

FEBRUARY 2024

Enerflex Ltd.  
Corporate Presentation

Enerflex



Tomorrow  
starts today

# Enerflex at a Glance

Transforming Energy for a Sustainable Future

TSX

**EFX**

NYSE

**EFXT**

Common shares  
outstanding<sup>(2)</sup>

**124 MM**

Annual dividend

**\$0.10**/share

Percentage of gross margin  
before D&A from recurring  
sources<sup>(3)</sup> <sup>(4)</sup>

**55-65%**

Engineered Systems backlog <sup>(2)</sup><sup>(4)</sup>

**\$1.5B**

Operating locations

**70+**

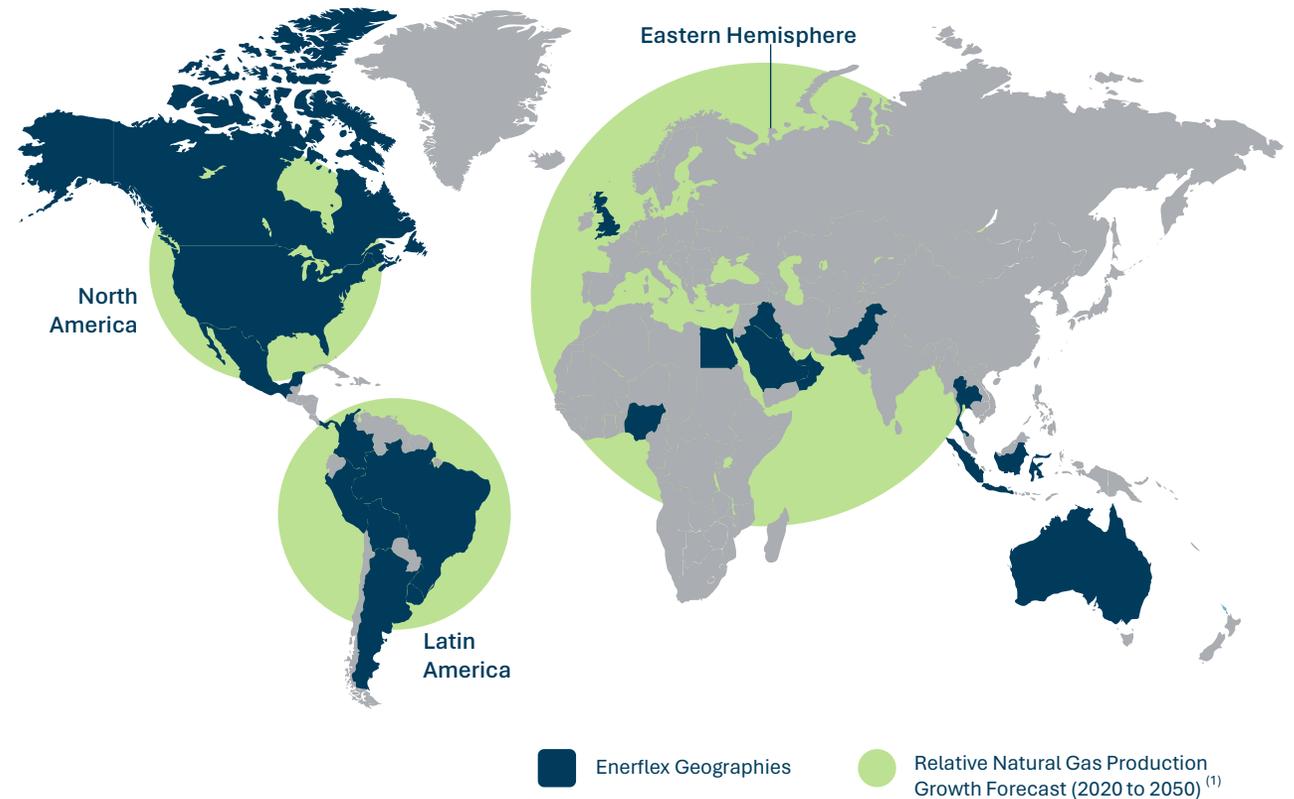
Countries

**20**

**Enerflex**

- 1) Source: Wood Mackenzie (November 2022).
- 2) As at December 31, 2023
- 3) Guidance for 2024
- 4) Non-IFRS measure that is not a standardized financial measure under IFRS and may not be comparable to similar non-IFRS measures disclosed by other issuers. Refer to "Advisory Statements" of this presentation.

**Committed to delivering the fuel of the future** creating shareholder value as we meet demand



# Compelling Shareholder Value Proposition

Differentiated global platform strategically positioned to harness robust global natural gas and energy transition fundamentals



## Global Market Leader in Natural Gas and Energy Transition Solutions

Strategically located where the resource is, with all product lines designed to deliver on the world's energy needs, including energy transition expertise



## Vertically Integrated

Differentiated global platform features synergistic product lines across the energy value chain



## Financial Strength and Discipline

Deleveraging plan de-risked through recurring business lines, large Engineered Systems backlog, and robust market fundamentals



## Returns-focused

Disciplined investments focused on profitability, financial strength, and generating strong returns

# Executing Strategic Priorities to Drive Shareholder Value

## STRATEGIC PRIORITIES

1

Maximize free cash flow to reduce leverage.

Bank-adjusted net debt to EBITDA ratio of 2.3x<sup>(1)(2)</sup> at the end of 2023 and expected to decline in 2024.

