

# ENERFLEX

SECOND QUARTER 2014  
FACT SHEET



## snapshot

### Second Quarter Highlights:

- Generated revenue of \$446.1 million in the second quarter of 2014 compared to \$311.0 million in 2013;
- Completed the acquisition of the international contract compression, as well as the after-market services of Axiop Energy Services LP for approximately US \$430.3 million;
- Generated cash from operations totalling \$53.1 million in the second quarter of 2014 compared to \$46.1 million in cash used in operations in the prior year; and
- Exited the quarter with a backlog of \$867.9 million, which was \$170.1 million or 24.4% higher than the second quarter 2013. Sequentially, backlog has increased by \$73.9 million since December 31, 2013 year-end.

## fast facts

Year established  
1980

Business  
Oil and Gas Service

Head Office  
Calgary

Employees  
3,400

TSX  
EFX

## operations



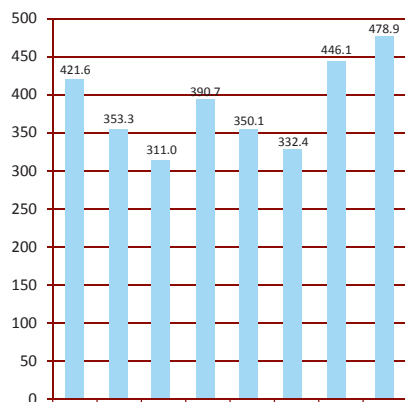
|                |                      |
|----------------|----------------------|
| Canada         | Russia               |
| United States  | United Arab Emirates |
| Mexico         | Oman                 |
| Argentina      | Bahrain              |
| Brazil         | Singapore            |
| Colombia       | Malaysia             |
| Peru           | Indonesia            |
| Australia      | Thailand             |
| United Kingdom |                      |

Enerflex is a single-source supplier for natural gas compression, oil and gas processing, refrigeration systems and electric power equipment – plus in-house engineering and mechanical services expertise. The Company's broad in-house resources provide the capability to engineer, design, manufacture, construct, commission and service hydrocarbon handling systems. Enerflex's expertise encompasses field production facilities, compression and natural gas processing plants, CO<sub>2</sub> processing plants, refrigeration systems and electric power serving the natural gas production industry.

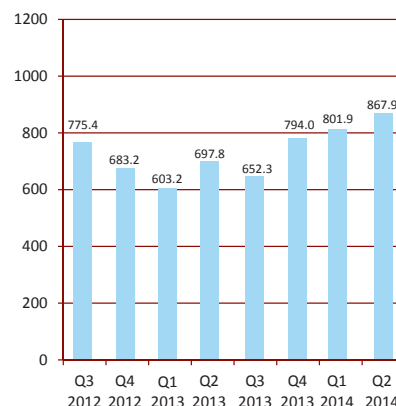
## Three and Six Months Highlight Table

| \$ million, except per share amounts<br>and percentages (unaudited) | Three Months Ended June 30, |          | Six Months Ended June 30, |          |
|---|-----------------------------|----------|---------------------------|----------|
|   | 2014                        | 2013     | 2014                      | 2013     |
| Revenue   |                             |          |                           |          |
| Canada and Northern U.S.  | \$ 183.4                    | \$ 122.4 | \$ 325.3                  | \$ 242.4 |
| Southern U.S. and Latin America                                     | 171.1                       | 99.1     | 289.8                     | 214.5    |
| International   | 91.6                        | 89.5     | 163.4                     | 207.4    |
| Total revenue   | 446.1                       | 311.0    | 778.5                     | 664.3    |
| Gross margin  | 86.0                        | 64.4     | 137.3                     | 125.4    |
| Gross margin %  | 19.3                        | 20.7     | 17.6                      | 18.9     |
| EBIT  | 30.4                        | 27.1     | 40.5                      | 49.9     |
| Normalized EBIT <sup>(1)</sup>                                      | 38.6                        | 27.1     | 49.6                      | 49.9     |
| EBITDA <sup>(2)</sup>   | 40.1                        | 37.1     | 60.1                      | 69.7     |
| Normalized EBITDA <sup>(1)</sup>                                    | 48.3                        | 37.1     | 69.2                      | 69.7     |
| Net earnings (loss)   |                             |          |                           |          |
| Continuing  | 11.1                        | 18.4     | 15.2                      | 33.8     |
| Discontinued  | —                           | (1.2)    | —                         | (1.7)    |
| Earnings per share  |                             |          |                           |          |
| Continuing  | 0.14                        | 0.24     | 0.19                      | 0.44     |
| Discontinued  | —                           | (0.02)   | —                         | (0.02)   |
| Normalized EPS <sup>(1)</sup>                                       | 0.33                        | 0.24     | 0.38                      | 0.44     |
| Booking   | 414.3                       | 317.5    | 652.2                     | 506.8    |
| Backlog <sup>(2)</sup>  | 867.9                       | 697.8    | 867.9                     | 679.8    |

Revenue



Backlog<sup>(2)</sup>

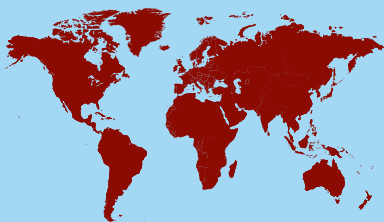


<sup>(1)</sup> Earnings before Interest and Taxes ("EBIT"), Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Earnings per Share ("EPS") have been normalized for the one-time transaction costs expensed as part of the acquisition, and the tax impact of repatriating cash to Canada to partially finance the acquisition.

