USA Compression Partners, LP

Earnings Presentation

Fourth-Quarter 2023

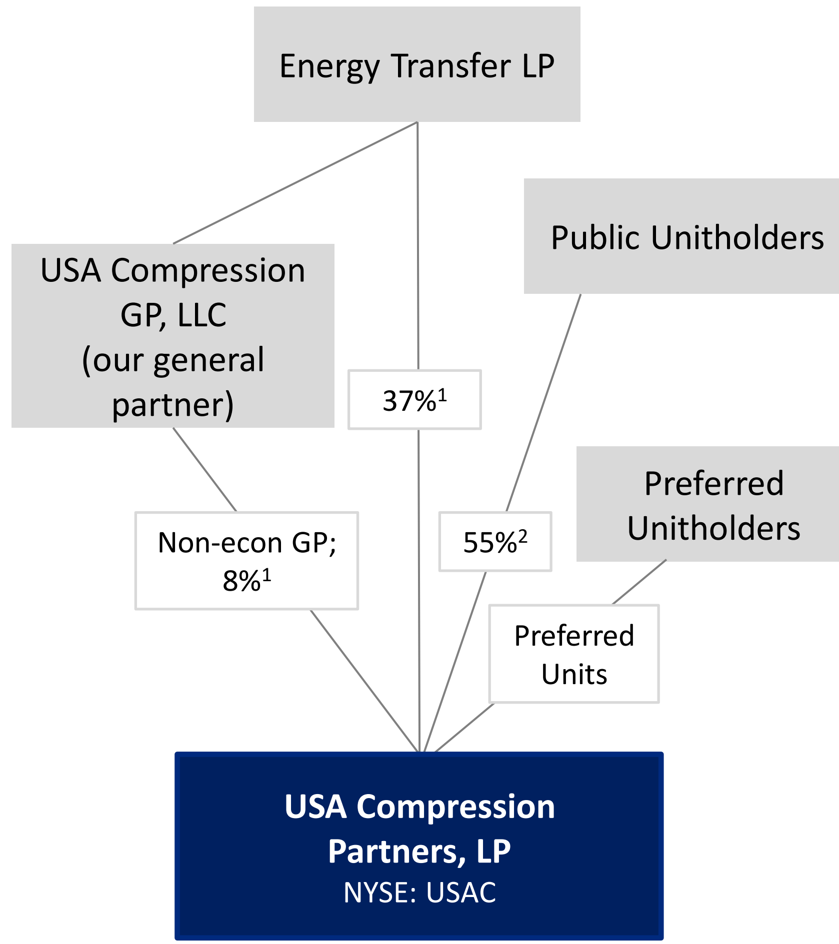
Forward-Looking Statements and Ownership Structure

This presentation contains forward-looking statements related to the operations of USA Compression Partners, LP (the "Partnership" or "USAC") that are based on management's current expectations, estimates, and projections about its operations. You can identify many of these forward-looking statements by words such as "believe," "expect," "intend," "project," "anticipate," "estimate," "continue," "if," "outlook," "will," "could," "should," or similar words or the negatives thereof. You should consider these statements carefully because they discuss our plans, targets, strategies, prospects, and expectations concerning our business, operating results, financial condition, our ability to make distributions, and other similar matters. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and other factors, some of which are beyond our control and are difficult to predict. These include risks relating to changes in general economic conditions, including inflation or supply chain disruptions; changes in economic conditions of the crude oil and natural gas industries, including any impact from the ongoing military conflict involving Russia and Ukraine or the heightened tensions in the Middle East; changes in the long-term supply of and demand for crude oil and natural gas; competitive conditions in our industry, including competition for employees in a tight labor market; changes in the availability and cost of capital, including changes to interest rates; renegotiation of material terms of customer contracts; actions taken by our customers, competitors, and third-party operators; and the factors set forth under the heading "Risk Factors" or included elsewhere that are incorporated by reference herein from our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the Securities and Exchange Commission; and if applicable, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. As a result of such risks and others, our business, financial condition and results of operations could differ materially from what is expressed or forecasted in such forward-looking statements. Before you invest in our common units, you should be aware of such risks, and you should not place undue reliance on these forward–looking statements. Any forward-looking statement made by us in this presentation speaks only as of the date of this presentation. Unpredictable or unknown factors not discussed herein also could have material adverse effects on forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, information regarding the conversion of 50% or 100% of the Partnership's remaining Series A Preferred Units ("Preferred Units") is for illustrative purposes only. As of February 8, 2024, 40,000 of the 500,000 Preferred Units have been converted to Common Units. We have not received notification from the holders of the Preferred Units to convert 50% or 100% of the remaining Preferred Units to Common Units.

Important Note Regarding Non-Predecessor Information

On April 2, 2018, the Partnership completed the acquisition of CDM Resource Management LLC and CDM Environmental & Technical Services LLC, which together represent the CDM Compression Business (the "USA Compression Predecessor"), from Energy Transfer, and other related transactions (collectively, the "Transactions"). Following the Transactions, the USA Compression Predecessor has been determined to be the historical predecessor of the Partnership for financial reporting purposes. Therefore, the historical consolidated financial statements of the Partnership are comprised of the balance sheet and statement of operations of the USA Compression Predecessor as of and for periods prior to April 2, 2018. The historical consolidated financial statements of the Partnership also are comprised of the consolidated balance sheet and statement of operations of the Partnership, which includes the USA Compression Predecessor, as of and for all periods subsequent to April 2, 2018. The information shown in this presentation under the heading "Pre-CDM Acquisition Non-Predecessor" represents information of USA Compression Partners, LP, which is not the predecessor of the Partnership for financial reporting purposes, for periods prior to the Transactions and is presented for illustrative purposes only. Such information does not reflect the Partnership's historical results of operations and is not indicative of the results of operations of the Partnership's predecessor, the USA Compression Predecessor, for such periods.

USAC Ownership Structure[5]



See notes to presentation in appendix.

