



USA Compression Partners, LP

2022 Energy Infrastructure Council

Investor Conference

May 16-17, 2022

Disclaimer

This presentation contains forward-looking statements relating 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 the long-term supply of and demand for crude oil and natural gas, including as a result of the severity and duration of world health events, changes in general economic conditions, including inflation or supply chain disruptions, and changes in economic conditions of the crude oil and natural gas industries, including any impact from the military conflict involving Russia and Ukraine, competitive conditions in our industry, including competition for employees in a tight labor market, renegotiation of material terms of customer contracts, actions taken by our customers, competitors and third-party operators and changes in the availability and cost of capital, including changes to interest rates 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, 2021 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 could also 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 consummated 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 are also 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 Overview



USAC Overview

Large Horsepower Strategy Critical for Domestic Natural Gas Infrastructure

Business Snapshot

- USAC provides compression services across a geographically–diversified operating area
- 23-year history with primary focus on large horsepower (1,000 HP+) applications
- “Southwest Airlines” standardized business model
- Focus areas: Permian/Delaware; Marcellus/Utica; Mid-Continent/SCOOP/STACK; S. Texas; E. Texas; Louisiana; Rockies
- Active Fleet: 3.0mm Horsepower
 - >70% is greater than 1,000 HP
- 86% Utilization

USAC Market Statistics

- Public since 1/2013 (NYSE: USAC)
- Current Unit Price: \$17.19
- Avg. Daily Trading Volume: ~225,000 units
- IDRs Eliminated

(\$ in billions)	
LP Equity Value	\$1.7 billion
Preferred Equity	0.5 billion
ABL	0.6 billion
Sr. Notes	<u>1.5 billion</u>
Total Long-Term Debt	2.0 billion
Enterprise Value	\$4.2 billion

Note: Market data as of May 12, 2022. Financial and operational data as of March 31, 2022.

Q1 2022 Recap

Activity Has Picked Up at Start of the Year

Operational Update

- Q1 2022 fleet HP of 3.7 million / average revenue generating HP of 3.0 million
- Q1 2022 average horsepower utilization of ~85% (up 2% Q-o-Q)
- Q1 Growth Capex: ~\$20mm (new units & reconfigurations)
- Increased customer budgets being utilized; strong commodity backdrop supportive; customer sentiment much improved as 2022 starts

Financial Update

- Q1 demonstrated stability; margins remain at attractive levels
 - Adjusted EBITDA of ~\$98mm
 - Distributable Cash Flow (“DCF”) of ~\$50mm
- Q1 adjusted gross margin percentage of 67%, Adjusted EBITDA margin of 60%
- Common unit distribution of \$0.525 for Q1; DCF coverage of 0.98x

2022 Guidance

- Confirmed existing 2022 guidance
 - Adjusted EBITDA: \$406mm – \$426mm
 - DCF: \$213mm – \$233mm

*Q1 2022 highlighted continued business stabilization;
Signs of pickup in activity as quarter progressed*

USAC Operates Critical Assets with Positive Fundamentals

Natural Gas Has Proven Itself as a Long-Term Fuel; Compression is Critical!

Supportive Macro: Gas Isn't Going Anywhere

- Bullish on demand for natural gas, both in US and globally
- LNG exports, petchem feedstock and power gen driving continued gas usage
- Natural gas demand/production expected to increase through 2050 ⁽¹⁾

High Quality Assets in Right Places with Strong Customers

- New vintage, standardized fleet focused on high quality CAT/Ariel machines
- Geographic diversity, but significant density where the gas is: Permian/Delaware & Northeast
- Strong counterparties – active customers (major oil & gas, large independent E&Ps, midstream)

Established Company with History of Stability

- Providing large horsepower compression services for >23 years
- Performance throughout price cycles; no direct commodity exposure
- Stable distribution history: >\$1.3 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.

Why Focus on Midstream Compression?

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	Larger-to-Extra Large (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 results in more stability throughout commodity price cycles

USAC Customer Overview

Top 20 Customers: Diverse Counterparties & 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	9%	> 10 Years	280K	Independent Public E&P	2%	> 10 Years	64K
Major O&G	6%	> 10 Years	125K	Private Midstream	2%	> 5 Years	64K
Major O&G	5%	> 10 Years	138K	Private Midstream	2%	> 5 Years	72K
Independent Public E&P	4%	> 5 Years	100K	Private Midstream	2%	< 5 Years	25K
Midstream Unit of Public Utility	3%	> 10 Years	145K	Independent Public E&P	2%	> 10 Years	58K
Public Midstream	3%	> 5 Years	106K	Public Midstream	2%	> 5 Years	56K
Large Private E&P	3%	> 10 Years	89K	Independent Public E&P	2%	< 5 Years	47K
Independent Public E&P	2%	> 5 Years	56K	Private Midstream	2%	< 5 Years	47K
Large Public MLP	2%	> 10 Years	58K	Independent Public E&P	2%	> 5 Years	50K
Private Midstream	2%	> 5 Years	78K	Independent Public E&P	1%	> 10 Years	44K
USAC #1-10	39%		1,175K	USAC #11-20	17%		527K

- USAC standalone has historically had very little bad debt write-offs; in fact, over the last 17 years, USAC has written off only ~\$3.3 million in bad debts
 - Equates to 0.07% of total billings (~\$4.6 billion) over same period ⁽²⁾

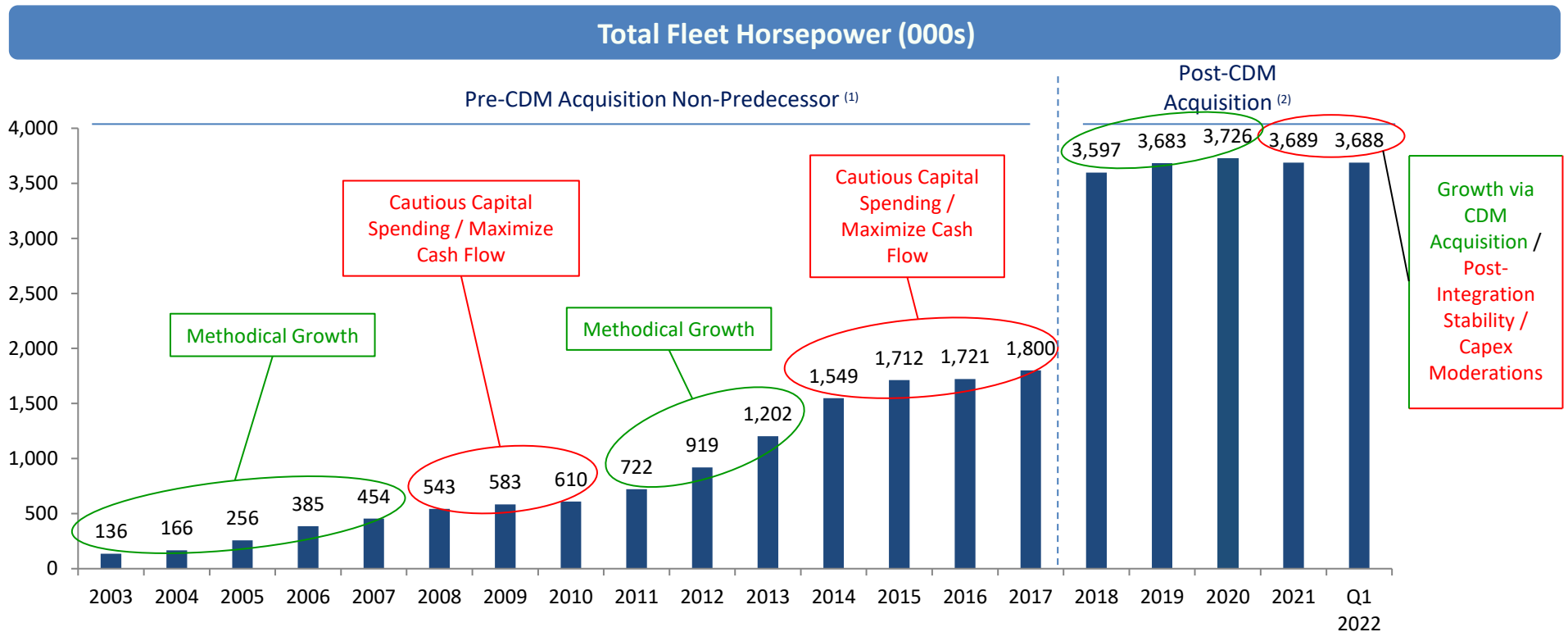
1. Represents recurring revenues for the 3 months ended March 31, 2022.

