USA Compression Partners, LP

J.P. Morgan Global High Yield &
Leveraged Finance Conference
March 7-8, 2023

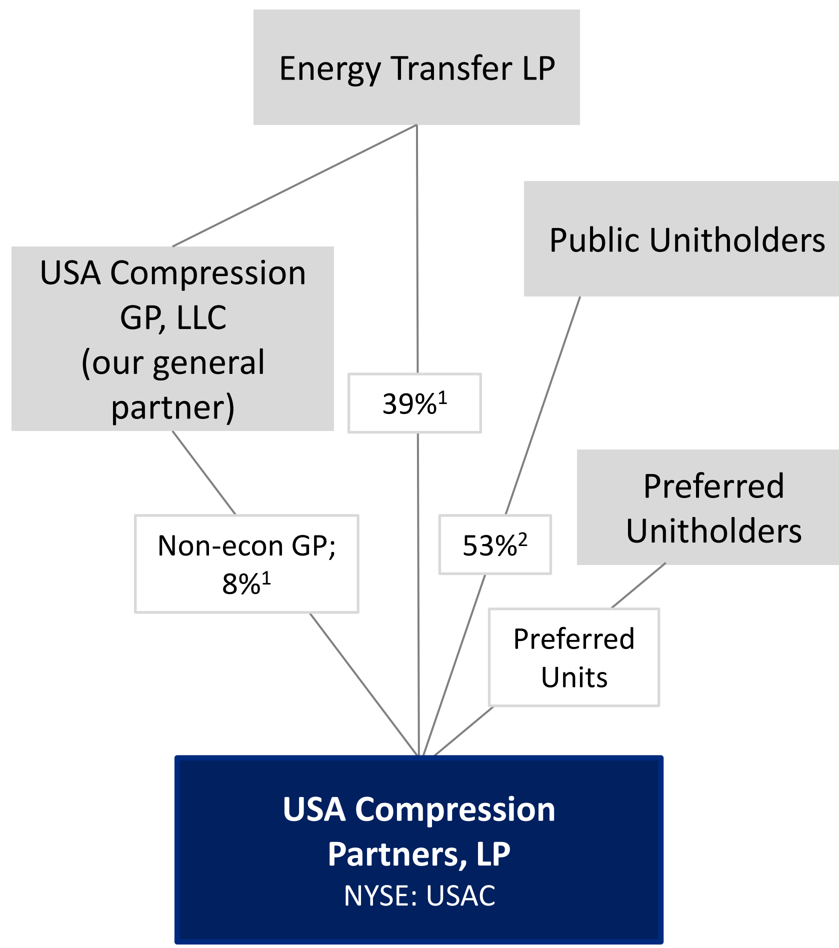
Forward-Looking Statements and Ownership Structure

This presentation contains forward-looking statements related to the operations of USA Compression Partners, LP (the "Partnership") 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; 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.

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



[1]As of February 24, 2023, 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 24, 2023, public unitholders held 52.2 million common units.

USAC Overview

Large-Horsepower Strategy *Vital* to Natural Gas Infrastructure, Production, and Delivery to Market Centers; Focused on Long-Term, Fixed-Fee, Take-or-Pay Contracts

Business / Strategy Overview

- Compression services provided across geographically diversified operating areas
- Strategic focus on large horsepower (1,000 HP+) with creditworthy counterparties
  - Secures stable cash flows
  - Provides durable returns on invested capital
- Standardized assets and services to optimize utilization and minimize operating expense
- Active fleet: ~3.2MM horsepower
  - ~77% greater than 1,000 HP
  - ~92% fleet utilization

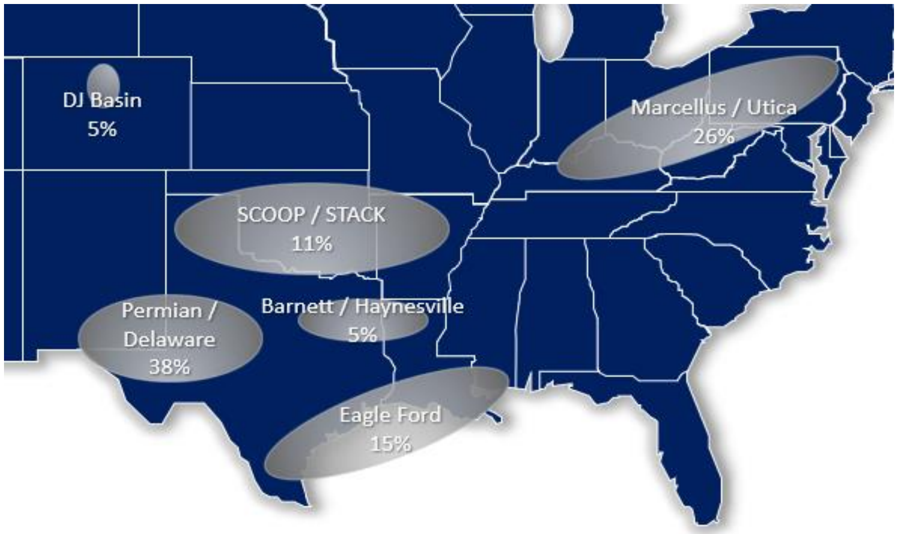
2023 Financial Guidance[1]

- Adjusted EBITDA: $490 - $510 million
- Distributable Cash Flow: $260 - $280 million
- Growth Capital: $260 - $270 million

USAC Market Statistics

- IPO: 1/2013 (NYSE: USAC)
- Current Unit Price: $20.56
- Avg. Daily Trading Volume: ~230,000 units
- Annualized distribution: $2.10
- Distribution yield: 10.2%[3]

Operating Areas and Concentration of HP[2]



[1]Adjusted EBITDA and Distributable Cash Flow are non-GAAP measures. See Slides 19-23 for information regarding non-GAAP measures.
[2]Regional percent breakdowns represent active fleet horsepower at December 31, 2022; excludes non-compression equipment.
[3]Based on price of $20.56 per common unit.
Note: Market data as of February 24, 2023. Financial and operational data as of December 31, 2022.

