



USA Compression Partners, LP Reports Third Quarter 2018 Results; Updates 2018 Outlook

November 6, 2018

AUSTIN, Texas--(BUSINESS WIRE)--Nov. 6, 2018-- USA Compression Partners, LP (NYSE: USAC) ("USA Compression" or the "Partnership") announced today its financial and operating results for the third quarter 2018.

Third Quarter 2018 Highlights

- Total revenues were \$168.9 million.
- Net loss was \$0.6 million.
- Net cash provided by operating activities was \$38.8 million.
- Adjusted EBITDA was \$90.1 million.
- Distributable Cash Flow was \$47.5 million.
- Announced cash distribution of \$0.525 per common unit.
- Distributable Cash Flow Coverage was 1.01x.
- Cash Coverage was 1.01x.

"The third quarter saw continued progress on integrating the CDM assets and people into USA Compression. I am pleased with what we have accomplished in the first six months following the acquisition and, while there is still work to be done, we are ahead of where we expected to be at this point in the year. Our progress this quarter was made against a market backdrop of continued strong demand for our compression services, as evidenced by the top-line revenue growth during the quarter. We experienced both active horsepower growth during the quarter as well as increased pricing across the fleet, illustrating the continued attractive market dynamics we are experiencing. Utilization for the quarter averaged 92.8%, an increase of approximately 10% over the utilization averaged by our accounting predecessor for the same period last year," commented Eric D. Long, USA Compression's President and Chief Executive Officer.

"During the quarter, we took delivery of 60,000 horsepower, almost all of which consisted of 2,500 horsepower CAT 3608 units. With lead times still elevated, all of these units were contracted with customers prior to delivery. We expect to take delivery of approximately 38,000 additional horsepower in the fourth quarter of 2018 and have over 120,000 horsepower scheduled for delivery in 2019, almost all of which has already been committed to customers," he added.

"With the continued strength in the marketplace for our large horsepower services, we expect to continue to drive not only revenue growth but also margin expansion over time, while maintaining a healthy balance sheet and building coverage."

Expansion capital expenditures were \$73.1 million, maintenance capital expenditures were \$6.4 million and cash interest expense, net was \$23.9 million for the third quarter of 2018.

On October 18, 2018, the Partnership announced a third quarter cash distribution of \$0.525 per common unit, which corresponds to an annualized distribution rate of \$2.10 per common unit. The distribution will be paid on November 9, 2018 to common unitholders of record as of the close of business on October 29, 2018. For the third quarter of 2018, the Partnership's Distributable Cash Flow Coverage Ratio was 1.01x and Cash Coverage Ratio was 1.01x.

On April 2, 2018, the Partnership completed the acquisition of the CDM compression business (the "USA Compression Predecessor") from Energy Transfer Partners, L.P., now Energy Transfer Operating, L.P., for approximately \$1.7 billion in consideration (the "CDM Acquisition") and Energy Transfer Equity, L.P., now Energy Transfer LP, completed the acquisition of the Partnership's general partner, USA Compression GP, LLC (collectively, the "Transactions"). In connection with the Transactions, the general partner interest was converted into a noneconomic general partner interest and the Partnership's incentive distribution rights were cancelled.

For accounting purposes, the USA Compression Predecessor is the acquirer in the business combination because its ultimate parent company, Energy Transfer Equity, L.P., obtained control of the Partnership through the acquisition of the Partnership's general partner, USA Compression GP, LLC. Accordingly, any financial and operational results provided by the Partnership in filings subsequent to the closing of the Transactions will reflect (i) the financial and operational results of the USA Compression Predecessor for all periods prior to the closing of the Transactions and (ii) the financial and operational results of the combined businesses, including the impact of the Transactions, for all periods subsequent to the closing of the Transactions. Therefore, the third quarter 2018 results are not comparable to certain prior periods.