Fourth-Quarter Highlights

Operational and Financial

Record Average revenue-generating HP **3.41** MM **2%** Q-o-Q ↑	Record Revenues **$225.0** MM **4%** Q-o-Q ↑
Record Adjusted EBITDA* **$138.6** MM **6%** Q-o-Q ↑	Record Distributable Cash Flow*, 9 **$79.9** MM **12%** Q-o-Q ↑

Accomplishments

- ✓ **44 consecutive quarters of distributions (USAC has never cut its distribution)**
- ✓ **Returned >$1.7 billion to unitholders since IPO**
- ✓ **Improving distribution coverage**
- ✓ **Q-o-Q leverage trending down to leverage target of <4.0x, leverage was 4.1x at the end of Q4 2023**
- ✓ **Capital-efficient, opportunistic, and accretive organic growth**
- ✓ **Minimal bad debt write-offs, only 0.07% of total billings over last 19 years[4]**

Catalysts

- ✓ **Increased fleet utilization**
- ✓ **Improved contract pricing and tenors**
- ✓ **Consistently strong operating margins**

*Adjusted EBITDA and Distributable Cash Flow are non-GAAP financial measures. See appendix for an explanation of all non-GAAP financial measures and reconciliations to the comparable GAAP measures.

See notes to presentation in appendix.

Preferred Unitholder Partial Conversion of Preferred Units

- On Friday, January 12, 2024, EIG Veteran Equity Aggregator, L.P. and FS Specialty Lending Fund (collectively “EIG”) elected to convert 40,000 Series A Perpetual Preferred Units (the “Preferred Units”) of the Partnership into Common Units representing limited partner interests in the Partnership (the “Conversion”)
- The Conversion represents 8% (eight percent) of EIG’s Preferred Units
- Prior to the Conversion, EIG held 500,000 Preferred Units
- Following the Conversion, EIG holds 460,000 Preferred Units
- The preferred to common conversion price is $20.0115/common unit, with each Preferred Unit worth $1,000
- The Preferred Unit coupon rate is 9.75%
- USAC provides the following illustrative summary to provide stakeholders with the potential pro-forma impact to financial metrics if 50% and 100% of the remaining Preferred Units were to be converted

The conversion of 8% of Preferred to Common Units has a de minimis effect on USAC’s financial metrics

See notes to presentation in appendix.

Illustrative Examples of Potential Preferred Unit Conversions

($ in thousands)	Three Months Ended December 31, 2023		
	As Reported	Pro Forma[8]	
	8% Conversion[9]	50% Assumption[10]	100% Assumption[10]
Distributable Cash Flow ("DCF")[6]	$ 79,888	$ 79,888	$ 79,888
Pro Forma increase upon Preferred Unit Conversion	-	5,606	11,212
DCF[8]	**$ 79,888**	**$ 85,494**	**$ 91,100**
Distributions for DCF Coverage Ratio[6, 7]	$ 54,067	$ 54,067	$ 54,067
Pro Forma increase upon Preferred Unit Conversion	-	6,034	12,068
Distributions for DCF Coverage Ratio[8]	**$ 54,067**	**$ 60,101**	**$ 66,135**
DCF Coverage Ratio[8]	**1.48x**	**1.42x**	**1.38x**

Conversion of the Preferred Units:

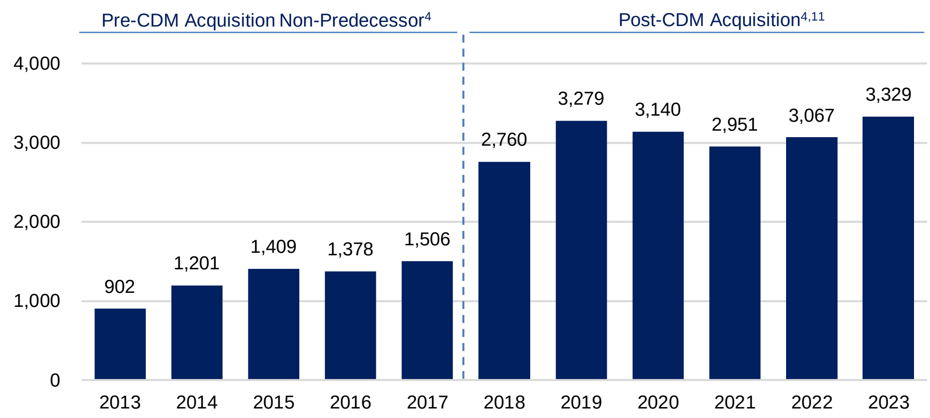
- Enhances common unitholder liquidity
- Slight increase to total distributions, approximately $850,000 per quarter if 100% of Preferred Units were to be converted
- Modestly reduces Distributable Cash Flow Coverage Ratio

The potential conversion of 50% and 100% has minimal impact on financial position and ability of USAC to service debt

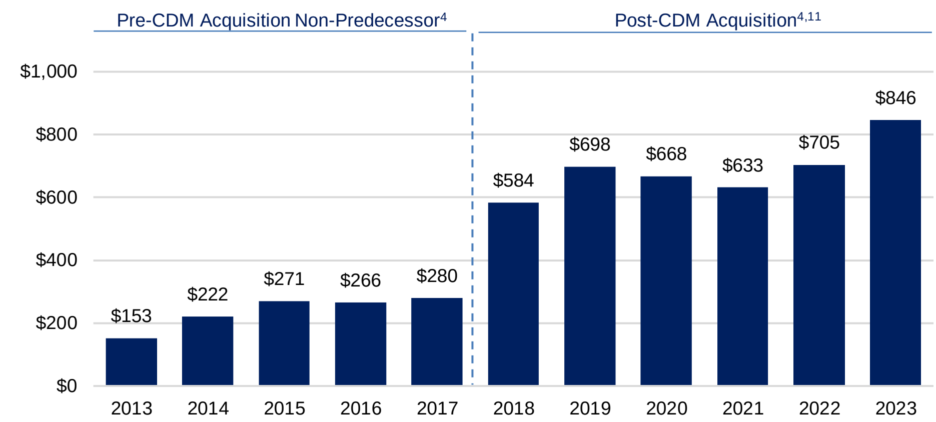
See notes to presentation in appendix.

