



Aris Water Solutions, Inc. – Earnings Presentation

First Quarter 2025



Forward-Looking Statements

This presentation and the oral statements made in connection with this presentation contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Examples of forward-looking statements include, but are not limited to, statements, information, opinions or beliefs regarding our business strategy, our industry, our future profitability, business and financial performance, including our guidance for 2025, current and potential future long-term contracts, legal and regulatory developments, our ability to identify strategic acquisitions and realize expected benefits therefrom, the development of technologies for the beneficial reuse of produced water and related strategies, plans, objectives and strategic pursuits and other statements that are not historical facts. In some cases, you can identify forward-looking statements by terminology such as “anticipate,” “guidance,” “preliminary,” “project,” “estimate,” “expect,” “anticipate,” “continue,” “sustain,” “will,” “intend,” “strive,” “plan,” “goal,” “target,” “believe,” “forecast,” “outlook,” “future,” “potential,” “opportunity,” “predict,” “may,” “visibility,” “possible,” “should,” “could” and variations of such words or similar expressions. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, our actual results may differ materially from those contemplated or implied by the forward-looking statements including our guidance for 2025. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include, but are not limited to, energy prices, trade policy of domestic and foreign governments (including the imposition of tariffs), the Russia-Ukraine and Middle Eastern conflicts, macroeconomic conditions (such as inflation) and market uncertainty related thereto, legislative and regulatory developments, customer plans and preferences, adverse results from litigation and the use of financial resources for litigation defense, technological innovations and developments, and other events discussed or referenced in our filings made from time to time with the Securities and Exchange Commission (“SEC”), including such factors discussed under “Risk Factors” in our most recent Annual Report on Form 10-K, and if applicable, our subsequent SEC filings, which are available on our Investor Relations website at <https://ir.ariswater.com/sec-filings> or on the SEC’s website at www.sec.gov/edgar. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. All forward-looking statements, expressed or implied, included in this presentation and any oral statements made in connection with this presentation are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Industry and Market Data

Market and industry data and forecasts used in this presentation have been obtained from independent industry sources as well as from research reports prepared for other purposes. We also cite certain information from media and other third-party sources. Although we believe these third-party sources to be reliable, we have not independently verified the data obtained from these sources and we cannot assure you of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this presentation. Statements as to our market position are based on market data currently available to us, as well as management’s estimates and assumptions regarding the size of our markets within our industry. While we are not aware of any misstatements regarding our industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors. As a result, we cannot guarantee the accuracy or completeness of such information contained in this presentation. In addition, any reference within this presentation or made in connection with this presentation to our support of, work with, or collaboration with a third-party entity or organization does not constitute or imply an endorsement of any or all of the positions or activities of such entity or organization.

Non-GAAP Financial Measures

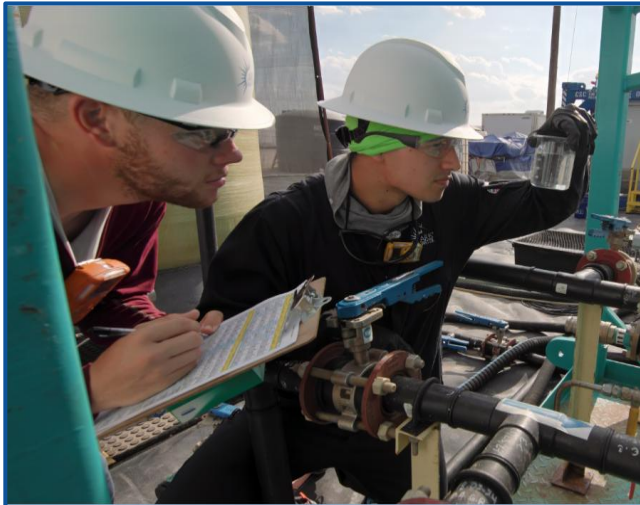
In this presentation, we use certain non-GAAP financial measures to evaluate current and past performance and prospects for the future to supplement our GAAP financial information presented in accordance with GAAP. These non-GAAP financial measures are important factors in assessing our operating results and profitability. A reconciliation of non-GAAP measures to the most directly comparable GAAP measures is contained in the appendix to this presentation.

Although we provide guidance for the non-GAAP measures Adjusted EBITDA, Adjusted Operating Margin per Barrel, and Capital Expenditures we are not able to forecast the most directly comparable measures (net income, gross margin, and cash paid for property, plant, and equipment) calculated and presented in accordance with GAAP, without unreasonable effort. Certain elements of the composition of forward-looking GAAP metrics are not predictable, making it impractical for us to forecast. Such elements include but are not limited to non-recurring gains or losses, unusual or non-recurring items, income tax benefit or expense, or one-time transaction costs and cost of revenue, which could have a significant impact on net income. As a result, no reconciliation of forecasted non-GAAP measures are provided.

We are a leading, growth-oriented water infrastructure and solutions company focused on unlocking value in complex wastewater streams

We provide full-cycle, sustainable water handling and recycling solutions that improve the environmental footprint of our customers