2. 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 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 2 for more detail.

Business Model Allows for Prudent Capital Spending.....

Historical Balance Between Capital Spending and Cash Flow Stability

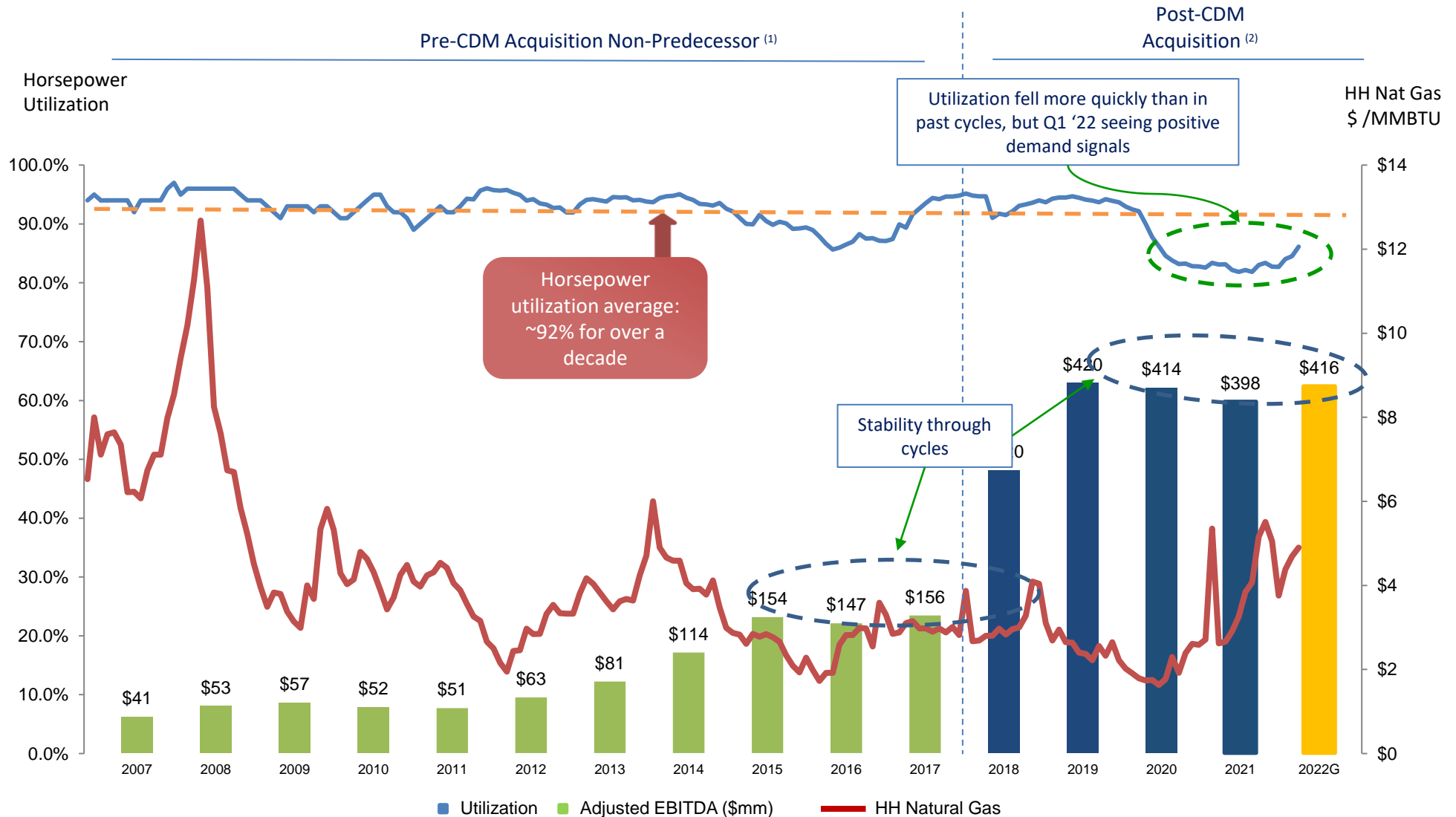
- Large HP focus ideally suited for growth and stability
- Assets provide growth based on marketplace demands
- Ability to rein in spending and operate for stable cash flow when market softens
- Largely agnostic to commodity prices; tied more to overall production of (and demand for) natural gas



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2. Represents the results of operations of the Partnership, which includes the USA Compression Predecessor, following the Transactions.

.....Leading to Cash Flow and Asset Stability Through Cycles



Note: "2022G" Represents Midpoint of 2022 Adjusted EBITDA guidance.

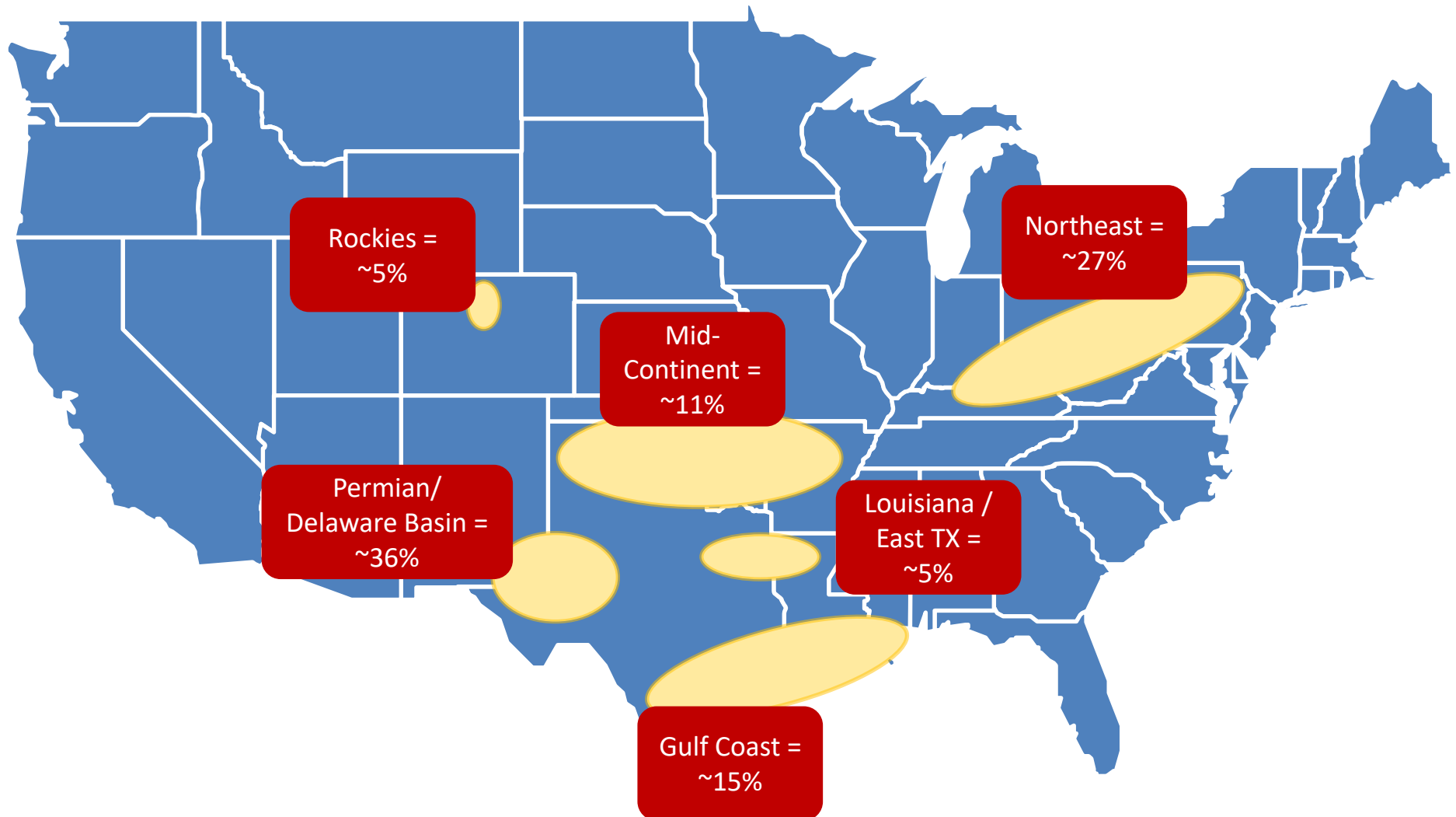
Source: EIA.

