



ENERFLEX

**COMPANY
OVERVIEW**

February 2021

FORWARD LOOKING STATEMENTS ADVISORY

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This presentation contains forward-looking information within the meaning of applicable Canadian securities laws. These statements relate to management’s expectations about future events, results of operations and the Company’s future performance (both operational and financial) and business prospects. All statements other than statements of historical fact are forward-looking statements. The use of any of the words “anticipate”, “plan”, “contemplate”, “continue”, “estimate”, “expect”, “intend”, “propose”, “might”, “may”, “will”, “shall”, “project”, “should”, “could”, “would”, “believe”, “predict”, “forecast”, “pursue”, “potential”, “objective” and “capable” and similar expressions are intended to identify forward-looking information. In particular, this presentation includes (without limitation) forward-looking information pertaining to: anticipated financial performance; future capital expenditures, including the amount and nature thereof; bookings and backlog; oil and gas prices and the impact of such prices on demand for Enerflex products and services; development trends in the oil and gas industry; seasonal variations in the activity levels of certain oil and gas markets; business prospects and strategy; expansion and growth of the business and operations, including market share and position in the energy service markets; the ability to raise capital; the ability of existing and expected cash flows and other cash resources to fund investments in working capital and capital assets; expectations regarding future dividends; expectations and implications of changes in government regulation, laws and income taxes; and other such matters. This forward-looking information is based on assumptions, estimates and analysis made in the light of the Company’s experience and its perception of trends, current conditions and expected developments, as well as other factors that are believed by the Company to be reasonable and relevant in the circumstances.

All forward-looking information in this presentation is subject to important risks, uncertainties, and assumptions, which are difficult to predict and which may affect the Company’s operations, including, without limitation: the impact of economic conditions including volatility in the price of oil, gas, and gas liquids, interest rates and foreign exchange rates; industry conditions including supply and demand fundamentals for oil and gas, and the related infrastructure including new environmental, taxation and other laws and regulations; business disruptions resulting from the COVID-19 pandemic; the ability to continue to build and improve on proven manufacturing capabilities and innovate into new product lines and markets; increased competition; insufficient funds to support capital investments required to grow the business; the lack of availability of qualified personnel or management; political unrest; and other factors, many of which are beyond the Company’s control. Readers are cautioned that the foregoing list of assumptions and risk factors should not be construed as exhaustive. While the Company believes that there is a reasonable basis for the forward-looking information and statements included in this presentation, as a result of such known and unknown risks, uncertainties and other factors, actual results, performance, or achievements could differ materially from those expressed in, or implied by, these statements. The forward-looking information included in this presentation should not be unduly relied upon. For an augmented discussion of the risk factors and uncertainties that affect or may affect Enerflex, the reader is directed to the section entitled “Risk Factors” in Enerflex’s most recently filed Annual Information Form, as well as Enerflex’s other publicly filed disclosure documents, available through the SEDAR website (www.sedar.com).

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All figures in Canadian funds unless otherwise indicated.