Fourth-Quarter Highlights

Operational and Financial

Horsepower Utilization	Record Revenues
91.8%	**$190.1** MM
1% Q-o-Q ↑	**6%** Q-o-Q ↑
Adjusted EBITDA	**Distributable Cash Flow**
$113.0 MM	**$60.6** MM
4% Q-o-Q ↑	**10%** Q-o-Q ↑

Accomplishments

- ✓ **40 consecutive quarters of distributions (USAC has never cut its distribution)**
- ✓ **Returned ~$1.5 billion in cash to unitholders since IPO**
- ✓ **Improving distribution coverage**
- ✓ **Q-o-Q leverage reductions**
- ✓ **Capital-efficient, opportunistic, and accretive organic growth**
- ✓ **Minimal bad debt write-offs, only 0.07% of total billings over last 18 years[1]**

Catalysts

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

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Stable Cash Flows Backed by Capital Discipline

Operations

Large-Horsepower Focus

Mission-critical infrastructure-oriented assets that feature long-term, fixed-fee contracts with creditworthy counterparties and accretive returns

Operational Excellence

Increasing utilization with consistent and attractive operating margins

Customers

Increasing Producer Volumes

Opportunistic fleet expansion and deployment to match increasing demand

High-Quality Customers

Long-term relationships with strong, creditworthy customers

Stakeholders

Improving Financial Position

Declining leverage, no near-term maturities, history of consistent cash distributions

Capital Discipline

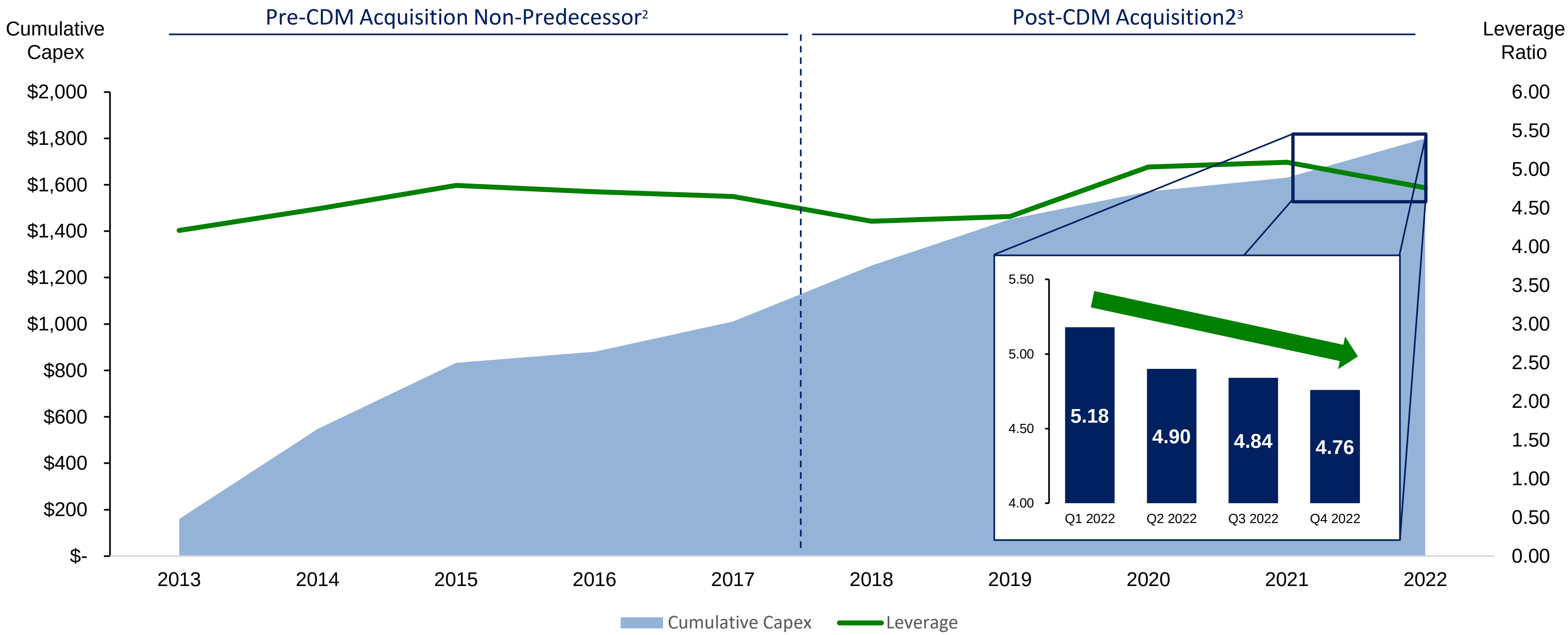
Highly accretive, flexible, and returns-based capital investing

History of Managing Leverage Through Cycles

USAC's Asset Base Supports Leverage Stability

- Ability to moderate capital spending has allowed us to maintain relatively stable leverage
- Starting in 2022, leverage has come down each consecutive quarter and we see 2022 as a starting point for further leverage reduction

USAC Historical Leverage [1]



[1]Historical leverage calculated as total debt divided by annualized quarterly Adjusted EBITDA for the applicable quarter, in accordance with our current Revolving Credit Facility. Actual historical leverage may differ based on certain adjustments.

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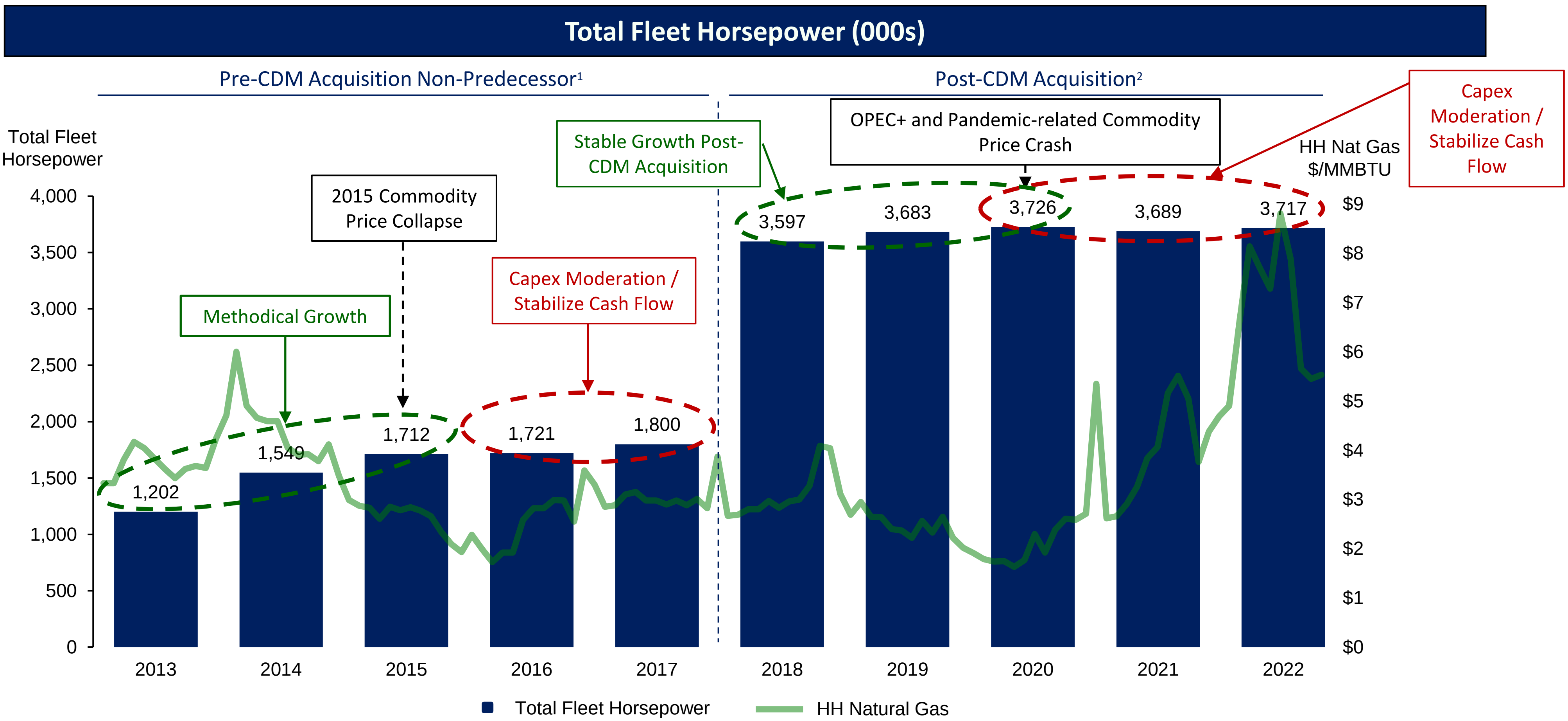
[3]Represents the results of operations of the Partnership, which includes the USA Compression Predecessor, following the Transactions.