Operational and Financial Data

	Three Months Ended		Nine Months Ended	
	September 30, 2018		September 30, 2018	
Operational Data				
Fleet Horsepower (at period end)	3,613,647		3,613,647	
Revenue Generating Horsepower (at period end)	3,217,923		3,217,923	
Average Revenue Generating Horsepower	3,212,183		2,588,638	
Revenue Generating Compression Units (at period end)	4,756		4,756	
Horsepower Utilization (at period end) (1)	93.2	%	93.2	%
Average Horsepower Utilization (for the period) (1)	92.8	%	90.6	%

Financial Data (\$ in thousands, except per horsepower data)

Revenue	\$ 168,947		\$ 412,375	
Average Revenue Per Revenue Generating Horsepower Per Month (2)	\$ 16.17		\$ 15.98	
Net loss	\$ (563	)	\$ (20,736)
Operating income	\$ 23,940		\$ 28,744	
Net cash provided by operating activities	\$ 38,830		\$ 133,200	
Gross Operating Margin (3)	\$ 104,638		\$ 253,198	
Gross Operating Margin Percentage	61.9	%	61.4	%
Adjusted EBITDA (3)	\$ 90,132		\$ 217,219	
Adjusted EBITDA Percentage	53.3	%	52.7	%
Distributable Cash Flow (3)	\$ 47,478		\$ 121,336	

(1) Horsepower utilization is calculated as (i) the sum of (a) revenue generating horsepower; (b) horsepower in the Partnership's fleet that is under contract but is not yet generating revenue; and (c) horsepower not yet in the Partnership's fleet that is under contract, not yet generating revenue and is subject to a purchase order, divided by (ii) total available horsepower less idle horsepower that is under repair.

Horsepower utilization based on revenue generating horsepower and fleet horsepower at September 30, 2018 was 89.0%.

Average horsepower utilization based on revenue generating horsepower and fleet horsepower was 89.7% and 86.4% for the three and nine months ended September 30, 2018, respectively.

(2) Calculated as the average of the result of dividing the contractual monthly rate for all units at the end of each month in the period by the sum of the revenue generating horsepower at the end of each month in the period.

(3) Gross operating margin, Adjusted EBITDA and Distributable Cash Flow are all non-U.S. generally accepted accounting principles ("Non-GAAP") financial measures. For the definition of each measure, as well as reconciliations of each measure to its most directly comparable financial measures calculated and presented in accordance with GAAP, see "Non-GAAP Financial Measures" below.

Liquidity and Long-Term Debt

As of September 30, 2018, the Partnership was in compliance with all covenants under its \$1.6 billion revolving credit facility. As of September 30, 2018, the Partnership had outstanding borrowings under the revolving credit facility of \$1.0 billion, \$578.2 million of borrowing base availability and, subject to compliance with the applicable financial covenants, available borrowing capacity of \$309.7 million. As of September 30, 2018, the outstanding aggregate principal amount of the Partnership's 6.875% senior notes due 2026 was \$725.0 million.

Full-Year 2018 Outlook

USA Compression is updating its full-year 2018 guidance that includes the expected results following the closing of the Transactions on April 2, 2018 and the use of the USA Compression Predecessor's results of operations for all periods prior to the closing of the Transactions:

- Net loss range of \$(18.0) million to \$(8.0) million;
- A forward-looking estimate of net cash provided by operating activities is not provided because the items necessary to estimate net cash provided by operating activities, in particular the change in operating assets and liabilities, are not accessible or estimable at this time. The Partnership does not anticipate the changes in operating assets and liabilities to be material, but changes in accounts receivable, accounts payable, accrued liabilities and deferred revenue could be significant, such that the amount of net cash provided by operating activities would vary substantially from the amount of projected Adjusted EBITDA and Distributable Cash Flow;
- Adjusted EBITDA range of \$310.0 million to \$320.0 million; and
- Distributable Cash Flow range of \$170.0 million to \$180.0 million.

Conference Call

The Partnership will host a conference call today beginning at 11:00 a.m. Eastern Time (10:00 a.m. Central Time) to discuss third quarter 2018 performance. The call will be broadcast live over the Internet. Investors may participate either by phone or audio webcast.

By Phone: Dial 877-260-1479 inside the U.S. and Canada at least 10 minutes before the call and ask for the USA Compression Partners Earnings Call. Investors outside the U.S. and Canada should dial 334-323-0522. The conference ID for both is 9173280.

A replay of the call will be available through November 16, 2018. Callers inside the U.S. and Canada may access the replay by dialing 888-203-1112. Investors outside the U.S. and Canada should dial 719-457-0820. The conference ID for both is 9173280.

By Webcast: Connect to the webcast via the "Events" page of USA Compression's Investor Relations website at <http://investors.usacompression.com>. Please log in at least 10 minutes in advance to register and download any necessary software. A replay will be available shortly after the call.