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Diversification – The “Right” Operating Regions

Dry Gas Areas Have Seen Increased Activity Lately



Note: Regional % breakdowns represent active fleet horsepower at March 31, 2022; excludes non-compression equipment.

Natural Gas: Not Going Away!

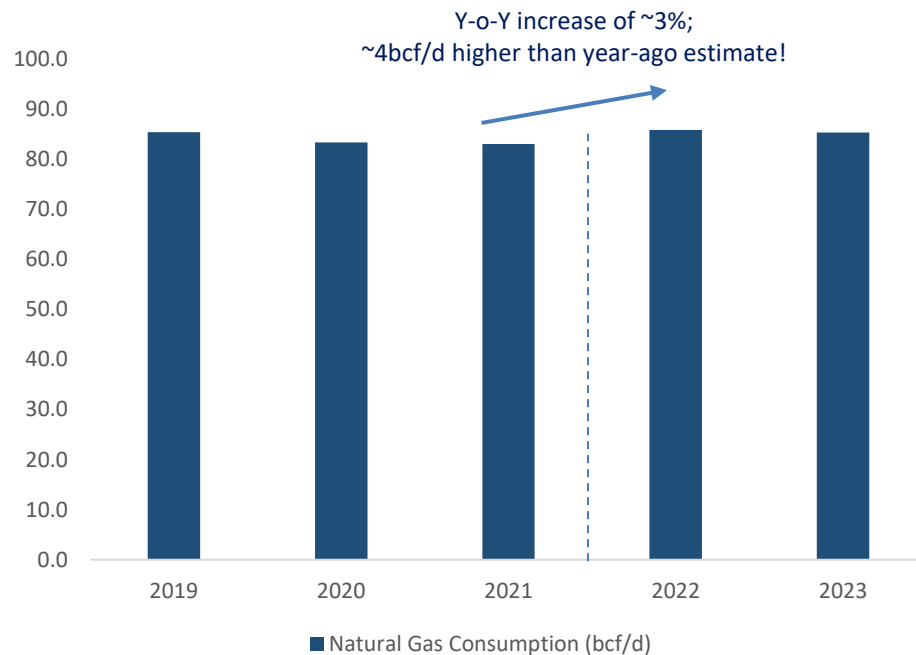


Resilient US Natural Gas Demand in 2021

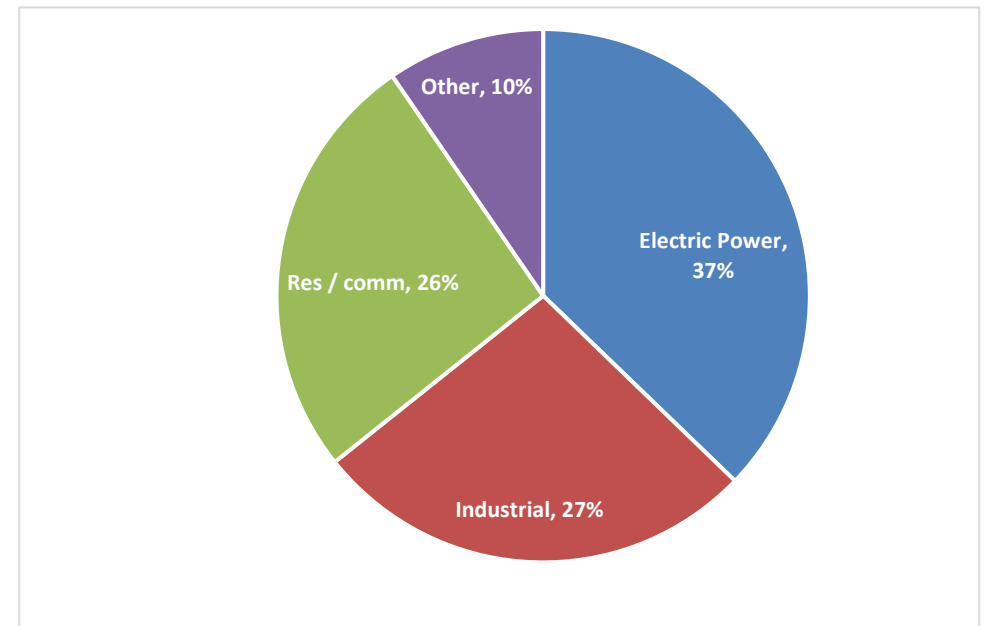
2022 Nat Gas Demand Up Meaningfully from 2021 & Previous Estimates

- Natural gas now seemingly playing a greater role in the US & global economy
- Critical fuel for economy: power generation, industrial feedstock and residential/commercial demand = 90%+ of usage
- While 2022 consumption expected to be up ~3%, steadiness underscores the baseload nature of natural gas as a fuel

US Natural Gas Consumption ⁽¹⁾



Consumption of Natural Gas in 2021 ⁽¹⁾



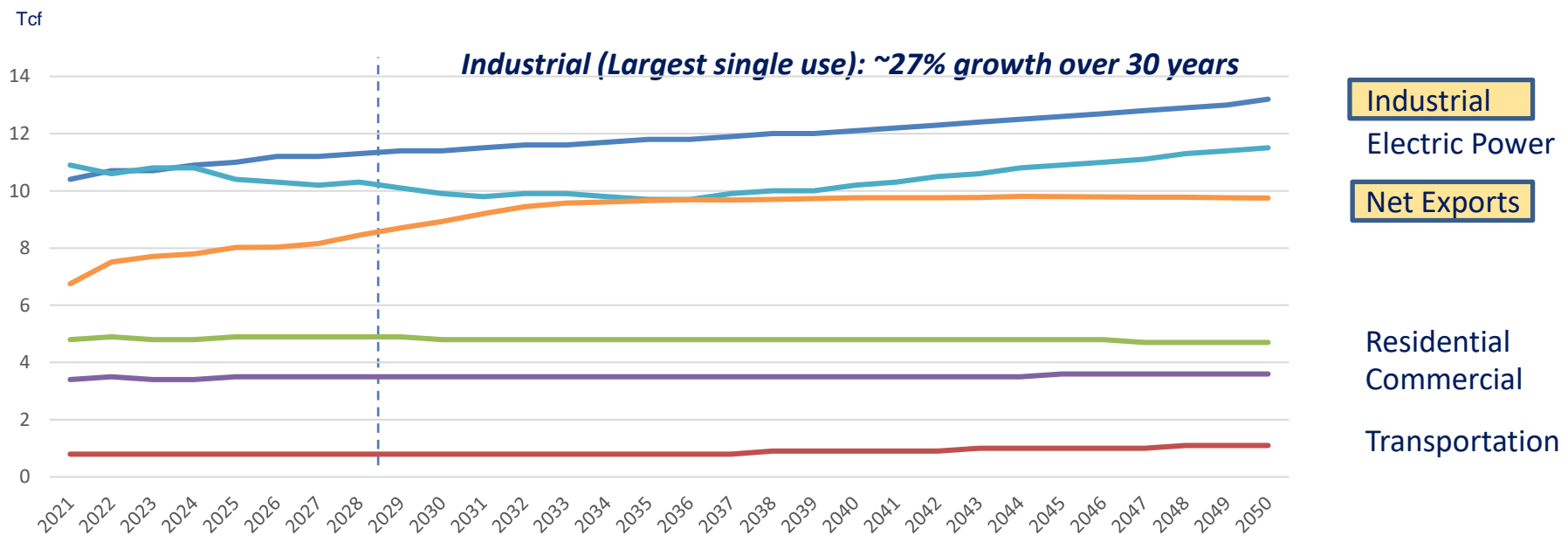
1. Source: EIA Short Term Energy Outlook, May 2022.

