A SYSTEMS AND PROCESS COMPANY


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Exterran Corporation
4Q18 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”, “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 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, including additional payments expected to be received from Venezuela, and 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.

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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 2017 Form 10-K for the year ended December 31, 2017, 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.

Financial Highlights

- EBITDA, as adjusted[1] for 4Q18 of $51.5 million, with EBITDA, as adjusted margin of 15%
- Exterran Contract Operations (ECO) backlog ended the year at $1.4 billion. Booked over $40 million in AMS orders as well.
- Book to bill within Product Sales was 1.3x for full year 2018 driven by continued strong compression orders and steady processing and treating order flow
- Free cash flow[1] was $1.6 million for 4Q18. Leverage[2] was 1.8x at the end of 4Q18
- Board authorized $100 million share buyback through February 2022

(1) See appendix for detailed reconciliation of EBITDA, as adjusted, EBITDA, as adjusted margin, and Free Cash Flow.
(2) Leverage is defined in our credit agreement as debt to adjusted EBITDA.

2018 Key Operational Highlights

Orders Drive Backlog Higher

- ECO new orders in 2018 were over $350 million with YE backlog at $1.4 billion
- Products book to bill for 2018 was 1.3x providing a solid backlog of $706 million as we enter 2019

Key AMS Wins

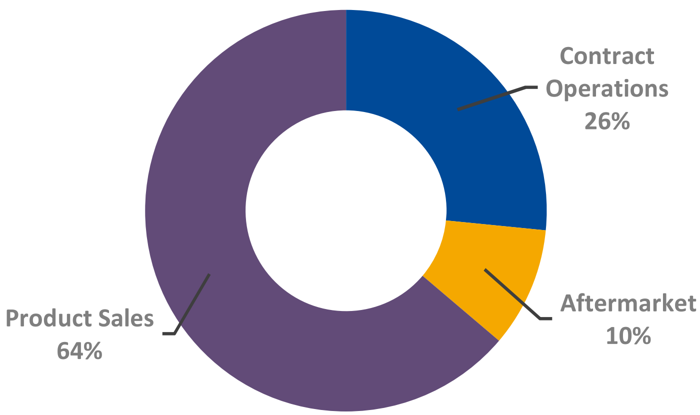
- First year of AMS revenue growth since 2014
- Signed several multi-year contracts along with securing extensions on expiring contracts
- Developed U.S. field services team

EWS Commercial Win

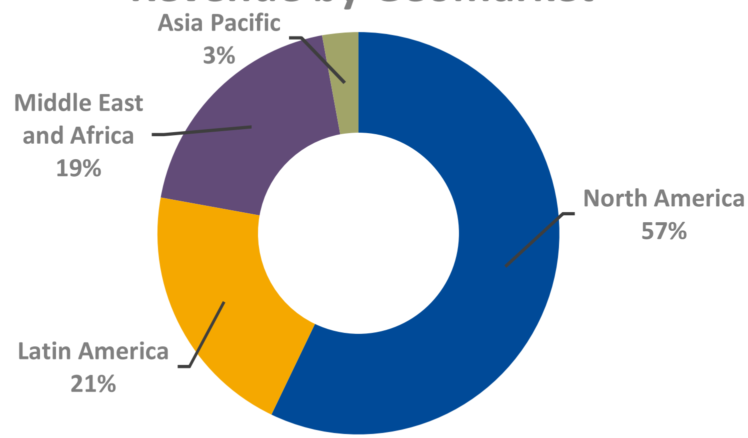
- First U.S. ECO win for EWS
- Further discussions with large NAM E&Ps underway
- Over $25 million in total EWS orders since 3Q18 call

4Q 2018 Revenue Mix

Revenue by Segment



Revenue by Geomarket



	3Q 2018	4Q 2018	Seq Δ	4Q 2017	YoY Δ
Contract Operations	$85	$88	4%	$95	-8%
Aftermarket	$30	$32	7%	$30	5%
Product Sales	$220	$212	-4%	$212	0%
Total Revenues	**$335**	**$332**	**-1%**	**$338**	**-2%**

Gross Margin[1]					
Contract Operations	$57	$62	8%	$61	1%
Aftermarket	$8	$7	-9%	$8	-12%
Product Sales	$32	$27	-16%	$24	9%
Total Gross Margin	**$97**	**$95**	**-1%**	**$94**	**2%**

Gross Margin %[1]			Seq Δ (bps)		YoY Δ (bps)
Contract Operations	67%	70%	255	64%	575
Aftermarket	26%	22%	-397	26%	-424
Product Sales	14%	13%	-190	12%	100
Total Gross Margin %	**29%**	**29%**	**-20**	**28%**	**96**