Large HP = Stable Cash Flows and Controllable Capital Spending

- Large-HP focus provides highest returns on invested capital and durable cash flows throughout the production cycle
- Large-HP focus drives opportunistic and accretive organic expansion during periods of production growth with the flexibility to curtail spending and harvest cash flow during downturns



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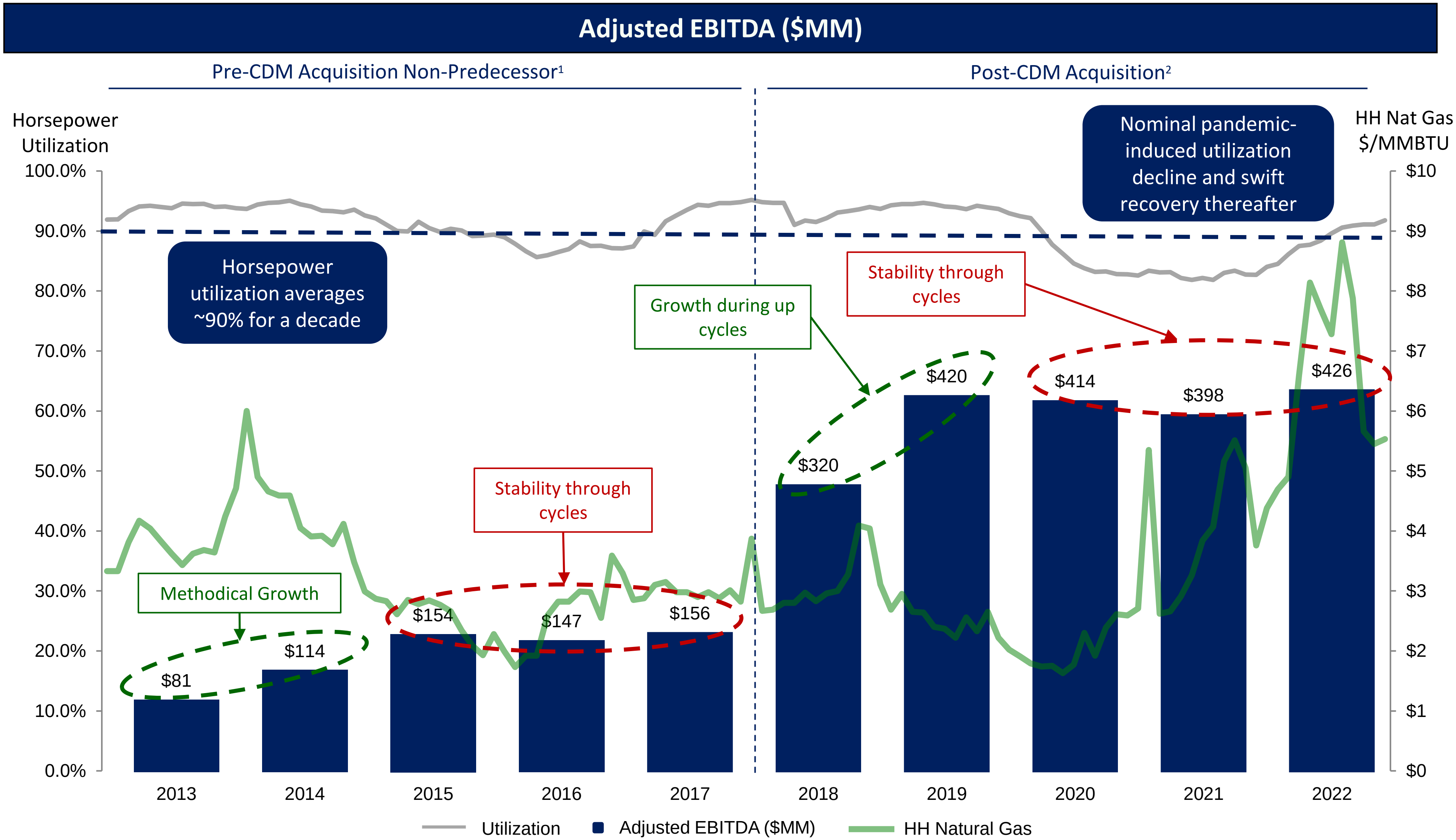
Stable Cash Flows Throughout Commodity Cycles



