EVOQUA
WATER TECHNOLOGIES

First Quarter 2019 Earnings

February 5, 2019

TRANSFORMING WATER. ENRICHING LIFE.™

Forward-Looking Statement Safe Harbor

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All of these forward-looking statements are based on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important factors may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements, or could affect our share price. Some of the factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include among other things, general global economic and business conditions; our ability to compete successfully in our markets; our ability to execute projects in a timely manner; our ability to accurately predict the timing of contract awards; material and other cost inflation and our ability to mitigate the impact of inflation by increasing selling prices and improving our productivity efficiencies; our ability to achieve the expected benefits of our restructuring actions and restructuring our business into two segments; our ability to continue to develop or acquire new products, services and solutions and adapt our business to meet the demands of our customers, comply with changes to government regulations and achieve market acceptance with acceptable margins; our ability to implement our growth strategy, including acquisitions and our ability to identify suitable acquisition targets; our ability to operate or integrate any acquired businesses, assets or product lines profitably or otherwise successfully implement our growth strategy; delays in enactment or repeals of environmental laws and regulations; the potential for us to become subject to claims relating to handling, storage, release or disposal of hazardous materials; risks associated with product defects and unanticipated or improper use of our products; the potential for us to incur liabilities to customers as a result of warranty claims or failure to meet performance guarantees; our ability to meet our customers' safety standards or the potential for adverse publicity affecting our reputation as a result of incidents such as workplace accidents, mechanical failures, spills, uncontrolled discharges, damage to customer or third-party property or the transmission of contaminants or diseases; litigation, regulatory or enforcement actions and reputational risk as a result of the nature of our business or our participation in large-scale projects; seasonality of sales and weather conditions; risks related to government customers, including potential challenges to our government contracts or our eligibility to serve government customers; the potential for our contracts with federal, state and local governments to be terminated or adversely modified prior to completion; risks related to foreign, federal, state and local environmental, health and safety laws and regulations and the costs associated therewith; risks associated with international sales and operations, including our operations in China; our ability to adequately protect our intellectual property from third-party infringement; our increasing dependence on the continuous and reliable operation of our information technology systems; risks related to our substantial indebtedness; our need for a significant amount of cash, which depends on many factors beyond our control; AEA's influence over us; and other factors described in the "Risk Factors" section in our Annual Report on Form 10-K for the fiscal year ended September 30, 2018, and in other periodic reports we file with the SEC. All statements other than statements of historical fact included in the presentation are forward-looking statements including, but not limited to expected results for fiscal 2019, statements regarding our two-segment restructuring actions and expected restructuring charges and cost savings for fiscal 2019 and beyond. Any forward-looking statement that we make in this presentation speaks only as of February 5, 2019. We undertake no obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements made herein, whether as a result of new information, future events or otherwise. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this presentation. Immaterial rounding differences may be present in the data included in this presentation in order to conform to reported totals.

Use of Non-GAAP Financial Measures - This presentation contains "non-GAAP financial measures," which are adjusted financial measures that are not calculated and presented in accordance with generally accepted accounting principles in the United States, or "GAAP." These non-GAAP adjusted financial measures are provided as additional information for investors. We believe these non-GAAP adjusted financial measures, such as organic revenue growth, adjusted net income, EBITDA, Adjusted EBITDA and free cash flow, are helpful to management and investors in highlighting trends in our operating results, because they exclude, among other things, certain results of decisions that are outside the control of management, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate and capital investments. The presentation of this additional information is not meant to be considered in isolation or as a substitute for GAAP measures of revenue growth, net income (loss), or net cash provided by (used in) operating activities prepared in accordance with GAAP. For reconciliations of the non-GAAP adjusted financial measures used in this presentation to the nearest respective GAAP measures, see the Appendix to this presentation.

Q1 2019 Performance Highlights

Revenue

- **Solid total and organic growth across both segments**
- **Demand outlook continues to be favorable**
- **Strong order growth; Book-to-bill ratio over 1.0**

Profitability

- **Overall profitability in-line with expectations**
  - Mix and timing impacted margins
  - Price / Cost flat

Operational Execution

- **Two-segment realignment underway**
  - ~$5 million in structural and product rationalization costs
  - ~$6 million in expected annualized benefits
- **Positive free cash flow and targeting 80%+ conversion**