Revenue by Geomarket	3Q 2018	4Q 2018	Seq Δ	4Q 2017	YoY Δ
North America	$215	$190	-12%	$217	-13%
Latin America	$65	$69	6%	$80	-14%
Middle East and Africa	$42	$64	54%	$26	143%
Asia Pacific	$13	$10	-27%	$14	-33%
Total Product Revenue	**$335**	**$332**	**-1%**	**$338**	**-2%**

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

2019 Strategic Priorities

- Execute large ECO wins and grow ECO backlog
- Build out North American service business
- Scale our EWS business globally
- Drive new product development to create differentiation
- Produce strong free cash flow while improving returns

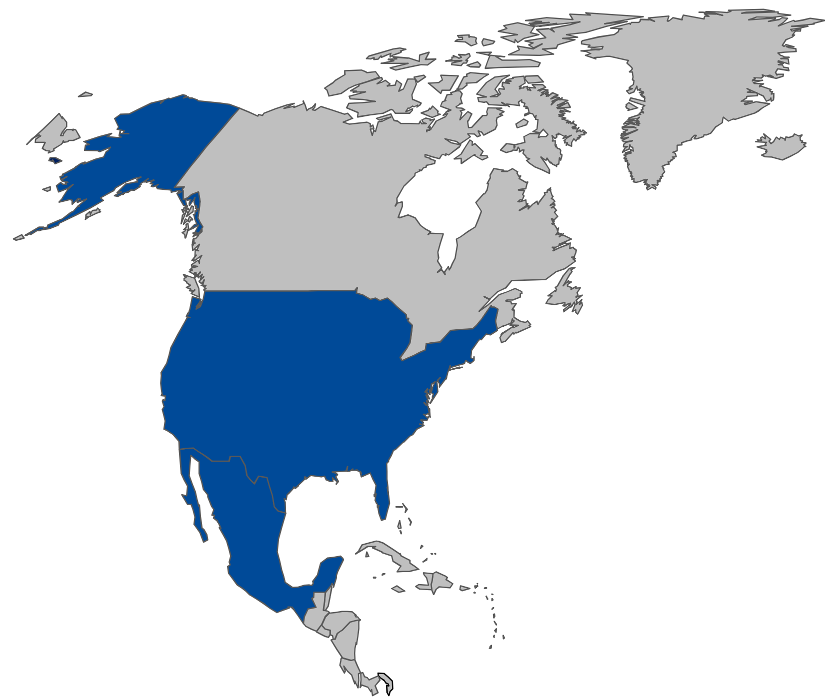
CUSTOMER FOCUS

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

Macro Overview

North America

- The U.S. remains one of our most robust markets given the demand for compression and processing and treating facilities.
- Lead times for key components remain inflated, customers planning for 2020 and beyond.
- Significant natural gas growth over next several years provides good visibility into P&T needs.
- Produced water treatment continues to gain traction around the industry.
- LNG demand is driving many investment decisions by players in the region.



Latin America

- Argentina - Vaca Muerta continuing momentum with additional opportunities to put assets to work in the country.
- Brazil – IOC investments are a leading indicator for future growth.
- Bolivia – interregional gas agreements and field developments signal continued demand.

Middle East/Africa

- Robust region for EXTN with the largest capital growth opportunities internationally.
- Oman – demand across product lines strong, including EWS.
- Kuwait – large opportunities on the horizon driven by continued investments.
- Iraq, North Africa, Bahrain, and other African countries showing greater potential.

Asia Pacific

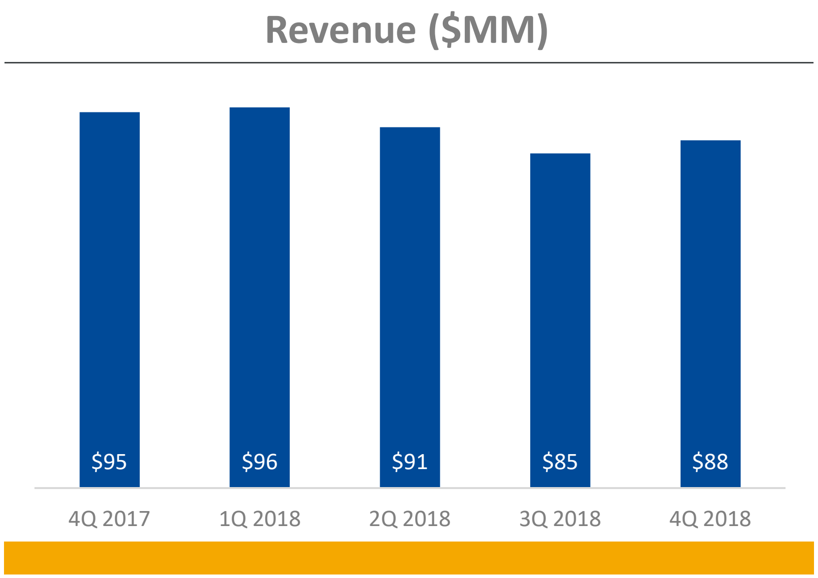
- FPSO market is showing signs of resurgence.
- Regional expertise is an advantage in upcoming AMS opportunities, specifically around FPSO upgrades.
- LNG demand in the region could prove to be large longer-term play.

