USA Compression Partners, LP

Citi One-on-One Midstream /
Energy Infrastructure Conference
August 14, 2019

Disclaimer

This presentation contains forward-looking statements relating to the Partnership's operations 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 and changes in economic conditions of the crude oil and natural gas industries specifically, changes in the long-term supply of and demand for natural gas and crude oil, actions taken by our customers, competitors and third-party operators, our ability to realize the anticipated benefits of acquisitions, competitive conditions in our industry, 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, 2018 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 ETO, 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.

Q2 2019 Update & Market Commentary

Q2 2019 Recap

Solid 1st Half of 2019; Steady Utilization and Improved Pricing

Operational Update

- Q2 2019 fleet HP of 3.7 million / average revenue generating HP of 3.3 million
- Average horsepower utilization of 94.6% (vs. 94.2% in Q1 2019)
- Upward rate movement & continued strong demand for large HP units
- ~47,000 large HP on order for Q3-Q4 2019 delivery
- 2020 Capex: ~48,000 HP for delivery during 1H 2020

Financial Update

- Q2 demonstrated utilization stability as well as pricing gains
  - Adjusted EBITDA of $104.7mm
  - Distributable Cash Flow ("DCF") of $54.1mm
- Q2 gross operating margin of 67.6%, Adjusted EBITDA margin of 60.3%
- Common unit distribution of $0.525 for Q2; DCF coverage of 1.14x
- Updated 2019 guidance: Adjusted EBITDA of $390.0 – $410.0 million; DCF of $190.0 – $210.0 million

Marketplace Commentary

Demand-Driven Business Model: Fleet Remains Highly Utilized

Supply / Demand

- Crude oil price volatility impacted by global, geopolitical factors
  - Economic growth, trade wars, etc. affecting sentiment
- Domestic natural gas production continues to satisfy growing demand
  - Macro factors positive: PetChem feedstock, LNG exports, Mexico demand & PowerGen
- E&Ps taking foot off the growth pedal, waiting for more market certainty
  - Associated gas production continues, just at reduced rates of growth

Compression Demand

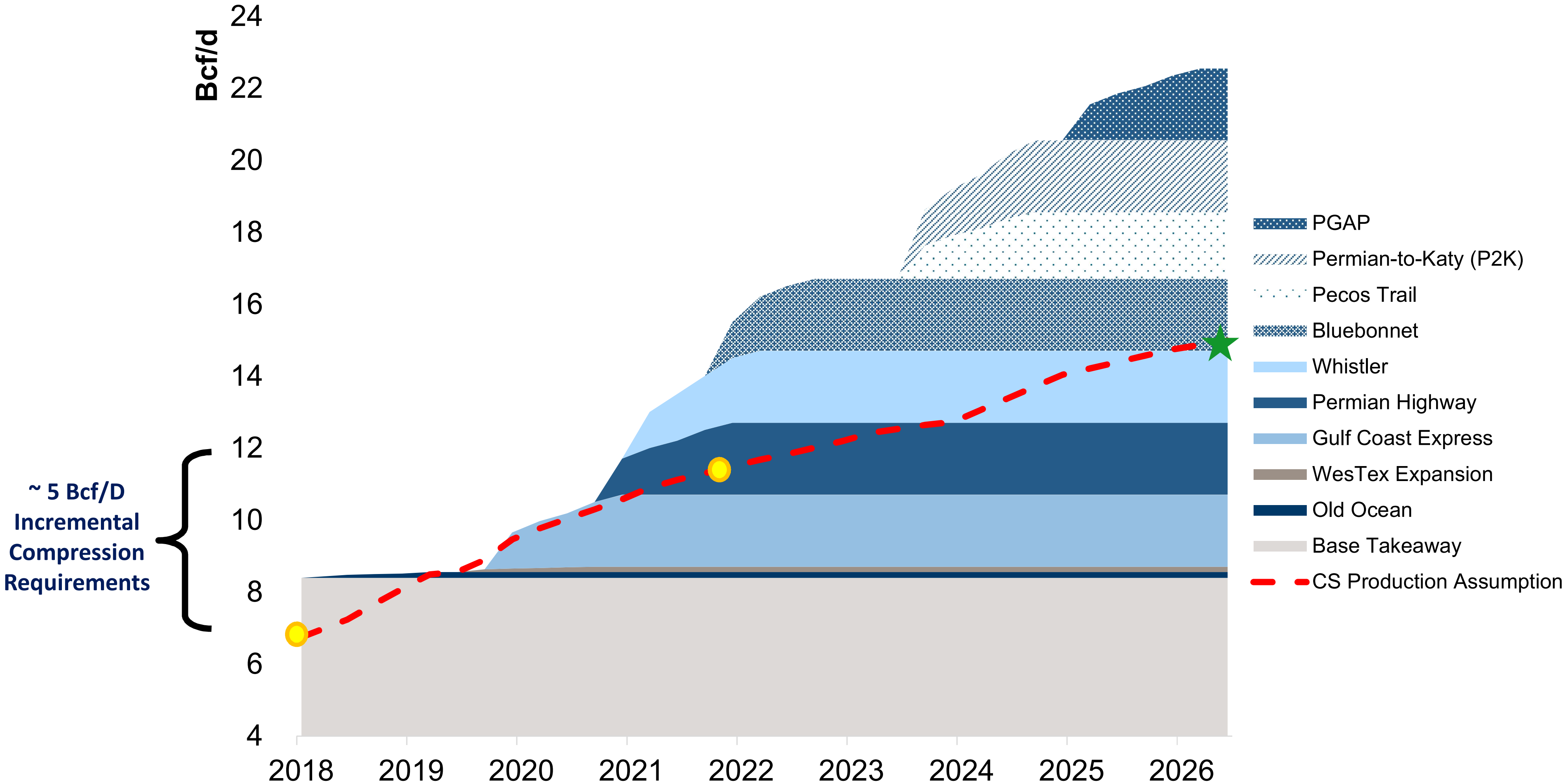
- More gas production = more compression services demand
- Legacy production requiring more compression as field pressures decrease and pipeline pressures increase
- Permian & NE gas production projected to increase ~20 Bcf/d in next 4 years (~25%) – requiring incremental large HP infrastructure compression
- Lead times have shortened, providing USAC and customers additional cushion of time

Demonstrated Stability

- Assets stay put once installed: slowing rig activity doesn't affect current production
- Utilization of large HP throughout sector is high
- Unit flexibility and ability to re-locate assets if necessary provides value
- High-grading asset opportunities with scarce equipment

Infrastructure Development Will Require Compression

Permian Gas Pipeline Supply & Demand



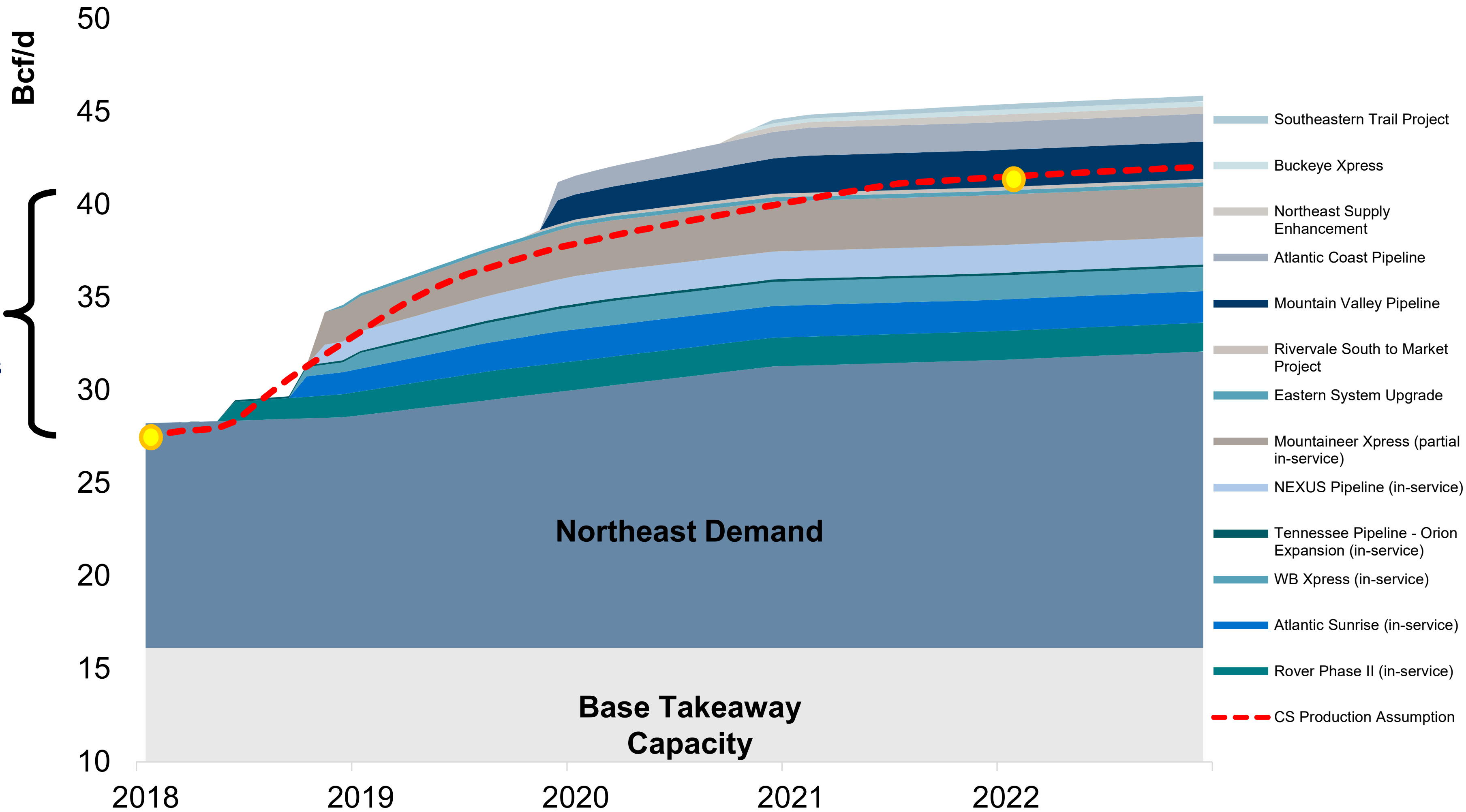
Permian Gas Supplies Projected to Increase ~70% in 4 Years – Requiring Incremental Field Compression