Outlook

- **Reaffirming FY 2019 guidance**

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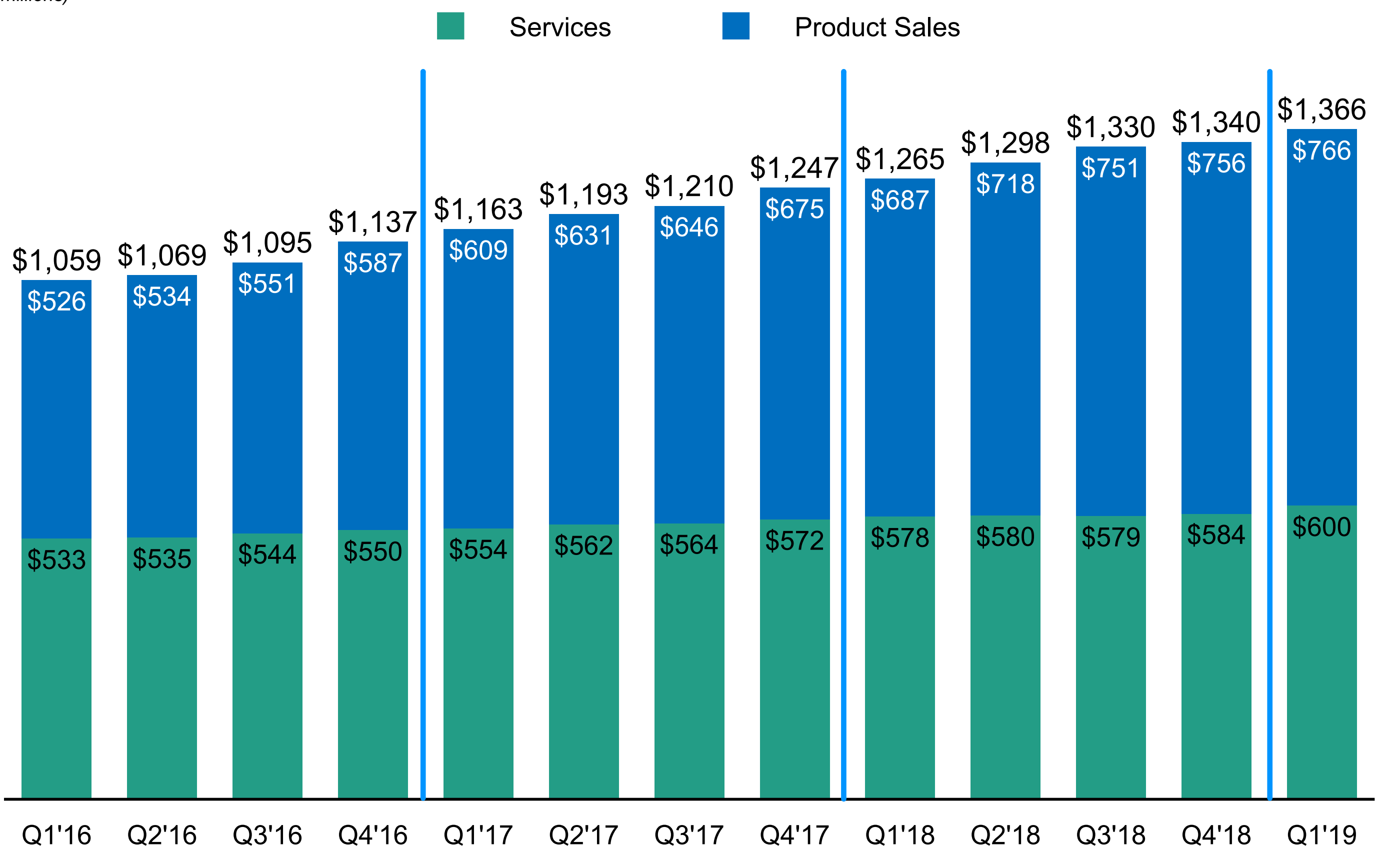
LTM revenue and profitability development

Rolling LTM revenue and Adjusted EBITDA

($ in millions)



	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
Adj. EBITDA[1] ($M)	$119	$127	$142	$160	$172	$186	$196	$208	$210	$224	$227	$217	$215
Adj. EBITDA[1] %	11.3%	11.8%	12.9%	14.1%	14.8%	15.6%	16.2%	16.7%	16.6%	17.3%	17.1%	16.2%	15.8%

CAGR

8.8% Total

13.3% Products

4.0% Services

21.9% Adj. EBITDA

(1) For the definition of Adjusted EBITDA and a reconciliation to net income (loss), its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.

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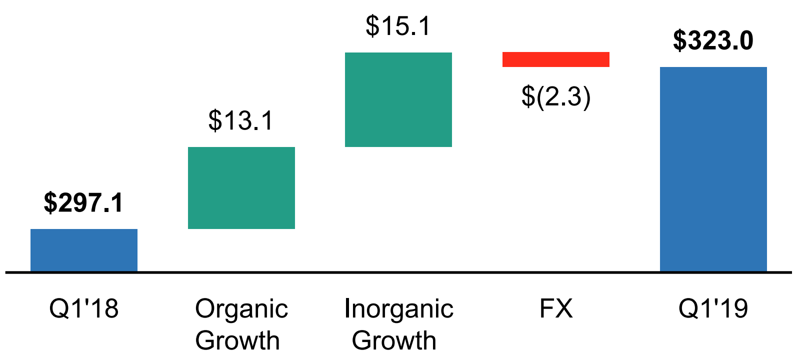
First Quarter 2019 Results

($ in millions)	Q1'18	Q1'19
Revenue	$297.1	$323.0
Gross Profit	$88.4	$88.7
Operating Profit(1)	$9.8	$(6.4)
Net Loss	$(3.0)	$(16.3)
Adjusted Net Income (Loss)(2)	$8.4	$(0.2)
Adjusted EBITDA(3)	$40.0	$38.4
Adjusted EBITDA margin(4)	13.5%	11.9%

First Quarter 2019 Revenue

($ in millions)