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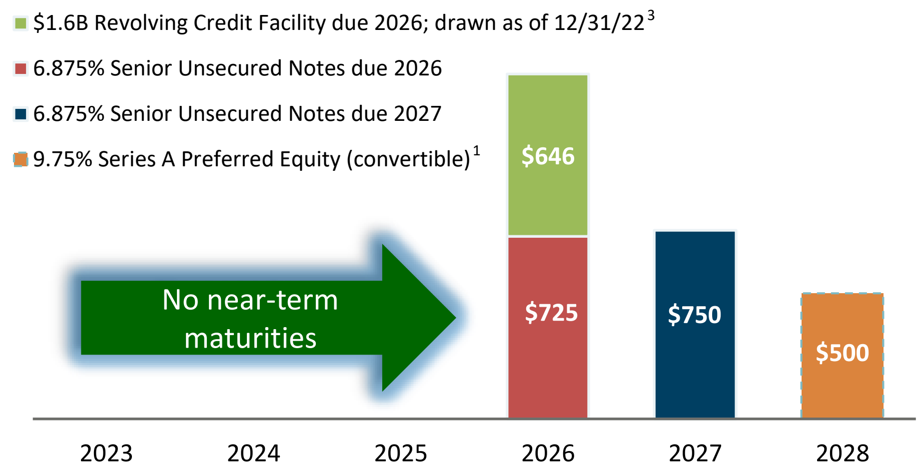
USAC Capitalization

Capitalization as of December 31, 2022

	($MM)	% of cap
Cash and cash equivalents	$-	
$1.6B Revolving Credit Facility due 2026	646	
Total Secured Debt	**$646**	**14.2%**
6.875% Senior Unsecured Notes due 2026	725	
6.875% Senior Unsecured Notes due 2027	750	
Total Debt	**$2,121**	**46.7%**
9.75% Series A Preferred Equity (convertible)[1]	$500	
Common Unit Equity Value as of December 31, 2022[2]	$1,918	
Total Capitalization as of December 31, 2022	**$4,539**	**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	27-Dec-22	5-Oct-22	31-Jan-23

Outstanding Debt and Preferred Equity Overview

Issuer	Issue Type	Principal ($MM)	Coupon	Issue Date	Maturity	Issue ratings	As of 2/24/2023 Price	As of 2/24/2023 YTW	Implied tenor[4]	Next call date	Next call price
USA Compression Partners LP	Sr Notes	725	6.875%	03/23/18	04/01/26	B3 / B+ / BB-	95.75	8.46%	3.1	04/01/23	101.72
USA Compression Partners LP	Sr Notes	750	6.875%	03/07/19	09/01/27	B3 / B+ / BB-	93.88	8.54%	4.5	09/01/23	103.44
USA Compression Partners LP	Pfd	500	9.75%	04/02/18	04/02/28[1]	-	-	-	-	04/02/23	105.00

[1]The Preferred Units are convertible, at the option of the holder, into common units as follows: one third on or after April 2, 2021, two thirds on or after April 2, 2022, and 100% on or after April 2, 2023. 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.

[2]Based on 98.2mm common units outstanding and a closing unit price of $19.53 as of December 31, 2022.

[3]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.

[4]As of February 24, 2023.

Compression is Vital to Natural Gas Infrastructure

USAC Focus on Midstream Applications: Provides Operational / Cash Flow Stability with Strong Counterparties

	Wellhead (Gas & Oil)	Midstream	Downstream
Uses:	Gas Lift Gas Reinjection	**Regional Gathering** **Central Delivery Point** **Processing Plants**	Interstate Pipelines Trunkline Gathering Gas Storage
Customer Base:	Broad customer base	**Typically larger operators**	Typically owner-operators; Very large operators, integrated midstreams
Gas Volumes / Pressures:	Lower	**Medium-to-High**	Higher
Compression Required:	Small HP	**Large-to-Extra-Large HP**	Large-to-Extra-Large HP (often turbines)
Stability:	Dependent on commodity prices	**Infrastructure-based; Longer-term**	Permanent installations
Barriers to Entry/Exit:	Non-existent; commodity service offering	**Select group of operators; costly to install/de-mobilize**	Integrated with pipeline systems as part of the jurisdictional rate base

USAC's focus on midstream applications provides stability throughout commodity price cycles

Large-Horsepower Gas Applications Drive Revenue Stability

Compression Unit Size Matters

USAC Focus:

Gas Compression Industry: Key Characteristics by Size[1]						
	Small - Medium	Large	X Large	XX Large	XXX Large	Commentary
Compression Unit HP Range	0 – 400 HP	400 – 1,000 HP	1,000 – 1,500 HP	1,500 – 2,300 HP	2,300 – 5,000+ HP	**More horsepower needed to move larger gas volumes**
Gas Vol (MMcf/d)	0.9	3.3	6.3	9.0	11.9	
Size (L x W x H, ft.)	21 x 10 x 13	30 x 20 x 19	39 x 24 x 22	43 x 29 x 29	83 x 17 x 28	**Increasing size, transportation and demobilization costs create significant 'barriers to exit'**
Weight (lbs.)	40,000	92,000	140,000	250,000+	300,000+	
Transportation Requirements	1 x 18-wheeler	2 x 18-wheelers	2 – 3 x 18-wheelers	4 – 5 x 18-wheelers	6 – 8 x 18-wheelers	
De-mobilization Costs (cust pays)	< $10K	~$25K	~$60K	$100K+	$200K+	
Typical Contract Length	1 – 12 mos	6 months – 2 years	2 – 5 years	2 – 5 years	2 – 5 years +	**Larger units = longer deployment**

[1]Used CAT 3306TA, CAT 3508TALE, CAT 3516BLE, CAT 3606TALE, and CAT 3608TALE as representative units for Small - Medium, Large, X Large, XX Large, and XXX Large horsepower categories, respectively. Gas volumes based on 50 psi suction pressure and 1,200 psi discharge pressure.

Dual-Drive Natural Gas Compression

Natural Gas Compression Powered by Natural Gas or Electricity in a Single Unit

USAC currently only provider of compression services using Dual-Drive Compression

✓ **Runs on electricity when sensible – natural gas when required**

Dual-Drive Compression Delivers:

- ✓ **Lower invested capital with attractive returns**
- ✓ **Lower operating expenses**
- ✓ **99% runtime**
- ✓ **Lower CO_2 and methane emissions**
- ✓ **Electricity interconnect optionality**
- ✓ **Real-time energy cost management**

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Appendix

Transition to Electrification Will Not Be Easy

The EV Example: Supply Chain and Electric-Grid Infrastructure are not Ready for Transition

EV Supply Chain[1]