Source: Credit Suisse Research, Bentek, Company Filings.

Infrastructure Development Will Require Compression

Marcellus / Utica Gas Pipeline Supply & Demand: Constraints Removed

~ 15 Bcf/D Incremental Compression Requirements



NE Gas Supplies Projected to Increase >55% in 4 years – Requiring Incremental Field Compression

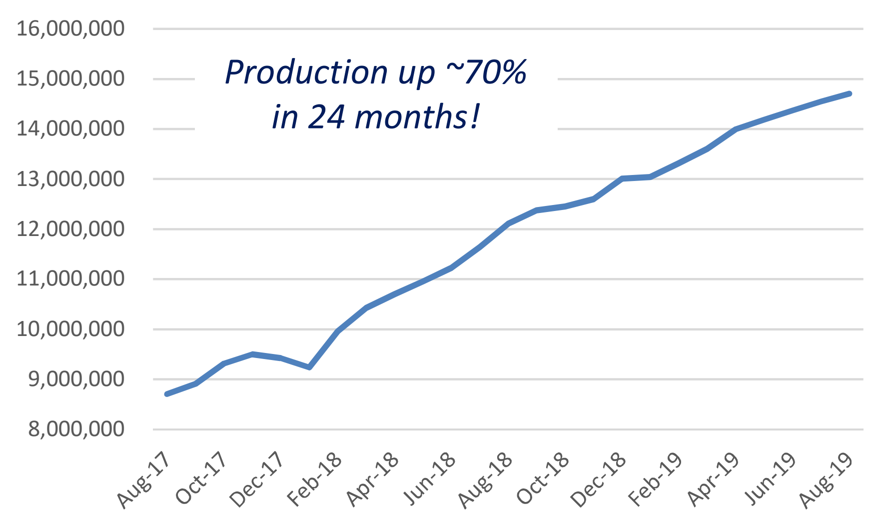
Source: Credit Suisse Research, Bentek, Company Filings.

Permian / Delaware Basin Dynamics

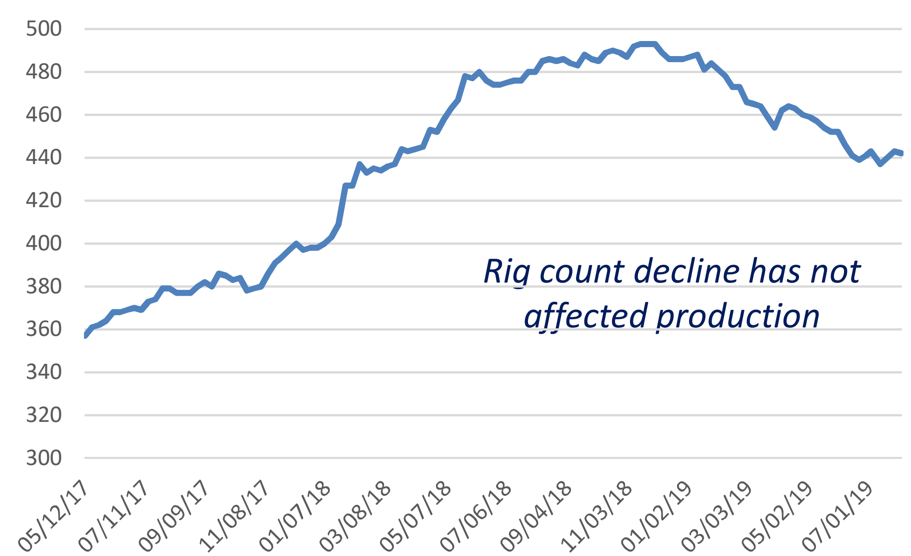
Gas Production Continues; Compression Demand Strong

- Low natural gas prices aside, production volumes out of Permian / Delaware continue to increase
  - Gas production volumes up ~30% year-over-year, per EIA, to over 14 Bcf/d as of July 2019
- Takeaway capacity on its way (Permian Highway Pipeline in Fall 2020) & others to follow
- Existing production requiring more compression, due to both basin characteristics and changing pipeline requirements

Permian Basin Natural Gas Production (mcf/d)(1)



Permian Basin Rig Count (2)



(1) *Source: EIA*
(2) *Source: Baker Hughes a GE Company.*

2019 Priorities Remain Unchanged

Capex Program Remains Conservative; Commercial Initiatives Continuing

Capex

- Currently have ~47,000 of large HP on order for remainder of 2019
- Deployment in West Texas / Delaware Basin
- Large HP earns attractive, accretive economic returns
- Utilization remains high

Commercial

- New deliveries committed to large, existing customers
- Ongoing selective price increases and redeployment of assets where warranted
- Primary focus has been on Permian/Delaware, Northeast and Mid-Continent (SCOOP/STACK)

Balance Sheet

- Current leverage levels appropriate for business stability, but further deleveraging anticipated over time
- Self-funding: currently no plans to issue equity to fund capital growth
- Continued attractive and growing coverage will provide funds for debt repayment

Prudent capital spending and focused commercial efforts expected to lead to improved financial strength

2019 Capex Program; Initial 2020 Order

Scaled Back Capex Program for 2019

- Moderated capex spend in 2019 & allocating capital to the highest-return projects
  - Primarily 3600-series large horsepower units (2,500 HP & above)
  - Lead times have shortened (~30 weeks)
- 2019 growth capital plan remains unchanged: $140mm - $150mm
  - Represents ~30% reduction from 2018 levels
  - Equates to ~135,000 horsepower (less than 4% of USAC fleet at 12/31/18)
- New build deliveries focused on: Permian/Delaware Basins; SCOOP/STACK and Appalachia
- 2020 Capex Program
  - Initial order for 48,000 HP in 1H 2020
  - Additional orders, if any, to be considered over time

Macro Overview & Demand Drivers

Large HP Compression is NOT an Oil Field Service

Large HP Strategy Has Proven Itself More Stable Over Cycles

	Large HP	Small HP
Nature of Application	Gathering Systems, Central Delivery Points, Processing Facilities	Well-head service
Asset Churn	Large infrastructure applications require asset deployment for extended periods	Commodity sensitivity can be meaningful
Customer Base	Typically larger operators with significant development projects demanding large HP	Generally broader customer base, given breadth of operators at the well-head
Entry / Exit Barriers	Capital-intensive; select group of operators with technical know-how; expensive to install & demobilize	Tends to be more of a commodity service offering; smaller size & reduced capabilities make barriers to entry/exit minor