Longer Term Natural Gas Demand Growing

Driven by Industrial Use and LNG Exports

- Consumption growth between 2020 and 2050 concentrated in exports and industrial use:
 - Net exports (primarily LNG) add ~3 Tcf/year by 2050
 - Record LNG volumes continue to leave domestic ports
 - Industrial uses add ~3 Tcf/year by 2050 as well
 - Economic growth driving increased industrial output (chemical industry) combined with ample supply

Annual US Natural Gas Consumption by Sector ⁽¹⁾



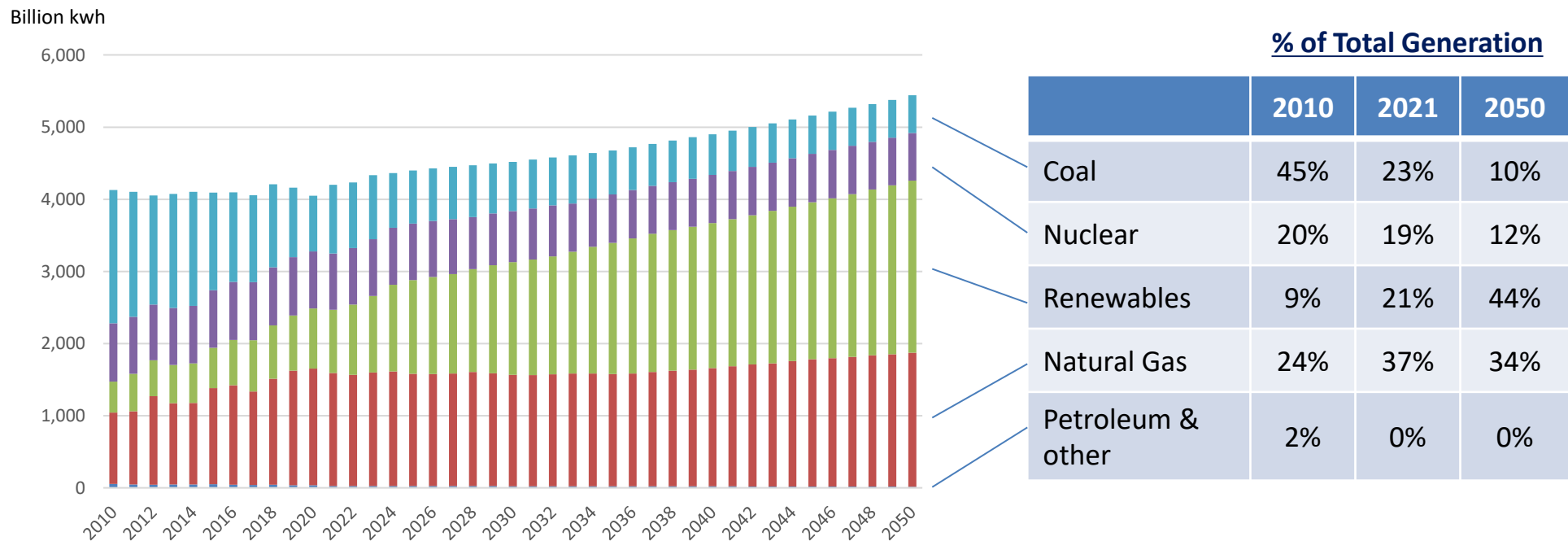
1. EIA Annual Energy Outlook February 2022.

Natural Gas Remains Critical to US Electricity Production

Renewables Becoming More Important, But Nat Gas Remains Vital for Electricity

- More electricity in the US is produced from natural gas than any other fuel
- While renewable energy projected to gain share, natural gas will remain critical for electricity generation
- Natural gas-fired generators expected to represent ~40% of power generation additions through 2050 ⁽¹⁾

US Electricity Generation by Fuel ⁽¹⁾



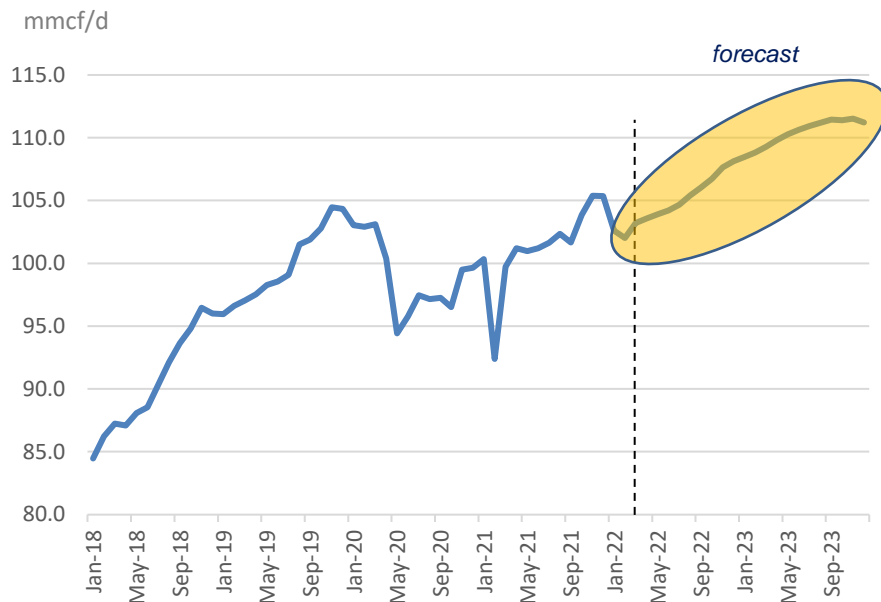
1. EIA Annual Energy Outlook, February 2022.

Natural Gas Production

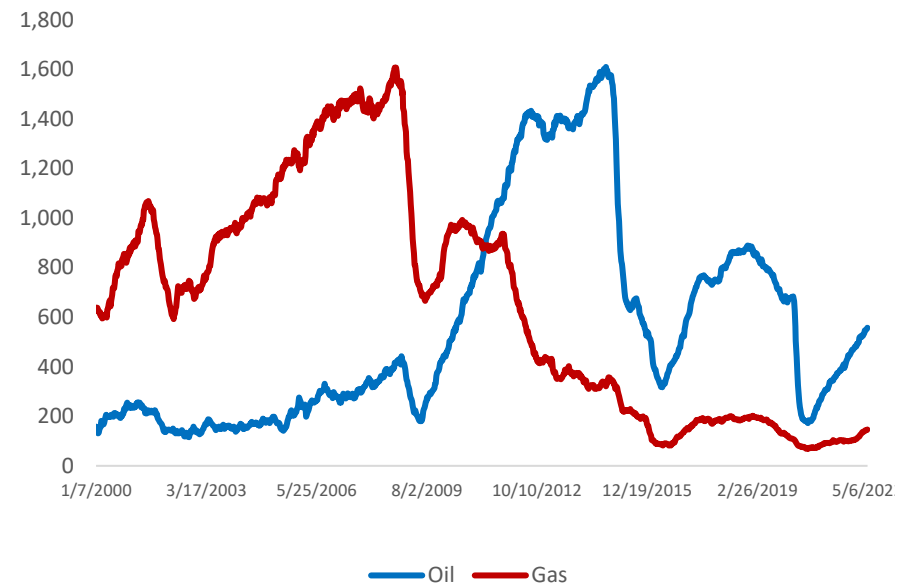
E&P Activity Picking Back Up, Driven by Resilient Demand; Supported by Commodity Prices

- After E&P activity curtailment in 2020/2021, attractive demand signals have led producers to increase activity, leading to increased natural gas production
 - Forward years primarily reflect increases in exports and industrial use
- After decreasing ~70% off pre-pandemic highs, total US rig count is almost back to March 2020 levels ⁽¹⁾
 - Strong oil & natural gas prices have supported increase in both; however, the percentage increase YTD in gas-directed rigs is 2x oil-directed rigs
 - Drilling efficiencies and well characteristics expected to allow for continued production without moving back to historical rig count highs