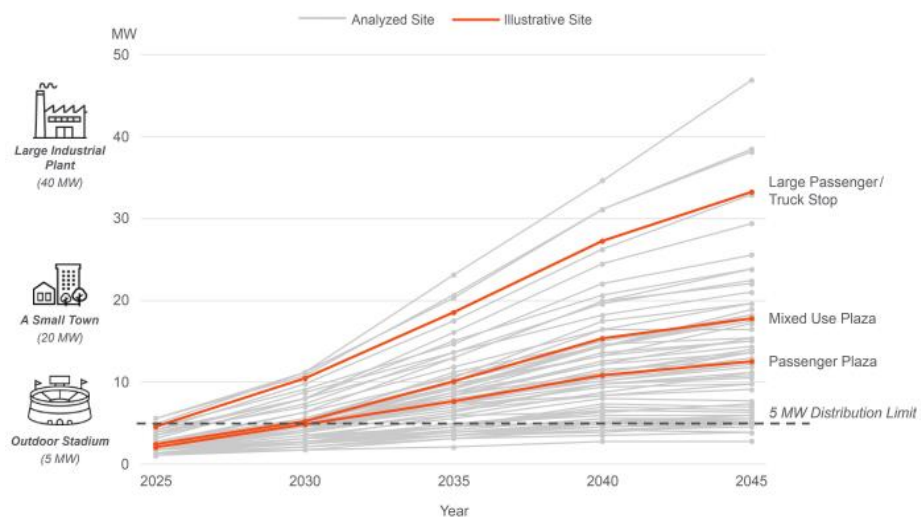
Batteries

- Underdeveloped and complex supply chain
- Inadequate supply of affordable raw materials
- Mining and refining of raw materials highly concentrated in specific countries with geopolitical risks
- Raw material prices have been soaring

Electronics

- EVs need 2x as many semiconductor chips as internal-combustion vehicles
- Highly concentrated supply chain with geopolitical risks

Electric Grid Infrastructure[2]



- To accommodate EV charging
  - By 2030, a highway gas station for passenger vehicles will require as much power as a professional sports stadium (5 MW)
  - By 2035, a big truck stop will require as much power as a small town (20 MW)
- A 5 MW grid connection can take almost a decade and cost tens of millions of dollars to build

[1]per Wall Street Journal *"Electric Vehicles Require Lots of Scarce Parts. Is the Supply Chain Up to It?"*
[2]Data and Chart per National Grid Electric Highways Study

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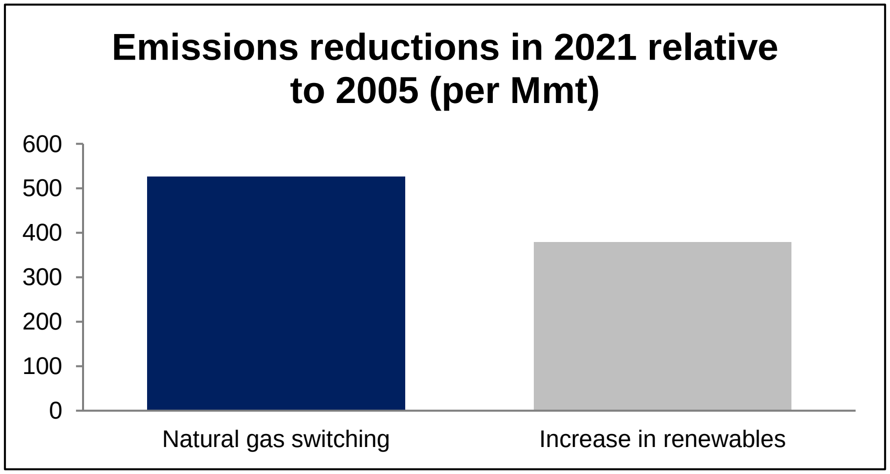
U.S. LNG is a Decarbonization Solution

The U.S. has a Unique Opportunity to Lead the Way in Decarbonization through Natural Gas

Natural Gas Switching is a Proven Model[1]

- ✓ Coal-to-natural gas switching results in a ~57% reduction in CO_2 emissions
- ✓ Natural gas switching from the U.S. industrial sector from 2005 to 2021 accounted for a higher proportion of emissions reductions than the switch to renewables
  - ✓ **58%** emissions reduction due to natural gas switching
  - ✓ **42%** emissions reduction due to increase in renewables



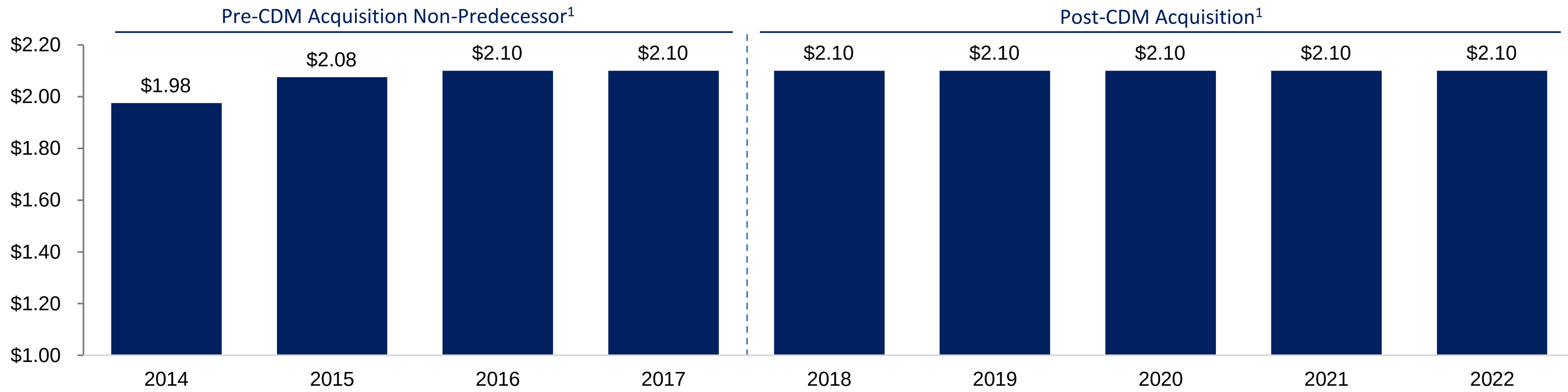
[1]Data and Chart per EIA Carbon Dioxide Emissions data
[2]IEA data and statistics
[3]Global Energy Monitor Global Coal Plant Tracker data