Meaningful differences in the nature of the large horsepower business strategy

USA COMPRESSION

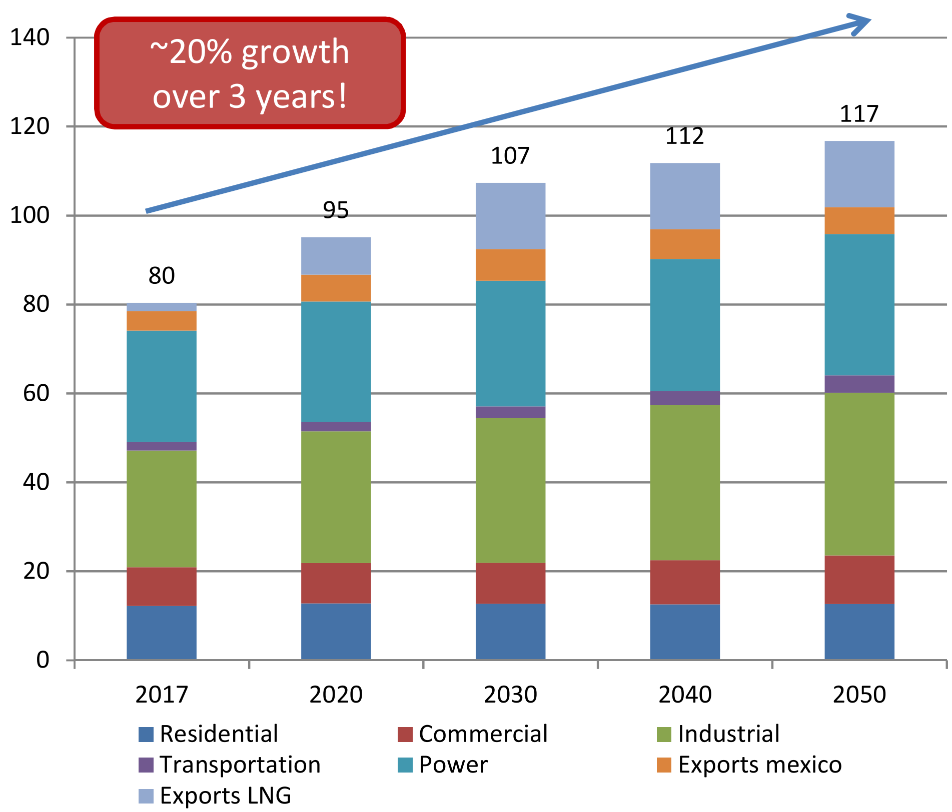
Domestic Natural Gas Supply & Demand Growth

Natural Gas Supply & Demand Continues to Grow…

as does the need for midstream infrastructure to move it through the pipeline system

EIA projects significant increase in natural gas demand by 2050

Projected Natural Gas Demand (Bcf/d)(1)



Exports to Mexico:

- Growing power needs to be met by US shale gas
- ~3 Bcf/d to Mexico by 2020

LNG Exports:

- ~8 Bcf/d by 2020; 15 Bcf/d by 2040

Power:

- ~30 Bcf/d by 2040
- Coal plant retirements expected to continue

Industrial Demand:

- ~35 Bcf/d by 2040
- Petrochemical plants (Gulf Coast, NE) driving demand

Source: U.S. Energy Information Administration, Annual Energy Outlook 2018, February 2018

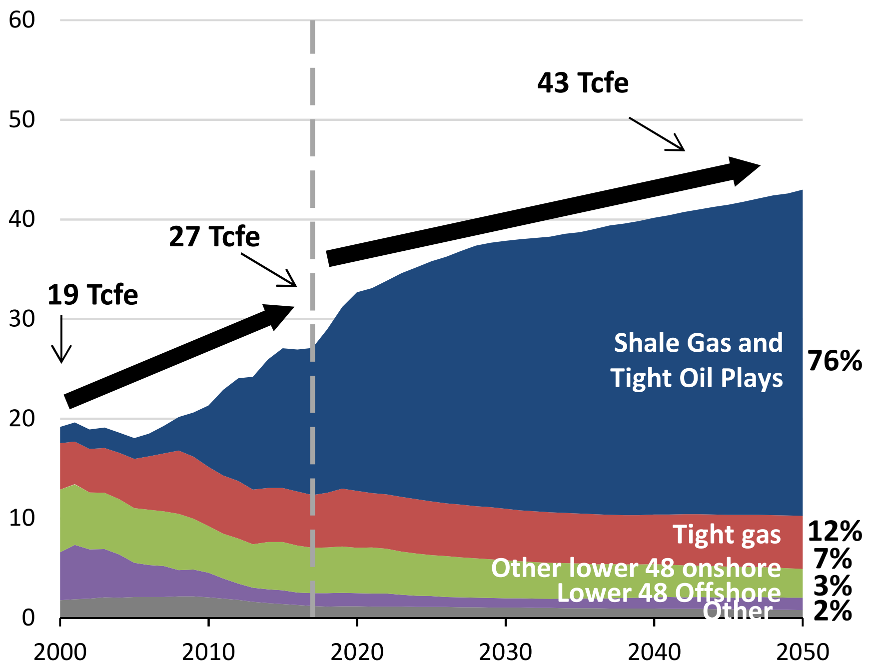
(1) Converted from TCF, on a 360 day/year basis

Macro Thesis: The "Shift to Shale"

Shale Gas Expected to be the Primary Source in Future

- **Shale Ramp**: Production from shale has now pulled **even** with all other sources
  - 2017 est. ~ 15 Tcfe of shale production – 55% of total
- **Pie Getting Bigger**: EIA projecting ~117 Bcf/d of total production by 2050 – with shale ~76% of total

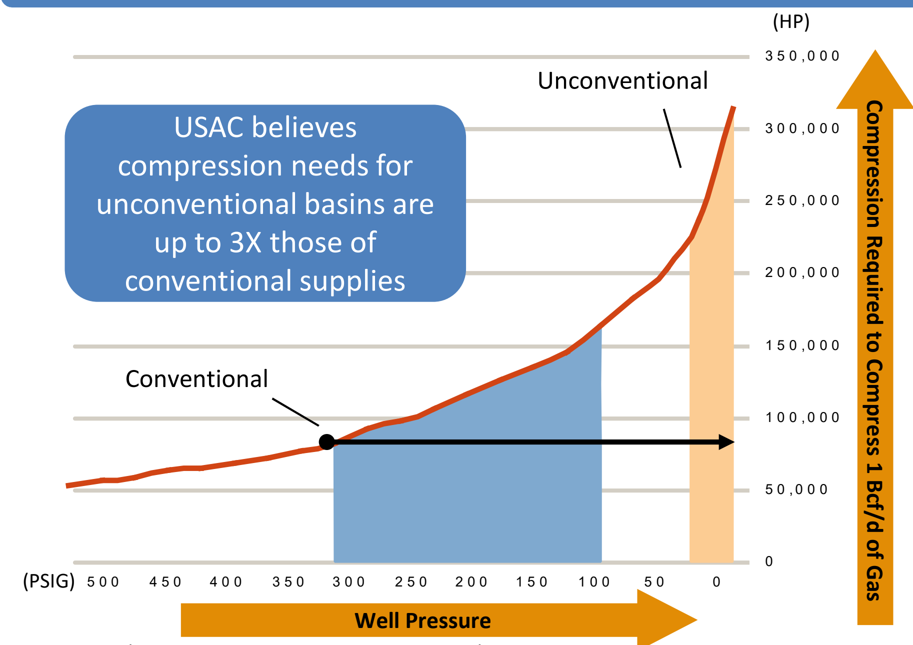
Natural gas production by type
trillion cubic feet



Source: U.S. Energy Information Administration, Annual Energy Outlook 2018, February 2018

- 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

Shale Production Drives Increasing Compression Requirements (1)



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

Key Industry Drivers for Compression Services

Compression is Critical Midstream Infrastructure for Producing & Transporting Hydrocarbons

Overall Gas Demand & Production

- ~85% of USAC's business (by HP) is installed in natural gas-based infrastructure applications ("Midstream")
- Projected increasing natural gas demand for the foreseeable future
- LNG and Mexico exports add to the increasing demand macro picture
- Largely gas price agnostic; activity driven by production volumes and the need to move gas

Shale Activity

- Expect majority of gas production growth to be satisfied by shale production
- Typically lower pressures (vs. conventional) require significantly more compression to move gas (~3x HP)
- Changing operating conditions over time require flexible assets
- Infrastructure build out is still in the early stages; compression follows
- Associated gas production as a byproduct of crude oil production

Customer Preference to Outsource

- Decision to outsource compression can be due to higher runtimes, lack of internal expertise, alternative capital investment opportunities and other factors
- Many of the largest, most sophisticated energy companies rely on outsourcing
- Mission-critical assets must run
- Guaranteed run time backed up by service and adherence to maintenance intervals
- As capital allocation moves to the forefront, shifting preference to use 3rd party providers

Customer Activity

E&P Activity Benefitting from Efficiencies; Compression Demand Follows

- Growth in drilling activity has moderated
- Producers continue to be active in attractive areas, but takeaway bottlenecks have had an impact
- Recent crude oil stability helping; gas demand/supply increase continues
- More gas moving through pipeline system leads to more demand for compression