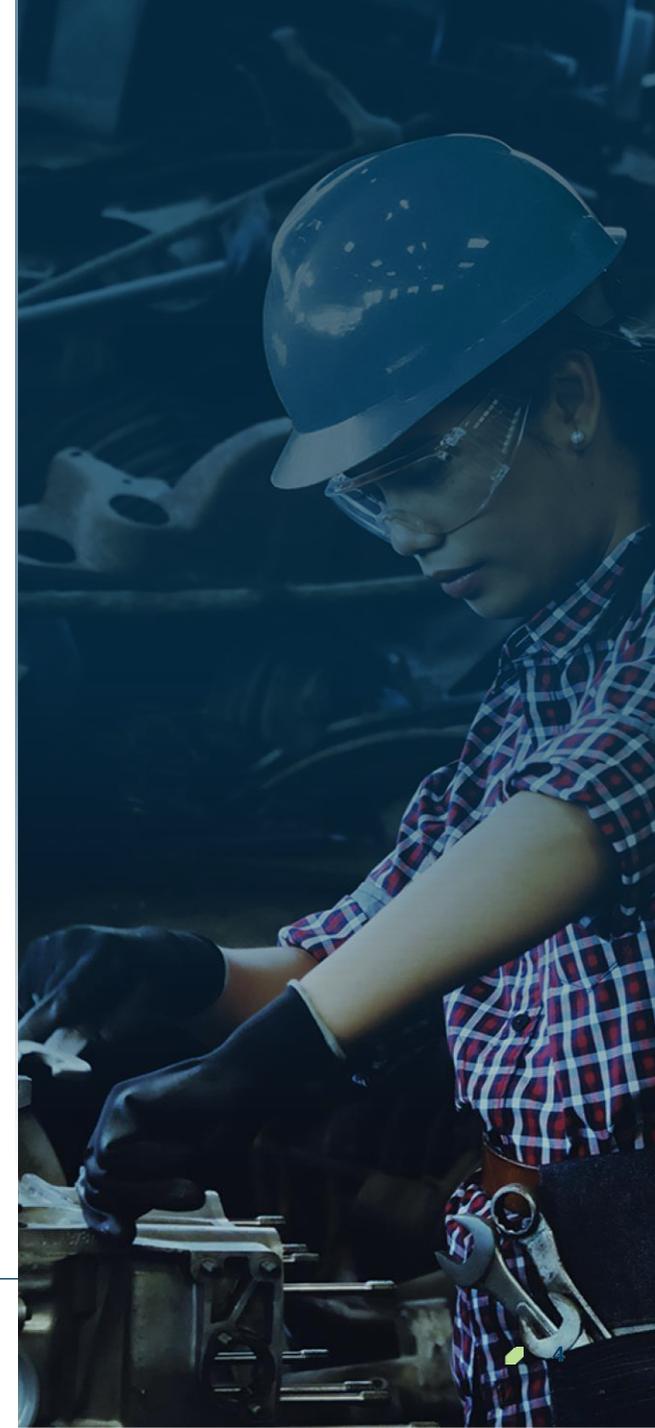
2

Complete the integration of Exterran and optimize business across product lines and capabilities.

Have realized >US\$60 MM of annual run-rate synergies.

3

Pay sustainable base dividend and generate strong cash flow to drive medium to long-term shareholder returns.

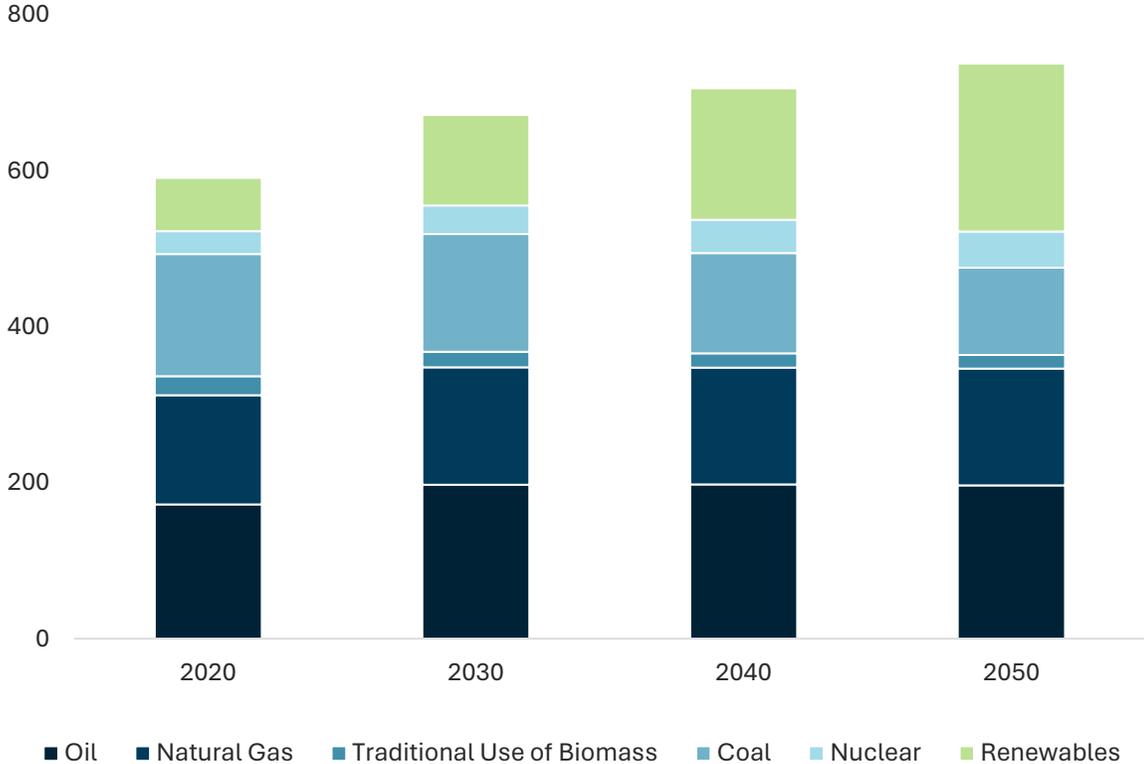


# Positioned to Capitalize on Favorable Macro Trends

As the demand for natural gas grows in the Company’s key operating regions, Enerflex is poised to enable the energy transition