Operational and Financial Performance

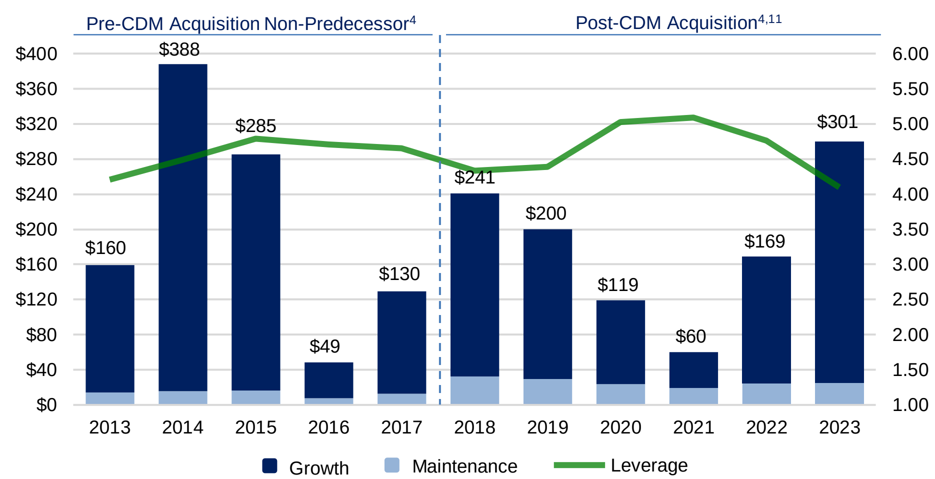
Average Revenue-generating HP (000s)



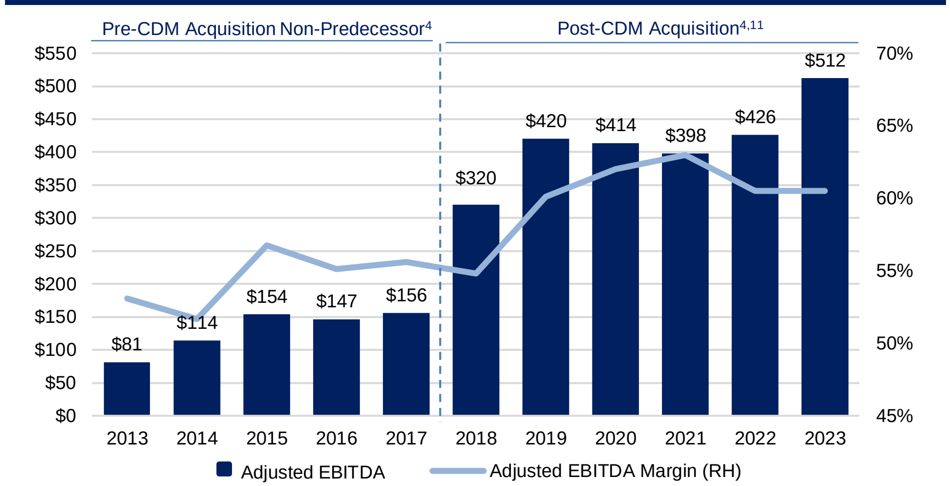
Revenue ($MM)



Total Capex ($MM) and Leverage Ratio[3]



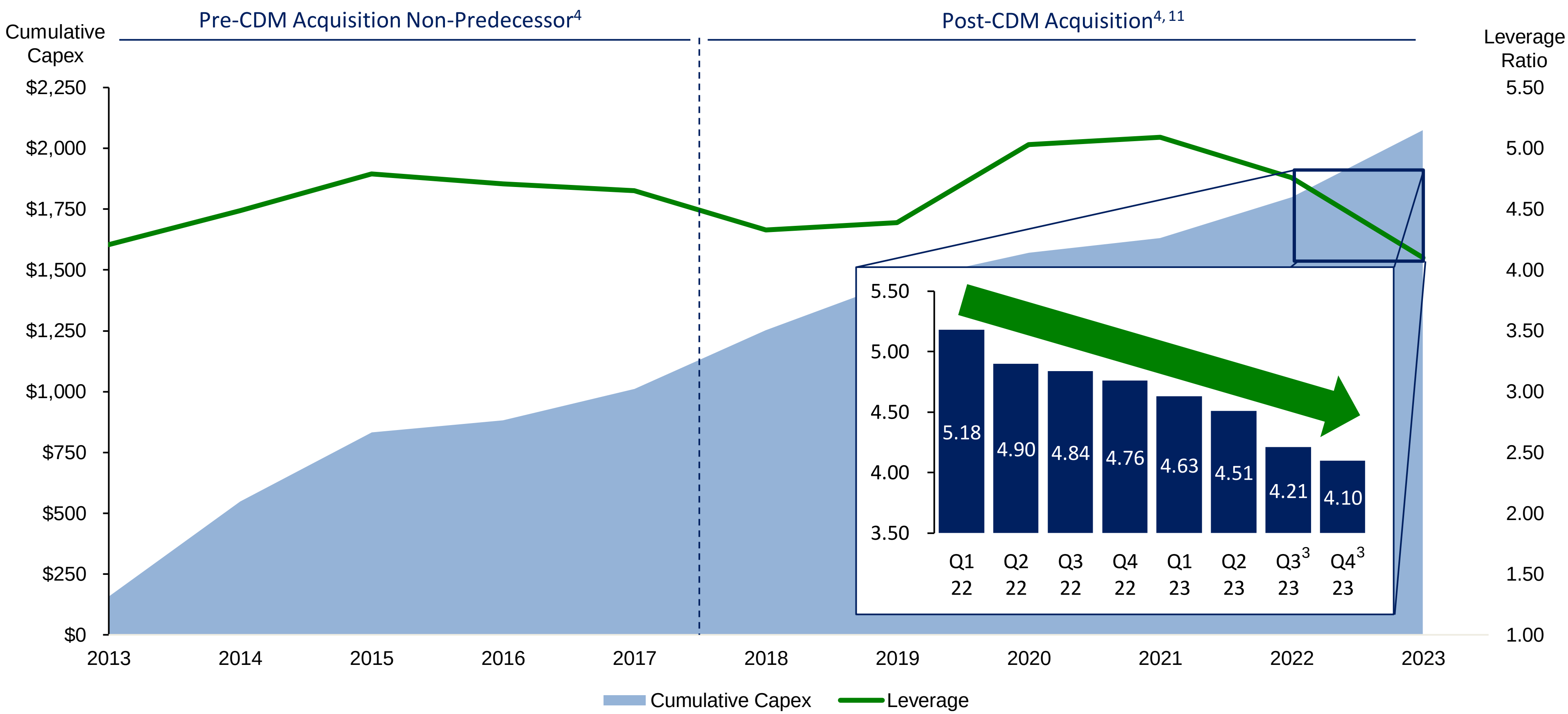
Adjusted EBITDA ($MM) and Margin Percentage[6]



See notes to presentation in appendix.