Highlights

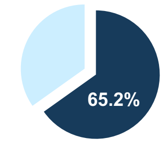
First Quarter 2019

- **Revenue growth of 8.7%**
  - Organic growth(5) of 4.4%
  - Acquisition growth 5.1%
  - FX impact of (0.8)%
  - Solid growth from both segments
- **Adjusted EBITDA change of (4.0)%**
  - Integrated Solutions & Services mix impact as expected for capital and service
  - Partly offset by Applied Product Technologies growth driven by aquatics and disinfection product lines

(1) GAAP basis before adjustments which primarily includes non-cash foreign currency negative impact on intercompany loans of $(6.2) million period over period.
(2) For the definition of Adjusted Net Income (Loss) and a reconciliation to net income (loss), its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.
(3) For the definition of Adjusted EBITDA and a reconciliation to net income (loss), its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.
(4) Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of revenue.
(5) For the definition of organic growth and a reconciliation to revenue growth, its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.

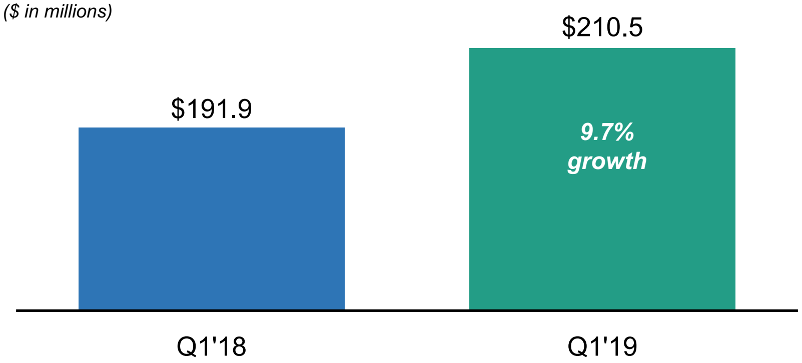
Integrated Solutions and Services Segment

Q1'19 revenue



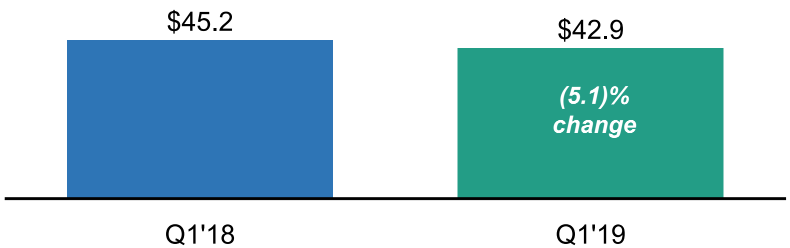
Revenue

($ in millions)



Adjusted EBITDA[1]

($ in millions)



Adjusted EBITDA margin[2]

23.6%	*20.4%*

Highlights

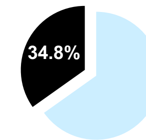
First Quarter 2019

- **Revenue growth of 9.7%**
  - Organic growth[3] of 2.7%
  - Acquisition growth of 7.2%
  - Driven primarily by power, microelectronics, food and beverage, and chemical processing markets
- **Adjusted EBITDA change of (5.1)%**
  - Timing of event driven service decline from prior year
  - Mobile service asset redeployment
  - Higher mix of capital projects in wastewater versus process water

(1) For the definition of Adjusted EBITDA on a segment level and a reconciliation to operating profit (loss), its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.
(2) Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of revenue.
(3) For the definition of organic growth and a reconciliation to revenue growth, its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.

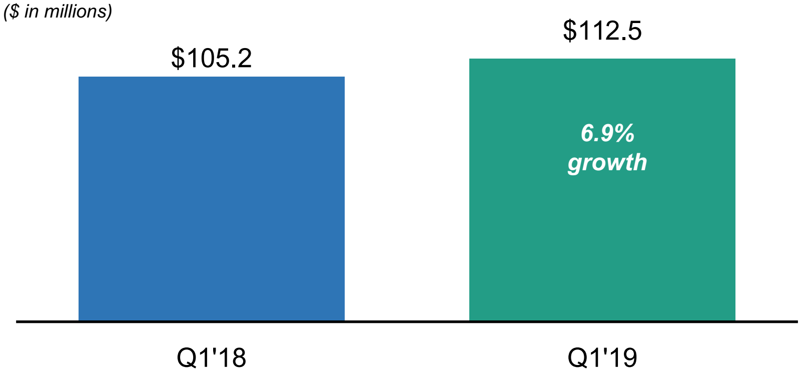
Applied Product Technologies Segment

Q1'19 revenue



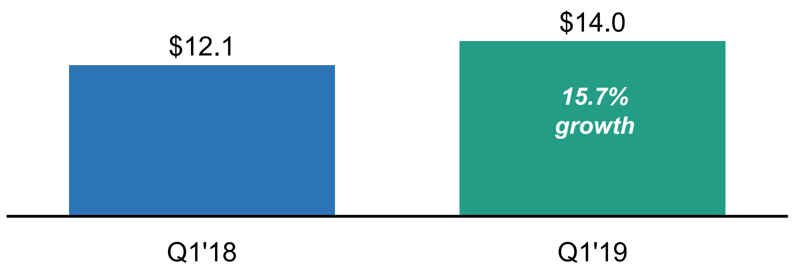
Revenue

($ in millions)



Adjusted EBITDA[1]

($ in millions)



Adjusted EBITDA margin[2]

11.5%	*12.4%*

Highlights

First Quarter 2019

- **Revenue growth of 6.9%**
  - Organic growth[3] of 7.5%
  - Acquisition growth of 1.1%
  - FX of (1.7)%
- **Adjusted EBITDA growth of 15.7%**
  - Driven by aquatics and disinfection product lines
  - Leverage on organic sales volume growth
  - Operational efficiency programs
  - Favorable product line mix

(1) For the definition of Adjusted EBITDA on a segment level and a reconciliation to operating profit (loss), its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.
(2) Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of revenue.
(3) For the definition of organic growth and a reconciliation to revenue growth, its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.