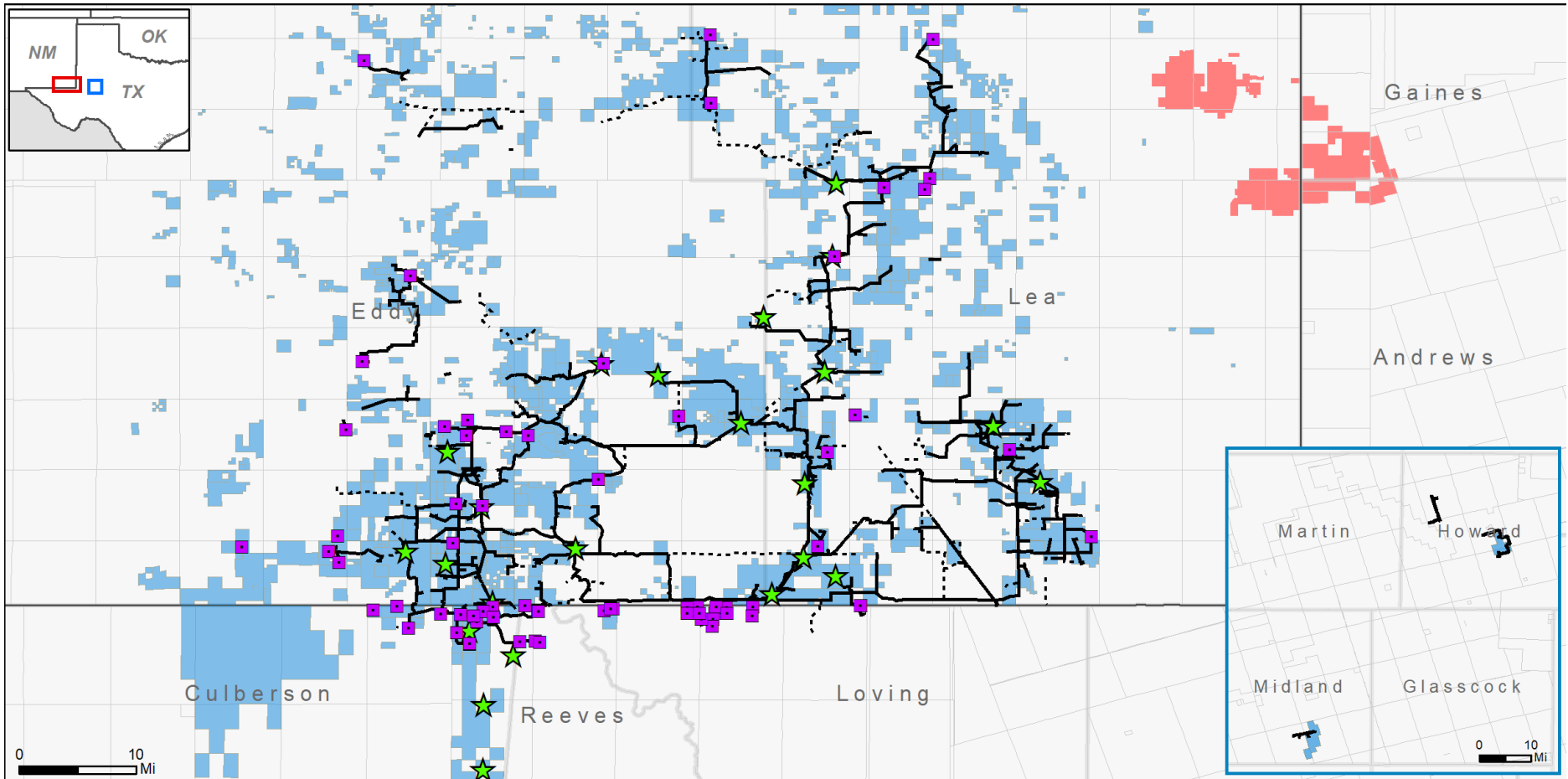
We are adapting and developing technologies to treat complex water for reuse in multiple industries and identifying high-value minerals in wastewater that may be commercially extracted



Overview of Aris's Water Infrastructure



Asset Footprint



Aris Infrastructure

- Produced Water Pipeline
- Right of Way
- Water Handling Facility
- ★ Water Recycling Facility

Customer Acreage

Aris Surface

- Contracted
- McNeill Ranch

Asset Highlights as of March 31, 2025

Miles of Pipeline	~790
Produced Water Handling Capacity	~1,800 kbwpd
Water Recycling Capacity	~1,400 kbwpd
Recycled Water Storage Capacity	~16 million bbls
Dedicated Acres	~625,000

First Quarter 2025 Highlights

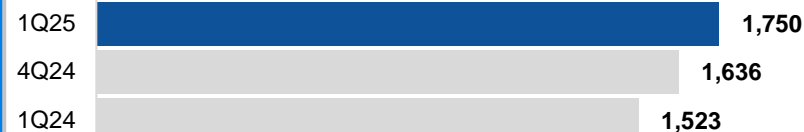


Highlights

- ✓ Increased produced water volumes 7% sequentially and 3% year-over-year
- ✓ Increased Water Solutions volumes 7% sequentially and 54% year-over-year
- ✓ Delivered net income of \$16 million and \$57 million of Adjusted EBITDA⁽²⁾, up 4% sequentially and up 6% year-over-year
- ✓ Maintained strong gross margin and Adjusted Operating Margin⁽²⁾ of \$0.32 and \$0.44 per barrel, respectively
- ✓ First quarter cash paid for property, plant and equipment of \$20 million and Capital Expenditures⁽²⁾ of \$21 million, down 44% year-over-year