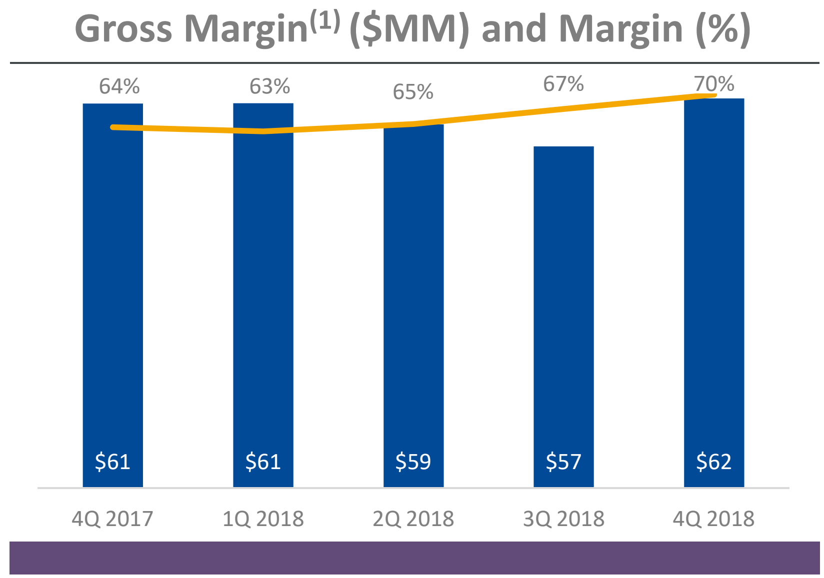
ACCOUNTABILITY

We take responsibility for our actions.

Financial Overview

Exterran Contract Operations (ECO)