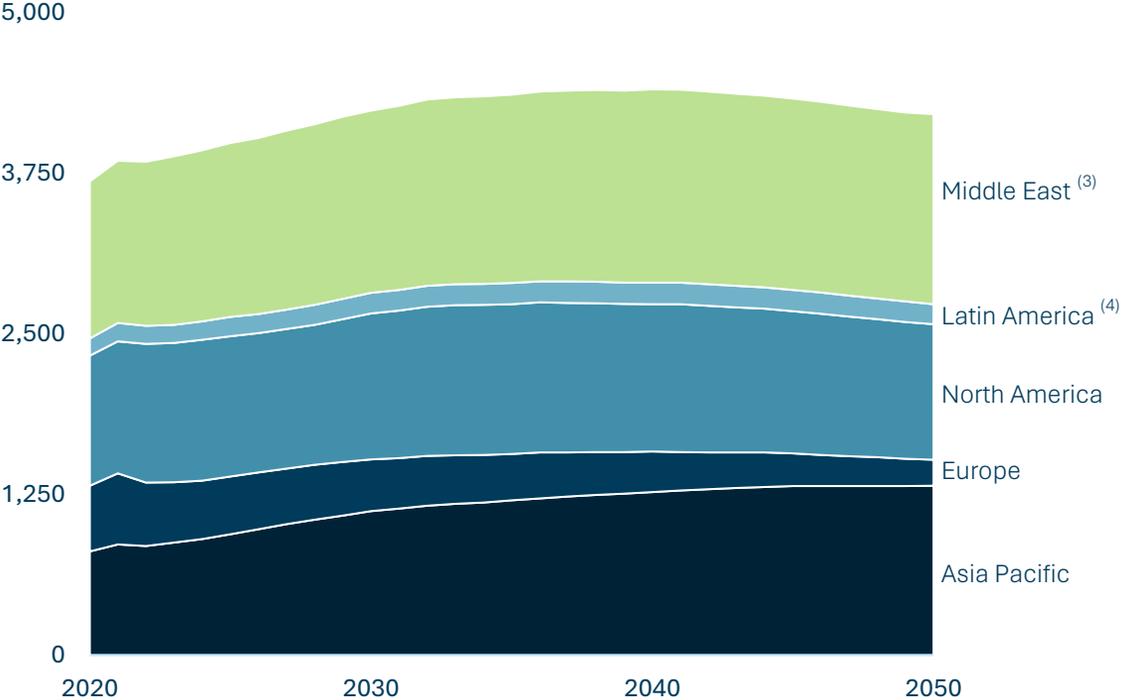
**Total Energy Supply (1)**

(exajoule)



**Global Natural Gas Demand by Region (2)**

(BCM)



1) Source: International Energy Agency (2022) World Energy Outlook 2022 (January 2023). Stated Policies Scenario presented.  
 2) Source: Wood Mackenzie (November 2022).  
 3) Includes Africa, Russia, and Caspian.  
 4) Includes Caribbean.

# Market Leader in Modular Energy Solutions

Serving the growing need for natural gas and energy transition solutions through a differentiated and vertically integrated suite of products and services

## Energy Infrastructure

Critical energy infrastructure that Enerflex owns, operates, and maintains under contract to enable its customers' upstream operations

## After-market Services

Full After-market installation, commissioning, operations and maintenance, and parts

## Engineered Systems

Sale of customized modular natural gas-handling, low-carbon, and carbon capture solutions

# Attractive Opportunities in Energy Infrastructure

Expansive, global fleet built, engineered, and owned by Enerflex, with innovative in-house engineering delivering a tailored, full-service solutions

**Enerflex**

Entire product range can be leased or run on a BOOM (Build, Own, Operate and Maintain) model across the world

Nearly **2 MM**

horsepower of  
compression installed

**25+**

gas plants

**2**

produced water treatment  
facilities worldwide

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Maintenance options reduce pressure on customer operating expenses and rentals conserve capex

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Leases upstream gas compression infrastructure globally, where market and field conditions require continual equipment changes, therefore contracting assets is an attractive option to conserve capital

# A Full Range of Water Solutions for a Better Tomorrow

Quickly and cost-efficiently treats produced water to increase oil recovery and reduce disposal costs

25+ years of experience designing, engineering, manufacturing and delivering treated waters solutions worldwide.

13

Patents Issued or Pending in 26 Countries

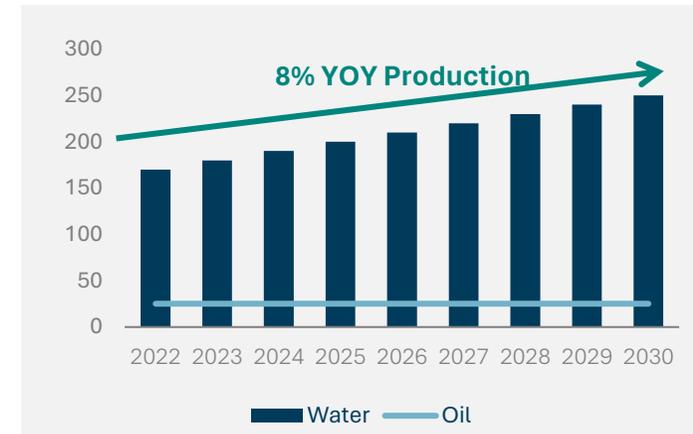
8B+

Total Barrels of Water Treated

30+

Customer Projects Executed (Pilot & Commercial)

## Global Produced Water Volumes



### Innovative Design

Resulted in a 40% reduction in facility footprint and lower capital and operating costs for a project in the Middle East



### Expansion Opportunities

Technology and operating platform have broad application across oil & gas and into other industry verticals

Enerflex

# Successful Integration of Exterran

Establishing a Premier Integrated Global Provider of Energy Infrastructure and Energy Transition Solutions



Completed transaction in October 2022



Highly complementary product lines, geographies, and asset base provide enhanced scale, efficiencies, and expanded offerings for customers



Strengthens Enerflex's ability to serve customers in key natural gas, water and energy transition markets, while enhancing shareholder value through sustainable improvements in financial performance



- 1) Non-IFRS measure that is not a standardized financial measure under IFRS and may not be comparable to similar non-IFRS measures disclosed by other issuers. Refer to "Forward Looking Statements" of this MD&A.
- 2) Calculated in accordance with the Company's debt covenants, which permit: (a) the inclusion of Exterran's bank-adjusted EBITDA for the trailing 12 months ended for the respective period; and (b) a maximum of 4.0:1.

