



FROST & SULLIVAN
INSTITUTE

2023 Frost & Sullivan Institute Enlightened Growth Leadership Award



FROST & SULLIVAN
BEST PRACTICES
AWARDS

ChampionX



Congratulations!

Frost & Sullivan Institute, in partnership with Frost & Sullivan, is proud to present ChampionX with the Enlightened Growth Leadership Award.

Frost & Sullivan's global team of growth pipeline experts continuously identifies and evaluates growth opportunities across multiple industries, technologies, and regions of the world. As the world emerges into the new norm disrupted and accelerated by the COVID-19 pandemic, it is becoming increasingly important for companies to leverage opportunities to shed old ways of thinking, build value chains that leave no stakeholders behind, and create foundations for stable growth to thrive in these new environments. We identify companies that demonstrate the commitment to embrace emerging technologies and protocols and generate opportunities for all while sustaining continued growth and highlighting best practices for sustainable development. This approach involves deep strategic deliberation around best practices and the development of core analytics across the entire value chain of specific products and services. Against the backdrop of these analytics, Frost & Sullivan Institute, in partnership with Frost & Sullivan, recognizes ChampionX for its valuable achievement.

Frost & Sullivan strictly reserves this recognition for companies at the 'innovation to zero' and growth forefront in their respective industries. These companies demonstrate proactivity in utilizing business practices to 'innovate to zero' and address global priorities while securing sustainable growth. These companies also uniquely leverage technology and boost their industry partner ecosystem to serve ever-evolving customer needs in a way that facilitates environmental initiatives and supports the planet's well-being. Moreover, by combining business sense with a moral imperative, these companies demonstrate aspirational ideals beyond the simple goal of generating profits.

Moreover, this recognition is the result of many individuals (employees, customers, partners, and investors), making critical decisions every single day to support the organization and meaningfully contribute to its own future in a sustainable and socially responsible way. Frost & Sullivan in partnership with Frost & Sullivan Institute enthusiastically acknowledges and celebrates their contributions.

Once again, congratulations on your accomplishments, and we wish you great success in the future.

Sincerely,

David Frigstad

Chairman, Frost & Sullivan and Executive Director, Frost & Sullivan Institute



Best Practices Criteria for World-Class Performance

Frost & Sullivan Institute leverages Frost & Sullivan's rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria for each nominated company. ChampionX excels in multiple criteria.



Introduction

It has become increasingly difficult for businesses to grow on a sustainable and consistent basis amidst changing climate, disruptive technology, and the changing world order. Only businesses with an unobstructed vision will be able to navigate these turbulent waters. If CEOs are to constantly hit their growth targets, it is critical that they have in place a clear roadmap to deal with these inevitable challenges. These plans will need to account for the resources the business has as well as a plan to adjust its core competencies to fit the changing business landscape. As a global leader in chemical solutions, artificial lift systems, and engineering solutions, ChampionX helps companies drill for and produce oil and gas safely, efficiently, and sustainably. In addition to enhanced production and transportation, ChampionX provides real-time emissions monitoring throughout a well's lifecycle.

'Innovating to Zero' on Global Priorities

ChampionX has displayed a commendable commitment to addressing global priorities, making it a standout example in the oil and gas sector. The company's focus on sustainability, innovation, and people management remains at the core of its operations. ChampionX prioritizes ethical business practices, as evident through its regular ethics surveys and promotion of a strong health, safety, and environment (HSE) culture. ChampionX's 'journey to zero' initiative aims for zero accidents, incidents, carbon emissions, and discrimination. The company's exceptional commitment to safety has yielded remarkable results, with 62% of the company achieving Goal Zero for safety incidents in 2022.



In line with its journey to innovate to zero, ChampionX actively works to reduce its carbon footprint and environmental impact. Notably, the water shut-off program in Manitoba, Canada resulted in an impressive 458-ton decrease in CO2 emissions, equivalent to removing one hundred cars off the road for an entire year. The company aims to recycle whenever practicable, reduce waste, and enhance consumption efficiency. By leveraging information and communication technology for preventive maintenance, ChampionX ensures operational effectiveness and minimal emissions.

Frost and Sullivan Institute commends ChampionX for surpassing industry benchmarks and becoming a role model for the oil and gas sector. The company's focus on sustainability, innovation, and safety sets a blueprint for other businesses aspiring to excel in the oil and gas industry. ChampionX's dedication to responsible practices and commitment to global priorities make them a worthy recipient of this award.

Growth Excellence and Industry Partner Ecosystem

ChampionX has achieved remarkable success through constant innovation, strategic acquisitions, and strong customer service. With over 400 scientists and 1400 patents, the company excels in manufacturing technologically superior solutions tailored to meet specific customer needs. ChampionX's diversified business, divided into four segments, enables comprehensive service to various facets of the industry, resulting in an impressive total revenue of \$3.8 billion in 2022. This marked a remarkable 27% increase compared to the previous year's revenue.