Operational

Total Volumes⁽¹⁾



Produced Water Volumes⁽¹⁾

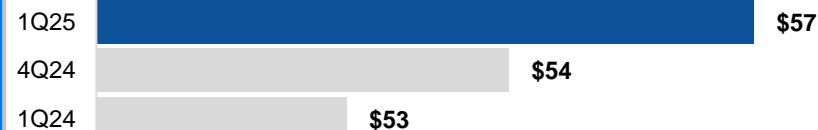


Water Solutions Volumes⁽¹⁾



Financial

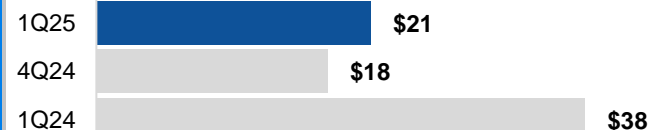
Adjusted EBITDA⁽²⁾



Adjusted Op. Margin⁽²⁾



Capital Expenditures⁽²⁾



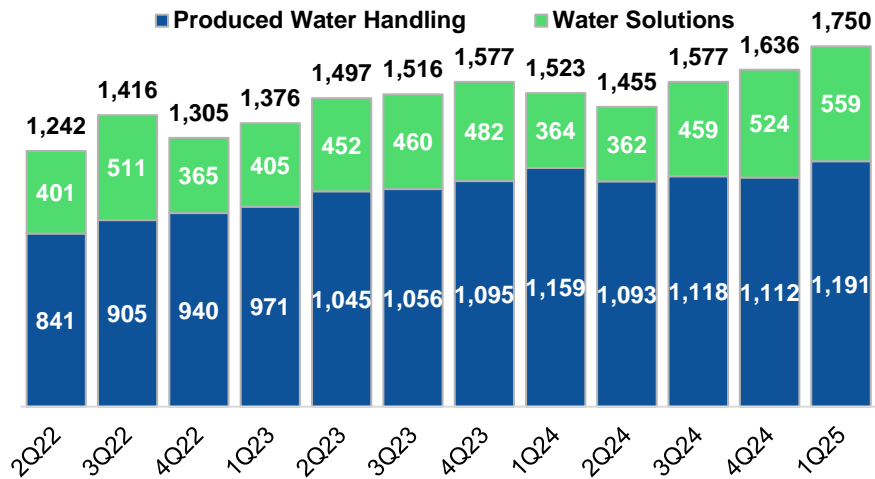
(1) Represents thousands of barrels of water per day.

(2) Represents a non-GAAP measure. See definition and a reconciliation to the most directly comparable GAAP measure in the Appendix.

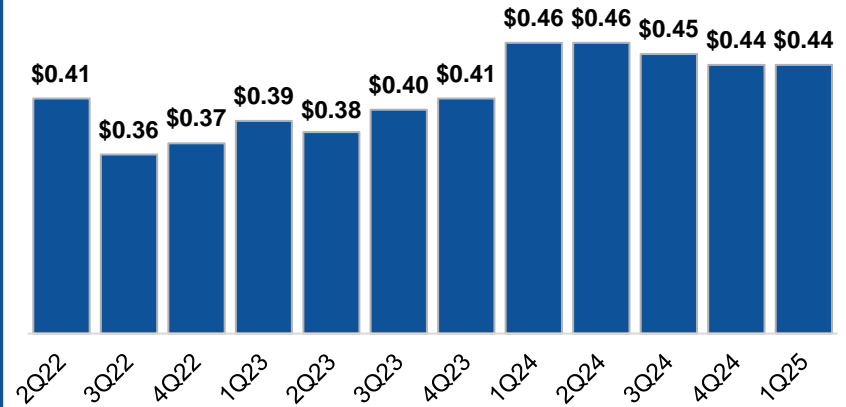
Key Operating and Performance Metrics



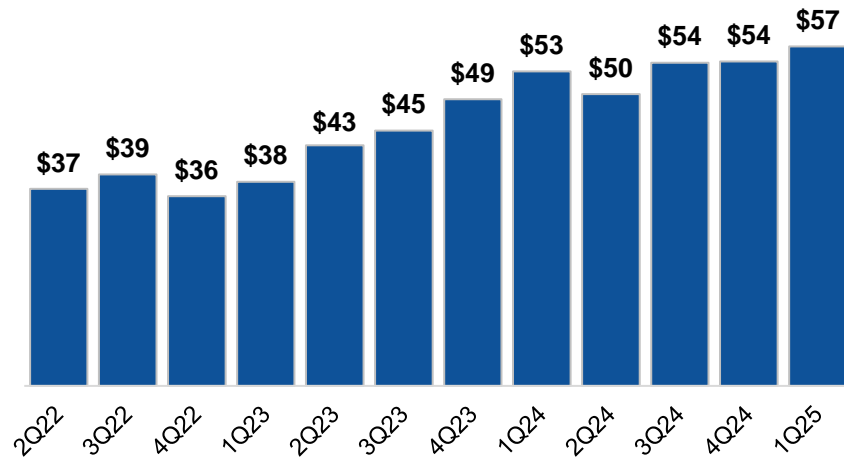
Volume Profile (kbwpd)



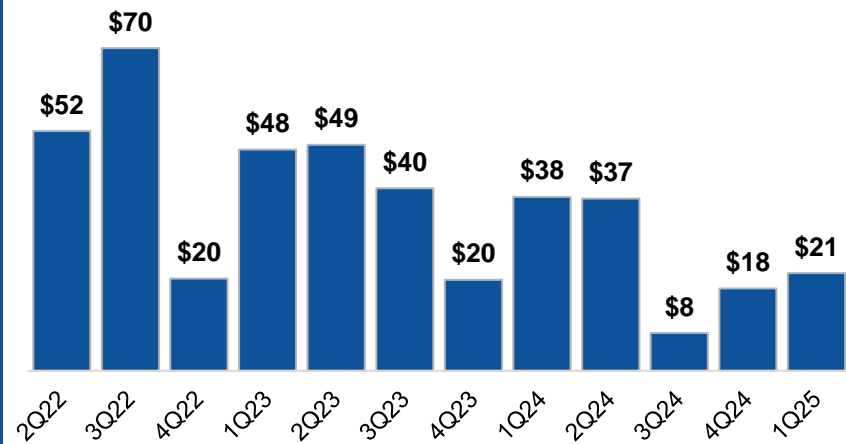
Adjusted Operating Margin ⁽¹⁾ (\$/bbl)



Adjusted EBITDA ⁽¹⁾ (\$ million)



Capital Expenditures ⁽¹⁾ (\$ million)



(1) Represents a non-GAAP measure. See definition and a reconciliation to the most directly comparable GAAP measure in the Appendix.