EXECUTIVE MANAGEMENT TEAM



Marc Rossiter
President & CEO



Sanjay Bishnoi
SVP, Chief Financial Officer



Patricia Martinez
Chief Energy Transition Officer
& President, Latin America



David Izett
SVP, General Counsel



Greg Stewart
President, USA



Phil Pyle
President, International



Helmuth Witulski
President, Canada

Transforming Natural Gas to Meet The World's Energy Needs

PROVEN TRACK RECORD OF VALUE CREATION

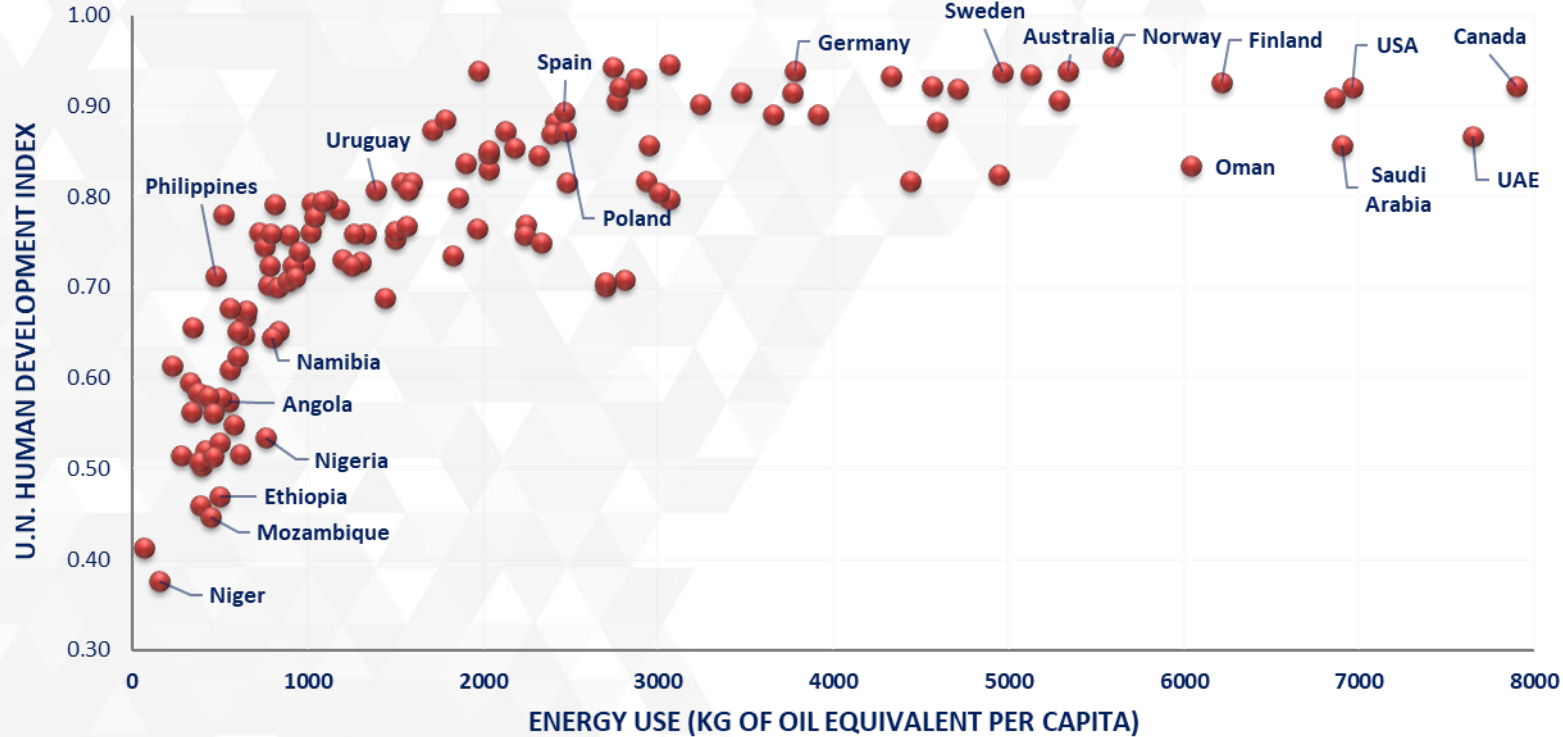


- **Complementary product lines and regions** driving balanced revenue growth.
- **Investing in recurring revenue sources** to increase and stabilize margins.
- **Strong balance sheet and free cash flow generation** through the cycles.
- **Proud history** dating back to 1980.

ENERFLEX

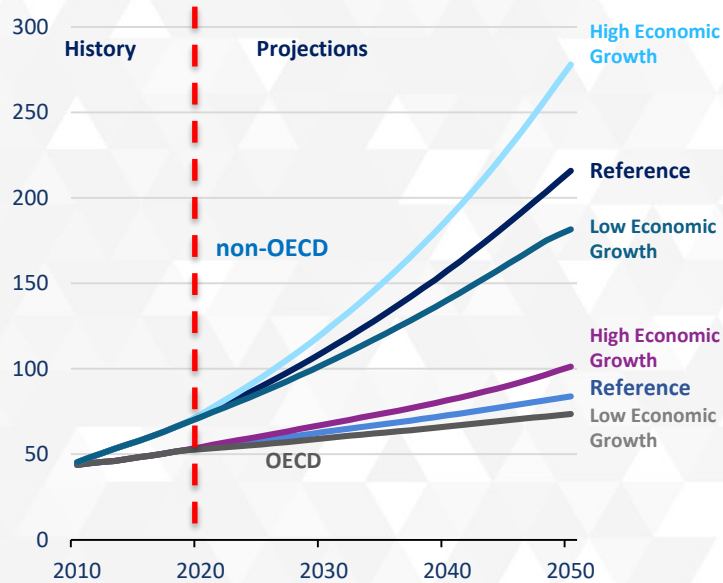
ENERGY ACCESS IS FUNDAMENTAL TO SOCIAL PROGRESS