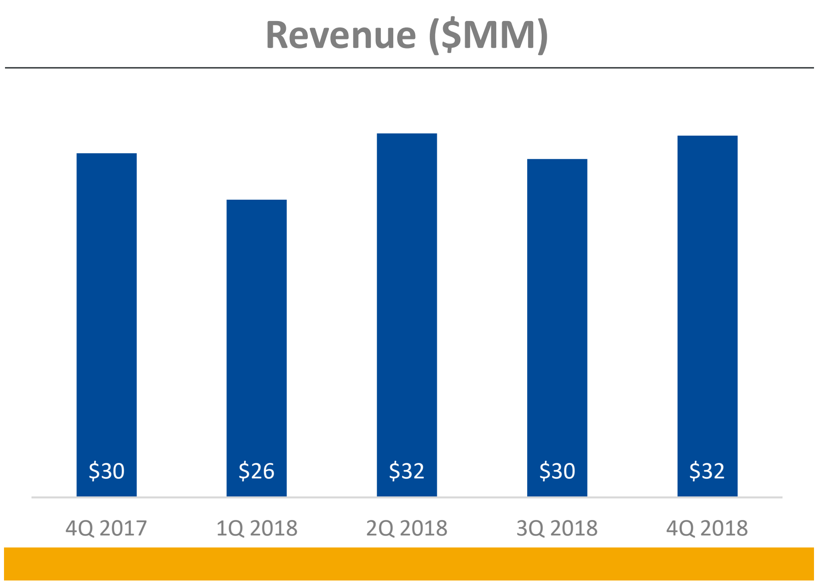


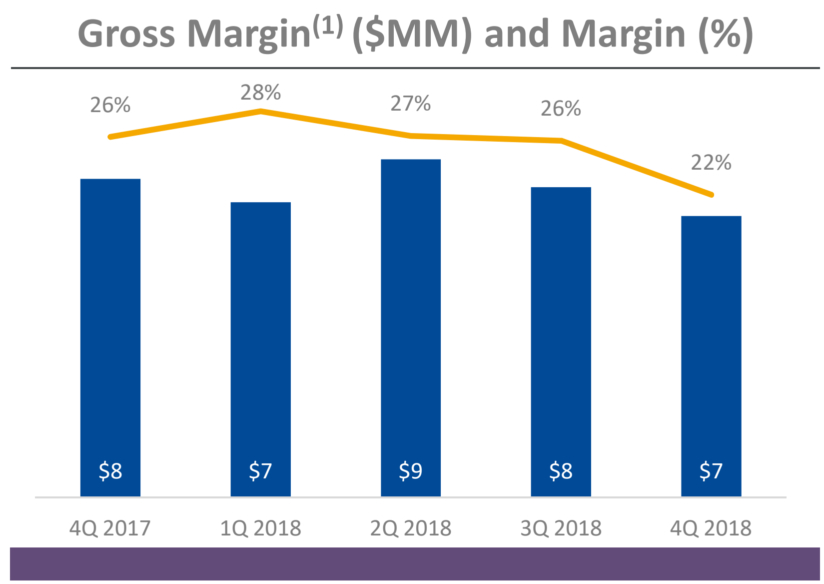


- Revenue was up 4% sequentially while margin rate was up 255 bps
- Margin rate increase driven by productivity gains and commercial negotiations
- ECO Backlog stands at $1.4 billion, flat when compared to 3Q18

(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.

Aftermarket Services (AMS)

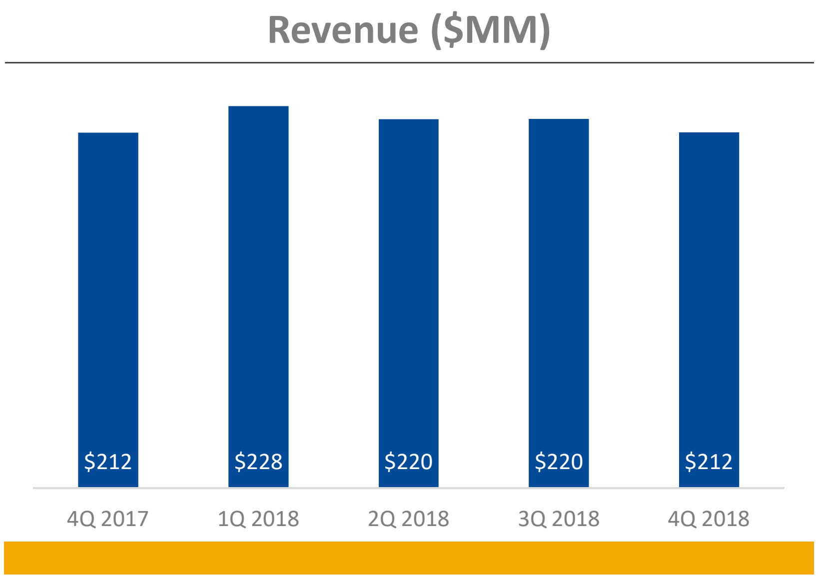


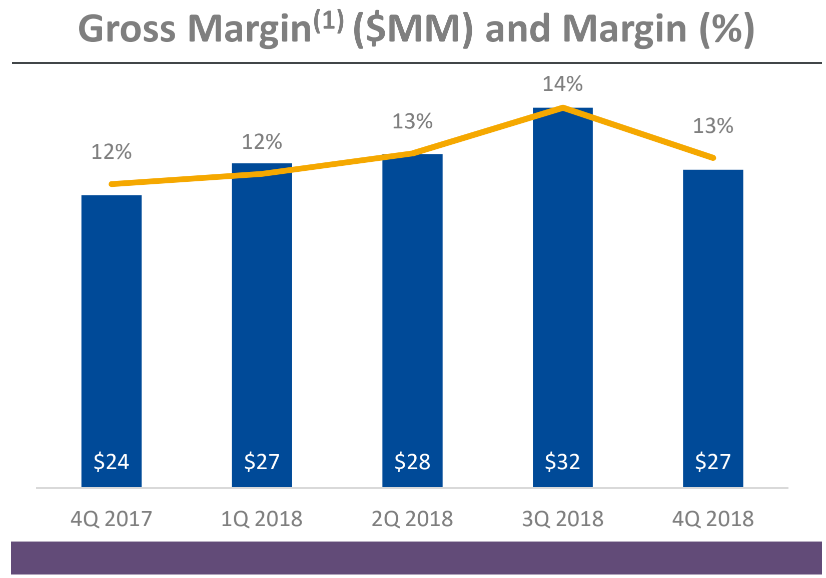


- Revenue was up 7% sequentially while margin rate declined 397 bps
- Commercial wins drove revenue increase while mix of parts sales contributed to margin decline
- Focus on core business as we exit non-strategic contracts and expand O&M

(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.