Repaid

**\$164 MM**

of debt during 2023 and reduced leverage ratio<sup>(1)(2)</sup> ratio from 3.3x at the end of Q4 2023 to 2.3x as at December 31, 2023

Have realized

**>US\$60 MM**

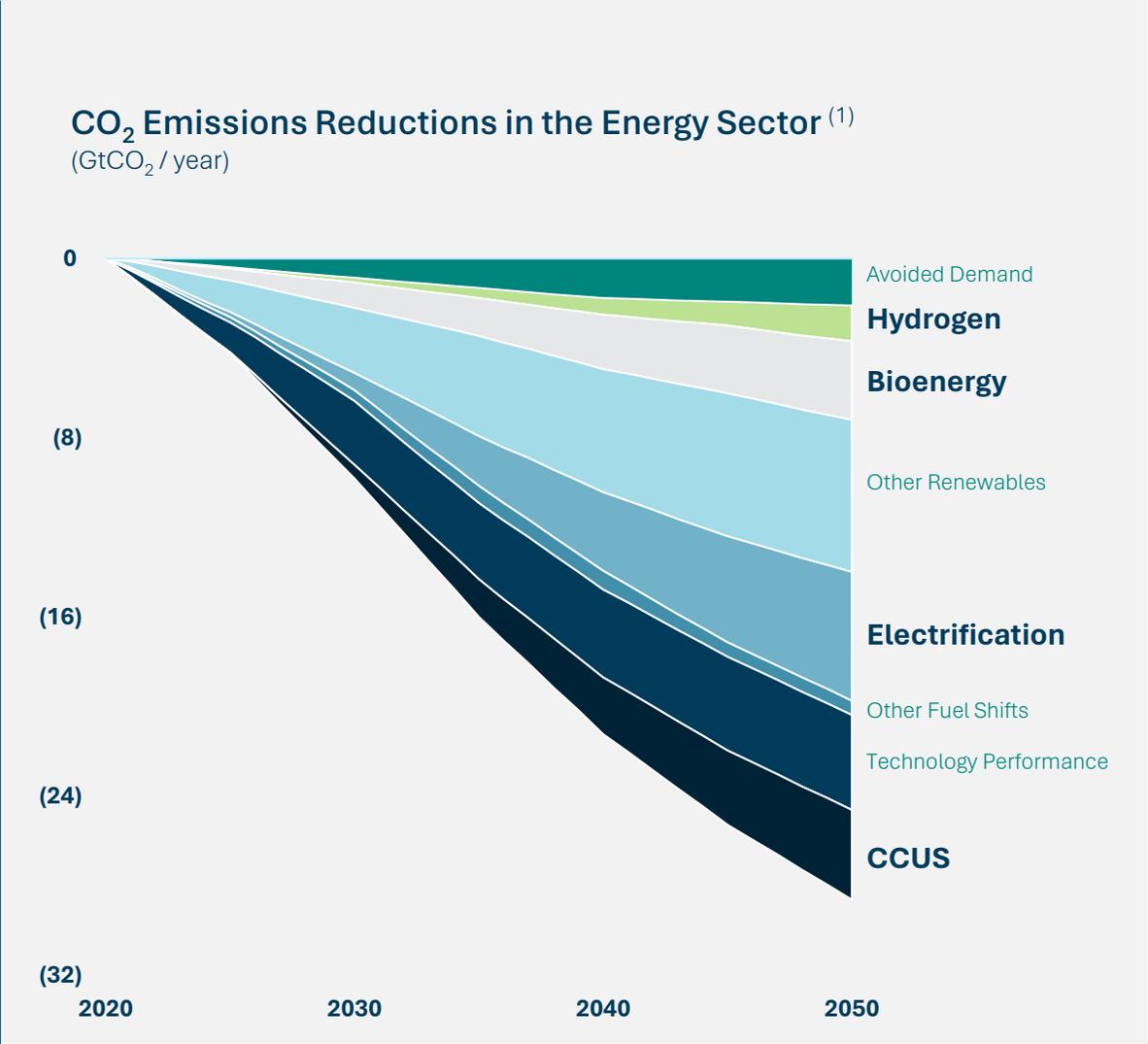
of annual run-rate synergies

# Strategically Positioned to Enable the Energy Transition

40+ years of experience designing, engineering, manufacturing and delivering energy transition solutions worldwide, facilitating global decarbonization efforts

Successful portfolio of simple to complex low-carbon solutions covering, four proven solutions:

CCUS	Electrification	Bioenergy	Hydrogen
Capturing excess carbon dioxide produced during energy creation and either storing it or recycling it for other use.	The creation of new e-compression equipment powered by renewable sources to integrate with new and existing installations.	Exploring the potential of renewable natural gases generated from organic sources such as landfill gas, biogas, wastewater, and wood gas.	Replacing traditional fuels with clean-burning hydrogen derived from electrolysis and other methods.



<sup>1)</sup> Source: IEA CCUS in Clean Energy Transitions (2020). Sustainable Development Scenario presented relative to the Stated Policies Scenario.

# Operational & Financial Highlights

## Demonstrate Focus on Growth and Value Creation

### Q4 2023 Operational Highlights



Business performance reflects broad based customer demand across our business units and geographic regions

Enerflex met or exceeded all of its full-year 2023 financial guidance metrics, as last provided with our third quarter results

**Net debt of \$1.1 B reflects \$167 MM of debt repayments during Q4 2023**

Leverage ratio<sup>(1)(2)</sup> declined to 2.3x from 2.7x at the end of Q3 2023

**Prioritized debt reduction to lower net financing costs**

Capital expenditures of US\$106 MM in 2023 vs. guidance range of US\$120 to US\$140 MM

## 2024 Outlook



**Strong demand across business units and geographic regions**

Recurring sources expected to contribute 55% to 65% of gross margin before depreciation and amortization

Engineered Systems backlog was CAD\$1.5 B (US\$1.1 B) at the end of 2023, with the majority expected to be executed in 2024



**Disciplined capital program targeting US\$90 MM to US\$110 MM**

Includes a total of approximately US\$70 MM for maintenance and PP&E capital expenditures