About USA Compression Partners, LP

USA Compression Partners, LP is a growth-oriented Delaware limited partnership that is one of the nation's largest independent providers of compression services in terms of total compression fleet horsepower. The Partnership partners with a broad customer base composed of producers, processors, gatherers and transporters of natural gas and crude oil. The Partnership focuses on providing compression services to infrastructure applications primarily in high-volume gathering systems, processing facilities and transportation applications. More information is available at usacompression.com.

Non-GAAP Financial Measures

This news release includes the Non-GAAP financial measures of Adjusted EBITDA, gross operating margin, Distributable Cash Flow, Distributable Cash Flow Coverage Ratio and Cash Coverage Ratio.

Management views Adjusted EBITDA as one of its primary tools for evaluating the Partnership's results of operations, and the Partnership tracks this item on a monthly basis both as an absolute amount and as a percentage of revenue compared to the prior month, year-to-date, prior year and budget. The Partnership defines EBITDA as net income (loss) before net interest expense, depreciation and amortization expense, and income tax expense. The Partnership defines Adjusted EBITDA as EBITDA plus impairment of compression equipment, impairment of goodwill, interest income on capital lease, unit-based compensation expense, severance charges, certain transaction fees, loss (gain) on disposition of assets and other. Adjusted EBITDA is used as a supplemental financial measure by management and external users of its financial statements, such as investors and commercial banks, to assess:

- the financial performance of the Partnership's assets without regard to the impact of financing methods, capital structure or historical cost basis of the Partnership's assets;
- the viability of capital expenditure projects and the overall rates of return on alternative investment opportunities;
- the ability of the Partnership's assets to generate cash sufficient to make debt payments and pay distributions; and
- the Partnership's operating performance as compared to those of other companies in its industry without regard to the impact of financing methods and capital structure.

Management believes that Adjusted EBITDA provides useful information to investors because, when viewed with GAAP results and the accompanying reconciliations, it provides a more complete understanding of the Partnership's performance than GAAP results alone. Management also believes that external users of its financial statements benefit from having access to the same financial measures that management uses in evaluating the results of the Partnership's business.

Adjusted EBITDA should not be considered an alternative to, or more meaningful than, net income (loss), operating income (loss), cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP as measures of operating performance and liquidity. Moreover, Adjusted EBITDA as presented may not be comparable to similarly titled measures of other companies.

Gross operating margin is defined as revenue less cost of operations, exclusive of depreciation and amortization expense. Management believes that gross operating margin is useful as a supplemental measure of the Partnership's operating profitability. Gross operating margin is impacted primarily by the pricing trends for service operations and cost of operations, including labor rates for service technicians, volume and per unit costs for lubricant oils, quantity and pricing of routine preventative maintenance on compression units and property tax rates on compression units. Gross operating margin should not be considered an alternative to, or more meaningful than, operating income (loss), its most directly comparable GAAP financial measure, or any other measure of financial performance presented in accordance with GAAP. Moreover, gross operating margin as presented may not be comparable to similarly titled measures of other companies. Because the Partnership capitalizes assets, depreciation and amortization of equipment is a necessary element of its costs. To compensate for the limitations of gross operating margin as a measure of the Partnership's performance, management believes that it is important to consider operating income (loss) determined under GAAP, as well as gross operating margin, to evaluate the Partnership's operating profitability. A reconciliation of gross operating margin to operating income (loss) is provided in this news release.

Distributable Cash Flow is defined as net income (loss) plus non-cash interest expense, non-cash income tax expense, depreciation and amortization expense, unit-based compensation expense, impairment of compression equipment, impairment of goodwill, certain transaction fees, severance charges, loss (gain) on disposition of assets, proceeds from insurance recovery and other, less distributions to Preferred Units and maintenance capital expenditures.

Distributable Cash Flow should not be considered as an alternative to, or more meaningful than, net income (loss), operating income (loss), cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP as measures of operating performance and liquidity. Moreover, our Distributable Cash Flow as presented may not be comparable to similarly titled measures of other companies.

Management believes Distributable Cash Flow is an important measure of operating performance because such measure allows management, investors and others to compare basic cash flows the Partnership generates (after distributions on the Partnership's preferred units but prior to any retained cash reserves established by the Partnership's general partner and the effect of the Distribution Reinvestment Plan ("DRIP")) to the cash distributions the Partnership expects to pay its common unitholders.