Per Capita Energy Use vs. United Nations Human Development Index Score

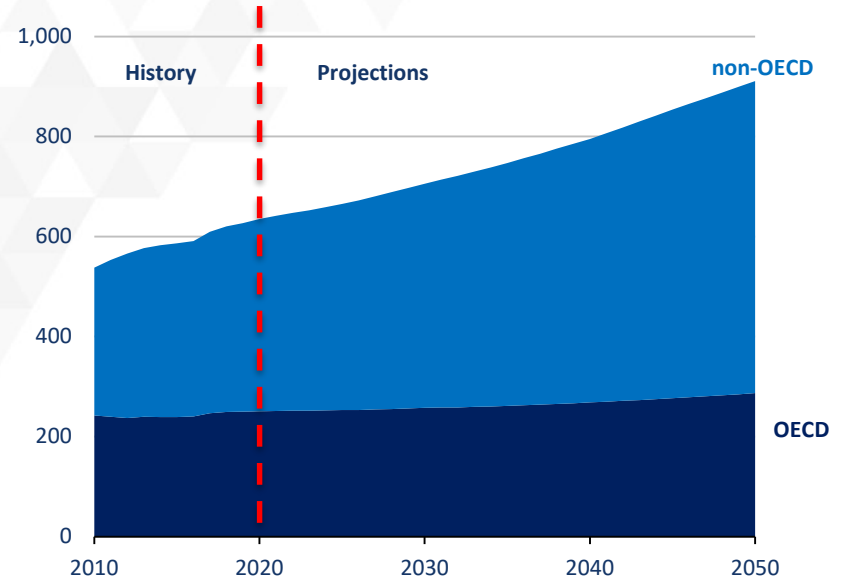


CONSUMPTION TRACKS GDP GROWTH

Global Gross Domestic Product
trillion 2010 US dollars



Global Aggregate Energy Consumption
('000 bcf equivalent)



World energy consumption rises over 40% between 2020 and 2050 in the EIA's Reference case

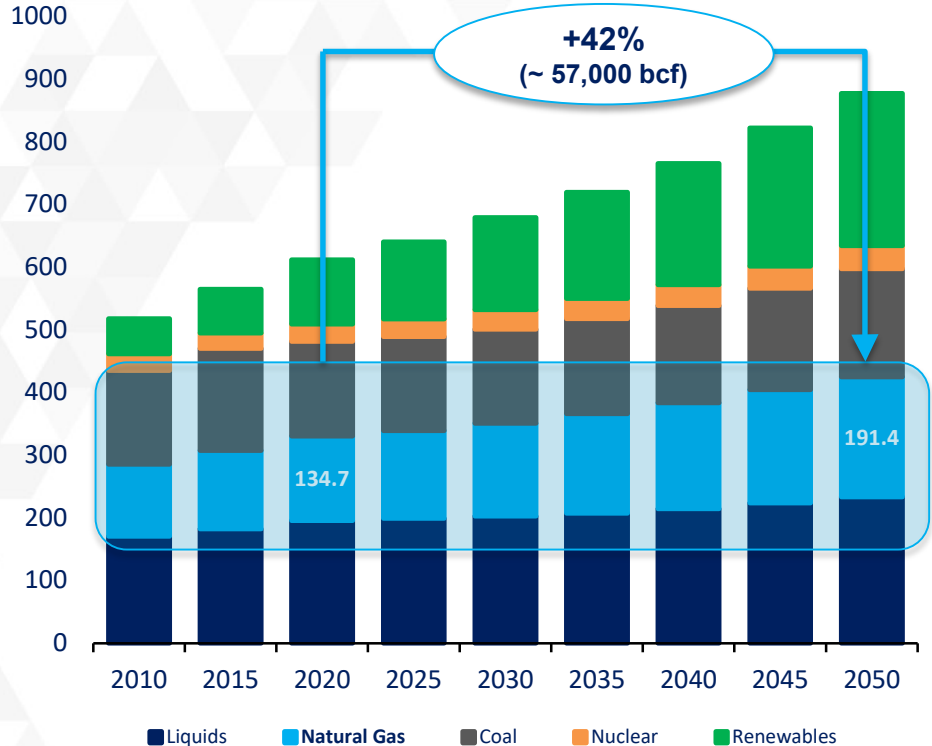
GLOBAL ENERGY DEMAND SATISFIED BY A DIVERSE FUEL MIX

Natural gas is the world's fastest growing source of fossil fuel

Global natural gas consumption is projected to increase by over 40% from 2020 to 2050