**Prioritize debt reduction and lowering net finance costs in 2024**

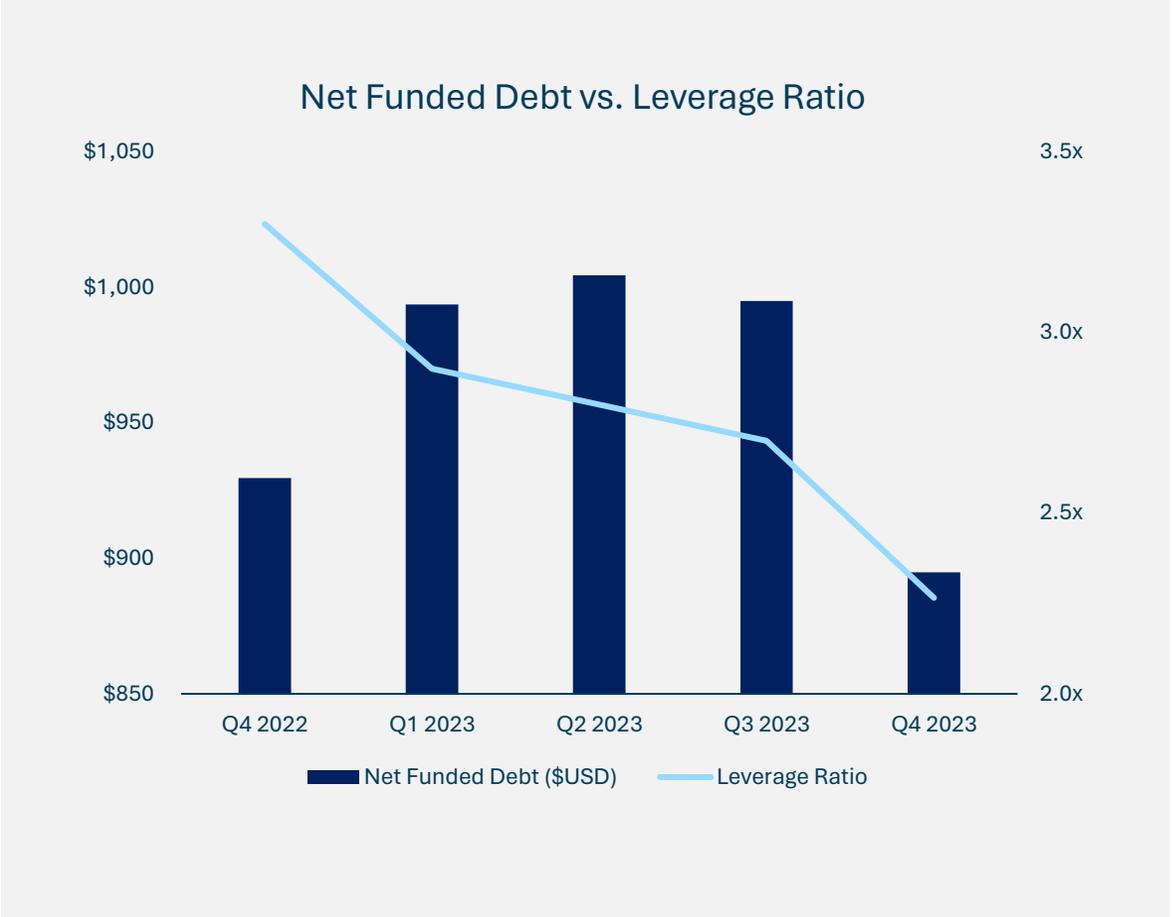
Improve our ability to provide shareholder returns

# Focused on Strengthening Enerflex’s Balance Sheet and Enhancing Financial Flexibility

## Prioritizing debt reduction

- Repaid \$164 MM of long-term debt during 2023
- Reduced bank adjusted net debt-to-EBITDA ratio to 2.3x at the end of 2023 (3.3x at year-end 2022)
- Prioritize debt repayment in 2024 and reducing leverage ratio further

	<b>S&amp;P</b>	<b>Moody’s</b>	<b>Fitch</b>
Corporate Credit Rating	BB- <i>(stable outlook)</i>	B1 <i>(positive outlook)</i>	BB- <i>(stable outlook)</i>
9.00% Notes	BB- <i>(stable outlook)</i>	B2 <i>(positive outlook)</i>	BB- <i>(stable outlook)</i>



# Disciplined Capital Allocation Strategy Focused on Sustainable Shareholder Returns

Strong free cash flow profile enhances capital allocation optionality and Enerflex's ability to return capital to shareholders

## Dividends

Paying a sustainable base dividend is foundational to Enerflex's total return proposition

Enerflex has paid a dividend since spin-out from Toromont in 2011. Current annual dividend of \$0.10/share

## Discretionary Debt Reduction

Debt repayment will remain a focus in 2024, with current leverage ratio of 2.3x expected to decline

# Free Cash Flow Allocation

## Growth Capex

Focus on investing in opportunities that have contractual visibility, support existing customers and leverage our geographic platform

## Share Repurchases

Current valuation provides potential for share repurchases

# ESG Principles Align with our Strategy to Deliver Shareholder Value

Enerflex is committed to environmental stewardship, social responsibility, and high standards of safety and corporate governance



## Smaller Footprint, Bigger Impact

Proven expertise in delivering modular energy solutions for global decarbonization efforts

Scope 1 and 2 GHG emissions make up <1% of Enerflex's total Scope GHG emissions

Scope 1 Emissions Intensity (Tons CO2e/Sales) decreased ~40% since 2021



## Global Safety Starts Locally

Policies, procedures, and systems are designed to protect our employees, customers, and the community

2023 was Enerflex's best annual TRIR since 2003, with a rate of 0.42

Adhere to internationally recognized standards including ISO 9001 and ISO 45001



## Commitment to Diversity, Inclusion and Well-Being

Global Respectful Workplace Policy that reiterates Enerflex's commitment for a work environment that is free from harassment, discrimination, and violence.

Diversity Policy applies to the Board and management team to maintain an optimum mix of qualified, diverse individuals, and to increase gender diversity.

2,900+ hours of leadership training, skills, and career development



## Strong Corporate Governance Profile

90% director independence

Effective oversight and engagement process of ESG and climate risks and opportunities

Board consists of a diverse set of skills, backgrounds, and leadership experience

# Strong Leadership Team Committed to Shareholder Value Creation

Our management team lives the values that unite us: integrity, commitment, creativity, and success. Together they are building a transformative energy business for all stakeholders



**Marc E. Rossiter**  
President & Chief  
Executive Officer



**Preet Dhindsa**  
Senior Vice  
President & Chief  
Financial Officer



**David H. Izett**  
Senior Vice President,  
General Counsel



**Robert Mitchell**  
Senior Vice  
President & Chief  
Administrative Officer



**Greg Stewart**  
President,  
United States  
of America



**Philip Pyle**  
President,  
Eastern Hemisphere



**Mauricio Meineri**  
President,  
Latin America



**Helmuth Witulski**  
President, Canada



**Roger George**  
President,  
Water Solutions

# Experienced and Engaged Board of Directors

Oversees the management of Enerflex's business to ensure long-term success, with a view to maximize shareholder value and ensure corporate conduct in an ethical and legal manner

Enerflex has added **six new directors** in the last four years, and is committed to ensuring directors have the skills and experiences that fit Enerflex's business and strategy.