USAC's Asset Base Supports Declining Leverage

USAC Historical Leverage[3]

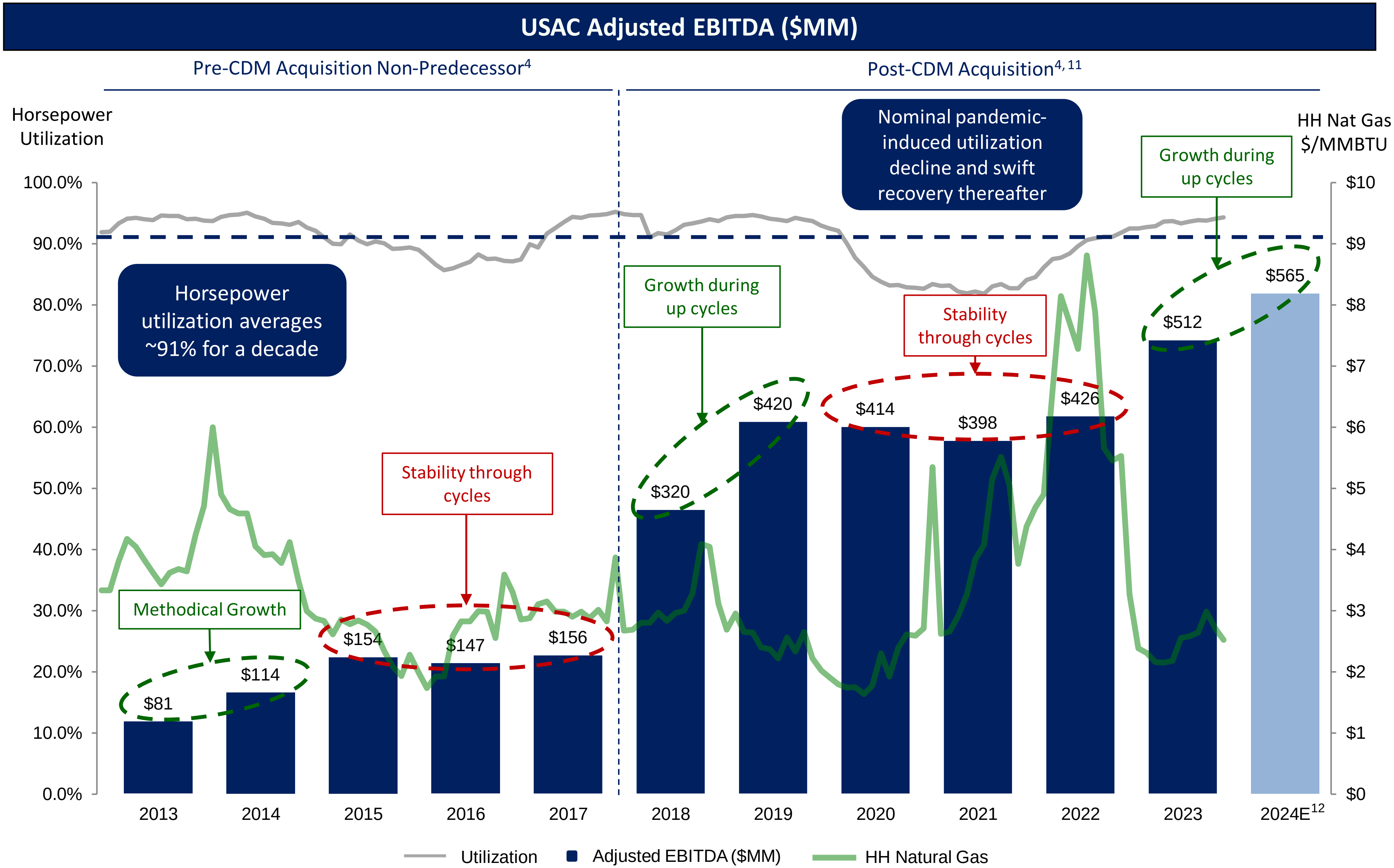


History of Managing Leverage Through Cycles

Ability to moderate capital spending enables stable leverage, resulting in consecutive-quarter leverage reductions throughout 2022 and 2023

See notes to presentation in appendix.

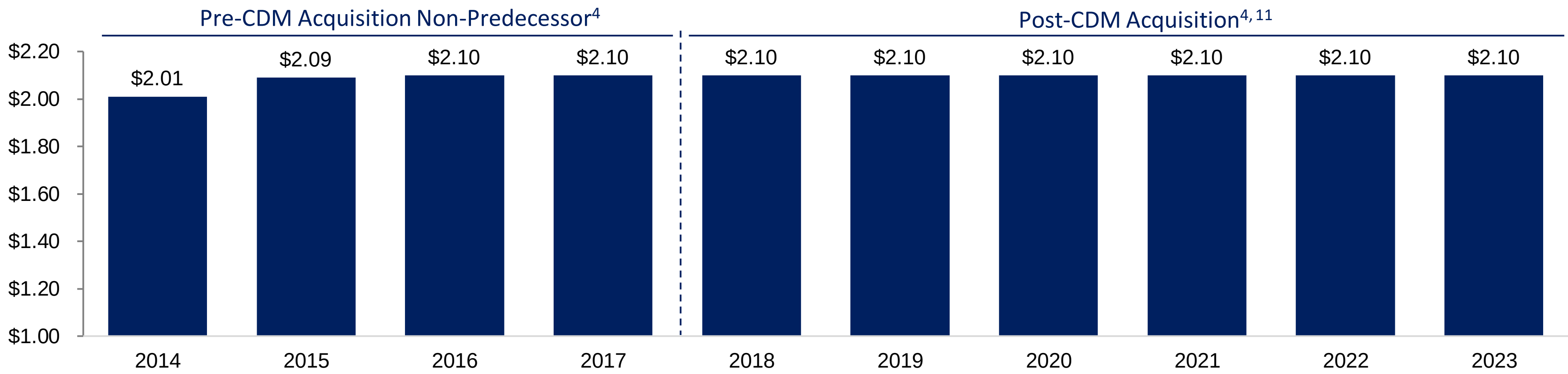
Stable Cash Flows Throughout Commodity Cycles