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Two-Segment Realignment Update

Actions / Anticipated Spend Categories	Expected costs and annualized benefits (through 2020)		Progress through Q1 2019	
• Structural integration • Footprint and product rationalization • Operational efficiency programs	Cost	$17 - $22 million	Costs incurred	~$5 million
	Benefits	$15 - $20 million	Annualized expected benefits (material by Q3)	~$6 million

Highlights

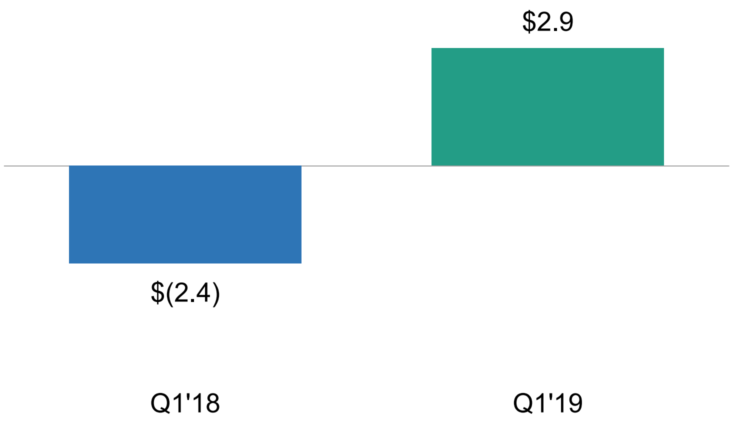
- New reporting structure and management team in place
- Actions underway and cost-benefit assumptions on track
- Customer and operating benefits materializing

Historical two-segment three-year financial information filed on Form 8-K on December 11, 2018

Cash generation

Free Cash Flow[1]

($ in millions)



% Adjusted Net Income[4]

	Q1'18	Q1'19
% Adjusted Net Income	*(28.6)%*	*> 100%*

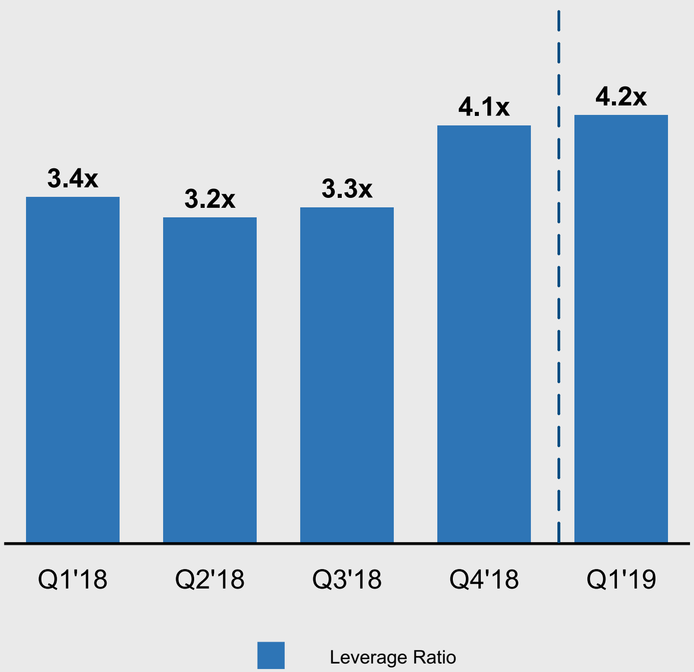
Highlights

Improved Q1 Free Cash Flow

- Lower CAPEX net of financing
  - $4 million of mobile asset financing
- FY 19 free cash flow target of 80%+ of adjusted net income

Leverage

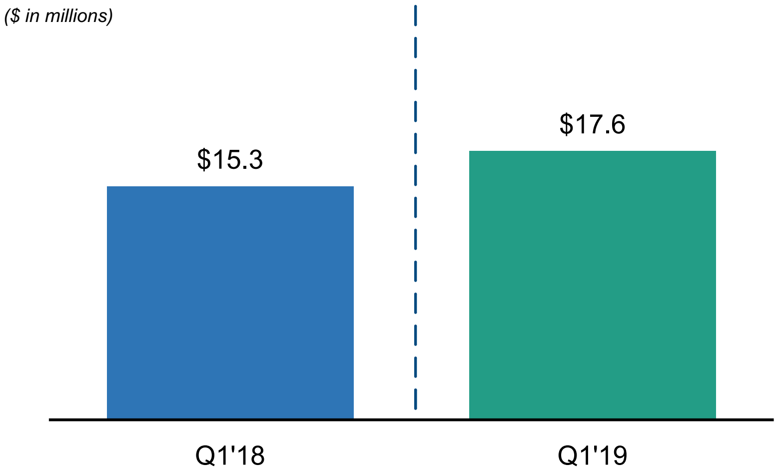
(Total net debt[2] to Adjusted EBITDA[3])