US Natural Gas Withdrawals ⁽²⁾



Domestic Rig Count ⁽¹⁾



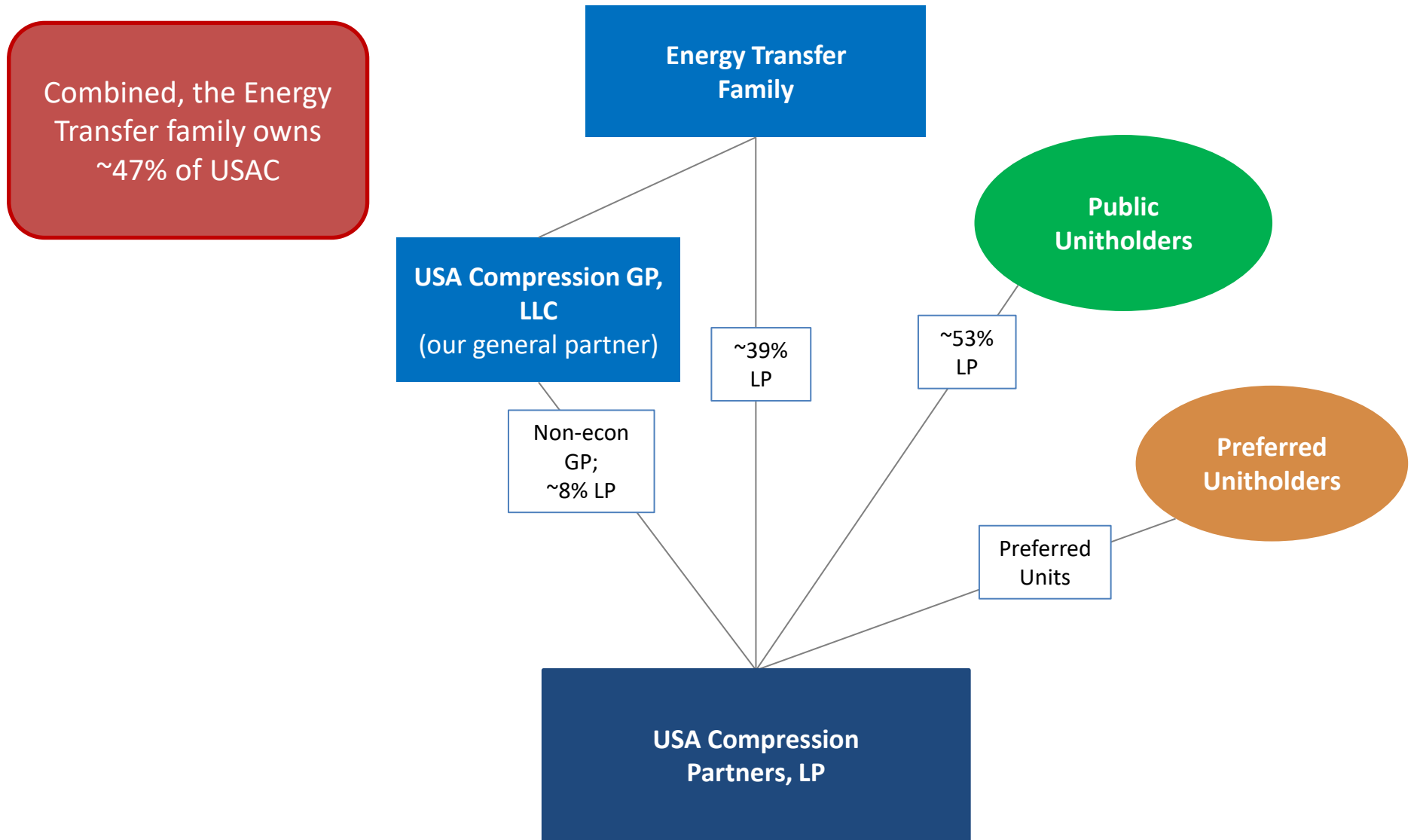
1. Source: Baker Hughes, through May 6, 2022.

2. Source: EIA Short Term Energy Outlook, May 2022.

Appendix



Organizational Chart



Note: Percentages reflect USAC unit count as of May 10, 2022.

Large Horsepower Gas Applications Drive Stability

Compression Unit Size Matters

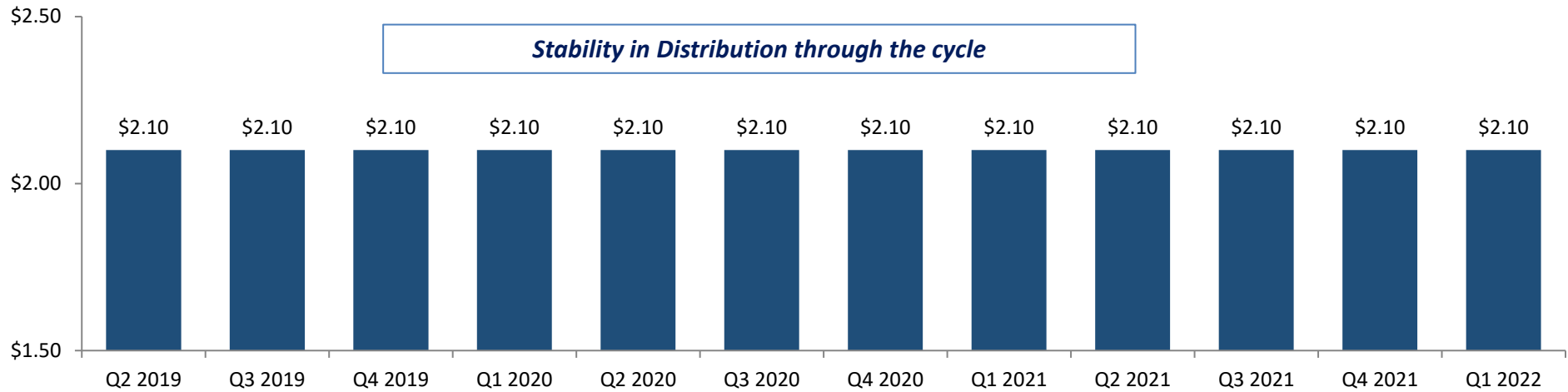


Gas Compression Industry: Key Characteristics by Size						
	Small - Medium	Large	X Large	XX Large	XXX Large	Commentary
Compression Unit HP Range	0 – 400 HP	400 – 1,000 HP	1,000 – 1,500 HP	1,500 – 2,300 HP	2,300 – 5,000+ HP	More horsepower needed to move larger gas volumes
Gas Vol (MMcf/d)	0.90	3.20	5.0	8.0	13.0	
Size (L x W x H, ft.)	21 x 12 x 11	33 x 19 x 16	38 x 27 x 20	43 x 34 x 20	80 x 17x 28	Increasing size, transportation & demobilization costs create <u>significant 'barriers to exit'</u>
Weight (lbs.)	~40,000	~85,000	~185,000	~250,000+	~400,000+	
Transportation Requirements	1 F350	2 x 18-wheelers	3 x 18-wheelers	5 x 18-wheelers	8 x 18-wheelers	
De-mobilization Costs (cust pays)	< \$10K	~\$25K	~\$60K	\$100K+	\$200K+	Larger units = longer deployment
Typical Contract Length	1 – 12 mos	6 months – 2 years	2 – 5 years	2 – 5 years	2 – 5 years +	

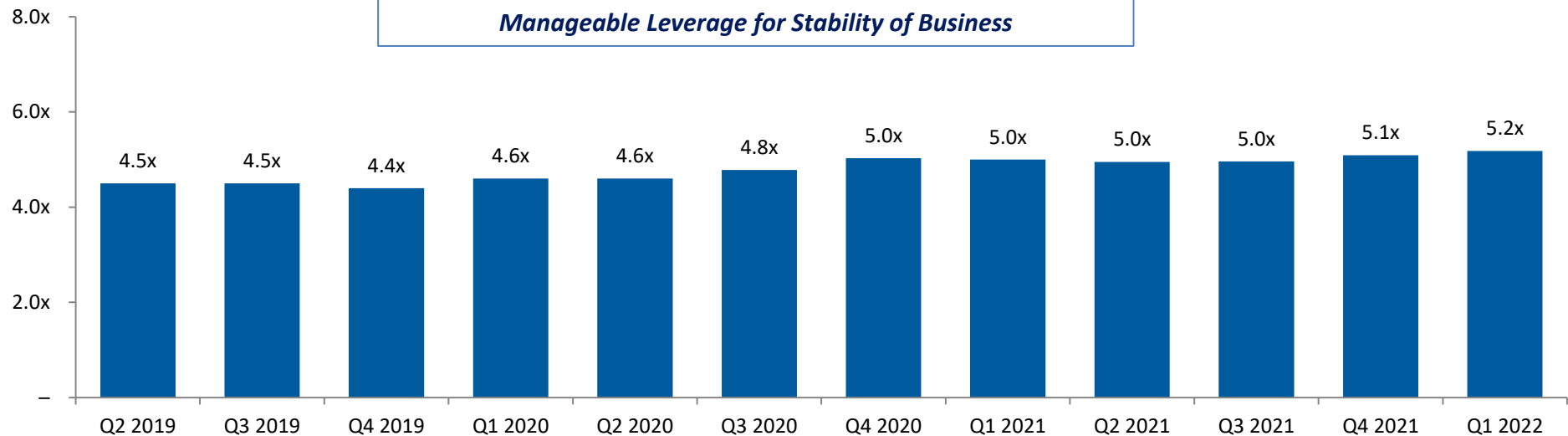
Note: Used CAT 3306TA, CAT 3508TALE, CAT 3516BLE, CAT 3606TALE and CAT 3608TALE as representative units for Small - Medium, Large, X Large, XX Large and XXX Large horsepower categories, respectively. Gas volumes based on 50 psi suction pressure and 1,200 psi discharge pressure.