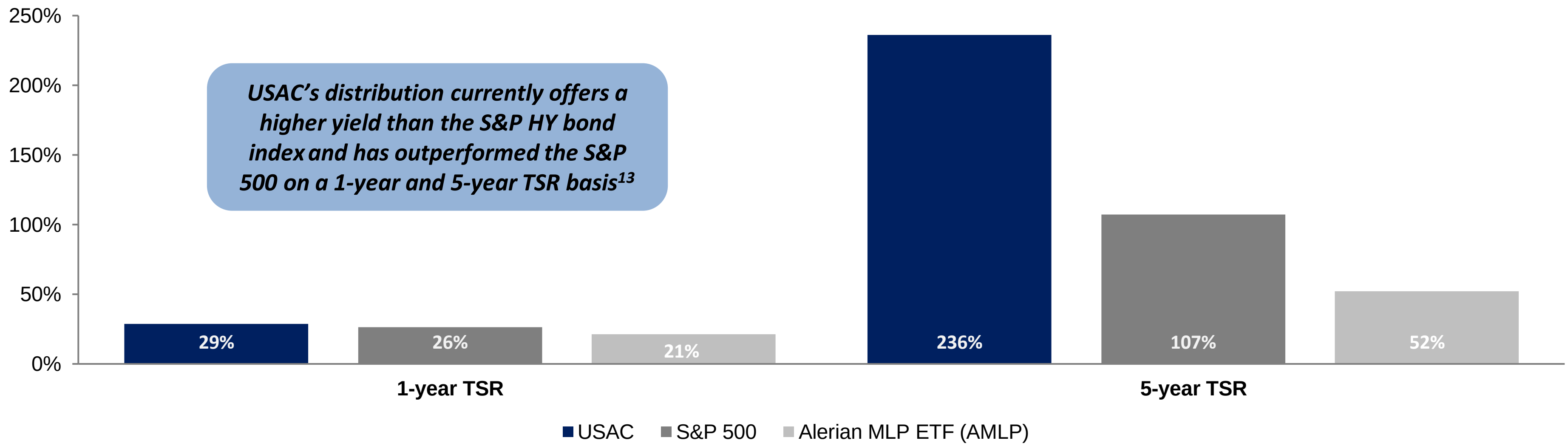
See notes to presentation in appendix.

History of Stable Distributions and Strong Returns to Unitholders

History of stable distributions paid through commodity price cycles



USAC has outperformed the S&P 500 and peers on a total shareholder return (“TSR”) basis[13]



See notes to presentation in appendix.

USAC Customer Overview

Top 10 Customers: Diverse Counterparties and Long-Term Relationships

Customer	% of Rev[14]	Length of relationship	Total HP[15]
Major O&G	11%	> 10 Years	308K
Independent Public E&P	7%	> 20 Years	240K
Major O&G	3%	> 15 Years	124K
Private Midstream	3%	> 10 Years	135K
Public Midstream	3%	> 5 Years	105K
Public Midstream	3%	> 10 Years	145K
Public Midstream	3%	> 15 Years	56K
Large Private E&P	2%	> 10 Years	65K
Independent Public E&P	2%	> 15 Years	84K
Large Private E&P	2%	> 15 Years	71K
Total	**39%**		**1,333K**

- ✓ **Low revenue concentration risk – top 10 customers are 39% of total revenue**
- ✓ **6 of top 10 customers are investment grade**
- ✓ **Average relationship with top 10 customers over 14 years**
- ✓ **78%[14] of total revenues are under primary term**
- ✓ **Weighted average primary term of 27 months[22]**

USAC has written off only $4.0 million in bad debts over the last 19 years
(0.07% of total billings (~$6.0 billion) over same period[4])

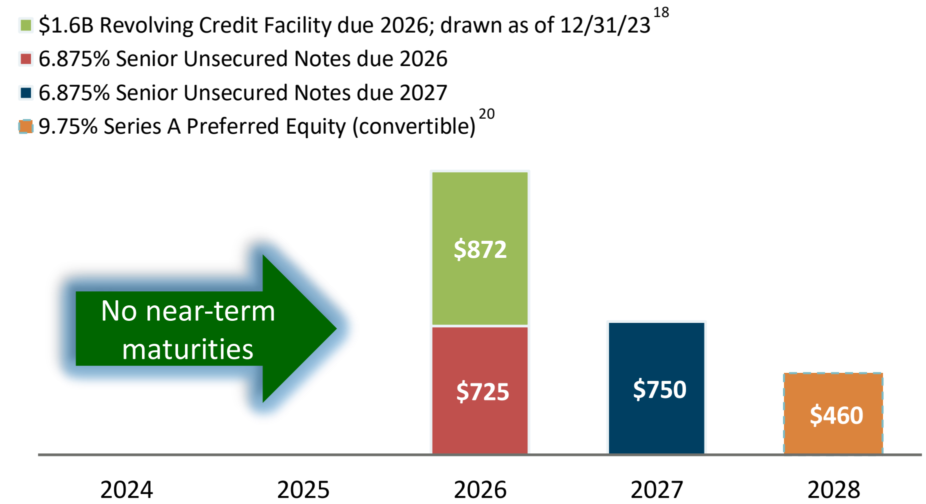
See notes to presentation in appendix.

Capitalization Overview

Capitalization as of December 31, 2023

	($MM)	% of cap
Cash and cash equivalents	$ -	
$1.6B Revolving Credit Facility due 2026	872	
Total Secured Debt	**$872**	**16.9%**
6.875% Senior Unsecured Notes due 2026	725	
6.875% Senior Unsecured Notes due 2027	750	
Total Debt	**$2,347**	**45.6%**
9.75% Series A Preferred Equity (convertible)[16, 20]	$500	
Common Unit Equity Value as of December 31, 2023[17,20]	$2,306	
Total Capitalization as of December 31, 2023	**$5,153**	**100.0%**

Maturity Profile



Ratings Summary

	Moody's	S&P	Fitch
Corporate Rating	B1	B+	BB
Unsecured	B3	B+	BB
Outlook	Stable	Stable	Stable
Last review	20-Apr-23	12-Dec-23	13-Dec-23

Outstanding Debt and Preferred Equity Overview

Issuer	Issue Type	Principal ($MM)	Coupon	Issue Date	Maturity	Issue ratings	As of 2/8/2024 Price	As of 2/8/2024 YTW	Implied Tenor[19]	Next call date	Next call price
USA Compression Partners LP	Sr Notes	725	6.875%	03/23/18	04/01/26	B3 / B+ / BB	99.500	7.13%	2.1	04/01/24	100.00
USA Compression Partners LP	Sr Notes	750	6.875%	03/07/19	09/01/27	B3 / B+ / BB	99.514	7.03%	3.6	09/01/24	101.72
USA Compression Partners LP	Pfd	460[20]	9.75%	04/02/18	04/02/28[16]	-	-	-	-	-	105.00

See notes to presentation in appendix.