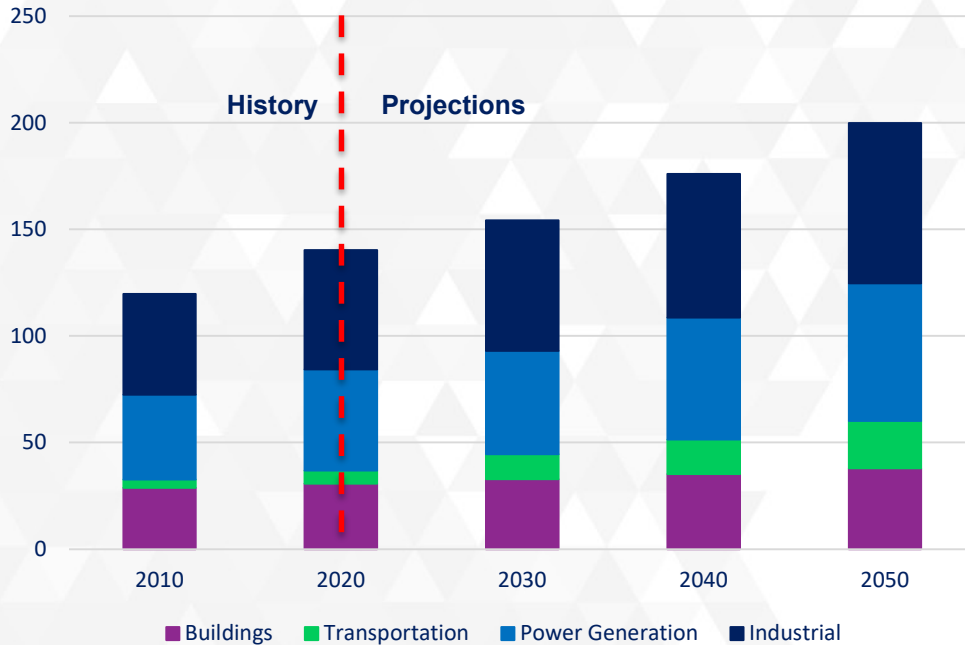
Projected Global Energy Consumption

('000 bcf equivalent per year)



WITH GAS CONSUMPTION INCREASING ACROSS ALL SECTORS...

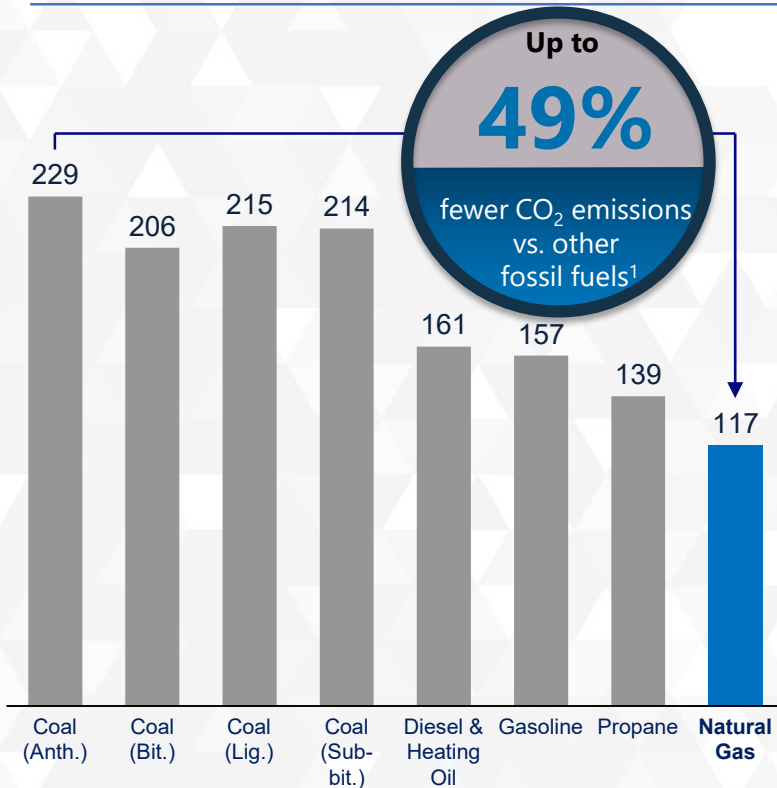
Global Natural Gas Consumption by Sector
('000 bcf)



Over time, natural gas use is expected to accelerate from increased industrial activity, natural gas-fired electricity generation, and transportation fueled by compressed and liquefied natural gas

...SUPPORTING A LESS CARBON-INTENSIVE WORLD...

Pounds of CO₂ emitted per thousand cubic feet



Core products support a global transition toward lower carbon fuel sources
Ancillary products support decarbonization

Flare gas recapture



CO₂ sequestration

Biogas to Electric Power



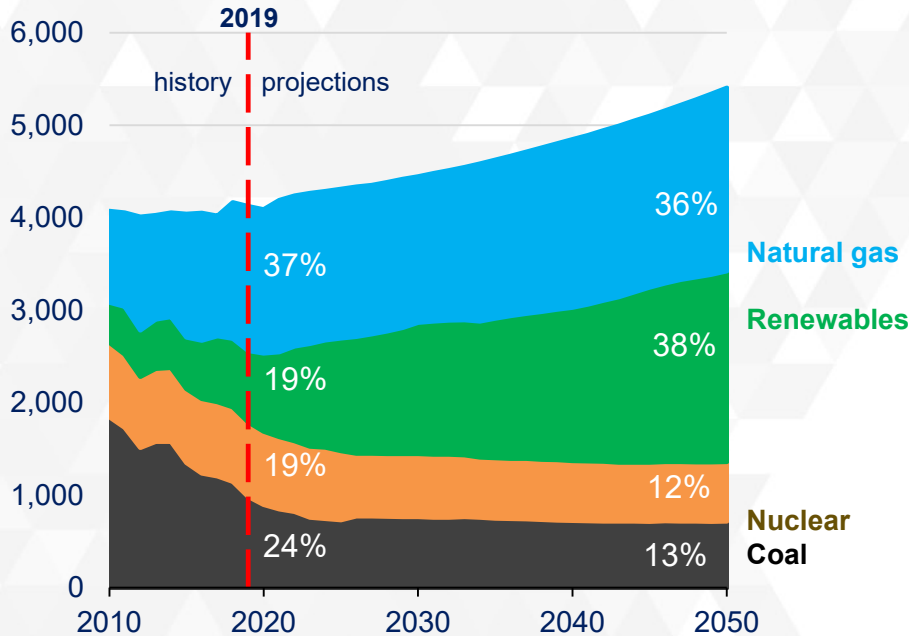
Electric drive compression

¹ Source: U.S. Energy Information Administration.