(1) For the definition of Free Cash Flow and a reconciliation to operating cash flow, its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.
(2) Total net debt is total debt minus cash and cash equivalents.
(3) Adjusted EBITDA (with contributions from acquisitions) inclusive of completed acquisitions. For the definition of Adjusted EBITDA and a reconciliation to net income (loss), its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.
(4) For the definition of Adjusted Net Income and a reconciliation to net income (loss), its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.

Key cash flow drivers

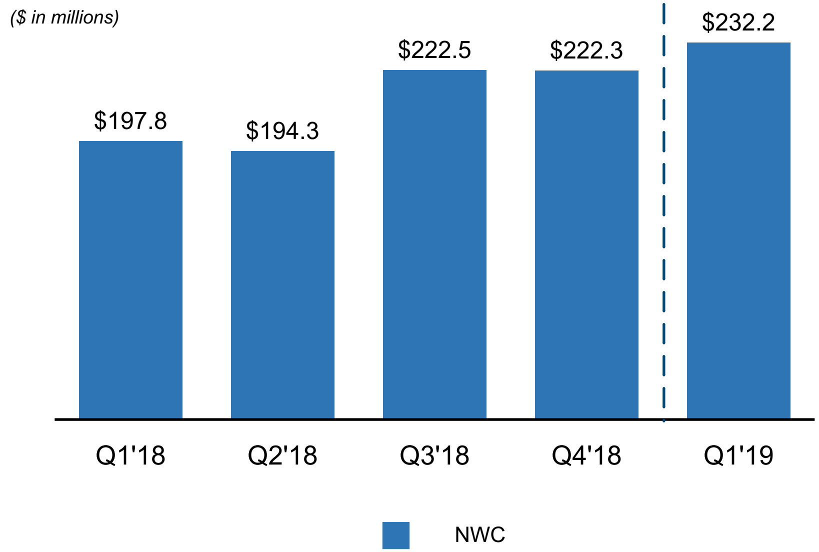
Capital expenditures



Capex as % revenues

5.1%	*5.4%*

Net working capital[1]



NWC as % revenues

15.5%	*15.0%*	*16.7%*	*16.6%*	*17.0%*

Highlights

- **Q1 capex includes**
  - ~$14 million for Integrated Solutions & Services
  - ~$2 million for Applied Product Technologies
- **Maintenance capex ~2.5% of revenues**

Highlights

- $9.8 million NWC from acquisitions in Q1 2019
- Working capital impacted by growth, price/cost, and mix

(1) Net working capital calculated as current assets less current liabilities, excluding cash, debt and the short-term portion of capital leases included in other current liabilities.

2019 Q1 and Full year current outlook

($ In millions)	Q1 Guidance	Q1 Actual	Full Year Outlook
Revenue	$305 to $320	$323	$1.38 to $1.44 billion
YOY growth	*~3% to 8%*	8.7%	~3% to 7%
Adjusted EBITDA[(1)]	$34 to $38	$38.4	$220 to $240
YOY growth	*~(15)% to (5)%*	*(4.0)%*	*~2% to 11%*

Notes:

Excludes unannounced acquisitions

(1) For a definition of Adjusted EBITDA see the Appendix hereto. Due to the forward-looking nature of Adjusted EBITDA presented above, we cannot reliably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures and are unable to present a quantitative reconciliation of such Adjusted EBITDA to its most directly comparable GAAP measure.

Summary

Reafﬁrming guidance

- Strong pipeline and order book
- Favorable mix shift expected
- Balancing price / cost
- Realignment benefits expected 2H
- Cognizant of potential for headwinds

Water One / digital strategy

- National rollout underway

Free cash flow a high priority

- Profitable growth focus
- Working capital management
- Continuing to invest in tuck-in acquisitions and high return capital expenditures

Appendix

Non-GAAP measures

Management reviews key performance indicators including revenue, margins, segment operating income and margins, orders growth, working capital and backlog, among others. In addition, we consider certain non-GAAP measures to be useful to management and investors evaluating our operating performance for the periods presented, and to provide a tool for evaluating our ongoing operations, liquidity, management of assets and future prospects. This information can assist investors in assessing our financial performance and measures our ability to generate capital for deployment among competing strategic alternatives and initiatives, including but not limited to: dividends, acquisitions, share repurchases and debt repayment. These adjusted metrics are consistent with how management views our business and are used to make financial, operating, budgeting, planning and strategic decisions. These metrics, however, are not measures of financial performance under GAAP and should not be considered a substitute for revenue, operating income, net income, earnings per share (basic and diluted) or net cash from operating activities as determined in accordance with GAAP. We consider the following non-GAAP measures, which may not be comparable to similarly titled measures reported by other companies, to be key performance indicators:

"EBITDA" defined as earnings before interest, taxes, depreciation and amortization expense. "Adjusted EBITDA" reflects the adjustment to EBITDA to exclude certain other items, including restructuring and related business transformation costs, purchase accounting adjustment costs, non-cash stock based compensation, sponsor fees, transaction costs and other gains, losses and expenses. "Adjusted EBITDA" on a segment level further reflects the adjustment for the impact of certain other items that have been adjusted at the segment level.