USA COMPRESSION

Appendix

Notes to Presentation

1	As of February 8, 2024, Energy Transfer LP held 46.1 million common units, including 8.0 million common units held by USA Compression GP, LLC (our general partner).
2	As of February 8, 2024, public unitholders held 56.9 million common units.
3	The Partnership’s Seventh Amended and Restated Credit Agreement, dated as of December 8, 2021 (the “Credit Agreement”) includes a financial covenant for Total Leverage Ratio (as defined in the Credit Agreement). The reduction in the Partnership’s Total Leverage Ratio for the third-quarter 2023 was due in part to the Partnership’s adding back $5.9 million in recurring tax expenses, consistent with the calculation of EBITDA under the Credit Agreement but which the Partnership had not added back in previous quarters. This tax add back increased EBITDA, which is the denominator of the Total Leverage Ratio calculation. If the Partnership had not implemented this tax add back, the Partnership’s Total Leverage Ratio as of September 30, 2023, would have been 4.40x. For the fourth-quarter 2023 the Partnership added back, and intends to continue adding back in future quarters, these recurring tax expenses consistent with the Credit Agreement. Historical leverage calculated as total debt divided by annualized quarterly Adjusted EBITDA for the applicable quarter, in accordance with the Credit Agreement. Actual historical leverage may differ based on certain adjustments.
4	Following the Transactions, the USA Compression Predecessor has been determined to be the historical predecessor of the Partnership for financial reporting purposes. The information presented for USAC represents information of USA Compression Partners, LP, which is not the predecessor of the Partnership, for periods prior to the Transactions and is presented for illustrative purposes only. See Slide 1 for more detail.
5	Based on 103,001,911 common units outstanding as of February 8, 2024.
6	See "Basis of Presentation; Explanation of Non-GAAP Financial Measures" for information on calculations of Adjusted EBITDA, Distributable Cash Flow, and Distributable Cash Flow Coverage Ratio. Adjusted EBITDA Margin Percentage is calculated as a percentage of revenue.
7	Represents distributions to the holders of the Partnership’s common units as of the fourth-quarter 2023 distribution record date.
8	Information used herein that is qualified as “pro forma” is presented on an illustrative basis assuming either 50% or 100%, as applicable, of the remaining 460,000 Series A Preferred Units were converted to Common Units as of January 22, 2024, the fourth-quarter 2023 distribution record date, in accordance with the Partnership’s Second Amended and Restated Agreement of Limited Partnership.
9	Effective January 22, 2024, EIG converted 40,000 Preferred Units into 1,998,850 common units. These Preferred Units were converted into common units and, for our fourth-quarter 2023 distribution, the holders received the common unit distribution of $0.525 on the 1,998,850 common units in lieu of the Preferred Unit distribution of $24.375 on the converted 40,000 Preferred Units. This increased Distributable Cash Flow by approximately $1.0M for fourth-quarter 2023.
10	Information presented herein is for illustrative purposes only. EIG has not notified the Partnership of an election to convert any of the remaining Series A Preferred Units as of February 8, 2024.
11	For 2018, represents the results of operations of the Partnership, which includes the results of operations of the USA Compression Predecessor for the three months ended March 31, 2018, and the results of operations of the Partnership, which includes the USA Compression Predecessor, for the nine months ended December 31, 2018.
12	Represents Midpoint of 2024 Adjusted EBITDA guidance.
13	Data as of December 31, 2023.
14	Represents recurring revenues for the year ended December 31, 2023.
15	Represents total contracted revenue-generating horsepower for December 2023.
16	The Preferred Units are convertible, at the option of the holder, into common units. On or after April 2, 2028, each holder of the Preferred Units will have the right to require us to redeem all or a portion of their Preferred Units, subject to certain minimum redemption threshold amounts, which we may elect to pay up to 50% in common units, subject to certain limits.

Notes to Presentation (continued)

17	Based on 101.0 million common units outstanding and a closing unit price of $22.83 as of December 29, 2023.
18	The Revolving Credit Facility matures on December 8, 2026, except that if any portion of the 6.875% Senior Unsecured Notes due 2026 are outstanding on December 31, 2025, the Revolving Credit Facility will mature on December 31, 2025.
19	As of February 8, 2024.
20	On January 12, 2024, the holders of the Preferred Units elected to convert 40,000 Preferred Units into 1,998,850 common units, which were issued effective January 22, 2024. As of January 12, 2024, face value of the Preferred Units outstanding is $460M.
21	Assumes full-year 2024 distributions based on 103.0 million common units outstanding as of February 8, 2024, and a flat full-year distribution per unit of $2.10 for 2024.
22	Based on horsepower under primary term, excluding month-to-month, as of December 31, 2023.

Non-GAAP Reconciliations

Adjusted gross margin *($ in thousands)*	2023 Full Year	Q4	Q3	Q2	Q1
Total revenues	**$ 846,178**	**$ 225,049**	**$ 217,085**	**$ 206,920**	**$ 197,124**
Cost of operations, exclusive of depreciation and amortization	(284,708)	(73,193)	(74,928)	(69,922)	(66,665)
Depreciation and amortization	(246,096)	(62,470)	(64,101)	(60,039)	(59,486)
Gross margin	**$ 315,374**	**$ 89,386**	**$ 78,056**	**$ 76,959**	**$ 70,973**
Depreciation and amortization	246,096	62,470	64,101	60,039	59,486
Adjusted gross margin	**$ 561,470**	**$ 151,856**	**$ 142,157**	**$ 136,998**	**$ 130,459**

Adjusted EBITDA *($ in thousands)*	2023 Full Year	Q4	Q3	Q2	Q1
Net income	**$ 68,268**	**$ 12,841**	**$ 20,902**	**$ 23,584**	**$ 10,941**
Interest expense, net	169,924	44,832	43,257	42,045	39,790
Depreciation and amortization	246,096	62,470	64,101	60,039	59,486
Income tax expense	1,365	355	255	405	350
EBITDA	**$ 485,653**	**$ 120,498**	**$ 128,515**	**$ 126,073**	**$ 110,567**
Unit-based compensation expense	22,169	4,517	8,024	2,849	6,779
Transaction expenses	46	46	—	—	—
Severance charges	841	752	45	44	—
Loss (gain) on disposition of assets	(1,667)	2,265	(3,865)	309	(376)
Loss (gain) on derivative instrument	(7,449)	10,538	(3,437)	(14,550)	—
Impairment of compression equipment	12,346	—	882	10,273	1,191
Adjusted EBITDA	**$ 511,939**	**$ 138,616**	**$ 130,164**	**$ 124,998**	**$ 118,161**
Interest expense, net	(169,924)	(44,832)	(43,257)	(42,045)	(39,790)
Non-cash interest expense	7,279	1,819	1,819	1,819	1,822
Income tax expense	(1,365)	(355)	(255)	(405)	(350)
Transaction expenses	(46)	(46)	—	—	—
Severance charges	(841)	(752)	(45)	(44)	—
Cash received on derivative instrument	6,245	2,501	2,528	1,216	—
Other	1,448	1,494	(65)	34	(15)
Changes in operating assets and liabilities	(82,850)	(6,841)	(40,817)	2,298	(37,490)
Net cash provided by operating activities	**$ 271,885**	**$ 91,604**	**$ 50,072**	**$ 87,871**	**$ 42,338**

See definitions to Non-GAAP measures at “Basis of Presentation; Explanation of Non-GAAP Financial Measures”.