Second Quarter 2025 Outlook



- Anticipate continued strong volumes in both Produced Water Handling and Water Solutions in the second quarter
- Adjusted Operating Margin per Barrel ⁽¹⁾ impacted by approximately \$2 million of deferred well maintenance expenses from the first quarter and lower realized skim prices
- No update to full year 2025 volume, Adjusted EBITDA ⁽¹⁾, and Capital Expenditure ⁽¹⁾ outlook at this time, but monitoring potential changes to second half 2025 activity levels

	Est. Second Quarter 2025	
Metric	Low End	High End
Produced Water Handling Volumes (kbwpd)	1,200	1,250
Water Solutions Volumes (kbwpd)	475	525
Adjusted Operating Margin per Barrel ⁽¹⁾ (\$ / Total Volumes)	\$0.41	\$0.43
Adjusted EBITDA ⁽¹⁾ (\$ million)	\$50.0	\$55.0
Total Capital Expenditures ⁽¹⁾ (\$ million)	\$20.0	\$25.0

(1) Represents a non-GAAP measure. See definition and a reconciliation to the most directly comparable GAAP measure in the Appendix.

Aris's Capital Allocation Framework

Continuing Commitment to Balance Sheet Strength and Flexibility

- 1Q25 leverage at ~2.2X ⁽¹⁾ vs. target leverage of ~2.5X-3.5X
- \$347 million of available liquidity under our revolving credit facility
- Successfully refinanced & upsized Senior Notes previously due in 2026, reflecting strong investor confidence & consistent performance

Investing in High-Return Organic Growth

- Attractive capital investment opportunities to grow alongside existing customers
- Opportunity to selectively add new customers and projects

Prudently Evaluating Opportunistic, Strategic Acquisitions

- Disciplined and rigorous evaluation of acquisitions
- Key focus on strategic fit, technology & expertise, financial returns and customer quality

Sustainably Increasing Shareholder Returns

- Announced a dividend of \$0.14/share, Aris's fifteenth consecutive dividend

Operating Cash Flow

(-) Interest Expense

(-) Maintenance Capital

EXCESS CASH FLOW

Organic Growth

- High-Return Growth Capital

Return of Capital

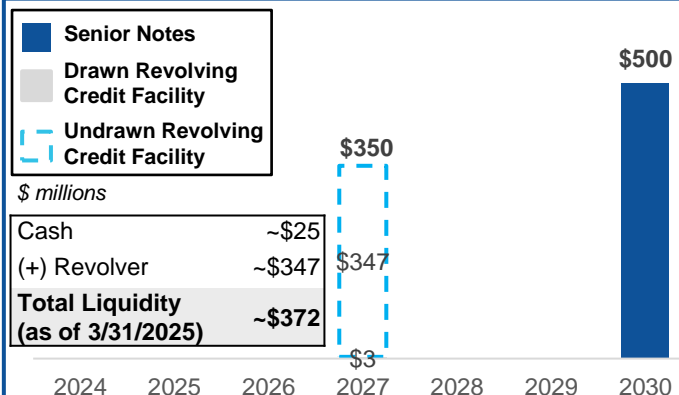
- Dividends
- Potential Share Repurchases

Balance Sheet

- Cash to Balance Sheet and/or Debt Paydown

Strategic M&A

Significant Available Liquidity



(1) Represents a non-GAAP measure. Defined as net debt as of 3/31/2025 divided by trailing twelve months Adjusted EBITDA. Net debt is calculated as the principal amount of total debt less cash and cash equivalents. See a reconciliation to the most directly comparable GAAP measure in the Appendix.

▪ **Beneficial Reuse: Permitting at Scale**

- Applied to the Texas Commission on Environmental Quality for a permit to discharge up to 475 kbwpd of treated produced water for reservoir replenishment
- Actively engaged with the TECQ and a draft permit is expected in 2025 with first water discharge expected in 2026
- In active commercial discussions with our customers and partners to commercialize beneficial reuse

▪ **Industrial Water: Expanding the Application of our Water Treatment Expertise**

- Recently added assets, intellectual property, and an experienced team to accelerate our entry into broader industrial markets
- Team has developed numerous projects to recycle water for large industrial companies and continues to develop a strong pipeline utilizing our patented treatment technologies

▪ **Continuing to evaluate extraction of minerals**

- Finalized iodine extraction site selection for commercial operations, with startup expected by the end of 1Q 2026
- Evaluating technologies and identifying partners for further commercialization of minerals, such as magnesium, lithium, and ammonia