<sup>(2)</sup> EBITDA and Backlog are non-GAAP measures that do not have a standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers.

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## executives

### J. Blair Goertzen

Director  
Officer of the Corporation  
President and Chief Executive Officer  
Calgary, AB

### D. James Harbilas

Officer of the Corporation  
Executive Vice President and  
Chief Financial Officer  
Calgary, AB

### Jerauld Fraelic

Officer of the Corporation  
President, Americas  
Houston, TX

### Bradley Beebe

Officer of the Corporation  
President, Canada  
Calgary, AB

### Marc Rossiter

President, United States of America  
Houston, TX

### Patricia Martinez

President, Latin America  
Houston, TX

### Phil Pyle

President, International  
Abu Dhabi, UAE

### William Moore

Officer of the Corporation  
Senior Vice President,  
Business Development and Strategy  
Calgary, AB

### Greg Stewart

Officer of the Corporation  
Senior Vice President Corporate Services  
and Chief Information Officer  
Calgary, AB

### Carol Ionel

Officer of the Corporation  
Vice President, Human Resources  
Calgary, AB

## Business Segment Review

**Engineered Systems** – Engineers, fabricates and assembles standard and custom-designed compression packages, production and processing equipment and facilities, and electric power systems.

**Service** – Provides a complete line of mechanical services to the oil and gas industry through an extensive branch network in Canada, the United States, Latin America, Australia, Indonesia and MENA.

**Rentals** – Provides a variety of rental and leasing alternatives for natural gas compression and electric power equipment.

### Canada and Northern U.S.

#### Three Months Ended June 30,

(Unaudited)(\$Millions, except percentages)

|                    | 2014            | 2013            | % change    |
|--------------------|-----------------|-----------------|-------------|
| <b>Revenue</b>     | <b>\$ 183.4</b> | <b>\$ 122.4</b> | <b>49.8</b> |
| Engineered Systems | 126.7           | 70.7            | 79.2        |
| Service            | 49.8            | 43.2            | 15.3        |
| Rental             | 6.9             | 8.5             | (18.8)      |
| <b>EBIT</b>        | <b>\$ 9.5</b>   | <b>\$ 6.1</b>   | <b>55.7</b> |
| <b>EBIT %</b>      | <b>5.2</b>      | <b>5.0</b>      | <b>-</b>    |

### Southern U.S. and Latin America

#### Three Months Ended June 30,

(Unaudited)(\$Millions, except percentages)

|                    | 2014            | 2013           | % change    |
|--------------------|-----------------|----------------|-------------|
| <b>Revenue</b>     | <b>\$ 171.1</b> | <b>\$ 99.1</b> | <b>72.7</b> |
| Engineered Systems | 154.0           | 84.1           | 83.1        |
| Service            | 17.1            | 15.0           | 14.0        |
| <b>EBIT</b>        | <b>\$ 16.8</b>  | <b>\$ 11.4</b> | <b>47.4</b> |
| <b>EBIT %</b>      | <b>9.8</b>      | <b>11.5</b>    | <b>-</b>    |

### International

#### Three Months Ended June 30,

(Unaudited)(\$Millions, except percentages)

|                    | 2014           | 2013           | % change      |
|--------------------|----------------|----------------|---------------|
| <b>Revenue</b>     | <b>\$ 91.6</b> | <b>\$ 89.5</b> | <b>2.3</b>    |
| Engineered Systems | 67.6           | 68.1           | (0.7)         |
| Service            | 24.0           | 20.7           | 15.9          |
| Rental             | -              | 0.7            | (100.0)       |
| <b>EBIT</b>        | <b>\$ 4.1</b>  | <b>\$ 9.6</b>  | <b>(57.3)</b> |
| <b>EBIT %</b>      | <b>4.5</b>     | <b>10.7</b>    | <b>-</b>      |

## Regional Update

### Canada and Northern U.S.

- Bookings in the second quarter of 2014 increased due to improving market fundamentals and increased domestic demand.
- Expansion into the Alberta oil sands and the electric power market have translated into increased bookings in this segment compared to the same period of 2013.

### Southern U.S. and Latin America

- Market fundamentals in the Southern U.S. have remained steady despite weak NGL prices, resulting in higher domestic bookings in the second quarter of 2014 compared to the same period in 2013.
- Service revenue increased by 14.0% compared to the second quarter of 2013 as a result of increased service calls and part sales in 2014.

### International

- Continue to hold considerable long-term opportunity and experienced strong bookings activity for second quarter of 2014.
- Continued to build on a sales presence in Southeast Asia through our offices in Singapore, Malaysia and Thailand.

## Quarterly Graph

### Earnings Per Share

\*\* EPS amounts are on a continuing basis.