Non-GAAP Reconciliations

	Post-CDM Acquisition[11]						Pre-CDM Acquisition Non-Predecessor[4]				
	Years Ended December 31,										
$ in thousands	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net income (loss)	$ 68,268	$ 30,318	$ 10,279	$ (594,732)	$ 39,132	$ (10,551)	$ 11,440	$ 12,935	$ (154,273)	$ 24,946	$ 11,071
Interest expense, net	169,924	138,050	129,826	128,633	127,146	78,377	25,129	21,087	17,605	12,529	12,488
Depreciation and amortization	246,096	236,677	238,769	238,968	231,447	213,692	98,603	92,337	85,238	71,156	52,917
Income tax expense (benefit)	1,365	1,016	874	1,333	2,186	(2,474)	538	421	1,085	103	280
EBITDA	**$ 485,653**	**$ 406,061**	**$ 379,748**	**$ (225,798)**	**$ 399,911**	**$ 279,044**	**$ 135,710**	**$ 126,780**	**$ (50,345)**	**$ 108,734**	**$ 76,756**
Interest income on capital lease	—	—	48	383	672	709	1,610	1,492	1,631	1,274	—
Unit-based compensation expense	22,169	15,894	15,523	8,400	10,814	11,740	11,708	10,373	3,863	3,034	1,343
Transaction expenses	46	27	34	136	578	4,181	1,406	894	—	1,299	2,142
Severance charges	841	982	494	3,130	831	3,171	314	577	—	—	—
Loss (gain) on disposition of assets and other	(1,667)	1,527	(2,588)	146	940	12,964	(17)	772	(1,040)	(2,198)	637
Loss (gain) on derivative instrument	(7,449)	—	—	—	—	—	—	—	—	—	—
Impairment of compression equipment	12,346	1,487	5,121	8,090	5,894	8,666	4,972	5,760	27,274	2,266	203
Impairment of goodwill	—	—	—	619,411	—	—	—	—	172,189	—	—
Riverstone management fee	—	—	—	—	—	—	—	—	—	—	49
Adjusted EBITDA	**$ 511,939**	**$ 425,978**	**$ 398,380**	**$ 413,898**	**$ 419,640**	**$ 320,475**	**$ 155,703**	**$ 146,648**	**$ 153,572**	**$ 114,409**	**$ 81,130**
Interest expense, net	(169,924)	(138,050)	(129,826)	(128,633)	(127,146)	(78,377)	(25,129)	(21,087)	(17,605)	(12,529)	(12,488)
Non-cash interest expense	7,279	7,265	9,765	8,402	7,607	5,080	2,186	2,108	1,702	1,189	1,839
Income tax (expense) benefit	(1,365)	(1,016)	(874)	(1,333)	(2,186)	2,474	(538)	(421)	(1,085)	(103)	(280)
Interest income on capital lease	—	—	(48)	(383)	(672)	(709)	(1,610)	(1,492)	(1,631)	(1,274)	—
Transaction expenses	(46)	(27)	(34)	(136)	(578)	(4,181)	(1,406)	(894)	—	(1,299)	(2,142)
Severance charges	(841)	(982)	(494)	(3,130)	(831)	(3,171)	(314)	(577)	—	—	—
Cash received on derivative instrument	6,245	—	—	—	—	—	—	—	—	—	—
Riverstone management fee	—	—	—	—	—	—	—	—	—	—	(49)
Other	1,448	(851)	(2,742)	4,230	2,426	(2,030)	(490)	—	—	—	—
Changes in operating assets and liabilities	(82,850)	(31,727)	(8,702)	283	2,320	(13,221)	(3,758)	(20,588)	(17,552)	1,498	180
Net cash provided by operating activities	**$ 271,885**	**$ 260,590**	**$ 265,425**	**$ 293,198**	**$ 300,580**	**$ 226,340**	**$ 124,644**	**$ 103,697**	**$ 117,401**	**$ 101,891**	**$ 68,190**

See notes to presentation in appendix and definitions to Non-GAAP measures at “Basis of Presentation; Explanation of Non-GAAP Financial Measures”.

Non-GAAP Reconciliations

Distributable Cash Flow *($ in thousands)*	2023 Full Year	Q4	Q3	Q2	Q1
Net income	**$ 68,268**	**$ 12,841**	**$ 20,902**	**$ 23,584**	**$ 10,941**
Non-cash interest expense	7,279	1,819	1,819	1,819	1,822
Depreciation and amortization	246,096	62,470	64,101	60,039	59,486
Non-cash income tax expense (benefit)	(52)	(6)	(65)	34	(15)
Unit-based compensation expense	22,169	4,517	8,024	2,849	6,779
Transaction expenses	46	46	—	—	—
Severance charges	841	752	45	44	—
Loss (gain) on disposition of assets	(1,667)	2,265	(3,865)	309	(376)
Change in fair value of derivative instrument	(1,204)	13,039	(909)	(13,334)	—
Impairment of compression equipment	12,346	—	882	10,273	1,191
Distributions on Preferred Units	(47,775)	(11,212)	(12,188)	(12,188)	(12,187)
Maintenance capital expenditures	(25,234)	(6,643)	(7,172)	(6,391)	(5,028)
Distributable Cash Flow	**$ 281,113**	**$ 79,888**	**$ 71,574**	**$ 67,038**	**$ 62,613**
Maintenance capital expenditures	25,234	6,643	7,172	6,391	5,028
Transaction expenses	(46)	(46)	—	—	—
Severance charges	(841)	(752)	(45)	(44)	—
Distributions on Preferred Units	47,775	11,212	12,188	12,188	12,187
Other	1,500	1,500	—	—	—
Changes in operating assets and liabilities	(82,850)	(6,841)	(40,817)	2,298	(37,490)
Net cash provided by operating activities	**$ 271,885**	**$ 91,604**	**$ 50,072**	**$ 87,871**	**$ 42,338**
Distributable Cash Flow	**$ 281,113**	**$ 79,888**	**$ 71,574**	**$ 67,038**	**$ 62,613**
Distributions for Distributable Cash Flow Coverage Ratio	$ 208,856	$ 54,067	51,608	51,596	$ 51,585
Distributable Cash Flow Coverage Ratio	1.35x	1.48x	1.39x	1.30x	1.21x

See definitions to Non-GAAP measures at “Basis of Presentation; Explanation of Non-GAAP Financial Measures”.