Balancing Distribution Stability and Leverage

Annualized Distributions per Common Unit



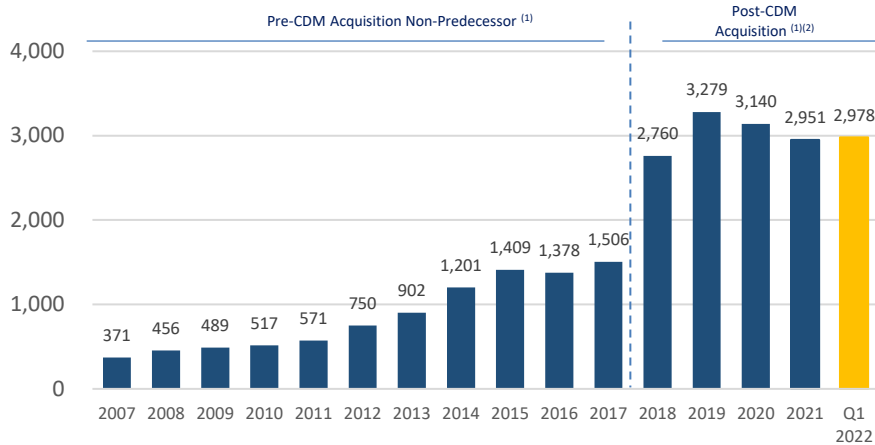
USAC Historical Leverage ⁽¹⁾



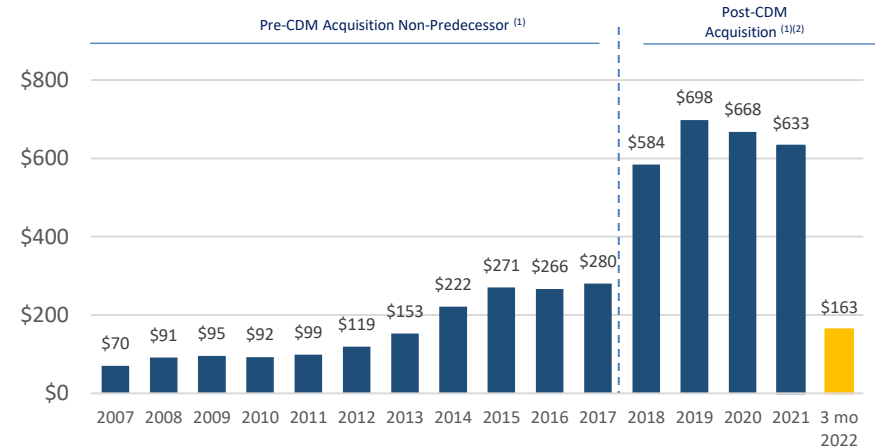
1. Historical leverage calculated as total debt divided by annualized quarterly Adjusted EBITDA for the applicable quarter, in accordance with our current Credit Agreement. Actual historical leverage may differ based on certain adjustments.

Operational and Financial Performance

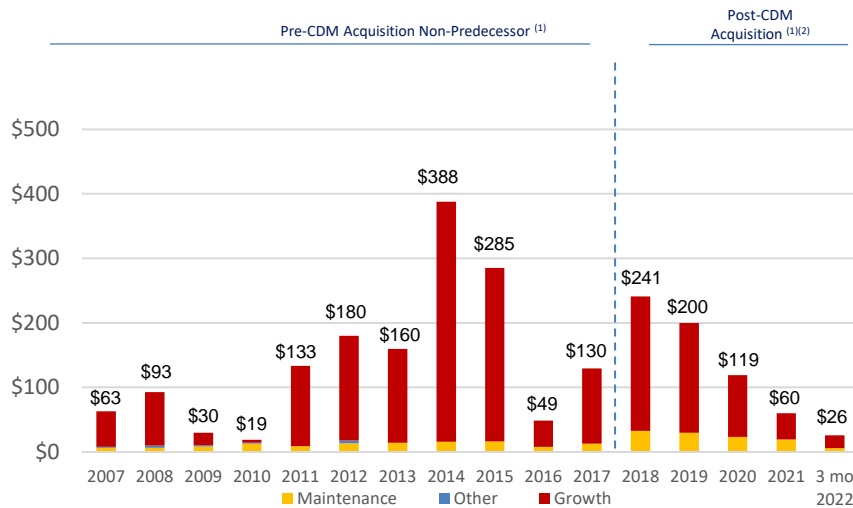
Avg. Revenue Generating HP (000s)



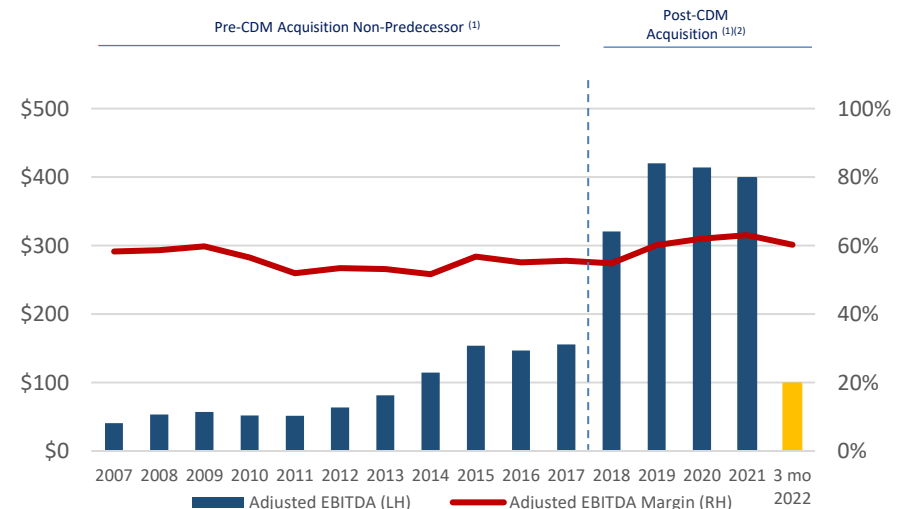
Revenue (\$MM)



Total Capex (\$MM)



Adjusted EBITDA (\$MM) & Margin Percentage⁽³⁾



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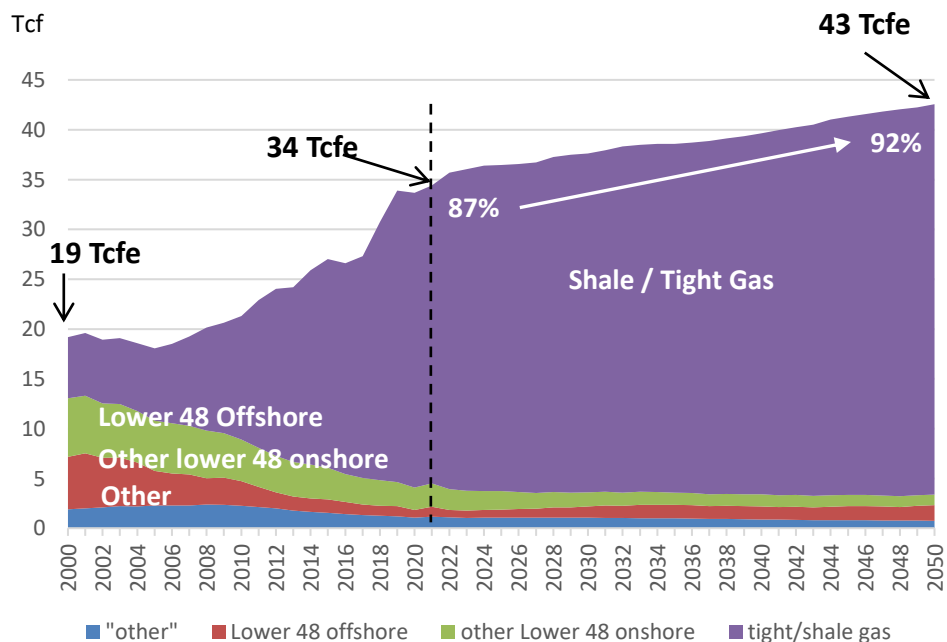
3. See "Basis of Presentation; Explanation of Non-GAAP Financial Measures" for information on calculations of Adjusted EBITDA. Adjusted EBITDA Margin Percentage is calculated as a percentage of revenue.