...INCLUDING DURING AN ENERGY TRANSITION

Electricity generation from selected fuels (AEO2020 Reference case)

billion kilowatthours



Global energy demand will continue to grow, primarily in the form of electricity

Demand will likely be satisfied by a growing baseload of greener energy sources

Natural gas and renewables are projected to dominate market share to 2050

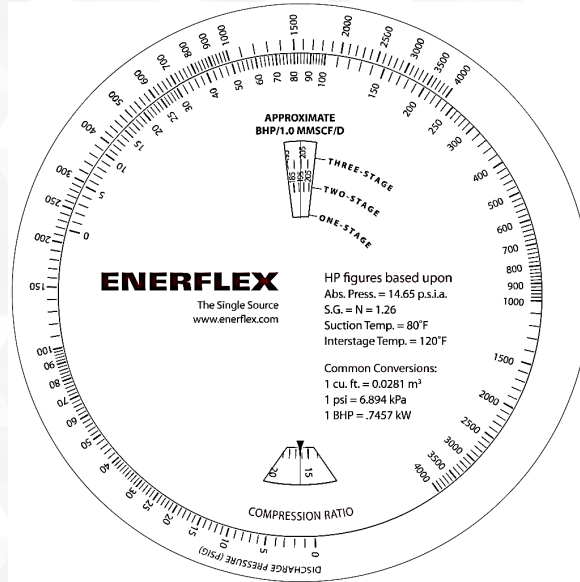
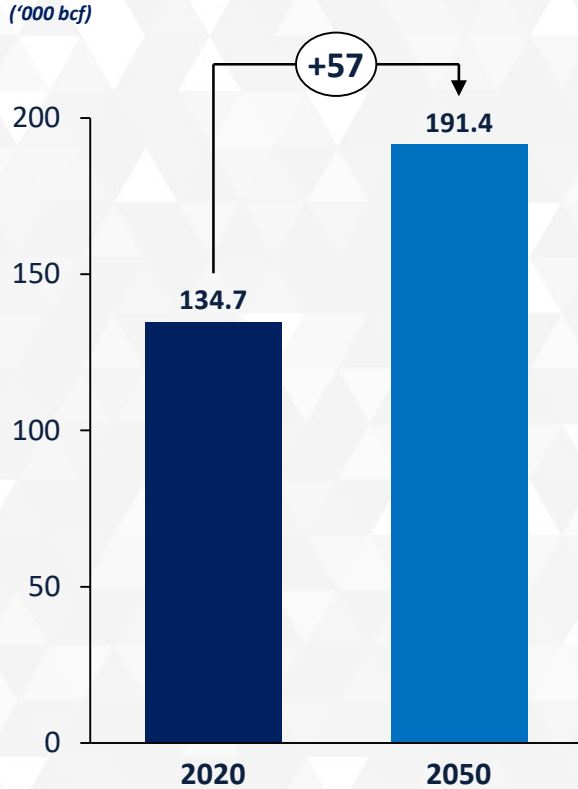
¹ Source: U.S. Energy Information Administration, AEO2020 Reference case.