**Fernando Assing**  
Director



**Joanne Cox**  
Director



**W. Byron Dunn**  
Director



**Laura W. Folse**  
Director



**James C. Gouin**  
Director



**Mona Hale**  
Director



**Kevin Reinhart**  
Chairman



**Marc E. Rossiter**  
Director, President,  
& Chief Executive  
Officer



**Juan Carlos Villegas**  
Director



**Michael A. Weill**  
Director

# Enerflex is Well Positioned for Long-Term Success

Tomorrow Starts Today



Global Market Leader in  
Natural Gas and Energy  
Transition Solutions



Vertically  
Integrated



Financial Strength  
and Discipline



Sustainable Returns  
to Shareholders

Appendix

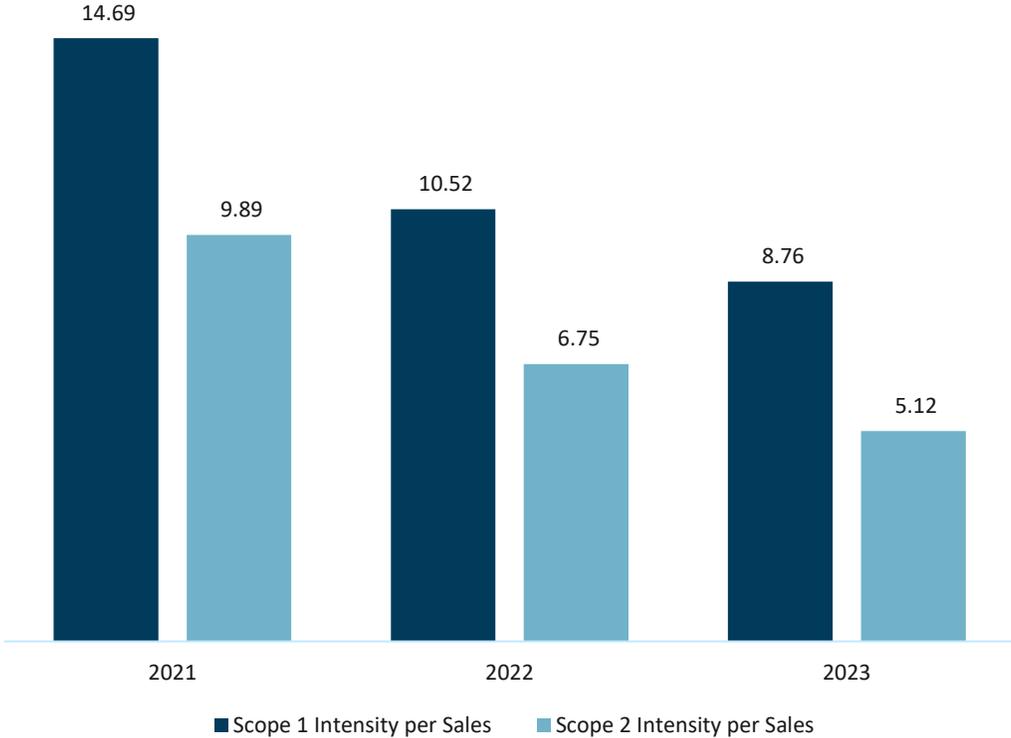
# Section



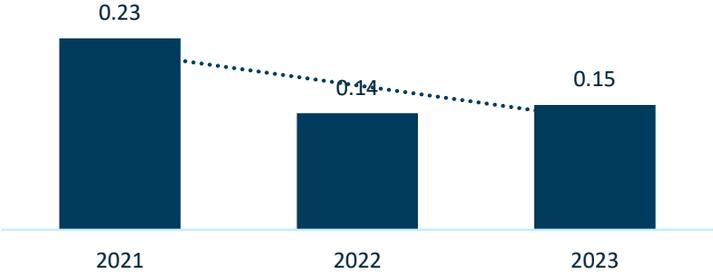
Tomorrow  
starts today

# Enerflex Displays a Best-in-Class Emissions and Safety Profile

**Scope 1 and 2 GHG Emissions Intensity**  
(t CO2e/ Sales)

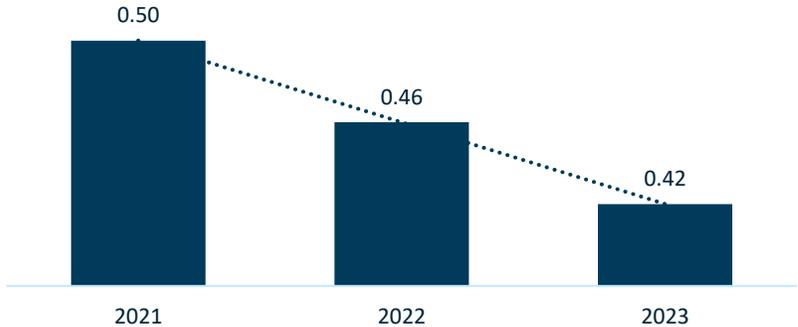


**Lost Time Incident Rate**  
(incident rate per 200,000 work hours)



LTIR decreased **35%** since 2021

**Total Recordable Incident Rate**  
(incident rate per 200,000 work hours)



TRIR decreased **16%** since 2021

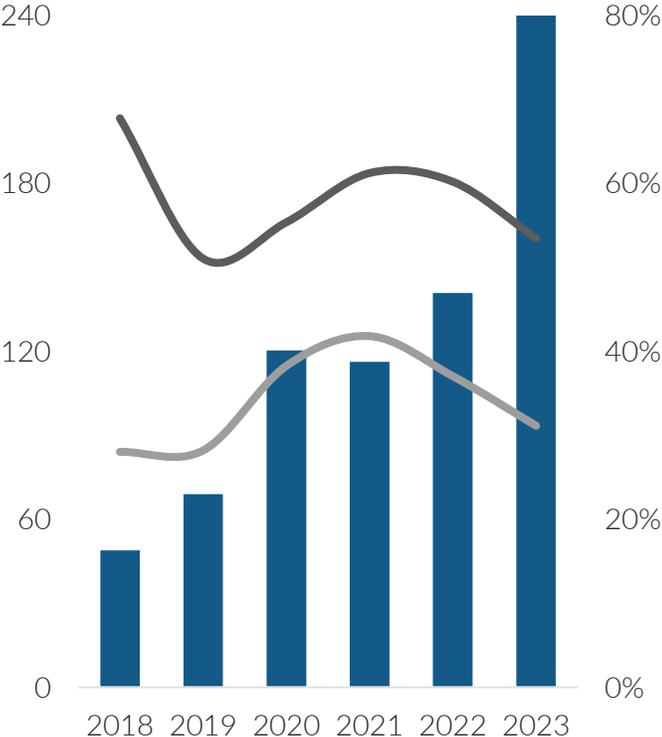
2023 was Enerflex's best annual TRIR since at least 2010, reflecting the Company's strong safety culture in action

1) 2022 ESG performance includes legacy Exterran ESG performance data from October 13, 2022 through December 31, 2022.