Distributable Cash Flow Coverage Ratio is defined as Distributable Cash Flow divided by distributions declared to common unitholders in respect of such period. Cash Coverage Ratio is defined as Distributable Cash Flow divided by cash distributions expected to be paid to common unitholders in respect of such period, after taking into account the non-cash impact of the DRIP. Management believes Distributable Cash Flow Coverage Ratio and Cash Coverage Ratio are important measures of operating performance because they allow management, investors and others to gauge the Partnership's ability to pay cash distributions to common unitholders using the cash flows the Partnership generates. The Partnership's Distributable Cash Flow Coverage Ratio and Cash Coverage Ratio as presented may not be comparable to similarly titled measures of other companies.

This news release also contains a forward-looking estimate of Adjusted EBITDA and Distributable Cash Flow projected to be generated by the Partnership in its 2018 fiscal year. A forward-looking estimate of net cash provided by operating activities and reconciliations of the forward-looking estimates of Adjusted EBITDA and Distributable Cash Flow to net cash provided by operating activities are not provided because the items necessary to estimate net cash provided by operating activities, in particular the change in operating assets and liabilities, are not accessible or estimable at this time. The Partnership does not anticipate the changes in operating assets and liabilities to be material, but changes in accounts receivable, accounts payable, accrued liabilities and deferred revenue could be significant, such that the amount of net cash provided by operating activities would vary substantially from the amount of projected Adjusted EBITDA and Distributable Cash Flow.

See "Reconciliation of Non-GAAP Financial Measures" for Adjusted EBITDA reconciled to net income (loss) and net cash provided by operating activities, and net income (loss) and net cash provided by operating activities reconciled to Distributable Cash Flow, Distributable Cash Flow Coverage Ratio and Cash Coverage Ratio.

Forward-Looking Statements

Some of the information in this news release may contain forward-looking statements. These statements can be identified by the use of forward-looking terminology including "may," "believe," "expect," "intend," "anticipate," "estimate," "continue," "if," "project," "outlook," "will," "could," "should," or other similar words or the negatives thereof, and include the Partnership's expectation of future performance contained herein, including as described under "Full-Year 2018 Outlook." These statements discuss future expectations, contain projections of results of operations or of financial condition, or state other "forward-looking" information. You are cautioned not to place undue reliance on any forward-looking statements, which can be affected by assumptions used or by known risks or uncertainties. Consequently, no forward-looking statements can be guaranteed. When considering these forward-looking statements, you should keep in mind the risk factors noted below and other cautionary statements in this news release. The risk factors and other factors noted throughout this news release could cause actual results to differ materially from those contained in any forward-looking statement. Known material factors that could cause the Partnership's actual results to differ materially from the results contemplated by such forward-looking statements are described in Part I, Item 1A ("Risk Factors") of the Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which was filed with the Securities and Exchange Commission on February 13, 2018, and include:

- changes in general economic conditions and changes in economic conditions of the crude oil and natural gas industries specifically;
- competitive conditions in the industry;
- changes in the long-term supply of and demand for crude oil and natural gas;
- our ability to realize the anticipated benefits of acquisitions and to integrate acquired assets with our existing fleet, including the CDM Acquisition;
- actions taken by the Partnership's customers, competitors and third-party operators;
- the deterioration of the financial condition of our customers;
- changes in the availability and cost of capital;
- operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond the Partnership's control;
- the effects of existing and future laws and governmental regulations;
- the effects of future litigation; and
- other factors discussed in the Partnership's filings with the Securities and Exchange Commission.

All forward-looking statements speak only as of the date of this news release and are expressly qualified in their entirety by the foregoing cautionary statements. Unless legally required, the Partnership undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Unpredictable or unknown factors not discussed herein also could have material adverse effects on forward-looking statements.