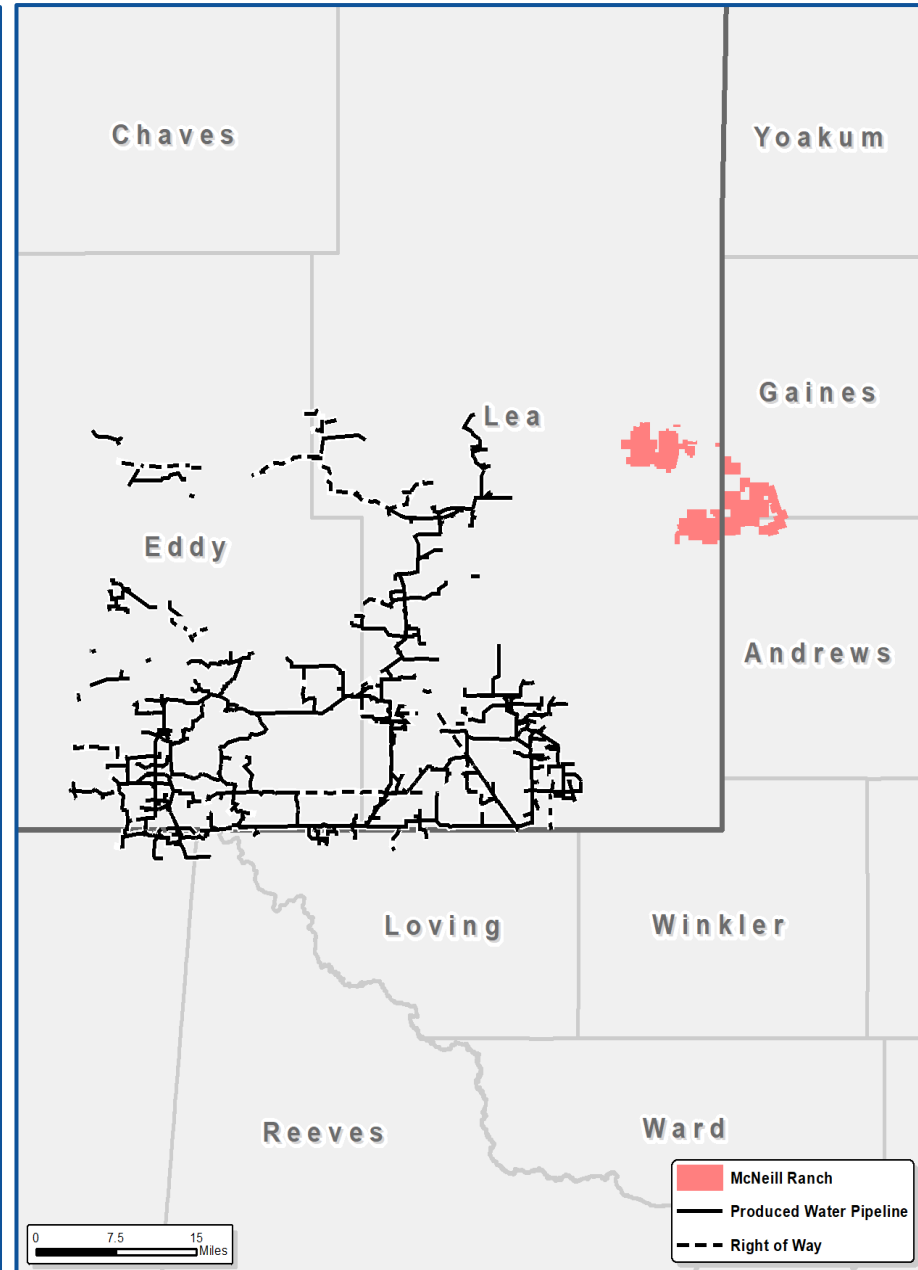


Appendix

Acquisition of McNeill Ranch Provides Optionality & Long-Term Growth



- **Aris has purchased the McNeill Ranch for \$45.0 million ⁽¹⁾**
 - Approximately 45,000 surface acres spanning Texas and New Mexico
- **McNeill Ranch affords Aris numerous strategic benefits:**
 - Adjacent to the fastest growing areas of Northern Delaware Basin production
 - Detailed sub-surface analysis in collaboration with several customers indicates promising geology and porosity for water infrastructure development
 - Allows Aris to optimize throughput and disposal royalty costs for volumes handled on the ranch
- **Attractive purchase price with significant upside**
 - Purchase price of ~\$985 per acre compares favorably with recent adjacent land transactions
- **Surface rights provide potential income from water injection, groundwater extraction, caliche sales, and other rights-of-way**
 - Evaluating numerous inbounds for surface related opportunities
 - Ability to generate additional income through power and renewable development, beneficial reuse, and other industrial applications



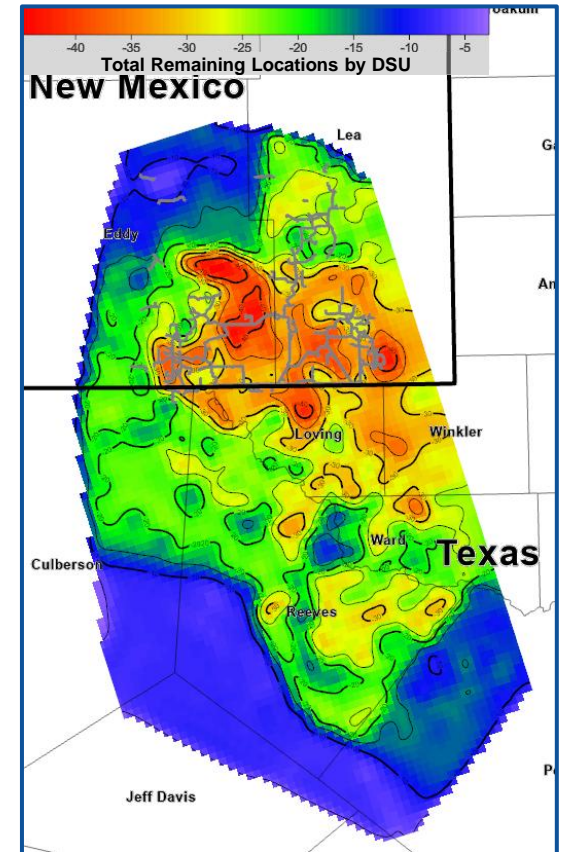
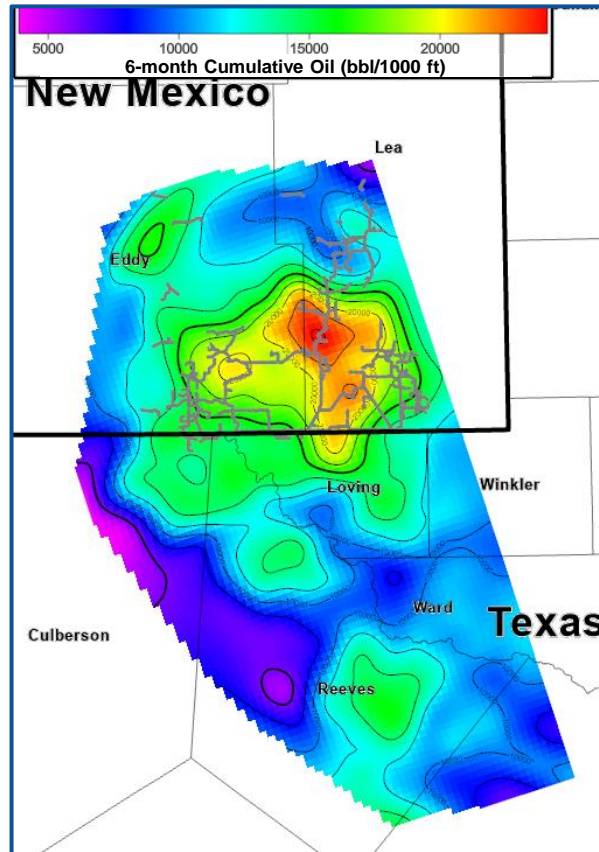
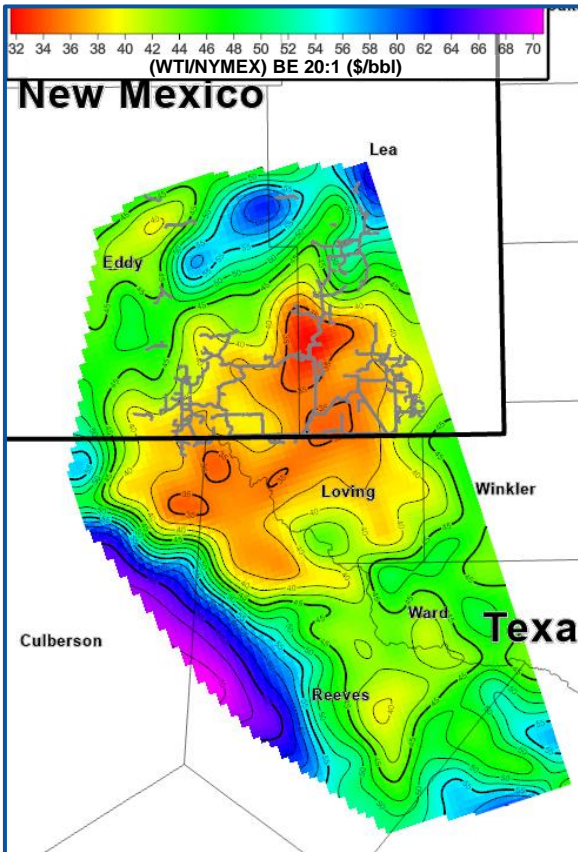
(1) Excluding ~\$1.1 million of transaction related expenses.