The company's strategic use of joint ventures and third-party vendors has expanded its geographic footprint, leading to revenue growth in all eight geographical regions, including emerging markets like the Middle East and Asia. ChampionX's technology-driven approach is evident through its latest product, SOOFIE, an AI-powered onsite detection tool that identifies emission changes and potential leaks, aiding customers in reducing methane emissions effectively and meeting environmental commitments. Additionally, the introduction of the Harbison-Fischer HFX*™ cage in March 2023, engineered to optimize fluid flow dynamics, reduce energy loss during valve operations, and efficiently handle gas and solids,

"Through continuous innovation, strategic acquisitions such as the Harbison-Fischer HFX™ cage and AI-powered onsite detection tool, SOOFIE, the Company has positioned itself as a trailblazer in the oil and gas sector. Their commitment to sustainability, innovation, and safety sets a blueprint for others in the industry to follow."*

- Priyanka Sharma, Frost & Sullivan

highlights ChampionX's commitment to technology-driven advancements, fueling the company's growth and making a significant impact in the oil and gas industry.

ChampionX's dedication to integrated cooperation is demonstrated through its membership of the Permian Strategic Partnership (PSP), a coalition of companies committed to responsible resource development in the Permian Basin. By collaborating with other industry leaders, ChampionX aims to improve the lives of residents and foster growth excellence in the region.

Furthermore, the company's expansion into the

Caribbean with a new oil field services chemicals lab and distribution facility in December 2022 reflects its commitment to meeting evolving industry needs and strengthening its global presence. The facility's advanced testing capabilities contribute to enhanced customer value and technical expertise.



In a highly competitive oil and gas industry, ChampionX's strategic approach, product innovation, and partnerships have been vital to its sustained growth and success. Its ability to navigate disruptive megatrends and achieve growth in a saturated market is laudable, earning recognition from the Frost and Sullivan Institute. Through constant innovation and a customer-centric approach, ChampionX has established itself as a trusted leader in the industry, providing technologically advanced and environmentally responsible solutions to drive industry progress and improve lives.

Technology Innovation

ChampionX has made technology innovation a core function of its business activity. With its impressive arsenal of patents and \$84.5 million in capital investment expenditure last year, the company realizes that being at the forefront of technology is paramount for survival in today's business climate. As a part of its drive to increase automation and reduce costs, it launched XSPOC 3.1, production optimization software. Along with diagnosing anomalies, the software also recommends steps to optimize system performance. Additionally, it launched a new paraffin dispersant in the US market, a testament to the company's knack for identifying market gaps and exploiting the segment by making innovative products.

In December 2022, the XSPOC 3.2.2 software release showcases ChampionX's commitment to leveraging data to its fullest potential. The new features of the software, such as autonomous control for chemical injection and an advanced classification photo gallery for remote visual surveillance, demonstrate the company's focus on utilizing advanced technologies to enhance its product offerings. By integrating surveillance and chemical optimization capabilities into a single software platform, ChampionX leverages technology to provide customers with a comprehensive and efficient solution for optimizing well-site operations.

In January 2023, ChampionX Emissions Technologies introduced a new highly advanced Optical Gas Imaging (OGI) camera called AURA OGI™. The AURA OGI™ camera exemplifies ChampionX's technology leverage strategy. The camera uses built-in smart routes and navigation to enhance gas leak detection efficiency. It utilizes sensor and metadata encoding in image files for simplified documentation, compliance, and audibility. Additionally, the camera's ability to "learn and remember" detailed routes around plant facilities

"ChampionX's strategic focus on technology-driven advancements, its technology-driven solutions, like the XSPOC software and AURA OGI™ camera, showcase their ability to adapt to disruptive trends and cements their reputation as a trusted leader in the industry."

- Priyanka Sharma, Frost & Sullivan

and guide operators improves data collection accuracy. The strategic introduction of AURA OGI™ also aligns with the company's focus on energy sustainability and environmental stewardship, further enhancing its reputation as a responsible and forward-thinking player in the oil and gas industry.

ChampionX believes that it is increasingly important to innovate to navigate the turbulent waters created by disruptive megatrends. The company has a sound understanding of the fact that continuous, sustained, and meaningful innovation is the only way to ensure its future in an increasingly competitive industry. In lieu of this, ChampionX increased its research and development spending by approximately 44.87% from



\$31.2 million in 2020 to \$45.1 million in 2022. The research activity of the company is spread across four different technology centers, each bringing its unique specialty to the table.

Frost and Sullivan Institute admires ChampionX's determination to pursue technology innovation to fill market gaps and increase efficiencies for itself as well as its customers.

Conclusion

ChampionX has managed to distinguish itself from its competitors in the industry by its virtue of superior products and services, a constant journey of innovation, a genuine concern for the environment and its communities, and an unwavering commitment to fight global issues like discrimination, lack of access to clean drinking water and education. The company has demonstrated that it is possible for businesses to grow while parallelly tackling some of the most difficult challenges faced by the globe today.