"Free Cash Flow" defined as net cash from operating activities, as reported in the Statement of Cash Flows, less capital expenditures as well as adjustments for other significant items that impact current results which management believes are not related to our ongoing operations and performance. Our definition of free cash flow does not consider certain non-discretionary cash payments, such as debt.

"Adjusted net income" defined as net income adjusted to exclude certain other items, including restructuring and related business transformation costs, purchase accounting adjustment costs, non-cash stock based compensation, sponsor fees, transaction costs and other gains, losses and expenses.

"Organic revenue growth" defined as the year-over-year rate of change in revenues excluding the impact of foreign exchange, acquisitions and divestitures.

Excluding revenue, Evoqua provides guidance only on a non-GAAP basis due to the inherent difficulty in forecasting certain amounts that would be included in GAAP earnings, such as discrete tax items, without unreasonable effort.

Net Sales Growth by Driver

	Q1 FY19 Net Sales Growth % Change			
	GAAP Reported	Currency	Acquisitions/ Divestitures	Organic
Evoqua Water Technologies	8.7%	(0.8)%	5.1%	4.4%
Integrated Solutions & Services	9.7%	(0.2)%	7.2%	2.7%
Applied Product Technologies	6.9%	(1.7)%	1.1%	7.5%

	FY18 Net Sales Growth % Change			
	GAAP Reported	Currency	Acquisitions/ Divestitures	Organic
Evoqua Water Technologies	7.4%	0.7%	3.5%	3.2 %
Integrated Solutions & Services	12.1%	0.1%	5.1%	6.9 %
Applied Product Technologies	0.4%	1.7%	1.2%	(2.5)%

Adjusted EBITDA reconciliation - 2019

($ in millions)

			Q1'19
	Net loss	**$**	**(16.3)**
	Income tax benefit		(4.5)
	Interest expense		14.4
	Operating loss	**$**	**(6.4)**
	Depreciation and amortization		23.1
	EBITDA	**$**	**16.7**
A	Restructuring and related business transaction costs		5.7
B	Share-based compensation		4.6
C	Transaction costs		2.1
D	Other losses and expenses		9.3
	Adjusted EBITDA	**$**	**38.4**
	Revenue	$	323.0
	Adjusted EBITDA as a % of Revenue		**11.9%**

A Primarily comprised of severance, relocation, recruiting and other costs associated with the two-segment realignment and other various restructuring and efficiency initiatives.

B Represents non-cash share-based compensation.

C Removal of expenses associated with recent platform and tuck-in acquisitions and divestitures and post-acquisition integration costs.

D Add back of gains and losses associated with foreign exchange, expenses related to maintaining non-operational business locations and other unusual business expenses, primarily consisting of the remediation of manufacturing defects caused by a third-party vendor and product rationalization in our electro-chlorination business.

Adjusted EBITDA reconciliation - 2018

($ in millions)

	FYE 9/30	Q1'18	Q2'18	Q3'18	Q4'18	FY2018
	Net (loss) income	**$ (3.0)**	**$ 13.0**	**$ 1.0**	**$ (3.1)**	**$ 7.9**
	Income tax (benefit) / expense	(4.4)	2.0	1.4	2.4	1.4
	Interest expense	17.2	10.8	12.4	17.1	57.5
	Operating profit	**$ 9.8**	**$ 25.8**	**$ 14.8**	**$ 16.4**	**$ 66.8**
	Depreciation and amortization	19.9	20.5	21.5	24.0	85.9
	EBITDA	**$ 29.7**	**$ 46.3**	**$ 36.3**	**$ 40.4**	**$ 152.7**
A	Restructuring and related business transaction costs	8.1	8.2	9.0	9.1	34.4
B	Share-based compensation	2.6	4.3	4.4	4.5	15.8
C	Sponsor fees	0.3	—	—	—	0.3
D	Transaction costs	0.5	0.8	4.7	1.6	7.6
E	Other (gains), losses and expenses	(1.3)	(1.9)	3.7	5.6	6.1
	Adjusted EBITDA	**$ 39.9**	**$ 57.7**	**$ 58.1**	**$ 61.2**	**$ 216.9**
	Revenue	$ 297.1	$ 333.6	$ 342.5	$ 366.3	$ 1,339.5
	Adjusted EBITDA as a % of Revenue	**13.4%**	**17.3%**	**17.0%**	**16.7%**	**16.2%**

A Primarily comprised of severance, relocation, recruiting and other costs associated with the voluntary separation program and other various restructuring and efficiency initiatives.

B Represents non-cash stock-based compensation related to option awards.

C Elimination of management fees paid to AEA during its ownership. AEA's management agreement terminated at the IPO closing.

D Removal of expenses associated with recent platform and tuck-in acquisitions and divestitures and post-acquisition integration costs.