USA COMPRESSION PARTNERS, LP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (In thousands, except for per unit amounts — Unaudited)

	Three Months Ended	Nine Months Ended
	September 30, 2018	September 30, 2018

Revenues:			
Contract operations	\$ 158,664		\$ 383,732
Parts and service	6,012		15,836
Related party	4,271		12,807
Total revenues	168,947		412,375
Cost of operations, exclusive of depreciation and amortization	64,309		159,177
Gross operating margin	104,638		253,198
Other operating and administrative costs and expenses:			
Selling, general and administrative	17,753		52,891
Depreciation and amortization	59,403		156,943
Loss on disposition of assets	1,250		12,328
Impairment of compression equipment	2,292		2,292
Total other operating and administrative costs and expenses	80,698		224,454
Operating income	23,940		28,744
Other income (expense):			
Interest expense, net	(25,443	)	(51,125)
Other	22		21
Total other expense	(25,421	)	(51,104)
Net loss before income tax benefit	(1,481	)	(22,360)
Income tax benefit	(918	)	(1,624)
Net loss	(563	)	(20,736)
Less: Preferred Unit distributions	(12,188	)	(24,242)
Net loss attributable to common and Class B unitholders' interests	\$ (12,751	)	\$ (44,978)
Net loss attributable to:			
Common units	\$ (8,768	)	\$ (33,185)
Class B Units	\$ (3,983	)	\$ (11,793)
Weighted average common units outstanding - basic and diluted	89,973		69,253
Weighted average Class B Units outstanding - basic and diluted	6,398		6,398
Basic and diluted net loss per common unit	\$ (0.10	)	\$ (0.48)
Basic and diluted net loss per Class B Unit	\$ (0.62	)	\$ (1.84)
Distributions declared per common unit in respective periods	\$ 0.525		\$ 1.05

USA COMPRESSION PARTNERS, LP
SELECTED BALANCE SHEET DATA
(In thousands, except unit amounts — Unaudited)

September 30, 2018

Selected Balance Sheet Data	
Total assets	3,814,052
Long-term debt, net	1,730,763
Total partners' capital	1,426,760
Common units outstanding	89,966,676

USA COMPRESSION PARTNERS, LP
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands — Unaudited)

	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2018
Net cash provided by operating activities	\$ 38,830	\$ 133,200
Net cash used in investing activities	\$ (50,879)	\$ (715,849)

Net cash provided by financing activities \$ 12,352 \$ 581,466

USA COMPRESSION PARTNERS, LP
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA TO NET LOSS AND NET CASH PROVIDED BY OPERATING ACTIVITIES
(In thousands — Unaudited)

The following table reconciles Adjusted EBITDA to net loss and net cash provided by operating activities, its most directly comparable GAAP financial measures, for each of the periods presented:

	Three Months Ended		Nine Months Ended
	September 30, 2018		September 30, 2018
Net loss	\$ (563)	)	\$ (20,736)
Interest expense, net	25,443		51,125
Depreciation and amortization	59,403		156,943
Income tax benefit	(918)	)	(1,624)
EBITDA	\$ 83,365		\$ 185,708
Impairment of compression equipment	2,292		2,292
Interest income on capital lease	225		498
Unit-based compensation expense (1)	1,892		10,891
Transaction expenses for acquisitions (2)	1,257		4,120
Severance charges	(149)	)	1,382
Loss on disposition of assets	1,250		12,328
Adjusted EBITDA	\$ 90,132		\$ 217,219
Interest expense, net	(25,443)	)	(51,125)
Income tax benefit	918		1,624
Interest income on capital lease	(225)	)	(498)
Non-cash interest expense	1,516		3,555
Transaction expenses for acquisitions	(1,257)	)	(4,120)
Severance charges	149		(1,382)
Other	(688)	)	(1,230)
Changes in operating assets and liabilities	(26,272)	)	(30,843)
Net cash provided by operating activities	\$ 38,830		\$ 133,200

(1) For the three and nine months ended September 30, 2018, unit-based compensation expense included \$0.4 million and \$0.8 million, respectively, of cash payments related to quarterly payments of distribution equivalent rights on outstanding phantom unit awards and \$0 and \$3.7 million, respectively, related to the cash portion of any settlement of phantom unit awards upon vesting. The remainder of the unit-based compensation expense was related to non-cash adjustments to the unit-based compensation liability.

(2) Represents certain transaction expenses related to potential and completed acquisitions and other items. The Partnership believes it is useful to investors to exclude these fees.