U.S. Natural Gas can Decarbonize Internationally

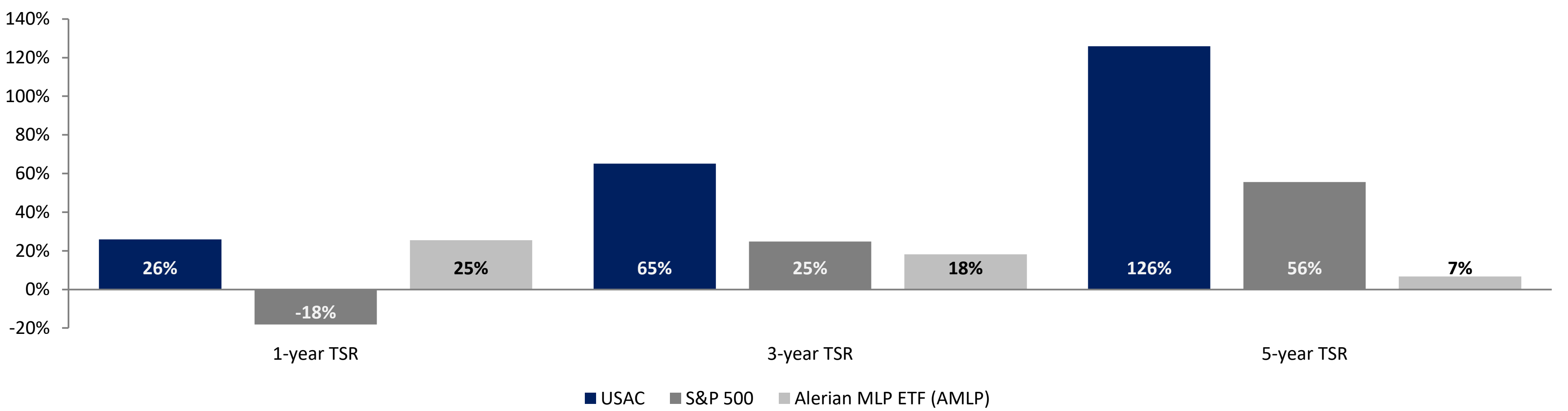
- ✗ Coal emissions increased 47% from 2005 to 2019 internationally[2]
- ✗ Nearly 2x the coal capacity retired by the U.S. since 2005 is currently permitted or under construction internationally[3]
- ✓ The U.S. has the natural gas resources to support coal-to-natural gas switching internationally via LNG
- ✓ Funded by the natural gas industry; U.S. citizens benefit from tax revenues and business returns

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[2]



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[2]Data as of December 31, 2022

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Critical Assets with Supportive Fundamentals

Natural Gas is a Long-Term Fuel; Compression Remains Critical

Supportive Macro: Gas Isn't Going Anywhere

- Robust global demand for natural gas
- LNG exports, petchem feedstock and power gen driving continued natural gas usage
- Natural gas demand/production expected to increase through 2050[1]

High-Quality Assets in Productive Basins with Strong Customers

- New vintage, standardized fleet focused on high-quality CAT/Ariel machines
- Geographic diversity with significant density in Permian/Delaware and Northeast
- Strong, creditworthy counterparties – major oil & gas, large independent E&Ps, and midstream companies

Established Company with History of Stability

- Large-horsepower compression services provided for over two decades
- Performance throughout commodity price cycles; no direct commodity exposure
- Stable distribution history: ~$1.5 billion returned since IPO

Compression is a "must-have" part of the natural gas value chain: with natural gas playing a critical role as a transition fuel to the future will come increasing requirements for compression

[1]U.S. Energy Information Administration: Annual Energy Outlook 2022.

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USAC Customer Overview

Top 20 Customers: Diverse Counterparties and Long-Term Relationships

Customer	% of Rev[1]	Length of relationship	Total HP	Customer	% of Rev[1]	Length of relationship	Total HP
Independent Public E&P	8%	> 20 Years	266K	Independent Public E&P	2%	> 15 Years	79K
Major O&G	7%	> 10 Years	202K	Private Midstream	2%	> 10 Years	78K
Major O&G	4%	> 15 Years	124K	Private Midstream	2%	> 5 Years	64K
Public Midstream	3%	> 10 Years	145K	Independent Public E&P	2%	> 20 Years	64K
Private Midstream	3%	> 5 Years	106K	Private Midstream	2%	< 5 Years	24K
Large Private E&P	3%	> 15 Years	77K	Private Midstream	2%	> 5 Years	58K
Independent Public E&P	3%	> 5 Years	44K	Public Midstream	1%	> 10 Years	55K
Private Midstream	2%	> 5 Years	112K	Independent Public E&P	1%	> 5 Years	40K
Independent Public E&P	2%	> 5 Years	59K	Independent Public E&P	1%	> 5 Years	49K
Public Midstream	2%	> 10 Years	60K	Independent Public E&P	1%	> 20 Years	46K
USAC #1-10	**38%**		**1,195K**	**USAC #11-20**	**17%**		**559K**

USAC standalone has written off only $3.5 million in bad debts over the last 18 years

(0.07% of total billings (~$5.1 billion) over same period[2])

[1]Represents recurring revenues for the year ended December 31, 2022.
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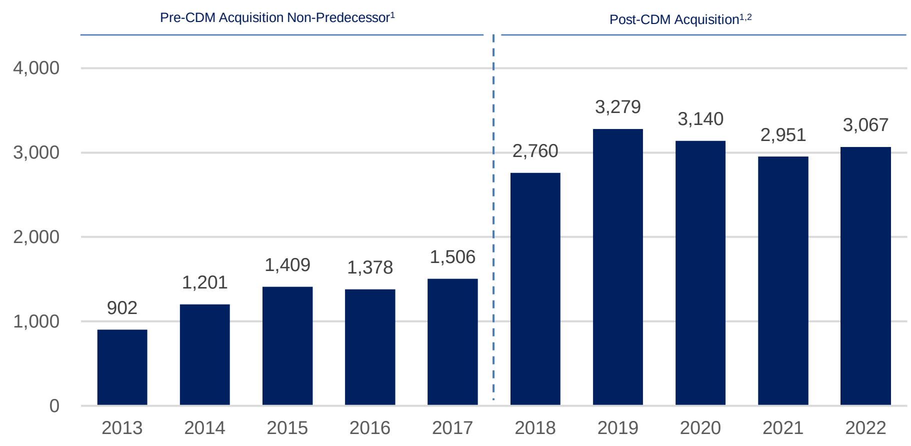
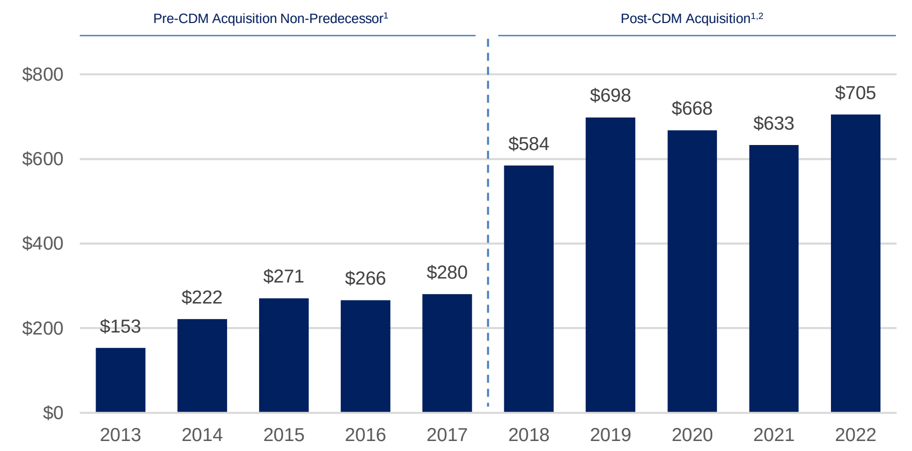
Operational and Financial Performance