***POSITIONED
FOR GROWTH***



ENERFLEX

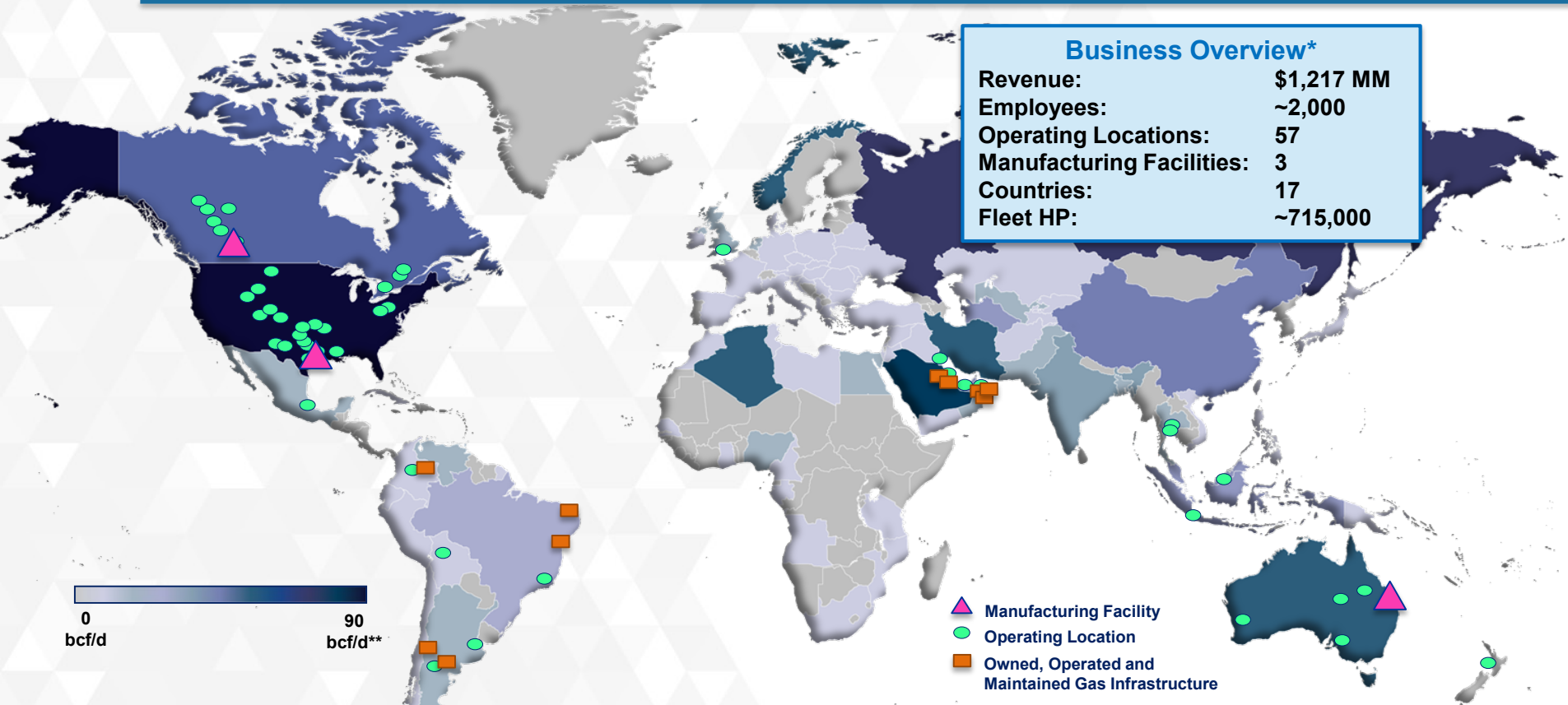
ALL PRODUCED GAS REQUIRES COMPRESSION AND PROCESSING



Projected consumption increase of ~57,000¹ bcf by 2050 requires \$billions of compression, processing, and maintenance investments

¹ Based on EIA International Energy Outlook 2019, Case: Reference.

GLOBAL LEADER IN DELIVERING NATURAL GAS SOLUTIONS



* Trailing twelve months for the period ended December 31, 2020.

** 2019 Global Production = 385 bcf/day.

COMPLEMENTARY OFFERINGS ON A GLOBAL SCALE



Engineered Systems

Customized offerings for: Gas Compression and Gas Processing Plants, refrigeration solutions, Cryogenic Plants, Electric Power Generation, CO₂ facilities



Integrated Turnkey ("ITK")

Turnkey Engineered Systems, with local construction and installation capabilities



Asset Ownership

Any product on a leased or Build-Own-Operate-Maintain ("**BOOM**") basis **in all target markets**