E Add back of gains and losses associated with foreign exchange, recent asset sales, foreign exchange impact of headquarter allocations, expenses related to maintaining non-operational business locations, expenses incurred related to remediation of manufacturing defects caused by a third-party vendor and the write-off of obsolete inventory as part of the migration of an operational business unit to a new enterprise resource planning system.

Adjusted EBITDA reconciliation - 2017

($ in millions)

FYE 9/30	Q1'17	Q2'17	Q3'17	Q4'17	FY2017
Net (loss) income	**$ (13.2)**	**$ 4.9**	**$ 1.8**	**$ 13.0**	**$ 6.4**
Income tax (benefit) / expense	(7.1)	(4.8)	12.2	7.1	7.4
Interest expense	14.8	11.9	12.5	16.3	55.4
Operating (loss) profit	**$ (5.5)**	**$ 12.0**	**$ 26.4**	**$ 36.4**	**$ 69.2**
Depreciation and amortization	18.6	18.9	18.3	22.1	77.9
EBITDA	**$ 13.1**	**$ 30.9**	**$ 44.7**	**$ 58.5**	**$ 147.1**
A Restructuring and related business transaction costs	13.2	9.9	13.3	14.9	51.3
B Purchase accounting adjustment costs	0.2	—	–	—	0.2
C Share-based compensation	0.5	0.6	0.6	0.6	2.3
D Sponsor fees	1.0	1.0	1.0	1.1	4.2
E Transaction costs	1.4	2.4	1.9	1.7	7.3
F Other losses, (gains) and expenses	7.9	(0.8)	(6.5)	(5.4)	(4.7)
Adjusted EBITDA	**$ 37.2**	**$ 43.9**	**$ 55.1**	**$ 71.4**	**$ 207.7**
Revenue	$ 279.9	$ 299.9	$ 311.1	$ 356.5	$ 1,247.4
Adjusted EBITDA as a % of Revenue	**13.3%**	**14.6%**	**17.7%**	**20.0%**	**16.7%**

A Primarily comprised of severance, relocation, recruiting and other costs associated with the voluntary separation program and other various restructuring and efficiency initiatives.

B Reverses the impact from step-up to fair market value for inventory acquired with the purchase of Magneto.

C Represents non-cash stock-based compensation related to option awards.

D Elimination of management fees paid to AEA during its ownership. AEA's management agreement terminated at the IPO closing.

E Removal of expenses associated with recent platform and tuck-in acquisitions and divestitures and post-acquisition integration costs.

F Add back of gains and losses associated with foreign exchange and recent asset sales along with expenses related to maintaining non-operational business locations.

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Adjusted EBITDA reconciliation - 2016

($ in millions)

FYE 9/30	Q1'16	Q2'16	Q3'16	Q4'16	FY2016
Net (loss) income	**$ (2.7)**	**$ (0.9)**	**$ 16.5**	**$ 0.2**	**$ 13.0**
Income tax (benefit) / expense	(5.0)	(1.4)	(14.1)	2.0	(18.4)
Interest expense	9.0	9.0	11.5	13.1	42.5
Operating profit	**$ 1.3**	**$ 6.8**	**$ 13.8**	**$ 15.2**	**$ 37.2**
Depreciation and amortization	16.3	16.3	18.4	18.3	69.3
EBITDA	**$ 17.7**	**$ 23.0**	**$ 32.2**	**$ 33.5**	**$ 106.4**
A Restructuring and related business transaction costs	4.5	7.0	6.6	24.9	43.1
B Purchase accounting adjustment costs	—	—	—	1.3	1.3
C Share-based compensation	0.5	0.4	0.5	0.6	2.0
D Sponsor fees	0.8	1.1	1.0	0.9	3.8
E Transaction costs	0.1	2.4	1.4	1.4	5.4
F Other losses, (gains) and expenses	1.9	(4.1)	3.5	(3.2)	(1.9)
Adjusted EBITDA	**$ 25.4**	**$ 29.9**	**$ 45.2**	**$ 59.4**	**$ 160.1**
Revenue	$ 254.5	$ 270.0	$ 293.3	$ 319.4	$ 1,137.2
Adjusted EBITDA as a % of Revenue	**10.0%**	**11.1%**	**15.4%**	**18.6%**	**14.1%**

A Primarily comprised of severance, relocation, recruiting and other costs associated with the voluntary separation program and other various restructuring and efficiency initiatives.

B Reverses the impact from step-up to fair market value for inventory acquired with the purchase of Magneto.

C Represents non-cash stock-based compensation related to option awards.

D Elimination of management fees paid to AEA during its ownership. AEA's management agreement terminated at the IPO closing.

E Removal of expenses associated with recent platform and tuck-in acquisitions and divestitures and post-acquisition integration costs.

F Add back of gains and losses associated with foreign exchange and recent asset sales along with expenses related to maintaining non-operational business locations.