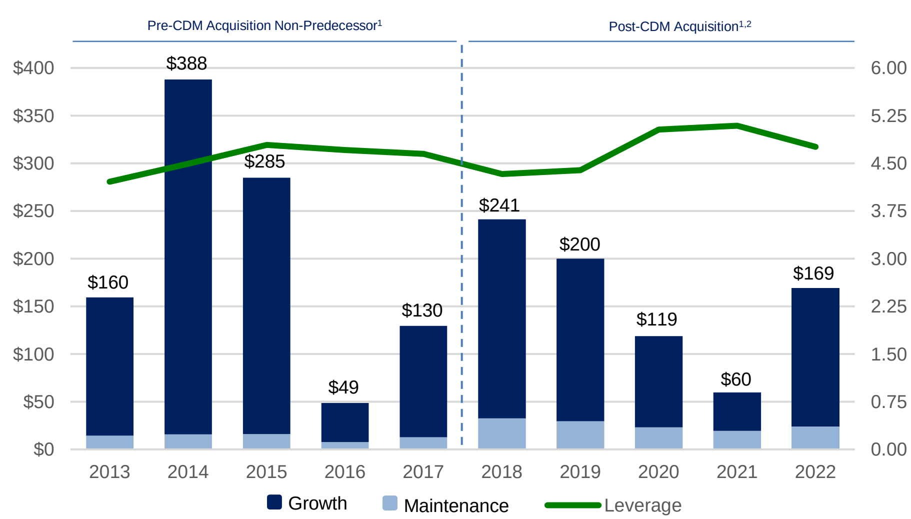
Average Revenue-generating HP (000s)



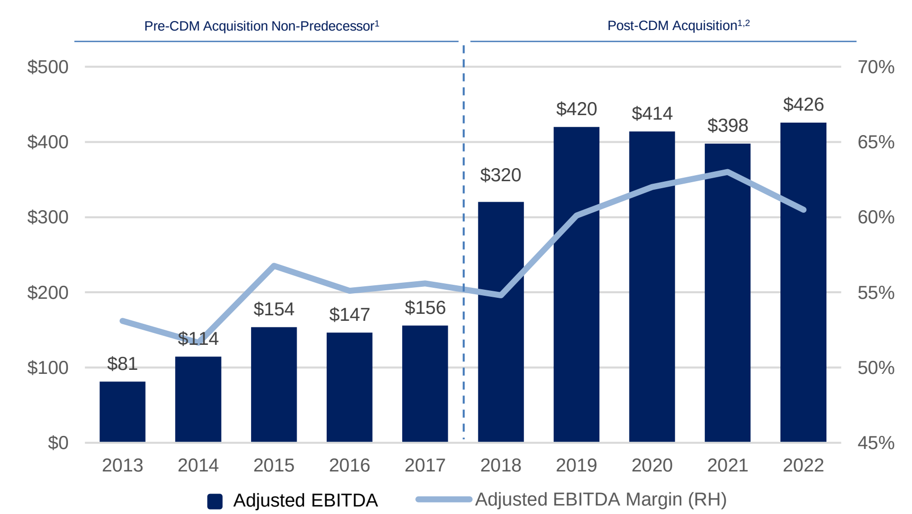
Revenue ($MM)



Total Capex ($MM) and Leverage Ratio



Adjusted EBITDA ($MM) and Margin Percentage[3]



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[3]See "Basis of Presentation; Explanation of Non-GAAP Financial Measures" for information on calculations of Adjusted EBITDA. Adjusted EBITDA Margin Percentage is calculated as a percentage of revenue.

Non-GAAP Reconciliations

$ in thousands	2022 Full Year	Q4	Q3	Q2	Q1
Total revenues	$ 704,598	$ 190,112	$ 179,613	$ 171,461	$ 163,412
Cost of operations, exclusive of depreciation and amortization	(234,336)	(65,993)	(59,453)	(55,158)	(53,732)
Depreciation and amortization	(236,677)	(59,882)	(58,772)	(58,959)	(59,064)
Gross margin	**$ 233,585**	**$ 64,237**	**$ 61,388**	**$ 57,344**	**$ 50,616**
Depreciation and amortization	236,677	59,882	58,772	58,959	59,064
Adjusted gross margin	**$ 470,262**	**$ 124,119**	**$ 120,160**	**$ 116,303**	**$ 109,680**

$ in thousands	2022 Full Year	Q4	Q3	Q2	Q1
Net income	$ 30,318	$ 8,366	$ 9,612	$ 9,086	$ 3,254
Interest expense, net	138,050	37,991	35,142	33,079	31,838
Depreciation and amortization	236,677	59,882	58,772	58,959	59,064
Income tax expense	1,016	359	376	255	26
EBITDA	**$ 406,061**	**$ 106,598**	**$ 103,902**	**$ 101,379**	**$ 94,182**
Unit-based compensation expense	15,894	6,178	3,008	2,998	3,710
Transaction expenses	27	—	—	—	27
Severance charges	982	107	624	—	251
Loss (gain) on disposition of assets	1,527	(443)	1,118	1,031	(179)
Impairment of compression equipment	1,487	551	504	—	432
Adjusted EBITDA	**$ 425,978**	**$ 112,991**	**$ 109,156**	**$ 105,408**	**$ 98,423**
Interest expense, net	(138,050)	(37,991)	(35,142)	(33,079)	(31,838)
Non-cash interest expense	7,265	1,814	1,814	1,815	1,822
Income tax expense	(1,016)	(359)	(376)	(255)	(26)
Transaction expenses	(27)	—	—	—	(27)
Severance charges	(982)	(107)	(624)	—	(251)
Other	(851)	65	(33)	(179)	(704)
Changes in operating assets and liabilities	(31,727)	5,686	(25,586)	20,518	(32,345)
Net cash provided by operating activities	**$ 260,590**	**$ 82,099**	**$ 49,209**	**$ 94,228**	**$ 35,054**