DJ Basin

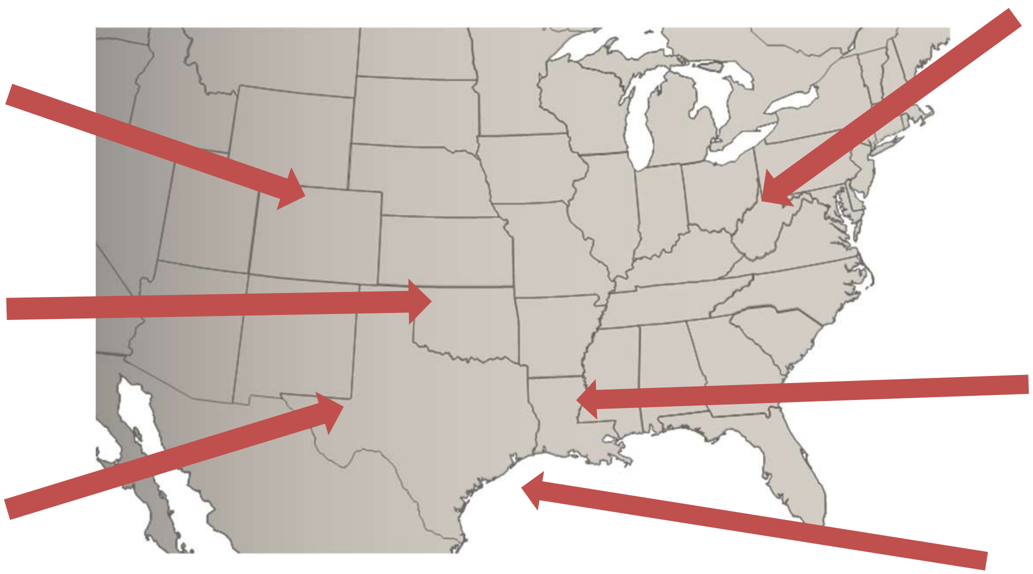
Rig	% Chg	
Total	Trough	Peak
26	117%	(56%)

SCOOP/Stack/Mid-Con

Rig	% Chg	
Total	Trough	Peak
83	69%	(39%)

Permian

Rig	% Chg	
Total	Trough	Peak
442	223%	(21%)



Marcellus

Rig	% Chg	
Total	Trough	Peak
56	115%	(33%)

Utica

Rig	% Chg	
Total	Trough	Peak
15	36%	(66%)

Haynesville

Rig	% Chg	
Total	Trough	Peak
47	161%	0%

Eagle Ford

Rig	% Chg	
Total	Trough	Peak
76	153%	(68%)

Source: Baker Hughes, Bloomberg, and B. Riley FBR Research dated August 5, 2019. "Trough" represents May 27, 2016 and "Peak" represents September 12, 2014.

USAC Overview

USAC Overview

Large Horsepower Strategy at Core of USAC Business

Business Overview

- Geographically diversified provider of compression services
  - Focused primarily on large horsepower (1,000 HP+) applications
  - Over 4,500 compressor units in 17 states
  - Areas of Activity: Permian/Delaware; Marcellus/Utica; Mid-Continent/SCOOP/STACK; S. Texas; E. Texas; Louisiana; Rockies
- Active / Total HP: 3.3mm / 3.7mm
  - >70% is greater than 1,000 HP
- Average Utilization ~94%
- ~900 employees
- $1.7 bn CDM acquisition closed in April 2018

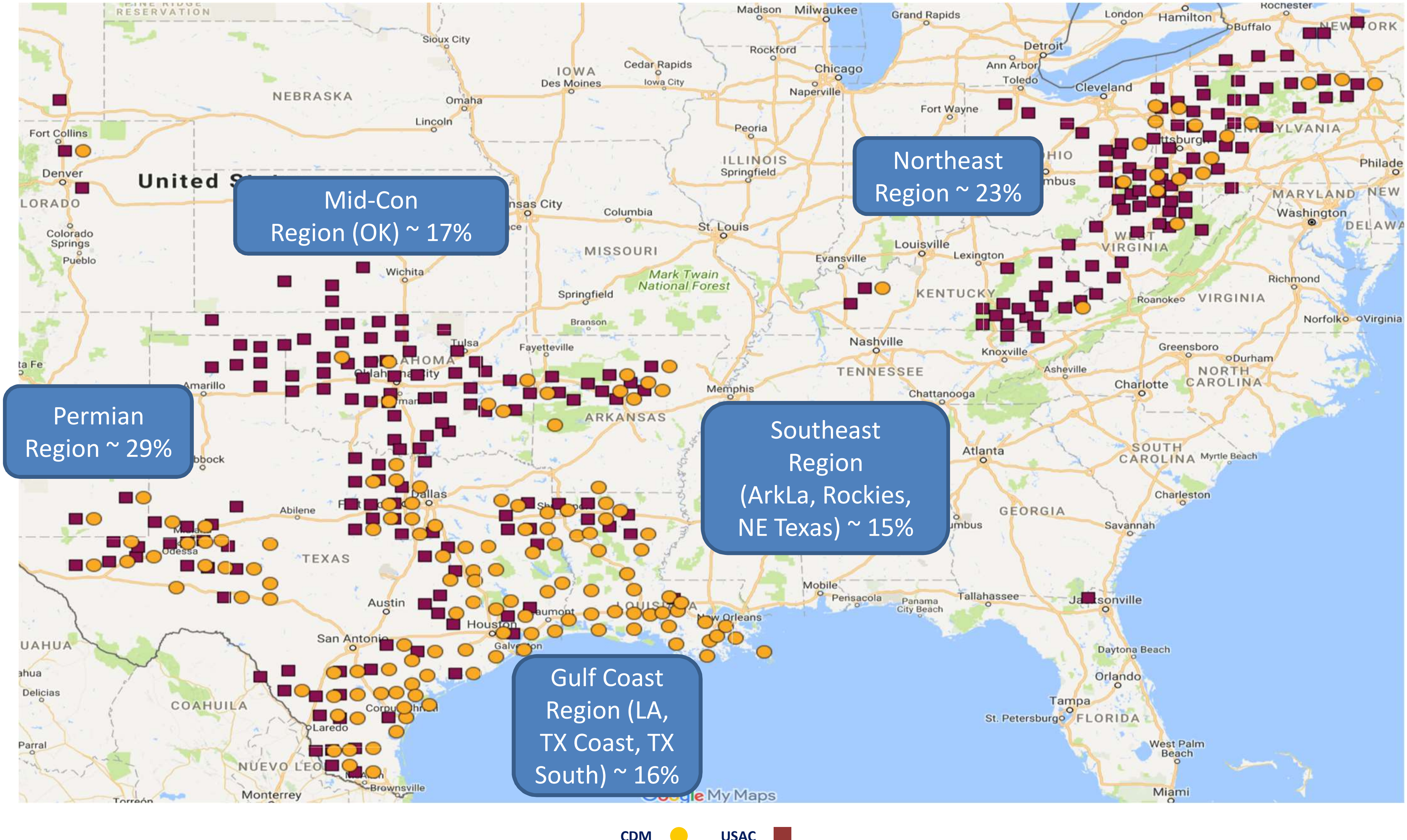
USAC Market Statistics

($ in billions)	
LP Equity Value	$1.6 billion
Preferred Equity	0.5 billion
ABL	0.4 billion
Sr. Notes	1.5 billon
Total Long-Term Debt	1.9 billion
Enterprise Value	**$3.9 billion**

Note: Market data as of August 6, 2019. Financial and operational data as of June 30, 2019. Numbers may not add due to rounding.