After-Market Services

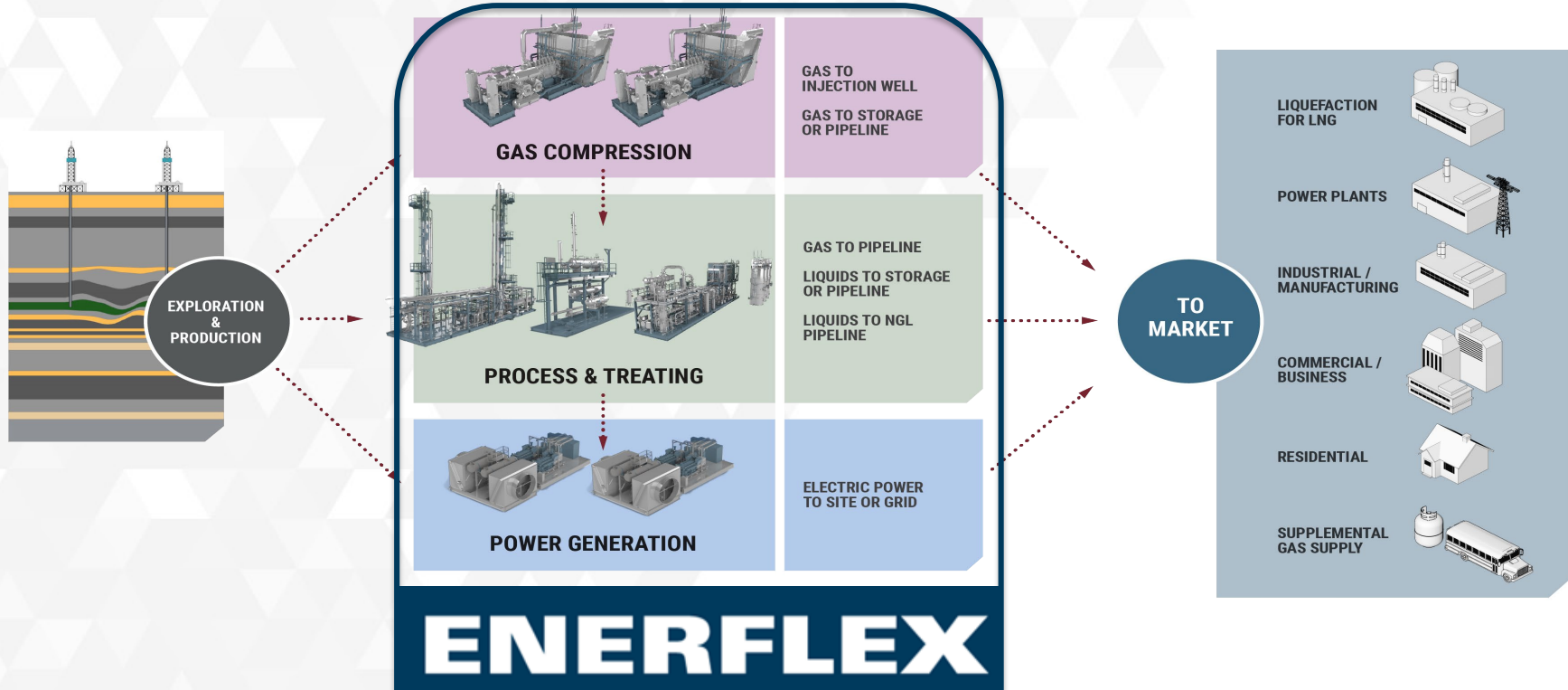
Installation, commissioning, O&M, after-market services, and parts **support for all products**

Vertically Integrated
platform

Focused on growth and
maintenance of produced
gas volumes

Recurring
Revenues

SOLUTIONS FROM THE WELLHEAD TO PIPELINE



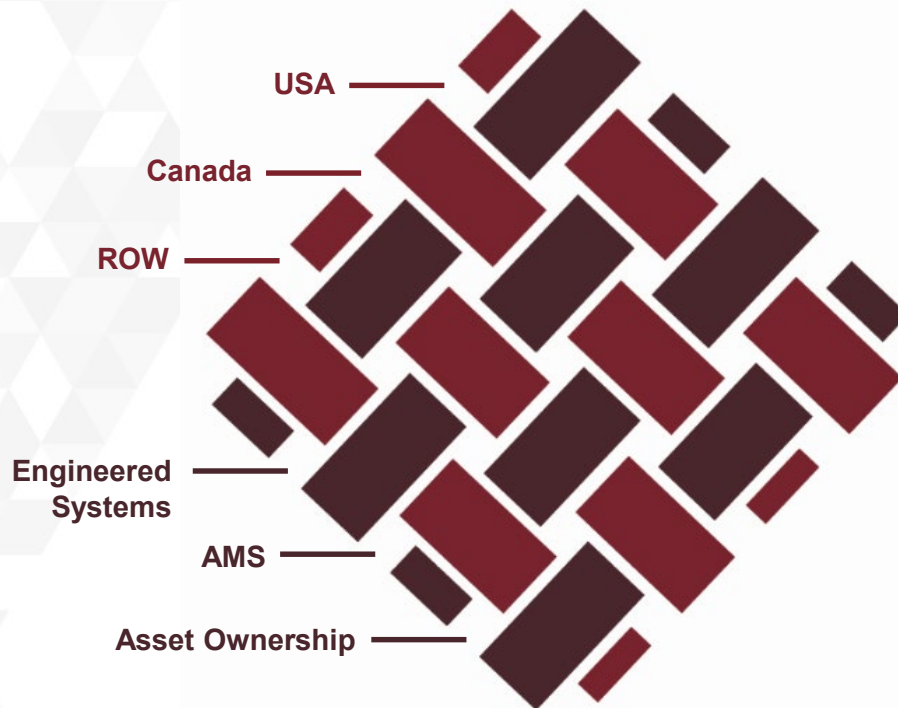
Engineering | Design | Manufacturing | Installation | Commissioning
After-Market Service | Operations | Maintenance

DIVERSIFICATION STRATEGY

Complementary offerings of diversified product lines in diversified geographies

Vertically Integrated platform provides differentiation

Focused on growth and maintenance of gas production volumes



ADDITIONAL FOCUS ON RECURRING REVENUE GROWTH



Engineered Systems



Integrated Turnkey ("ITK")



Asset Ownership

Any product on a leased or Build-Own-Operate-Maintain ("**BOOM**") basis **in all target markets**



After-Market Services

Installation, commissioning, O&M, after-market services, and parts **support for all products**