See definitions of Non-GAAP measures on Slide 23

USA COMPRESSION

Non-GAAP Reconciliations

	Post-CDM Acquisition					Pre-CDM Acquisition Non-Predecessor				
	Years Ended December 31,									
$ in thousands	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Net income (loss)	$ 30,318	$ 10,279	$ (594,732)	$ 39,132	$ (10,551)	$ 11,440	$ 12,935	$ (154,273)	$ 24,946	$ 11,071
Interest expense, net	138,050	129,826	128,633	127,146	78,377	25,129	21,087	17,605	12,529	12,488
Depreciation and amortization	236,677	238,769	238,968	231,447	213,692	98,603	92,337	85,238	71,156	52,917
Income tax expense (benefit)	1,016	874	1,333	2,186	(2,474)	538	421	1,085	103	280
EBITDA	**$ 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	15,894	15,523	8,400	10,814	11,740	11,708	10,373	3,863	3,034	1,343
Transaction expenses	27	34	136	578	4,181	1,406	894	—	1,299	2,142
Severance charges	982	494	3,130	831	3,171	314	577	—	—	—
Loss (gain) on disposition of assets and other	1,527	(2,588)	146	940	12,964	(17)	772	(1,040)	(2,198)	637
Impairment of compression equipment	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	**$ 425,978**	**$ 398,380**	**$ 413,898**	**$ 419,640**	**$ 320,475**	**$ 155,703**	**$ 146,648**	**$ 153,572**	**$ 114,409**	**$ 81,130**
Interest expense, net	(138,050)	(129,826)	(128,633)	(127,146)	(78,377)	(25,129)	(21,087)	(17,605)	(12,529)	(12,488)
Non-cash interest expense	7,265	9,765	8,402	7,607	5,080	2,186	2,108	1,702	1,189	1,839
Income tax (expense) benefit	(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	(27)	(34)	(136)	(578)	(4,181)	(1,406)	(894)	—	(1,299)	(2,142)
Severance charges	(982)	(494)	(3,130)	(831)	(3,171)	(314)	(577)	—	—	—
Riverstone management fee	—	—	—	—	—	—	—	—	—	(49)
Other	(851)	(2,742)	4,230	2,426	(2,030)	(490)	—	—	—	—
Changes in operating assets and liabilities	(31,727)	(8,702)	283	2,320	(13,221)	(3,758)	(20,588)	(17,552)	1,498	180
Net cash provided by operating activities	**$ 260,590**	**$ 265,425**	**$ 293,198**	**$ 300,580**	**$ 226,340**	**$ 124,644**	**$ 103,697**	**$ 117,401**	**$ 101,891**	**$ 68,190**

Note: Represents the results of operations of the USA Compression Predecessor only 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. See Slide 1 for more detail. 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 above under the heading “Pre-CDM Acquisition Non-Predecessor” 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. See definitions of Non-GAAP measures on Slide 23.

USA COMPRESSION

Non-GAAP Reconciliations

$ in thousands	2022 Full Year	Q4	Q3	Q2	Q1
Net income	$ 30,318	$ 8,366	$ 9,612	$ 9,086	$ 3,254
Non-cash interest expense	7,265	1,814	1,814	1,815	1,822
Depreciation and amortization	236,677	59,882	58,772	58,959	59,064
Non-cash income tax expense (benefit)	(151)	65	(33)	21	(204)
Unit-based compensation expense	15,894	6,178	3,008	2,998	3,710
Transaction expenses	27	—	—	—	27
Severance charges	982	107	624	—	251
Loss (gain) on disposition of assets	1,527	(443)	1,118	1,031	(179)
Impairment of compression equipment	1,487	551	504	—	432
Distributions on Preferred Units	(48,750)	(12,187)	(12,188)	(12,188)	(12,187)
Maintenance capital expenditures	(23,777)	(3,737)	(8,050)	(6,146)	(5,844)
Distributable Cash Flow	**$ 221,499**	**$ 60,596**	**$ 55,181**	**$ 55,576**	**$ 50,146**
Maintenance capital expenditures	23,777	3,737	8,050	6,146	5,844
Transaction expenses	(27)	—	—	—	(27)
Severance charges	(982)	(107)	(624)	—	(251)
Distributions on Preferred Units	48,750	12,187	12,188	12,188	12,187
Other	(700)	—	—	(200)	(500)
Changes in operating assets and liabilities	(31,727)	5,686	(25,586)	20,518	(32,345)
Net cash provided by operating activities	**$ 260,590**	**$ 82,099**	**$ 49,209**	**$ 94,228**	**$ 35,054**
Distributable Cash Flow	$ 221,499	$ 60,596	$ 55,181	$ 55,576	$ 50,146
Distributions for Distributable Cash Flow Coverage Ratio	$ 205,559	$ 51,570	$ 51,447	$ 51,419	$ 51,123
Distributable Cash Flow Coverage Ratio	1.08x	1.18x	1.07x	1.08x	0.98x

See definitions of Non-GAAP measures on Slide 23

USA COMPRESSION

Non-GAAP Reconciliations

2023 Guidance

	2023 Guidance	2022 Actual	Δ to 2023 Guidance Midpoint	Δ %
Net income	$75.0 to $95.0 million			
Plus: Interest expense, net	162.0 million			
Plus: Depreciation and amortization	237.0 million			
Plus: Income tax expense	1.0 million			
EBITDA	$475.0 million to $495.0 million			
Plus: Unit-based compensation expense	15.0 million			
Adjusted EBITDA	**$490.0 million to $510.0 million**	**$426.0 million**	**$74.0 million**	**17%**
Less: Cash interest expense	154.0 million			
Less: Current income tax expense	1.0 million			
Less: Maintenance capital expenditures	26.0 million			
Less: Distributions on Preferred Units	49.0 million			
Distributable Cash Flow	**$260.0 million to $280.0 million**	**$221.5 million**	**$48.5 million**	**22%**
Distributable Cash Flow Coverage Ratio[1]	**1.26x to 1.36x**	**1.08x**	**0.23x**	**21%**

[1]Assumes full-year 2023 distributions based on 98.2mm common units outstanding as of December 31, 2022, and a flat full-year distribution per unit of $2.10 for 2023.

See definitions of Non-GAAP measures on Slide 23

Basis of Presentation; Explanation of Non-GAAP Financial Measures

This presentation includes the 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 is 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 measure not defined under U.S. generally accepted accounting principles ("GAAP"), is defined by USAC as net income (loss) before net interest expense, depreciation and amortization expense, and income tax expense (benefit). Adjusted EBITDA, which also is a non-GAAP measure, is defined by USAC as EBITDA plus impairment of compression equipment, impairment of goodwill, interest income on capital leases, unit-based compensation expense, severance charges, management fees, certain transaction expenses, loss (gain) on disposition of assets, 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, impairment of compression equipment, impairment of goodwill, certain transaction expenses, severance charges, loss (gain) on disposition of assets, 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 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 2023 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 cash 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.