Aris's Contracted Acreage Features Low Breakevens and Multidecade Inventory Life



Aris has Premier Contracted Acreage With Low Breakevens...

... and Multidecade Remaining Inventory



Aris Water is the Pioneer of Cost-Effective, Full-Cycle Water Management



Full-Cycle Water Management

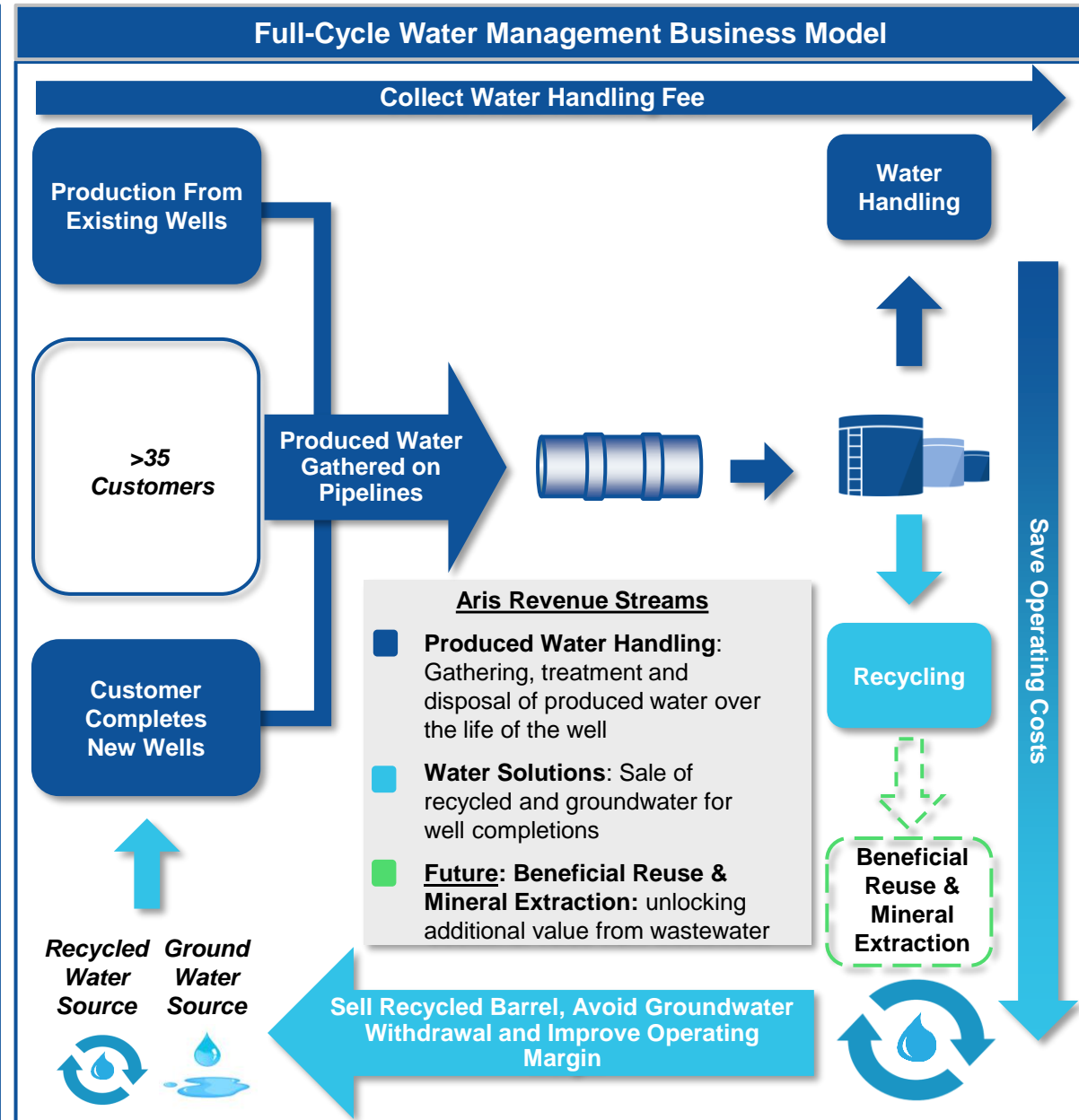
- Diverse revenue streams provide a reliable base business with significant upside potential
- Permian Basin completion activity and production growth drives demand for our services
- Customers increasingly depend on our expansive network to achieve their sustainability goals

