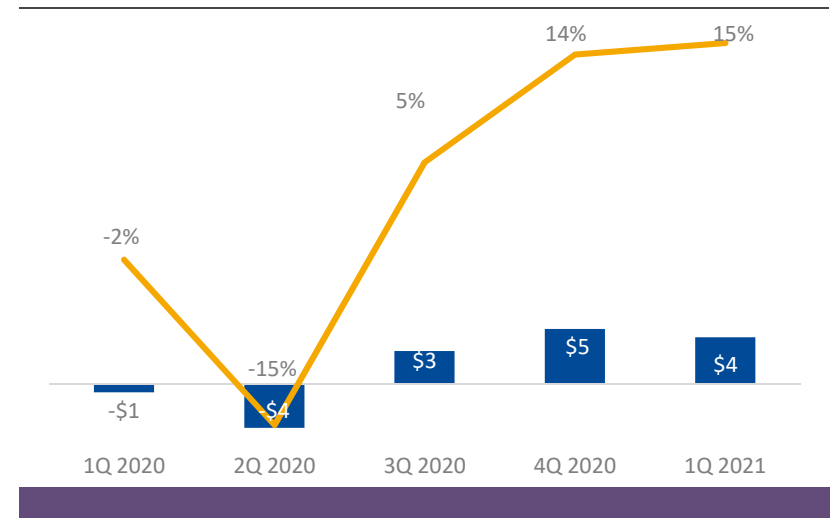
Product Sales



Revenue (\$MM)



Segment Adjusted Gross Margin⁽¹⁾ (\$MM) and Adjusted Gross Margin %



- Revenue down 21% with margin rate up 91 bps
- Revenue declined sequentially due to timing of revenue recognition of projects in backlog and the completion of projects in backlog
- Backlog for quarter ended at \$445 million

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

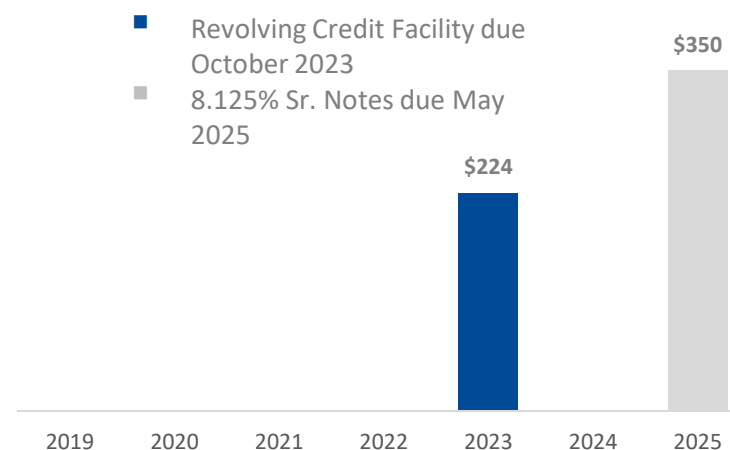
Debt and Liquidity



Liquidity Summary

In Millions	March 31, 2021
Revolving Credit Facility Capacity	\$650
Borrowings Under Facility	(\$224)
Letters of Credit	(\$8)
Revolving Credit Facility Availability	\$110
Cash	\$43
Total Liquidity	\$153

Debt Maturity Schedule (\$MM)



- ✓ 2021 total CAPEX guidance of \$80-90 million
- ✓ 2021 Reimbursable CAPEX between \$35-40 million

- ✓ Leverage ratio⁽¹⁾ at quarter end was 3.8x

(1) Calculated as, Total Leverage Ratio as defined in our credit agreement as Total Indebtedness to EBITDA (as further defined in our credit agreement).

Capital Discipline Focused with No Near-Term Maturities

2Q21 Guidance

- EBITDA, as adjusted, in the mid \$30 million range
- SG&A between \$31-33 million

2021 Guidance

- EBITDA, as adjusted, between \$150-160 million
- SG&A between \$125-135 million
- Interest expense \$40-45 million
- Cash taxes around \$20-25 million

Continued Focus on Cash Generation and Maintaining Balance Sheet

CUSTOMER FOCUS

We do what we say
and what is right for
our customers.

Appendix

Non-GAAP Financial Measures

Exterran Corporation:

EBITDA, as adjusted, a non-GAAP measure, is defined as net income (loss) excluding income (loss) from discontinued operations (net of tax), cumulative effect of accounting changes (net of tax), income taxes, interest expense (including debt extinguishment costs), depreciation and amortization expense, impairment charges, restructuring and other charges, non-cash gains or losses from foreign currency exchange rate changes recorded on intercompany obligations, expensed acquisition costs, gain on extinguishment of debt and other items.

Adjusted Gross Margin is defined as revenue less cost of sales (excluding depreciation and amortization expense). Adjusted Gross margin percentage is defined as adjusted gross margin divided by revenue. The Company evaluates the performance of its segments based on adjusted gross margin in each segment. Total gross margin, a non-GAAP measure, is included as supplemental information. The Company evaluates the performance of its segments based on adjusted gross margin in each segment. Total adjusted gross margin, a non-GAAP measure, is included as supplemental information.

EBITDA, as adjusted margin, is a non-GAAP measure, defined as EBITDA, as adjusted, divided by revenue.

Non-GAAP Financial Measures



EBITDA, as adjusted and EBITDA, as adjusted Margin Reconciliation

(\$ in thousands)

	Q1 - 2021
Net loss	\$ (29,873)
Loss from discontinued operations, net of tax	873
Depreciation and amortization	42,499
Restructuring and other charges	624
Interest expense	9,964
Loss on currency exchange rate remeasurement of intercompany balances	1,511
Provision for income taxes	7,456
EBITDA, as adjusted	<u>\$ 33,054</u>

Revenue	136,164
% of revenue	24%

Adjusted Gross Margin Reconciliation



Adjusted gross margin reconciliation (\$ in thousands)

	Q1-2020	Q4-2020	Q1-2021
Revenues	\$ 160,794	\$ 151,699	\$ 136,164
Costs of sales (excluding depreciation and amortization expenses)	91,572	82,524	68,929
Depreciation and amortization(1)	<u>30,446</u>	<u>42,618</u>	<u>40,835</u>
Total gross margin	38,776	26,557	26,400
Depreciation and amortization(1)	<u>30,446</u>	<u>42,618</u>	<u>40,835</u>
Total adjusted gross margin	<u>\$ 69,222</u>	<u>\$ 69,175</u>	<u>\$ 67,235</u>

(1) Represents the portion only attributable to cost of sales