# Gross Margin by Product Line

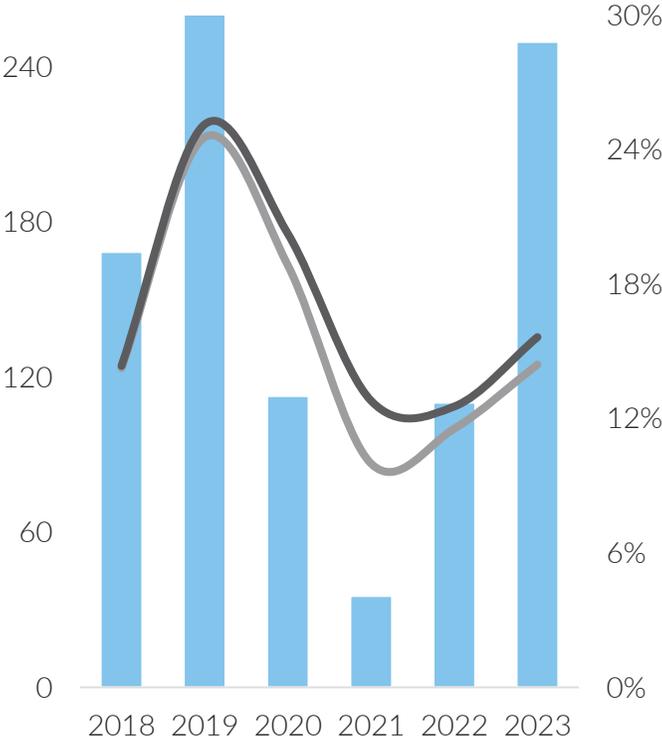
## Energy Infrastructure

(\$ millions, %)



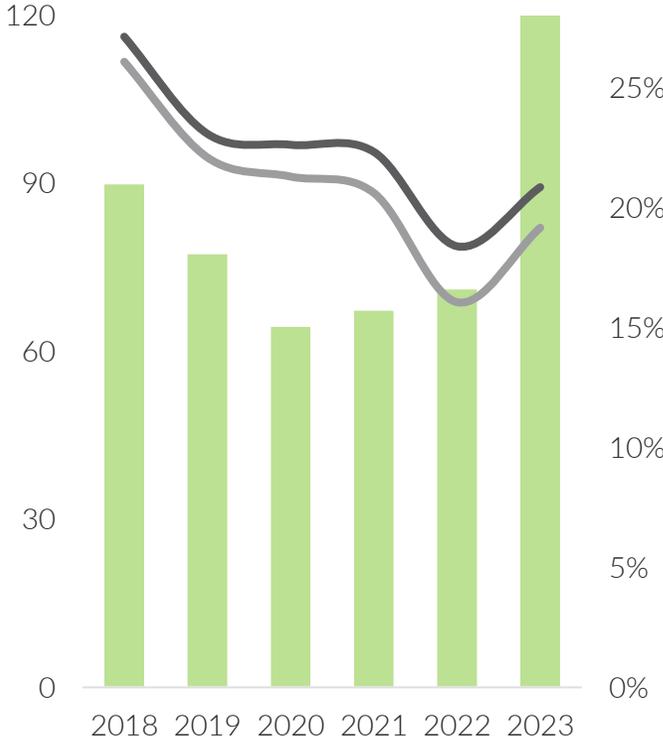
## Engineered Systems

(\$ millions, %)



## After-market Services

(\$ millions, %)



■ Gross Margin    
 — Gross Margin %    
 — Gross Margin before Depreciation and Amortization % <sup>(1)</sup>

1) Non-IFRS measure that is not a standardized financial measure under IFRS and may not be comparable to similar non-IFRS measures disclosed by other issuers. Refer to "Advisory Statements" of this presentation.

# Gross Margin by Product Line <sup>(1)</sup>

Three Months Ended December 31, 2023				
\$ millions, except percentages	Total	Energy Infrastructure	After-market Services	Engineered Systems
Revenue	782	209	179	394
Cost of goods sold				
Operating expenses	566	104	139	322
Depreciation and amortization	53	39	2	12
Gross margin	163	65	38	60
Gross margin %	20.8%	31.3%	21.1%	15.2%
Gross margin before depreciation and amortization % <sup>(2)</sup>	27.7%	50.1%	22.3%	18.2%

12 Months Ended December 31, 2023				
\$ millions, except percentages	Total	Energy Infrastructure	After-market Services	Engineered Systems
Revenue	3,162	778	652	1,732
Cost of goods sold				
Operating expenses	2,339	362	516	1,461
Depreciation and amortization	206	174	11	21
Gross margin	617	242	125	250
Gross margin %	19.5%	31.2%	19.2%	14.4%
Gross margin before depreciation and amortization % <sup>(2)</sup>	26.0%	53.5%	20.9%	15.6%

# Energy Infrastructure Project Model



Advisory Statements

# Section

# Advisory Statements

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## Advisory Regarding Forward-looking Information