Macro Thesis: The “Shift to Shale”

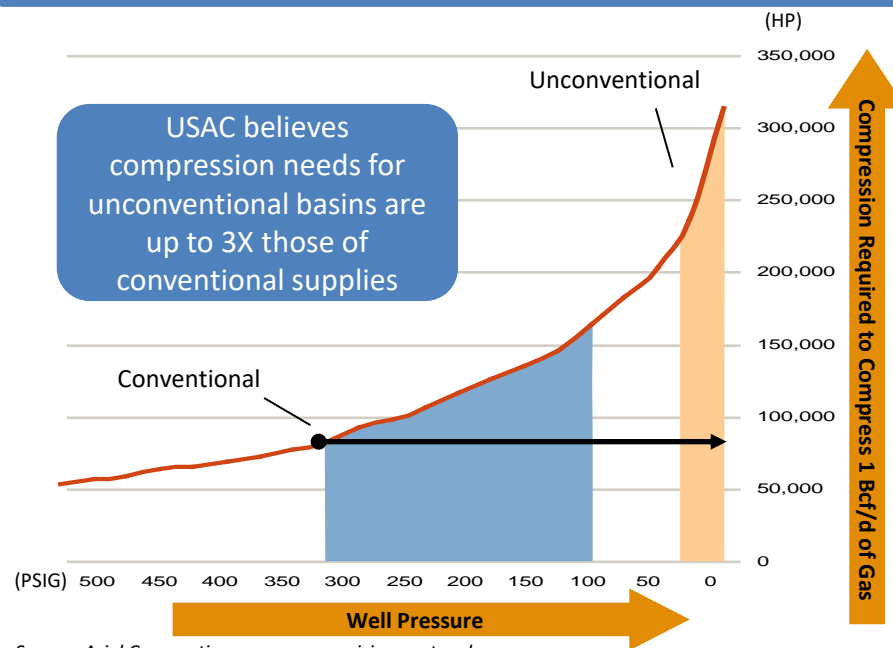
Shale Gas Expected to Continue to be the Primary Source of US Natural Gas

- **Shale Dominance:** Production from shale shadows all other sources
 - 2021 est. ~30 Tcfe of shale / tight gas production (87% of total); growing to 92% by 2050
- **Pie Getting Bigger:** EIA projecting ~43 Tcfe of total production by 2050
- Shale gas is typically produced at lower wellhead pressures (0-50 PSIG) in contrast to conventional gas wells (100-300 PSIG)
- Pipeline specifications remain constant – requiring gas pressure to be increased significantly to move gas into and through pipelines
- As a result, to move the same amount of gas requires significantly more compression

Natural Gas Production by Type



Shale Production Drives Increasing Compression Requirements ⁽¹⁾

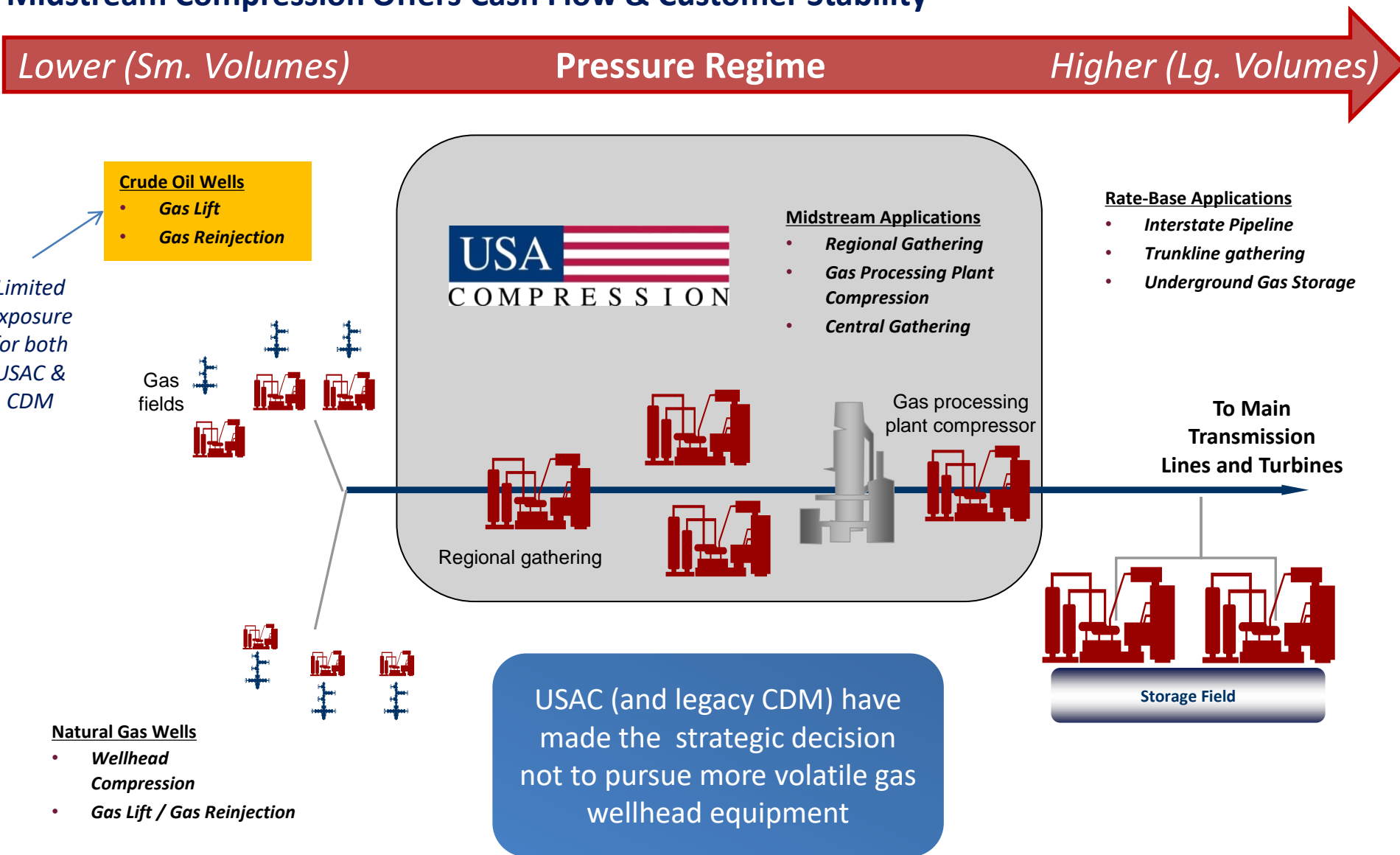


Source: Ariel Corporation: compressor sizing protocol.
 (1) Assumes Discharge Pressure = 1,200 PSIG.

Source: U.S. Energy Information Administration, Annual Energy Outlook 2022.

Compression Throughout the Value Chain

Midstream Compression Offers Cash Flow & Customer Stability



Non-GAAP Reconciliations

	Three Months Ended	
	March 31, 2022	December 31, 2021
<i>(\$ in 000's)</i>		
Total revenues	\$ 163,412	\$ 159,943
Cost of operations, exclusive of depreciation and amortization	(53,732)	(50,998)
Depreciation and amortization	(59,064)	(59,247)
Gross margin	\$ 50,616	\$ 49,698
Depreciation and amortization	59,064	59,247
Adjusted gross margin	\$ 109,680	\$ 108,945

Non-GAAP Reconciliations

	Three Months Ended	
	March 31, 2022	December 31, 2021
<i>(\$ in 000's)</i>		
Net income (loss)	\$ 3,254	\$ 3,105
Interest expense, net	31,838	32,966
Depreciation and amortization	59,064	59,247
Income tax expense	26	284
EBITDA	\$ 94,182	\$ 95,602
Unit-based compensation expense	3,710	3,599
Transaction expenses	27	34
Severance charges	251	78
Gain on disposition of assets	(179)	(276)
Impairment of compression equipment	432	168
Adjusted EBITDA	\$ 98,423	\$ 99,205
Interest expense, net	(31,838)	(32,966)
Non-cash interest expense	1,822	2,899
Income tax expense	(26)	(284)
Transaction expenses	(27)	(34)
Severance charges	(251)	(78)
Other	(704)	(241)
Changes in operating assets and liabilities	(32,345)	12,556
Net cash provided by operating activities	\$ 35,054	\$ 81,057

Non-GAAP Reconciliations, cont'd.