Geographic Presence

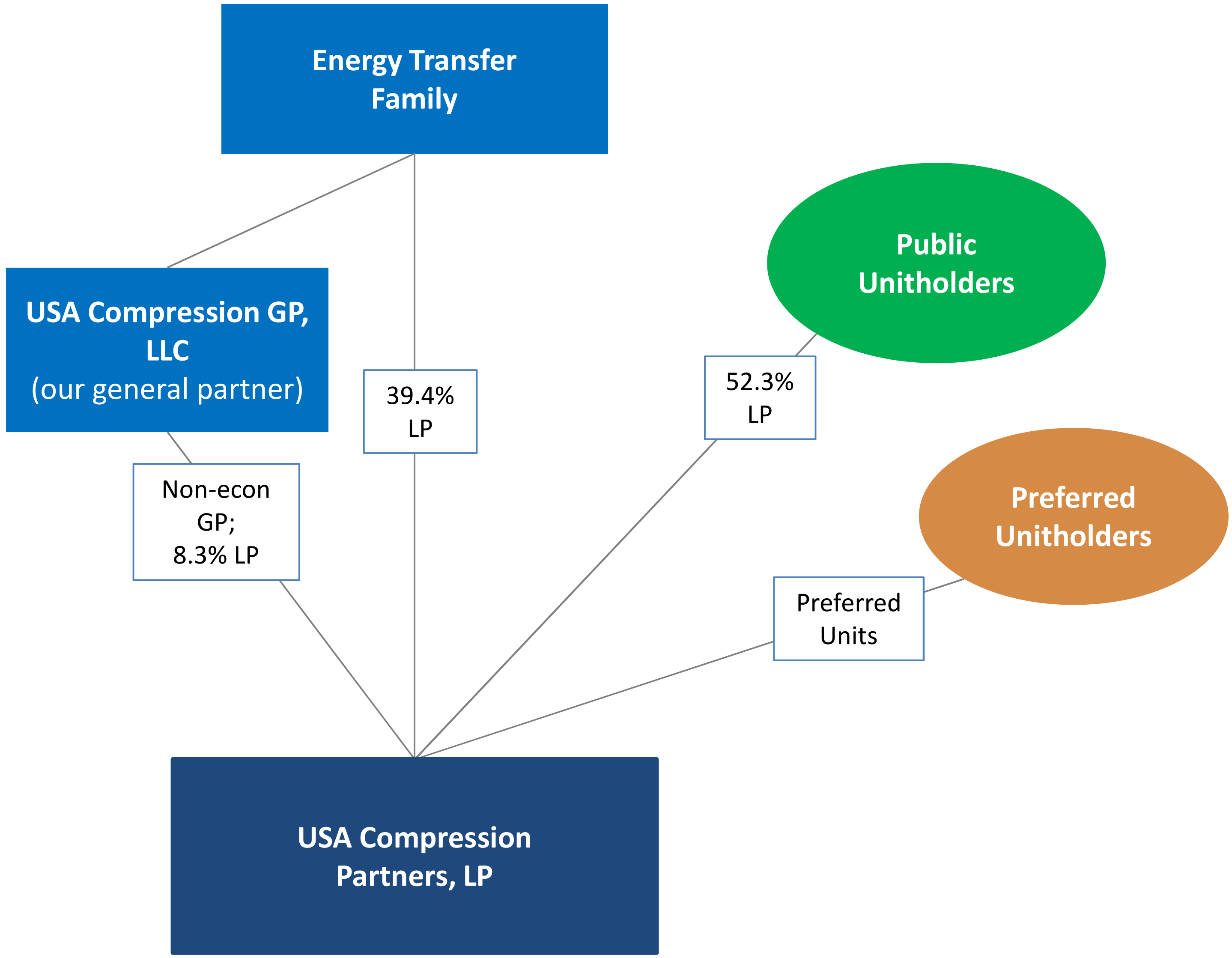
CDM Acquisition Expanded Geographic Footprint



Note: Regional % breakdowns represent active fleet horsepower; excludes non-compression equipment.

Organizational Chart

Combined, the Energy Transfer family owns ~48% of USAC



Note: Percentages reflect USAC unit count as of August 6, 2019.

Key Strategic Priorities

Consistent Business Model

- Further strengthen the USAC "Southwest Airlines" standardized business model
- Continue focus on large HP class units
- Implement best practices across the combined business

Prudent Capital Spending

- With capital scarcity, emphasizing highest-return opportunities
- Stringent capital allocation across the business
- 2019 remaining order: ~47,000 horsepower; lead times have shortened

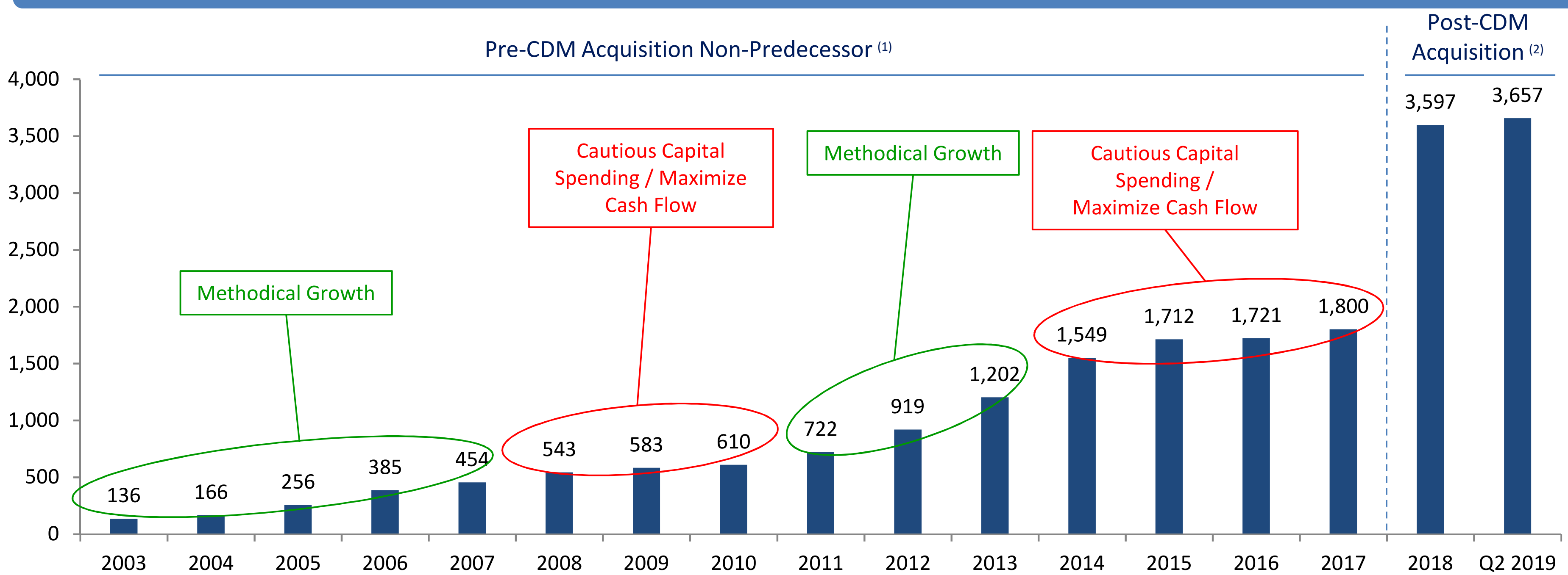
Sound Financial Management

- Optimize fleet pricing and contracts
- Continue to improve leverage & coverage metrics
- Facilitate Energy Transfer monetization when appropriate

Business Model Allows for Prudent Capital Spending…..

- Large HP focus ideally suited for growth and stability
- Shale production has changed the industry: demand for larger, more flexible assets
- Assets provide growth when marketplace demands (and willing to pay)
- Ability to rein in spending and operate for cash flow when market softens
- Largely agnostic to commodity prices; tied more to the overall domestic production of (and demand for) natural gas

Total Fleet Horsepower (000s)