This presentation contains “forward-looking information” within the meaning of applicable Canadian securities laws and “forward-looking statements” (and together with forward-looking information, “forward-looking information and statements”) within the meaning of the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995. These statements relate to Management’s expectations about future events, results of operations, the future performance (both financial and operational) and business prospects of Enerflex, and other matters that may occur in the future. All forward-looking information and statements other than statements of historical fact are forward-looking information and statements. The use of any of the words “anticipate”, “future”, “plan”, “contemplate”, “create”, “continue”, “estimate”, “expect”, “intend”, “propose”, “might”, “may”, “will”, “shall”, “project”, “should”, “could”, “would”, “believe”, “predict”, “forecast”, “pursue”, “potential”, “objective”, “capable”, and similar expressions, are intended to identify forward-looking information and statements. In particular, this presentation includes (without limitation) forward-looking information pertaining to: the priority of maximizing free cash flow to reduce leverage and the timing associated therewith; expectations that bank-adjusted net debt to EBITDA ratio will decline in 2024; the Company’s expectations as to continued robust demand for natural gas, and for electric drive compression, as customers aim to decarbonize their operations; Enerflex’s ability to serve customers in key natural gas, water and energy transition markets, while enhancing shareholder value through sustainable improvements in financial performance and the timing associated therewith; disclosures under the slide “2024 Outlook” including: (i) the expectation that 55% to 65% of gross margin before depreciation and amortization for 2024 will be derived from recurring sources; (ii) expectations that a majority of the CAD\$1.5 billion Engineered Systems backlog will convert to revenue over the next 12 months; (iii) the disciplined 2024 capital program including total capital expenditures of between US\$90 million to US\$110 million (including a total of approximately US\$70 million for maintenance and PP&E capital expenditures); (iv) the priorities of debt reduction and lowering net finance costs in 2024 which will improve the ability to deliver shareholder returns and the timing associated therewith; and (v) continued strong demand across business units and geographic regions; current valuation provides opportunities for share repurchases and the timing associated therewith; the ability of the Company to implement a disciplined capital allocation strategy focused on sustainable shareholder returns; vertically integrated natural gas and energy transition offerings position the Company to capitalize on the growing demand for low-carbon solutions; and the Company’s expectations regarding the continued payment of its quarterly dividend of at least \$0.025 per share.

These forward-looking information and statements are based on assumptions, estimates and analysis made in light of the Company’s experience and its perception of trends, current conditions, and expected developments, as well as other factors that are believed by the Company to be reasonable and relevant in the circumstances. Forward-looking information and statements involves known and unknown risks and uncertainties and other factors which are difficult to predict, including, without limitation: the impact of general economic conditions; industry conditions, including potential for growth and expansion of the business of the Company, and the adoption of new environmental, taxation, and other laws and regulations, and changes in how they are interpreted and enforced; environmental, social, and governance expectations, investor sentiment, and market trends; information security; volatility of oil and natural gas prices; oil and natural gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations, including future dividends to shareholders of the Company; increased competition; the ability to continue to build and improve on proven manufacturing capabilities and innovate into new product lines and markets; the lack of availability of qualified personnel or management; fluctuations in foreign exchange or interest rates; stock market volatility; risks related to cultural, political, and economic factors in foreign jurisdictions; risks related to corruption, sanctions, and trade compliance; and other factors, many of which are beyond the control of the Company. See “Risk Factors” in the Company’s Annual Information Form for the year ended December 31, 2023, and the Company’s management discussion and analysis for the year ended December 31, 2023, each available under the electronic profile of the Company on SEDAR+ and [www.sedarplus.ca](http://www.sedarplus.ca) and EDGAR at [www.sec.gov/edgar](http://www.sec.gov/edgar). While the Company believes that there is a reasonable basis for the forward-looking information and statements included in this presentation, as a result of such known and unknown risks, uncertainties and other factors, actual results, performance, or achievements could differ materially from those expressed in, or implied by, these statements, and readers are cautioned not to unduly rely on forward-looking information and statements.

The forward-looking information and statements contained herein is expressly qualified in its entirety by the above cautionary statement. The forward-looking information and statements included in this presentation is made as of the date of this presentation and is based only on the information available to the Company at that time and, other than as required by law, Enerflex disclaims any intention or obligation to update or revise any forward-looking information and statements, whether as a result of new information, future events, or otherwise. This presentation and its contents should not be construed, under any circumstances, as investment, tax, or legal advice.

# Advisory Statements (continued)

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## Future-Oriented Financial Information

The 2024 guidance regarding the Company's future financial performance are based on assumptions about future events, including economic conditions and proposed courses of action, based on Management's assessment of the relevant information currently available. The guidance is based on the same assumptions and risk factors set forth above and is based on the Company's historical results of operations. The financial outlook or potential financial outlook set forth in this presentation was approved by Management and the Board of Directors to provide investors with an estimation of the outlook for the Company for 2024, and readers are cautioned that any such financial outlook contained herein should not be used for purposes other than those for which it is disclosed herein. The prospective financial information set forth in this presentation has been prepared by Management. Management believes that the prospective financial information has been prepared on a reasonable basis, reflecting Management's best estimates and judgments, and represents, to the best of Management's knowledge and opinion, the Company's expected course of action in developing and executing its business strategy relating to its business operations. Actual results may vary from the prospective financial information set forth in this presentation. See above for a discussion of the risks that could cause actual results to vary. The prospective financial information set forth in this presentation should not be relied on as necessarily indicative of future results.

## Basis of Preparation

All financial figures and information have been prepared in Canadian dollars (which includes references to "dollars" and "\$"), except where another currency has been indicated, and in accordance with IFRS as issued by the IASB.

## Third-party Information

This presentation includes market, industry, and economic data which was obtained from various publicly available sources and other sources believed by Enerflex to be true. Although Enerflex believes it to be reliable, it has not independently verified any of the data from third-party sources referred to in this presentation or analyzed or verified the underlying reports relied upon or referred to by such sources or ascertained the underlying economic and other assumptions relied upon by such sources. Enerflex believes that its market, industry, and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry, and economic data used throughout this presentation are not guaranteed and Enerflex makes no representation as to the accuracy of such information.

## Non-IFRS and Other Financial Measures

Throughout this presentation and other materials disclosed by the Company, Enerflex employs certain measures to analyze its financial performance, financial position, and cash flows, including operating income, EBIT, EBITDA, adjusted EBITDA, free cash flow, net debt, net debt to EBITDA ratio, bank-adjusted net debt to EBITDA ratio, ROCE, and Engineered Systems bookings and backlog. These non-IFRS measures are not standardized financial measures under IFRS and may not be comparable to similar financial measures disclosed by other issuers. Accordingly, the non-IFRS measures should not be considered more meaningful than generally accepted accounting principles measures, such as net earnings or any other measure of performance determined in accordance with IFRS, as indicators of Enerflex's performance. Refer to Enerflex's management discussion and analysis for the year ended December 31, 2023, available under the electronic profile of the Company on SEDAR+ and [www.sedarplus.ca](http://www.sedarplus.ca) and EDGAR at [www.sec.gov/edgar](http://www.sec.gov/edgar).

FEBRUARY 2024

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Thanks



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starts today

Enerflex