USA COMPRESSION PARTNERS, LP
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
DISTRIBUTABLE CASH FLOW TO NET LOSS AND NET CASH PROVIDED BY OPERATING ACTIVITIES
(Dollars in thousands — Unaudited)

The following table reconciles Distributable Cash Flow to net loss and net cash provided by operating activities, its most directly comparable GAAP financial measures, for each of the periods presented:

	Three Months Ended		Nine Months Ended
	September 30, 2018		September 30, 2018
Net loss	\$ (563)	)	\$ (20,736)
Non-cash interest expense	1,516		3,555
Non-cash income tax benefit	(1,038)	)	(1,863)
Depreciation and amortization	59,403		156,943
Unit-based compensation expense (1)	1,892		10,891

Impairment of compression equipment	2,292		2,292
Transaction expenses for acquisitions (2)	1,257		4,120
Severance charges	(149)	)	1,382
Proceeds from insurance recovery	253		253
Loss on disposition of assets	1,250		12,328
Distribution to Preferred Units	(12,188)	)	(24,242)
Maintenance capital expenditures (3)	(6,447)	)	(23,587)
Distributable Cash Flow	\$ 47,478		\$ 121,336
Maintenance capital expenditures	6,447		23,587
Changes in operating assets and liabilities	(26,272)	)	(30,843)
Transaction expenses for acquisitions	(1,257)	)	(4,120)
Severance charges	149		(1,382)
Distribution to Preferred Units	12,188		24,242
Other	97		380
Net cash provided by operating activities	\$ 38,830		\$ 133,200
 Distributable Cash Flow	 \$ 47,478		 \$ 121,336
 Distributions for Distributable Cash Flow Coverage Ratio (4) (7)	 \$ 47,233		 \$ 94,458
 Distributions reinvested in the DRIP (5) (7)	 \$ 218		 \$ 436
 Distributions for Cash Coverage Ratio (6) (7)	 \$ 47,015		 \$ 94,022
 Distributable Cash Flow Coverage Ratio (7)	 1.01		 1.28
 Cash Coverage Ratio (7)	 1.01		 1.29

(1) For the three and nine months ended September 30, 2018, unit-based compensation expense included \$0.4 million and \$0.8 million, respectively, of cash payments related to quarterly payments of distribution equivalent rights on outstanding phantom unit awards and \$0 and \$3.7 million, respectively, related to the cash portion of any settlement of phantom unit awards upon vesting. The remainder of the unit-based compensation expense was related to non-cash adjustments to the unit-based compensation liability.

(2) Represents certain transaction expenses related to potential and completed acquisitions and other items. The Partnership believes it is useful to investors to exclude these fees.

(3) Reflects actual maintenance capital expenditures for the period presented. Maintenance capital expenditures are capital expenditures made to maintain the operating capacity of the Partnership's assets and extend their useful lives, replace partially or fully depreciated assets or other capital expenditures that are incurred in maintaining the Partnership's existing business and related operating income.

(4) Represents distributions to the holders of the Partnership's common units as of the record date.

(5) Represents estimated distributions to holders enrolled in the DRIP as of the record date.

(6) Represents cash distributions declared for common units not participating in the DRIP for each period.

(7) Distributions and related coverage ratios for the nine months ended September 30, 2018 reflect only two quarters of distributions as the USA Compression Predecessor did not pay distributions prior to April 2, 2018.

USA COMPRESSION PARTNERS, LP
FULL-YEAR 2018 ADJUSTED EBITDA AND DISTRIBUTABLE CASH FLOW GUIDANCE RANGE
RECONCILIATION TO NET LOSS
(Unaudited)

	Guidance
Net loss	\$(18.0) million to \$(8.0) million
Plus: Interest expense, net	\$78.3 million
Plus: Depreciation and amortization	\$216.3 million
Plus: Income tax expense	\$(1.6) million
EBITDA	\$275.0 million to \$285.0 million
Plus: Interest income on capital lease	\$0.7 million
Plus: Unit-based compensation expense (1)	\$14.0 million
Plus: Transaction expenses and severance charges	\$5.7 million
Plus: Loss on disposition of assets	\$12.3 million
Plus: Impairment of compression equipment	\$2.3 million

Adjusted EBITDA	\$310.0 million to \$320.0 million
Less: Cash interest expense	\$74.0 million
Plus: Insurance proceeds	\$0.3 million
Less: Preferred unit distribution	\$36.4 million
Less: Current income tax expense	\$0.3 million
Less: Maintenance capital expenditures	\$29.6 million
Distributable Cash Flow	\$170.0 million to \$180.0 million

(1) Based on the Partnership's unit closing price as of September 30, 2018.

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Source: USA Compression Partners, LP

USA Compression Partners, LP
Matthew C. Liuzzi, 512-369-1624
Chief Financial Officer
ir@usacompression.com