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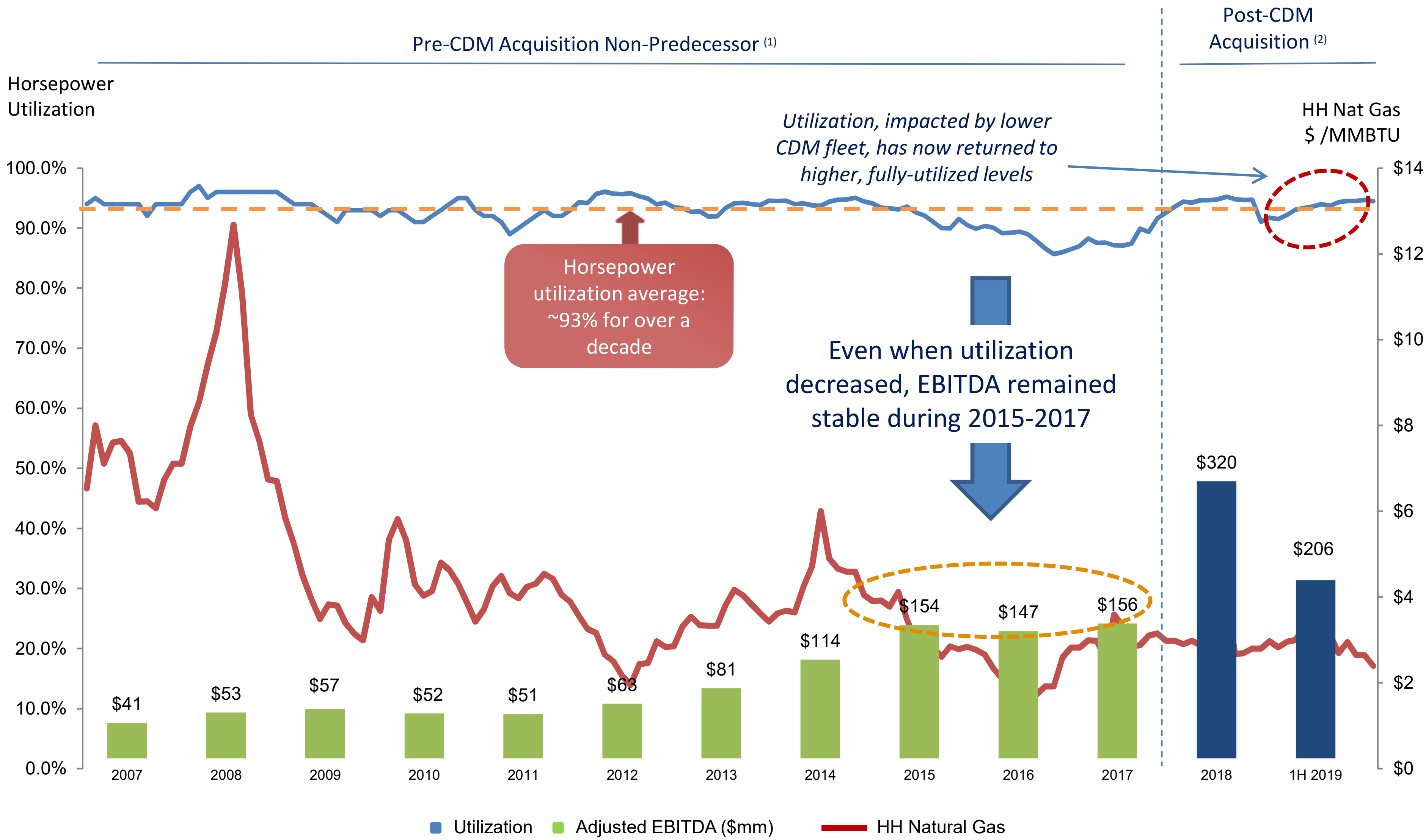
2. Represents the results of operations of the Partnership, which includes the USA Compression Predecessor, following the Transactions.

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



Source: EIA.

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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	8%	> 10 years	288K		Independent Public E&P	2%	> 10 Years	64K
Large Private E&P	4%	> 10 years	119K		Private Midstream	2%	> 5 Years	68K
Independent Public E&P	3%	> 10 years	94K		Independent Public E&P	2%	< 5 Years	38K
Public Utility	3%	> 5 Years	140K		Large Midstream C-Corp	2%	> 10 Years	50K
Independent Public E&P	3%	> 10 Years	97K		Independent Public E&P	2%	> 10 Years	51K
Large Public MLP	3%	> 5 Years	97K		Private Midstream	2%	> 5 Years	57K
Independent Public E&P	3%	< 5 Years	69K		Independent Public E&P	2%	< 5 Years	43K
Independent Public E&P	2%	> 5 Years	93K		Independent Public E&P	2%	< 5 Years	48K
Large MLP	2%	> 10 Years	64K		Private Midstream	1%	< 5 Years	59K
Major O&G	2%	> 10 Years	71K		Private E&P	1%	> 5 Years	39K
USAC #1-10	**34%**		**1,132K**		**USAC #11-20**	**16%**		**518K**

- USAC standalone has historically had very little bad debt write-offs; in fact, over the last 14+ years, USAC has written off only ~$1.7 million in bad debts
  - Equates to 0.06% of total billings (~$2.8 billion) over same period [2]

1. *Represents recurring revenues for the 6 months ended June 30, 2019.*
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.*

Large Horsepower Gas Applications Drive Stability

Compression Unit Size Matters

USAC Focus:

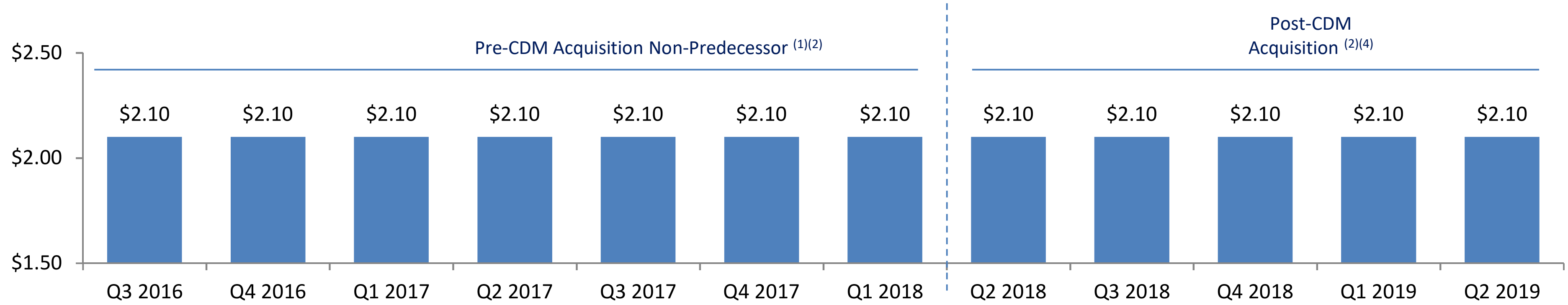
Gas Compression Industry: Key Characteristics by Size						
	Small - Medium	Large	X Large	XX Large	XXX Large	Commentary
Compression Unit HP Range	0 – 400 HP	400 – 1,000 HP	1,000 – 1,500 HP	1,500 – 2,300 HP	2,300 – 5,000+ HP	**More horsepower needed to move larger gas volumes**
Gas Vol (MMcf/d)	0.90	3.20	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 significant 'barriers to exit'**
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+	
Typical Contract Length	1 – 12 mos	6 months – 2 years	2 – 5 years	2 – 5 years	2 – 5 years +	**Larger units = longer deployment**

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

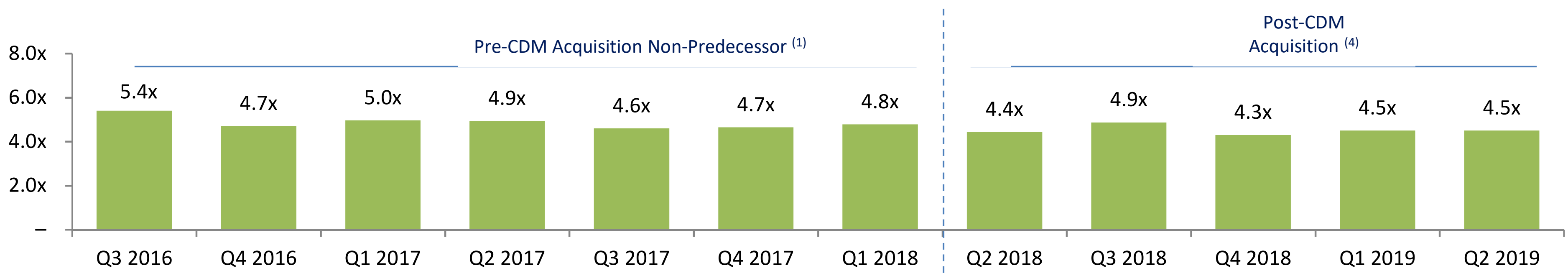
Annualized Distributions per Common Unit

Stability in Distribution through the cycle



USAC Historical Leverage[3]