Frost and Sullivan Institute awards the "2023 Frost and Sullivan Institute Enlightened Growth Leadership Award" to ChampionX for seamless synchronization of the company's business ambitions with their commitment to being a model corporate citizen and a leader in business and technology innovation.



What You Need to Know about the Enlightened Growth Leadership Recognition

Frost & Sullivan Institute's Enlightened Growth Leadership Award recognizes the company that addresses the global priorities as identified by the Institute and demonstrates sustainable growth in the industry.

Best Practices Award Analysis

For the Enlightened Growth Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

'Innovating to Zero' on Global Priorities: The company demonstrates proactivity in 'Innovating to Zero' in terms of one or more of the following global priorities that form the seven pillars of the Frost & Sullivan Institute:

- i) **Environment:** Environmental initiatives can include climate change, vulnerable groups, behavioral change, international governance, waste management, or others.
- ii) **Education:** Education can encompass equal access, gender parity, EdTech, quality education, education resources, vocational training, or others.
- iii) **Infrastructure:** Infrastructure can incorporate infrastructure as a basic right, technology and infrastructure, environment and infrastructure, urban infrastructure, and financing models, among others.
- iv) **Healthcare:** Healthcare can comprise healthcare crisis, mental health, finance, healthcare systems, advanced healthcare, and technology and healthcare, among others.
- v) **Security:** Human security can refer to transnational governance, human security, food security, or others.
- vi) **Human Rights:** Human rights can involve governance, special group rights, justice, or other such elements.
- vii) **Economics:** Economics can pertain to inequality, new economic regime, FinTech, behavioral change, or others.

Growth Excellence: The company demonstrates healthy growth over a span of 10 years. It focuses on short-term and long-term growth strategies to maintain a superior industry position. The executive team's vision aligns with the company's growth strategy, effectively translating this vision into growth. The socially responsible organization enforces strategies to increase its share of the customer wallet, successfully differentiating itself from competitors and positively impacting its market share. It also adopts strategies to build upon achieved growth and sustain continued growth while highlighting best practices for sustainable development.

Customer Value Chain: The company pays heed to the planet's well-being and addresses environmental initiatives such as climate change, carbon footprint reduction and elimination, waste management, or clean energy production. Its key value proposition is refined by building on client feedback and continuously improving products and services. The organization prioritizes its customers' needs and provides significantly greater value for the price. It offers exceptional customer value by providing the



best purchase experience to customers, placing importance on providing a high degree of satisfaction amongst existing and potential clients, or ensuring the best and differentiated service experience.

Integrated Competition - Industry Partner Ecosystem: The company makes use of unique business models such as corporate partnerships and public-private collaborations to boost the industry partner ecosystem. By combining business sense with a moral imperative, the company demonstrates aspirational ideals beyond the simple goal of generating profits. The organization's efforts to cooperate with competitors reveal its cognizance of a broader vision and endeavors towards positively impacting the overall industry.

Technology Leverage/Innovation: The company incorporates or uniquely leverages technology, standing out among the competition. The technology addresses key future needs and applications and is disruptive to or supersedes existing technologies. The company's technology or technology leverage can be diversely applicable or has created new markets or applications where none existed before. It has introduced creative features and functionality by jumping through hoops to convert its vision into a reality. The organization has a structured process or best practices to incubate new technologies developed internally or through strategic partnerships. The company's innovations or technology incorporation has the potential to become an industry standard.



About Frost & Sullivan Institute

Frost & Sullivan Institute (FSI) is a non-profit organization dedicated to utilizing business practices to address global priorities. The genesis of the institute goes back to our vision of either creating or becoming part of a solution that addresses threats to humanity. Frost & Sullivan Institute has identified strategic imperatives for transformation and believes that by using a Socratic approach, we can truly accelerate innovation to zero. The Institute works in collaboration with leading analyst teams, its internal research team, industry experts, and other partners. It works closely with Frost & Sullivan Inc. to leverage in-house thought leadership in order to identify opportunities for transformation that will arise from innovation, disruptive technologies, and overarching megatrends that will alter the world as we know it today. To learn more about FSI, visit <https://www.frostandullivaninstitute.org/>.

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™



Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.



Key Impacts:

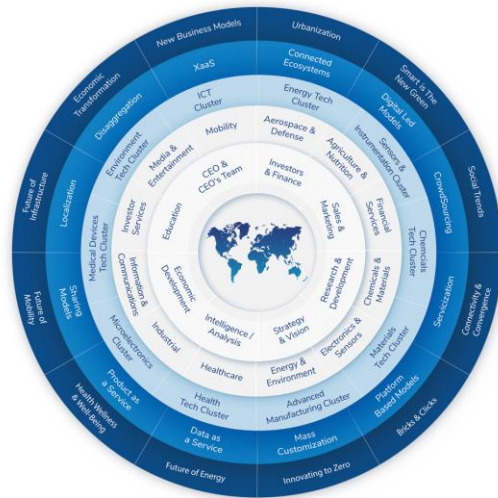
- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership

The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)





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