Product Sales





- Revenue was down 4% with margin rate down 190 bps
- Negative mix and orders timing drove revenue and margin declines
- Bookings for the quarter were $159 million, with backlog at quarter end of $706 million

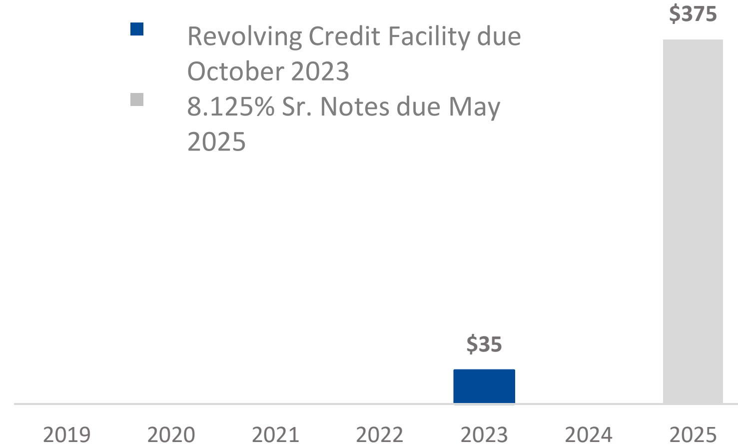
(1) Gross margin is defined as revenue less cost of sales (excluding depreciation and amortization expense). Gross margin percentage is defined as gross margin divided by revenue.

Debt and Liquidity

Liquidity Summary

In Millions	December 31, 2018
Revolving Credit Facility Capacity	$700
Borrowings Under Facility	($35)
Letters of Credit	($57)
Revolving Credit Facility Availability	$578
Cash	$19
Total Liquidity	**$597**

Debt Maturity Schedule ($MM)



- ✓ 2019 committed growth CAPEX slated around $170 million
- ✓ Total CAPEX of around $205-215 million
- ✓ Reimbursable CAPEX of $115 million

- ✓ Optimal leverage between 2.0x-2.5x (1.8x 4Q18)

Capital Discipline Focused on Driving Shareholder Value

1Q 2019 Outlook

EXTERRAN.

1Q19 Contract Operations	1Q19 Aftermarket	1Q19 Product Sales
▪ **Revenue** flat sequentially ▪ **Gross margin** in the mid 60% range	▪ **Revenue** in the mid $20 million range ▪ **Gross margin** in the low to mid 20% range	▪ **Revenue** up mid-teens percent sequentially ▪ **Gross margin** rate relatively flat sequentially

Other Corporate Items

- **1Q19 SG&A** should be between $44-46 million
- **Cash taxes** for 2019 should be between $30-35 million
- **CAPEX** for full year 2019 is expected to be between $205-$215 million and we expect reimbursables to be around $115 million for the full year. Net CAPEX around $90-100 million.

Continued Operational Focus to Drive Solid Results

COURAGE

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

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 and other items.

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. The Company evaluates the performance of its segments based on gross margin for each segment. Total gross margin, a non-GAAP measure, is included as supplemental information.

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

Free Cash Flow, a non-GAAP measure, is defined as net cash flow provided by operating activities from continuing opeartions less capital expenditures.

Non-GAAP Financial Measures

EBITDA, as adjusted and EBITDA, as adjusted Margin Reconciliation
($ in thousands)

	Q4-18
Net income	$ 14,073
Income from discontinued operations, net of tax	(19,346)
Depreciation and amortization	31,601
Restatement related charges	42
Restructuring and other charges	311
Interest expense	7,430
Loss on currency exchange rate remeasurement of intercompany balances	996
Provision for income taxes	16,365
EBITDA, as adjusted	$ 51,472
Revenue	$ 332,153
EBITDA, as adjusted Margin	15.5%

Non-GAAP Financial Measures

Gross Margin Reconciliation

($ in thousands)

	Q4-2017	Q3-2018	Q4-2018
Income before income taxes	$ 5,165	$ 11,150	$ 11,092
Selling, general and administrative	44,463	45,103	44,674
Depreciation and amortization	29,714	31,108	31,601
Long-lived asset impairment	5,700	2,054	-
Restatement related charges (recoveries), net	408	(342)	42
Restructuring and other charges	154	264	311
Interest expense	7,497	7,685	7,430
Other (income) expense, net	537	(285)	145
Total gross margin	$ 93,638	$ 96,737	$ 95,295

Free Cash Flow Reconciliation

Net cash flow provided by operating activities from continuing operations	$ 64,503
Less: Capital Expenditures	62,882
Free Cash Flow	$ 1,621