Manageable Leverage for Stability of Business



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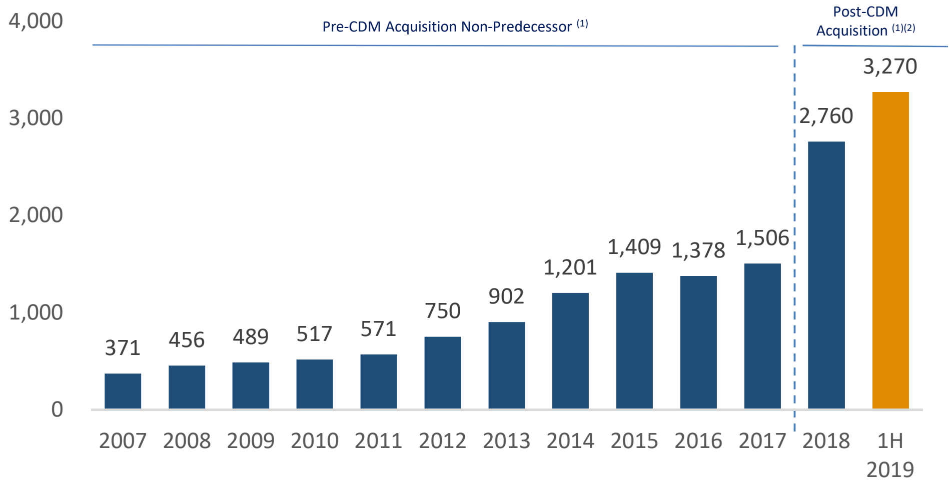
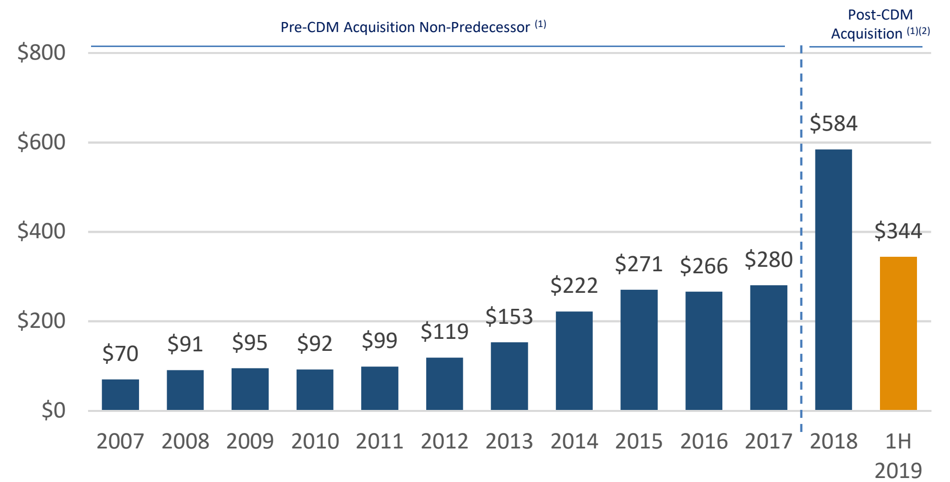
2. *The USA Compression Predecessor did not pay distributions prior to the completion of the Transactions.*
3. *Historical leverage calculated as total debt divided by annualized quarterly Adjusted EBITDA for the applicable quarter, in accordance with our current Credit Agreement. Actual historical leverage may differ based on certain adjustments.*
4. *Represents the results of operations of the Partnership, which includes the USA Compression Predecessor, following the Transactions.*

Operational and Financial Performance

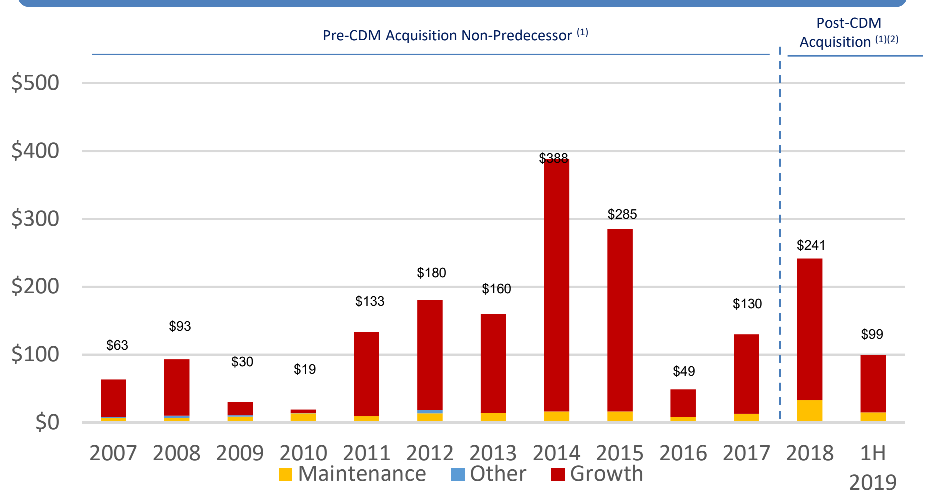
Avg. Revenue Generating HP (000s)



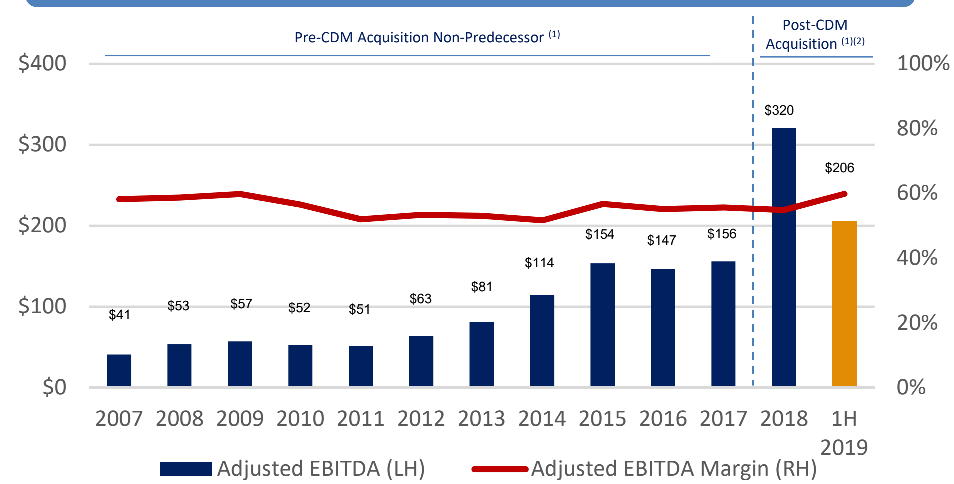
Revenue ($MM)



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 and Adjusted EBITDA Margin Percentage.

USAC Investment Highlights

USAC's Business Prospects Driven By Positive Macro Drivers in the Midstream Industry

Critical Midstream Infrastructure	■ Continued focus on infrastructure-oriented compression applications; compression is critical to transporting natural gas to end markets ■ Shale gas continues to reward flexible compression providers ■ Gas lift operations continue in our core areas; well economics (lifting vs. finding costs) still favorable
Exposure to Strategic Producing Regions	■ USAC owns and operates assets in prolific oil and gas shale basins benefitting from ongoing midstream build-out ■ CDM Acquisition further expanded presence in areas where USAC was historically under-represented (S. Texas, Rockies, Louisiana) ■ Continued organic development through presence in areas of natural gas processing
Stable Cash Flows with Visible Growth	■ Infrastructure nature of assets results in compression units typically remaining in the field well beyond initial contract term ■ Continued strong utilization history drives return on capital employed ■ Tightness in market allows pricing upside
Strategic Customer Relationships	■ Services provided to large, high-quality midstream and upstream customers ■ Continued outsourcing of service providers creates strategic opportunities for USAC ■ Long-standing customer relationships in all operating regions creates a significant barrier to entry ■ CDM brought new customers / opportunities to USAC

Appendix

Compression Throughout the Value Chain

Midstream Compression Offers Cash Flow & Customer Stability

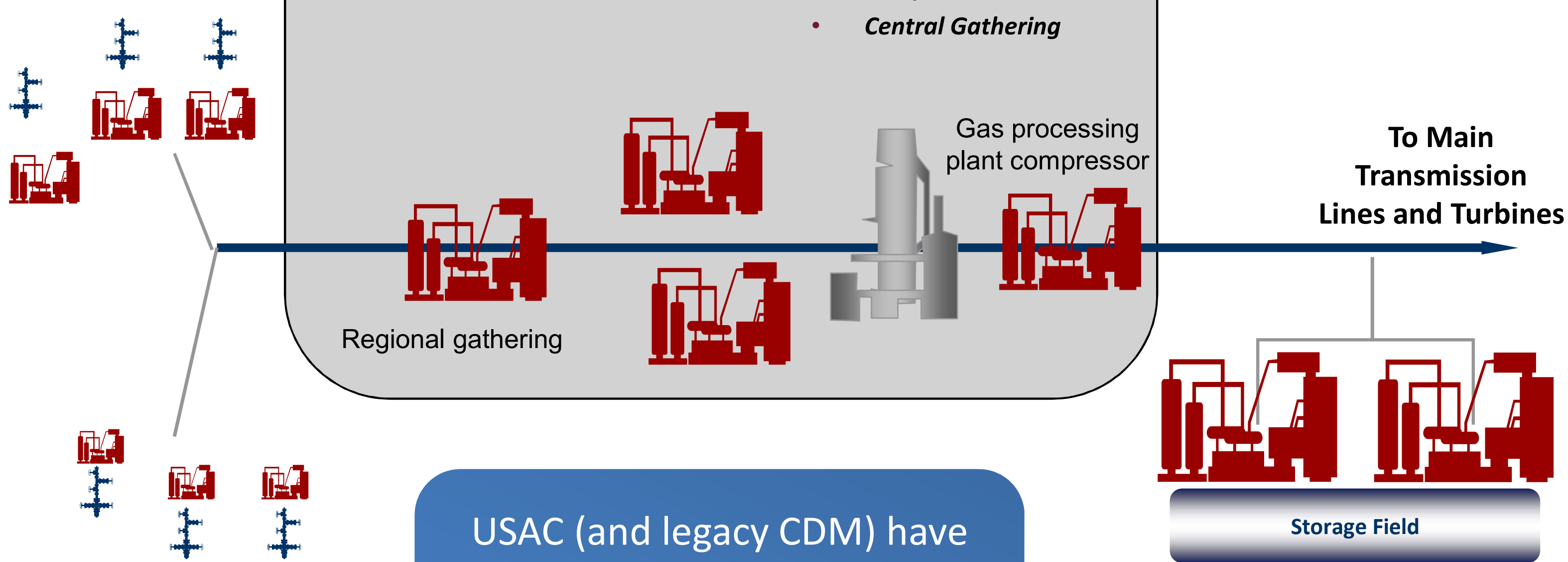
Lower (Sm. Volumes) **Pressure Regime** *Higher (Lg. Volumes)*