Segment Adjusted EBITDA reconciliation

($ in millions)	Q1'18		Q1'19	
	Integrated Solutions and Services	**Applied Product Technologies**	**Integrated Solutions and Services**	**Applied Product Technologies**
Operating Profit	$ 34.1	$ 8.2	$ 27.9	$ 4.5
D&A	11.1	3.9	14.0	4.4
Adjustments to EBITDA	—	—	1.0	5.1
Segment Adjusted EBITDA	**$ 45.2**	**$ 12.1**	**$ 42.9**	**$ 14.0**

Note: Segment Adjusted EBITDA is one of the primary metrics used by management to evaluate the financial performance of our business. Segment Adjusted EBITDA is defined as operating profit before depreciation, amortization and certain other adjustments distinct to the respective reported segments. Adjustments in the three months ended December 31, 2018 include - (1) costs and expenses in connection with certain restructuring initiatives primarily consisting of severance and relocation costs, (2) costs associated with the achievement of earn-out targets on certain acquisitions, (3) expenses related to the remediation of manufacturing defects caused by a third party vendor for which the Company is seeking restitution, distinct to the Applied Product Technologies segment, (4) expenses due to product rationalization in our electro-chlorination business, distinct to the Applied Product Technologies segment, and (5) costs related to maintaining non-operational business locations, distinct to our Integrated Solutions and Services segment.

Free cash flow / Adjusted net income / EPS

($ in millions)		Q1'18		Q1'19
Operating Cash Flow	**$**	**5.6**	**$**	**4.1**
(+) EBITDA adjustments, excluding stock-based compensation and gain on sale of property, net of tax[1]		7.3		12.7
(-) Capital Expenditures		(15.3)		(17.6)
(+) Financing related to growth capital expenditures		—		4.0
(+) Financing related to property acquisition		—		—
(-) Purchases of intangibles (e.g., software licenses)		—		(0.3)
Free Cash Flow	**$**	**(2.4)**	**$**	**2.9**
Operating Profit	**$**	**9.8**	**$**	**(6.4)**
Interest expense		(17.2)		(14.4)
Income tax benefit		4.4		4.5
Net Loss	**$**	**(3.0)**	**$**	**(16.3)**
Adjustments, net of tax[1][2]		11.4		16.1
Adjusted Net Income (Loss)	**$**	**8.4**	**$**	**(0.2)**
Earnings (Loss) Per Share				
Basic EPS	$	(0.03)	$	(0.15)
Diluted EPS	$	(0.03)	$	(0.15)
Adjusted Basic EPS[1]	$	0.07	$	(0.01)
Adjusted Diluted EPS[1]	$	0.07	$	(0.01)
Memo items:				
Blended statutory tax rate		26.0 %		26.0 %
Foreign currency (gain) loss primarily on intercompany loans	$	(1.5)	$	4.7
Basic # of shares (in millions)		110.0		114.0
Diluted # of shares (in millions)		110.0		114.0

(1) Refer to adjustments on the Adjusted EBITDA reconciliation on prior slides; also includes an adjustment of $2.1 million for incremental interest costs for Q1 2018.
(2) Refer to adjustments on the Adjusted EBITDA reconciliation on prior slides; also includes an adjustment of $5.1 million for the write-off of deferred financing fees and incremental interest costs for Q1 2018.

Capital structure overview

($ in millions)	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018
Cash and cash equivalents	$ 80.3	$ 75.7	$ 57.3	$ 82.4	$ 63.2
Revolving Credit Facility	—	—	—	—	—
First Lien Term Facility	794.6	792.6	790.6	938.2	935.9
Mortgage	—	—	1.9	1.8	1.8
Equipment financing facilities	9.5	9.0	11.9	13.7	17.2
Capital leases	31.1	31.1	31.5	32.1	30.1
Total debt including capital leases	**835.3**	**832.7**	**835.9**	**985.8**	**985.0**
Less unamortized discount and lenders fees	(15.2)	(14.6)	(14.3)	(14.1)	(13.6)
Total net debt including capital leases(1)	**820.1**	**818.1**	**821.6**	**971.7**	**971.4**
Leverage Table calculation:					
Total net debt / Adjusted EBITDA(2)	3.6x	3.3x	3.4x	4.1x	4.2x
Total net debt / Adjusted EBITDA (with contributions from acquisitions)(2)	3.4x	3.2x	3.3x	4.1x	4.2x

(1) Total net debt is total debt minus cash and cash equivalents.
(2) Adjusted EBITDA (with contributions from acquisitions) inclusive of completed acquisitions. For the definition of Adjusted EBITDA and a reconciliation to net income (loss), its most directly comparable financial measure presented in accordance with GAAP, see elsewhere in this Appendix.

LTM Revenue and Adjusted EBITDA

($ in millions)

Revenue	FYE 9/30/2018	Q1'18	Q1'19	LTM 12/31/18
Evoqua Water Technologies	$ 1,339.5	$ (297.1)	$ 323.0	$ 1,365.4
Integrated Solutions & Services	$ 835.6	$ (191.9)	$ 210.5	$ 854.2
Applied Product Technologies	$ 503.9	$ (105.2)	$ 112.5	$ 511.2

Adjusted EBITDA	FYE 9/30/2018	Q1'18	Q1'19	LTM 12/31/18	LTM EBITDA Margin %
Evoqua Water Technologies	$ 216.9	$ (40.0)	$ 38.4	$ 215.3	15.8%
Integrated Solutions & Services	$ 189.4	$ (45.2)	$ 42.9	$ 187.1	21.9%
Applied Product Technologies	$ 92.0	$ (12.1)	$ 14.0	$ 93.9	18.4%

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