Commercial Advantages

- Significant contracted volumes of produced water gathered on our systems ensures reliable supply of recycled produced water
- Contracted Water Solutions relationships with our key customers provides visibility to growth

Operational Advantages

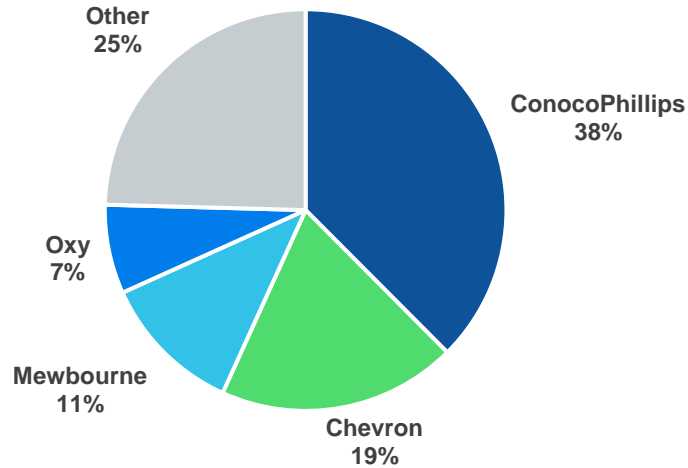
- Significant inventory of pipeline right of way, produced water handling and water recycling permits
- Prior capital investment on the gathering system enables water recycling and acts as a barrier to entry for potential competitors



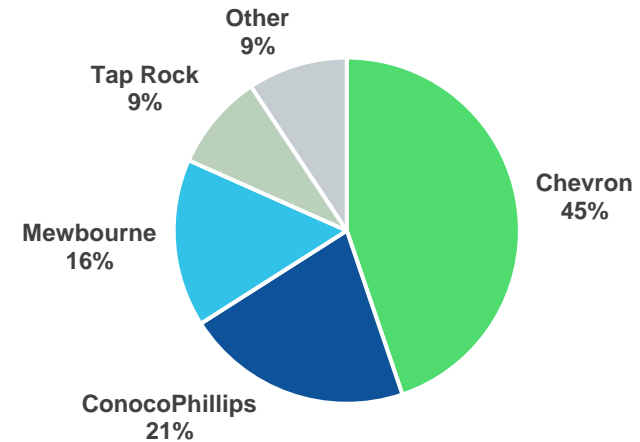
Aris Has a Premier, Long-Term Contracted Customer Base



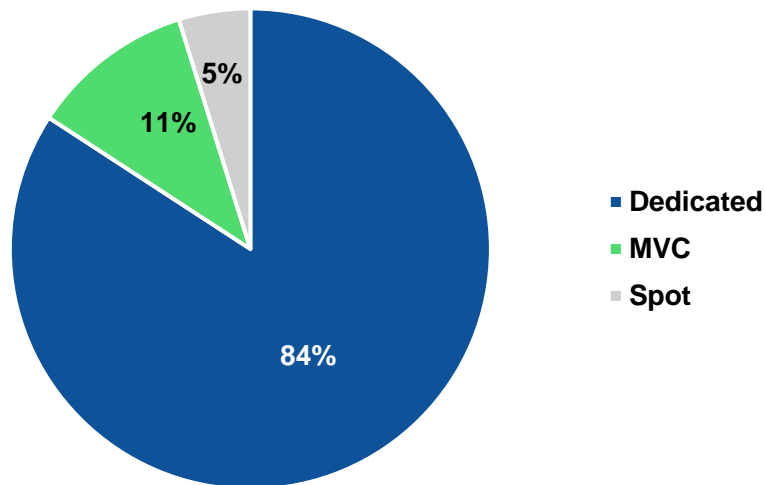
1Q25 Top Produced Water Customers by Revenue ⁽¹⁾



1Q25 Top Water Solutions Customers by Revenue



1Q25 Produced Water Volumes by Contract Type



~80% of forecasted 2025 Water Solutions volumes are under long-term acreage dedication contracts

Quality Long-term Contracts Provide Volumetric Visibility & Revenue Stability

- ~6 years average remaining Produced Water contract tenor
- ~100 kbwpd of Produced Water Minimum Volume Commitments ("MVC")
- ~8 years average remaining Water Solutions contract tenor
- ~450k dedicated Water Solutions acres

(1) Excludes skim oil revenue.

Appendix: Non-GAAP Financial Measures



We have included certain financial measures that are not calculated in accordance with GAAP in this presentation including Adjusted EBITDA, Adjusted Operating Margin, Adjusted Operating Margin per Barrel, Capital Expenditures, net debt, and leverage ratio. We believe these non-GAAP financial measures provide information useful to investors in assessing our financial condition, results of operations and liquidity, as well as providing investors with a means to compare our performance via an enhanced perspective of the operating performance of our assets and the cash our business is generating. However, these measures are not prescribed by GAAP and should not be considered as alternatives to GAAP net income (loss), cash paid for property, plant, and equipment or any other measure calculated in accordance with GAAP. Non-GAAP financial measures have important limitations as analytical tools and should not be viewed in isolation. These measures may be defined differently by other companies in our industry and should be considered in conjunction with net income (loss) and other measures prepared in accordance with GAAP, such as operating margin, operating income, or cash paid for property, plant, and equipment.

We define Adjusted EBITDA as net income (loss) plus: interest expense; income taxes; depreciation, amortization and accretion expense; abandoned well costs, asset impairment and abandoned project charges; losses on the sale of assets; transaction costs; research and development expense; change in payables related to the Tax Receivable Agreement liability as a result of state tax rate changes; loss on debt modification; stock-based compensation expense; and other non-recurring or unusual expenses or charges (such as litigation expenses, severance costs and amortization expense related to the implementation costs of our new enterprise resource planning system), less any gains on the sale of assets.