(\$ in 000's)	Years Ended December 31,														
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net income (loss)	\$ 3,254	\$ (594,732)	\$ 39,132	\$ (10,551)	\$ 11,440	\$ 12,935	\$ (154,273)	\$ 24,946	\$ 11,071	\$ 4,503	\$ 69	\$ 10,479	\$ 21,228	\$ 20,911	\$ 7,122
Interest expense, net	31,838	128,633	127,146	78,377	25,129	21,087	17,605	12,529	12,488	15,905	12,970	12,279	10,043	14,003	16,468
Depreciation and amortization	59,064	238,968	231,447	213,692	98,603	92,337	85,238	71,156	52,917	41,880	32,738	24,569	22,957	18,016	13,437
Income tax expense (benefit)	26	1,333	2,186	(2,474)	538	421	1,085	103	280	196	155	155	190	119	155
EBITDA	94,182	(225,798)	399,911	279,044	135,710	126,780	(50,345)	108,734	76,756	62,484	45,932	47,482	54,418	53,049	37,182
Interest income on capital lease	—	383	672	709	1,610	1,492	1,631	1,274	—	—	—	—	—	—	—
Unit-based compensation expense	3,710	8,400	10,814	11,740	11,708	10,373	3,863	3,034	1,343	—	—	382	269	225	2,352
Transaction expenses	27	136	578	4,181	1,406	894	—	1,299	2,142	—	—	—	—	—	—
Severance charges	251	3,130	831	3,171	314	577	—	—	—	—	—	—	—	—	—
Loss (gain) on disposition of assets and other	(179)	146	940	12,964	(17)	772	(1,040)	(2,198)	637	—	—	—	—	—	—
Impairment of compression equipment	432	8,090	5,894	8,666	4,972	5,760	27,274	2,266	203	—	—	—	1,677	—	1,028
Impairment of goodwill	—	619,411	—	—	—	—	172,189	—	—	—	—	—	—	—	—
Equipment operating lease expense	—	—	—	—	—	—	—	—	—	—	4,053	2,285	553	—	—
Riverstone management fee	—	—	—	—	—	—	—	—	49	1,000	1,000	—	—	—	—
Restructuring charges	—	—	—	—	—	—	—	—	—	—	300	—	—	—	—
Fees and expenses related to the Holdings Acquisition	—	—	—	—	—	—	—	—	—	—	—	1,838	—	—	—
Adjusted EBITDA	98,423	413,898	419,640	320,475	155,703	146,648	153,572	114,409	81,130	63,484	51,285	51,987	56,917	53,274	40,562
Interest expense, net	(31,838)	(128,633)	(127,146)	(78,377)	(25,129)	(21,087)	(17,605)	(12,529)	(12,488)	(15,905)	(12,970)	(12,279)	(10,043)	(14,003)	(16,468)
Non-cash interest expense	1,822	8,402	7,607	5,080	2,186	2,108	1,702	1,189	1,839	(58)	(920)	3,362	288	201	1,666
Income tax (expense) benefit	(26)	(1,333)	(2,186)	2,474	(538)	(421)	(1,085)	(103)	(280)	(196)	(155)	(155)	(190)	(119)	(155)
Interest income on capital lease	—	(383)	(672)	(709)	(1,610)	(1,492)	(1,631)	(1,274)	—	—	—	—	—	—	—
Transaction expenses	(27)	(136)	(578)	(4,181)	(1,406)	(894)	—	(1,299)	(2,142)	—	—	—	—	—	—
Severance charges	(251)	(3,130)	(831)	(3,171)	(314)	(577)	—	—	—	—	—	—	—	—	—
Equipment operating lease expense	—	—	—	—	—	—	—	—	—	—	(4,053)	(2,285)	(553)	—	—
Riverstone management fee	—	—	—	—	—	—	—	—	(49)	(1,000)	(1,000)	—	—	—	—
Restructuring charges	—	—	—	—	—	—	—	—	—	—	(300)	—	—	—	—
Fees and expenses related to the Holdings Acquisition	—	—	—	—	—	—	—	—	—	—	—	(1,838)	—	—	—
Other	(704)	4,230	2,426	(2,030)	(490)	—	—	—	—	—	—	—	—	—	—
Changes in operating assets and liabilities	(32,345)	283	2,320	(13,221)	(3,758)	(20,588)	(17,552)	1,498	180	(4,351)	1,895	(220)	(3,474)	1,346	836
Net cash provided by operating activities	\$ 35,054	\$ 293,198	\$ 300,580	\$ 226,340	\$ 124,644	\$ 103,697	\$ 117,401	\$ 101,891	\$ 68,190	\$ 41,974	\$ 33,782	\$ 38,572	\$ 42,945	\$ 40,699	\$ 26,441

Notes: 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 2 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 2 for more detail.

Non-GAAP Reconciliations, cont'd.

	Three Months Ended	
	March 31, 2022	December 31, 2021
<i>(\$ in 000's)</i>		
Net income (loss)	\$ 3,254	\$ 3,105
Non-cash interest expense	1,822	2,899
Depreciation and amortization	59,064	59,247
Non-cash income tax expense (benefit)	(204)	59
Unit-based compensation expense	3,710	3,599
Transaction expenses	27	34
Severance charges	251	78
Gain on disposition of assets	(179)	(276)
Impairment of compression equipment	432	168
Distributions on Preferred Units	(12,187)	(12,187)
Maintenance capital expenditures	(5,844)	(4,687)
Distributable Cash Flow	\$ 50,146	52,039
Maintenance capital expenditures	5,844	4,687
Transaction expenses	(27)	(34)
Severance charges	(251)	(78)
Distributions on Preferred Units	12,187	12,187
Other	(500)	(300)
Changes in operating assets and liabilities	(32,345)	12,556
Net cash provided by operating activities	\$ 35,054	\$ 81,057
Distributable Cash Flow	\$ 50,146	\$ 52,039
Distributions for Distributable Cash Flow Coverage Ratio	\$ 51,123	\$ 51,106
Distributable Cash Flow Coverage Ratio	0.98x	1.02x

Non-GAAP Reconciliations, cont'd.

2022 Guidance

	<u>Guidance</u>
Net income	\$33.0 to \$53.0 million
Plus: Interest expense, net	129.0 million
Plus: Depreciation and amortization	229.0 million
Plus: Income tax expense	1.0 million
EBITDA	\$392.0 million to \$412.0 million
Plus: Unit-based compensation expense	14.0 million
Adjusted EBITDA	\$406.0 million to \$426.0 million
Less: Cash interest expense	120.0 million
Less: Current income tax expense	1.0 million
Less: Maintenance capital expenditures	23.0 million
Less: Distributions on Preferred Units	49.0 million
Distributable Cash Flow	\$213.0 million to \$233.0 million

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.

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 lease, unit-based compensation expense, restructuring/severance charges, management fees, expenses under our operating lease with Caterpillar, 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: (1) 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; (2) the viability of capital expenditure projects and the overall rates of return on alternative investment opportunities; (3) the ability of the Partnership’s assets to generate cash sufficient to make debt payments and pay distributions; and (4) 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 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 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 as a supplemental measure of the Partnership’s operating profitability. Adjusted gross 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.

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 basic cash flows 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 the Partnership expects to pay its common unitholders. See previous slides for 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 2022 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 EBITDA, Adjusted gross margin and Distributable Cash Flow should not be considered an alternative to, or more meaningful than, net income (loss), operating income, 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, Adjusted EBITDA, Adjusted gross margin and Distributable Cash Flow as presented may not be comparable to similarly titled measures of other companies because other entities may not calculate such measures in the same manner.

The Partnership 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.

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 allows management, investors and others to gauge our ability to pay cash distributions to common unitholders using the cash flows we generate. Our Distributable Cash Flow Coverage Ratio as presented may not be comparable to similarly titled measures of other companies.