Non-GAAP Reconciliations for Illustrative Examples

	Three Months Ended December 31, 2023		
	As Reported	Pro Forma[8]	
$ in thousands	8% Conversion[9]	50% Assumption[10]	100% Assumption[10]
Net income	**$ 12,841**	**$ 12,841**	**$ 12,841**
Non-cash interest expense	1,819	1,819	1,819
Depreciation and amortization	62,470	62,470	62,470
Non-cash income tax benefit	(6)	(6)	(6)
Unit-based compensation expense	4,517	4,517	4,517
Transaction expenses	46	46	46
Severance charges	752	752	752
Loss on disposition of assets	2,265	2,265	2,265
Change in fair value of derivative instrument	13,039	13,039	13,039
Distributions on Preferred Units	*(11,212)*	*(5,606)*	—
Maintenance capital expenditures	(6,643)	(6,643)	(6,643)
Distributable Cash Flow[6, 8]	**$ 79,888**	**$ 85,494**	**$ 91,100**
Maintenance capital expenditures	6,643	6,643	6,643
Transaction expenses	(46)	(46)	(46)
Severance charges	(752)	(752)	(752)
Distributions on Preferred Units	*11,212*	*5,606*	—
Other	1,500	1,500	1,500
Changes in operating assets and liabilities	(6,841)	(6,841)	(6,841)
Net cash provided by operating activities	**$ 91,604**	**$ 91,604**	**$ 91,604**
Distributions for DCF Coverage Ratio[8]	**$ 54,067**	**$ 60,101**	**$ 66,135**
Distributable Cash Flow Coverage Ratio[6, 8]	**1.48x**	**1.42x**	**1.38x**

See notes to presentation in appendix and definitions to Non-GAAP measures at "Basis of Presentation; Explanation of Non-GAAP Financial Measures".

Non-GAAP Reconciliations

2024 Guidance

	2024 Guidance	2023 Actual	Δ to 2024 Guidance Midpoint	Δ %
Net income	$95.0 to $115.0 million			
Plus: Interest expense, net	184.0 million			
Plus: Depreciation and amortization	260.0 million			
Plus: Income tax expense	1.0 million			
EBITDA	$540.0 million to $560.0 million			
Plus: Unit-based compensation expense	15.0 million			
Adjusted EBITDA	**$555.0 million to $575.0 million**	**$511.9 million**	**$53.1 million**	**10%**
Less: Cash interest expense	169.0 million			
Less: Current income tax expense	1.0 million			
Less: Maintenance capital expenditures	32.0 million			
Less: Distributions on Preferred Units	45.0 million			
Plus: Cash received on derivative instrument	2.0 million			
Distributable Cash Flow	**$310.0 million to $330.0 million**	**$281.1 million**	**$38.9 million**	**14%**
Distributable Cash Flow Coverage Ratio[21]	**1.43x to 1.53x**	**1.35x**	**0.13x**	**10%**

See notes to presentation in appendix and definitions to Non-GAAP measures at "Basis of Presentation; Explanation of Non-GAAP Financial Measures".

Investor Relations Contact Information

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Basis of Presentation; Explanation of Non-GAAP Financial Measures

This presentation includes the non-U.S. generally accepted accounting principles ("non-GAAP") financial measures of Adjusted gross margin, Adjusted EBITDA, Distributable Cash Flow, and Distributable Cash Flow Coverage Ratio.

Adjusted gross margin, a non-GAAP measure, is defined as revenue less cost of operations, exclusive of depreciation and amortization expense. Management believes that Adjusted gross margin is useful to investors as a supplemental measure of the Partnership's operating profitability. Adjusted gross margin primarily is impacted 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.

EBITDA, a non-GAAP measure, is defined as net income (loss) before net interest expense, depreciation and amortization expense, and income tax expense (benefit). Adjusted EBITDA, also a non-GAAP measure, is defined as EBITDA plus impairment of compression equipment, impairment of goodwill, interest income on capital leases, unit-based compensation expense (benefit), severance charges, management fees, certain transaction expenses, loss (gain) on disposition of assets, loss (gain) on derivative instrument, and other. The Partnership's management views Adjusted EBITDA as one of its primary tools, to assess: (i) the financial performance of the Partnership's assets without regard to the impact of financing methods, capital structure, or the historical cost basis of the Partnership's assets; (ii) the viability of capital expenditure projects and the overall rates of return on alternative investment opportunities; (iii) the ability of the Partnership's assets to generate cash sufficient to make debt payments and pay distributions; and (iv) 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. The Partnership believes that Adjusted EBITDA provides useful information to investors because, when viewed in conjunction with GAAP results and the accompanying reconciliations, it may provide a more complete assessment of the Partnership's performance compared to considering solely GAAP results.

Distributable Cash Flow, a non-GAAP measure, is defined as net income (loss) plus non-cash interest expense, non-cash income tax expense (benefit), depreciation and amortization expense, unit-based compensation expense (benefit), impairment of compression equipment, impairment of goodwill, certain transaction expenses, severance charges, loss (gain) on disposition of assets, change in fair value of derivative instrument, proceeds from insurance recovery, and other, less distributions on the Partnership's Series A Preferred Units ("Preferred Units"), and maintenance capital expenditures. The Partnership's management believes Distributable Cash Flow is an important measure of operating performance because it allows management, investors, and others to compare the cash flows that 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 that the Partnership expects to pay its common unitholders.

See previous slides for gross margin reconciled to Adjusted gross margin, Adjusted EBITDA reconciled to net income (loss) and net cash provided by operating activities, and net income (loss) reconciled to Distributable Cash Flow.

This presentation contains a forward-looking estimate of Adjusted EBITDA and Distributable Cash Flow projected to be generated by the Partnership in its 2024 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.

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

The Partnership believes that external users of its financial statements benefit from having access to the same financial measures that management uses to evaluate the results of the Partnership's business.

Distributable Cash Flow Coverage Ratio, a non-GAAP measure, is defined as Distributable Cash Flow divided by distributions declared to common unitholders in respect of such period. We believe Distributable Cash Flow Coverage Ratio is an important measure of operating performance because it permits management, investors, and others to assess our ability to pay distributions to common unitholders out of the cash flows that we generate. Our Distributable Cash Flow Coverage Ratio as presented may not be comparable to similarly titled measures of other companies.