The following table sets forth a reconciliation of net income as determined in accordance with GAAP to Adjusted EBITDA for the periods indicated (\$ in thousands):

	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
Net income (loss)	\$ 4,039	\$ 1,956	\$ 5,419	\$ 7,708	\$ 10,431	\$ 12,242	\$ 13,031	\$ 16,830	\$ 13,112	\$ 16,431	\$ 13,805	\$ 16,000
Interest expense, net	7,315	6,763	7,322	7,661	7,971	7,955	9,266	8,438	8,813	9,382	9,600	9,230
Income tax expense (benefit)	472	287	605	1,327	1,559	2,032	2,576	2,589	1,994	2,499	3,259	70
Depreciation, amortization and accretion	16,203	16,942	17,800	18,606	19,086	19,445	19,495	19,421	19,707	19,974	20,057	19,756
Abandoned well costs	5,415	9,222	1,134	-	-	1,214	89	335	(25)	8	200	462
Abandoned projects	64	-	6	-	128	-	88	729	16	78	714	237
Loss (gain) on disposal of asset, net	24	(97)	(3)	(13)	70	(2,631)	(32)	(54)	168	(30)	18	91
Loss on Debt Modification	-	-	-	-	-	-	107	-	-	-	-	-
Loss on Debt Extinguishment	-	-	-	-	-	-	-	-	-	-	-	2,535
Transaction costs	425	336	251	45	100	528	129	7	89	(36)	937	884
Stock-based compensation	3,202	3,595	2,900	2,468	3,117	3,360	2,624	3,521	4,693	5,275	4,700	5,690
Research & development expense	81	430	161	408	650	809	1,253	1,065	1,128	408	433	1,128
Change in Payables related to Tax Receivable Agreement	-	-	-	-	-	-	413	-	-	-	229	-
Litigation Expenses	-	-	-	-	-	-	222	328	416	503	333	150
Severance and other	-	(105)	483	(104)	(490)	(18)	47	(101)	(116)	(185)	190	306
Adjusted EBITDA	\$ 37,240	\$ 39,329	\$ 36,078	\$ 38,106	\$ 42,622	\$ 44,936	\$ 49,308	\$ 53,108	\$ 49,995	\$ 54,307	\$ 54,475	\$ 56,539

Adjusted Operating Margin and Adjusted Operating Margin per Barrel

We define Adjusted Operating Margin as Gross Margin plus depreciation, amortization and accretion. We define Adjusted Operating Margin per Barrel as Adjusted Operating Margin divided by total volumes handled, sold or transferred. The Adjusted Operating Margin and Adjusted Operating Margin per Barrel measures are related to our Water Gathering and Processing segment.

The following table sets forth a reconciliation of gross margin as determined in accordance with GAAP to Adjusted Operating Margin and Adjusted Operating Margin per Barrel for the periods indicated (\$ in thousands):

	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
Gross Margin ⁽¹⁾	\$ 29,906	\$ 30,940	\$ 26,995	\$ 29,680	\$ 33,691	\$ 36,278	\$ 40,241	\$ 44,962	\$ 41,832	\$ 46,373	\$ 47,164	\$ 50,935
Depreciation, amortization and accretion	15,699	15,951	17,732	18,046	18,496	18,824	18,889	18,798	19,091	19,386	19,442	19,128
Adjusted Operating Margin	45,605	46,891	44,727	47,726	52,187	55,102	59,130	63,760	60,923	65,759	66,606	70,063
Total Volumes (mmbw)	113	130	120	124	136	139	145	139	132	145	151	157
Adjusted Operating Margin per Barrel	\$ 0.41	\$ 0.36	\$ 0.37	\$ 0.39	\$ 0.38	\$ 0.40	\$ 0.41	\$ 0.46	\$ 0.46	\$ 0.45	\$ 0.44	\$ 0.44

(1) Gross Margin is calculated in accordance with GAAP as Total Revenue less Cost of Revenue for the applicable period.

Appendix: Non-GAAP Financial Measures (cont'd)



Capital Expenditures

We define Capital Expenditures as cash capital expenditures for property, plant, and equipment additions less changes in accrued capital costs.

The following table sets forth a reconciliation of cash paid for property, plant, and equipment as determined in accordance with GAAP to Capital Expenditures as of and for the periods indicated (\$ in thousands).

	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
Cash Paid for Property, Plant and Equipment	\$ 38,508	\$ 48,673	\$ 49,534	\$ 35,315	\$ 42,666	\$ 53,893	\$ 37,862	\$ 19,582	\$ 37,297	\$ 30,322	\$ 12,784	\$ 20,390
Change in Capital Related Accruals	13,148	21,303	(29,876)	12,659	6,422	(14,328)	(18,095)	18,134	49	(22,095)	5,061	772
Capital Expenditures	\$ 51,656	\$ 69,976	\$ 19,658	\$ 47,974	\$ 49,088	\$ 39,565	\$ 19,767	\$ 37,716	\$ 37,346	\$ 8,227	\$ 17,845	\$ 21,162

Net Debt and Leverage Ratio

We define Net Debt as principal amount of total debt less cash and cash equivalents. We define leverage ratio as Net Debt divided by trailing twelve months ("TTM") Adjusted EBITDA.

The following tables set forth a reconciliation of total debt (including unamortized debt issuance costs) as determined in accordance with GAAP to Net Debt and Leverage Ratio as of and for the periods indicated (\$ in thousands).

	As of March 31, 2025		As of March 31, 2025
Principal Amount of Debt	\$ 504,522	Net Debt	\$ 479,948
Less: Cash	(24,574)	Divided by: Trailing Twelve Months Adjusted EBITDA	÷ \$ 215,316
Net Debt	\$ 479,948	Current Leverage Ratio as of December 31, 2024:	2.2X



Sustainable Water Management