Crude Oil Wells
- ***Gas Lift***
- ***Gas Reinjection***

Limited exposure for both USAC & CDM

Midstream Applications
- ***Regional Gathering***
- ***Gas Processing Plant Compression***
- ***Central Gathering***

Rate-Base Applications
- ***Interstate Pipeline***
- ***Trunkline gathering***
- ***Underground Gas Storage***



Natural Gas Wells
- ***Wellhead Compression***
- ***Gas Lift / Gas Reinjection***

USAC (and legacy CDM) have made the strategic decision not to pursue more volatile gas wellhead equipment

Non-GAAP Reconciliations

	Three Months Ended		Six Months Ended
	June 30,	March 31,	June 30,
($ in 000's)	2019	2019	2018
Net income	$ 9,949	$ 6,587	$ 16,536
Interest expense, net	32,679	28,857	61,536
Depreciation and amortization	56,783	58,924	115,707
Income tax expense (benefit)	275	104	379
EBITDA	**$ 99,686**	**$ 94,472**	**$ 194,158**
Interest income on capital lease	177	194	371
Unit-based compensation expense	2,706	3,134	5,840
Transaction expenses	465	86	551
Severance charges	128	217	345
Loss on disposition of assets	1,546	40	1,586
Impairment of compression equipment	—	3,234	3,234
Adjusted EBITDA	**$ 104,708**	**$ 101,377**	**$ 206,085**
Interest expense, net	(32,679)	(28,857)	(61,536)
Non-cash interest expense	1,975	1,680	3,655
Income tax (expense) benefit	(275)	(104)	(379)
Interest income on capital lease	(177)	(194)	(371)
Transaction expenses	(465)	(86)	(551)
Severance charges	(128)	(217)	(345)
Other	486	14	500
Changes in operating assets and liabilities	26,372	(25,844)	528
Net cash provided by operating activities	**$ 99,817**	**$ 47,769**	**$ 147,586**

Non-GAAP Reconciliations, cont'd.

($ in 000's)	Years Ended December 31, 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net income (loss)	$ (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	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	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)	(2,474)	538	421	1,085	103	280	196	155	155	190	119	155
EBITDA	**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	709	1,610	1,492	1,631	1,274	—	—	—	—	—	—	—
Unit-based compensation expense	11,740	11,708	10,373	3,863	3,034	1,343	—	—	382	269	225	2,352
Transaction expenses	4,181	1,406	894	—	1,299	2,142	—	—	—	—	—	—
Severance charges	3,171	314	577	—	—	—	—	—	—	—	—	—
Loss (gain) on disposition of assets and other	12,964	(17)	772	(1,040)	(2,198)	637	—	—	—	—	—	—
Impairment of goodwill	—	—	—	172,189	—	—	—	—	—	—	—	—
Impairment of compression equipment	8,666	4,972	5,760	27,274	2,266	203	—	—	—	1,677	—	1,028
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	**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	(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	5,080	2,186	2,108	1,702	1,189	1,839	(58)	(920)	3,362	288	201	1,666
Income tax (expense) benefit	2,474	(538)	(421)	(1,085)	(103)	(280)	(196)	(155)	(155)	(190)	(119)	(155)
Interest income on capital lease	(709)	(1,610)	(1,492)	(1,631)	(1,274)	—	—	—	—	—	—	—
Transaction expenses	(4,181)	(1,406)	(894)	—	(1,299)	(2,142)	—	—	—	—	—	—
Severance charges	(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	(2,030)	(490)	—	—	—	—	—	—	—	—	—	—
Changes in operating assets and liabilities	(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	**$ 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	
($ in 000's)	June 30, 2019	March 31, 2019
Net income	$ 9,949	$ 6,587
Non-cash interest expense	1,975	1,680
Depreciation and amortization	56,783	58,924
Non-cash income tax expense (benefit)	187	14
Unit-based compensation expense	2,706	3,134
Transaction expenses	465	86
Severance charges	128	217
Loss on disposition of assets	1,546	40
Impairment of compression equipment	—	3,234
Distributions on Preferred Units	(12,188)	(12,187)
Proceeds from insurance recovery	383	44
Maintenance capital expenditures	(7,872)	(6,921)
Distributable Cash Flow	**54,062**	**54,852**
Maintenance capital expenditures	7,872	6,921
Transaction expenses	(465)	(86)
Severance charges	(128)	(217)
Distributions on Preferred Units	12,188	12,187
Other	(84)	(44)
Changes in operating assets and liabilities	26,372	(25,844)
Net cash provided by operating activities	**$ 99,817**	**$ 47,769**
Distributable Cash Flow	$ 54,062	$ 54,852
Distributions for Distributable Cash Flow Coverage Ratio (5)	$ 47,356	$ 47,333
Distributions reinvested in the DRIP (6)	$ 236	$ 226
Distributions for Cash Coverage Ratio (7)	$ 47,120	$ 47,107
Distributable Cash Flow Coverage Ratio	1.14	1.16
Cash Coverage Ratio	1.15	1.16

Non-GAAP Reconciliations, cont'd.

	Guidance
Net income	$19.0 million to $39.0 million
Plus: Interest expense, net	$132.5 million
Plus: Depreciation and amortization	$222.0 million
Plus: Income tax expense	$0.5 million
EBITDA	$374.0 million to $394.0 million
Plus: Interest income on capital lease	$0.5 million
Plus: Unit-based compensation expense	$9.8 million
Plus: Transaction expenses and severance charges	$0.9 million
Plus: Loss on disposition of assets	$1.6 million
Plus: Impairment of compression equipment	$3.2 million
Adjusted EBITDA	$390.0 million to $410.0 million
Less: Cash interest expense	$125.5 million
Less: Current income tax expense	$0.5 million
Less: Maintenance capital expenditures	$25.0 million
Less: Distributions on Preferred Units	$49.0 million
Distributable Cash Flow	$190.0 million to $210.0 million

Basis of Presentation; Explanation of Non-GAAP Financial Measures

This presentation includes the non-GAAP financial measures of Adjusted EBITDA, Adjusted EBITDA Margin Percentage, gross operating margin, Distributable Cash Flow, Distributable Cash Flow Coverage Ratio and Cash Coverage Ratio, as well as horsepower utilization.

EBITDA, a measure not defined under U.S. generally accepted accounting principles ("GAAP"), is defined by the Partnership 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 the Partnership 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 fees, loss (gain) on disposition of assets and other. 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. Management 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. Adjusted EBITDA Margin Percentage is calculated by the Partnership as Adjusted EBITDA divided by Revenue for the period presented.

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

Adjusted EBITDA, gross operating 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, gross operating 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.

Management 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. Cash Coverage Ratio is defined as Distributable Cash Flow divided by cash distributions expected to be paid to common unitholders in respect of such period, after taking into account the non-cash impact of the DRIP. Management believes Distributable Cash Flow Coverage Ratio and Cash Coverage Ratio are important measures of operating performance because they allow management, investors and others to gauge the Partnership's ability to pay cash distributions to common unitholders using the cash flows generated. Distributable Cash Flow Coverage Ratio and Cash Coverage Ratio as presented may not be comparable to similarly titled measures of other companies.

Horsepower utilization is calculated as (i)(a) revenue generating HP plus (b) HP in the Partnership's fleet that is under contract, but is not yet generating revenue plus (c) HP not yet in the Partnership's fleet that is under contract, not yet generating revenue and is subject to a purchase order, divided by (ii) total available HP less idle HP that is under repair. Average utilization is calculated as the average utilization for the months in the period based on utilization at the end of each month in the period.

This presentation contains a forward-looking estimate of Adjusted EBITDA and Distributable Cash Flow projected to be generated by the Partnership in its 2019 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.