Recurring revenues stabilize financial performance

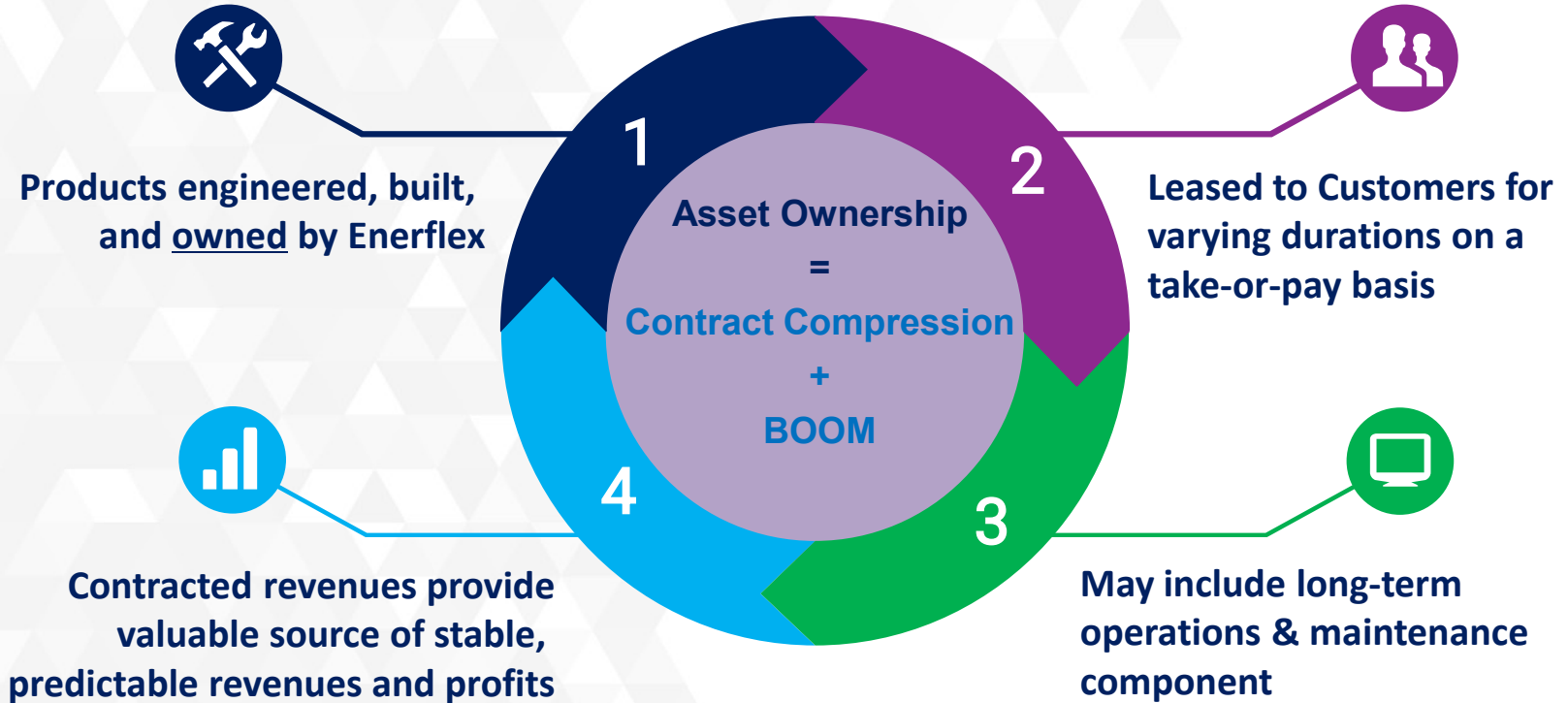
Higher margins versus manufacturing

Strategic goal of generating $\geq 50\%$ of revenue from recurring sources



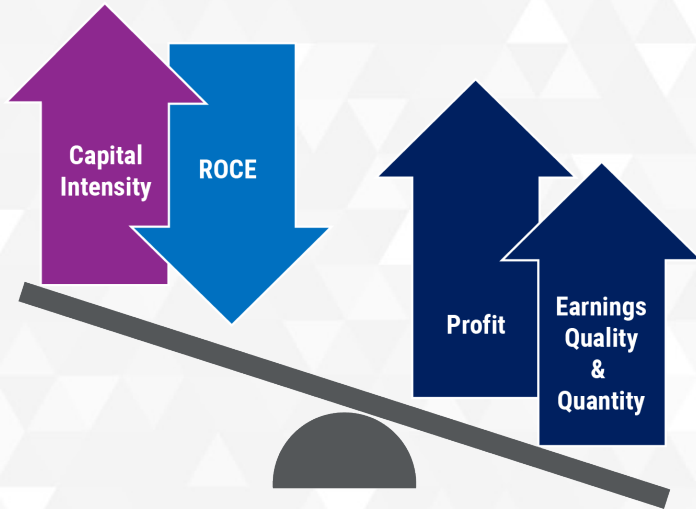
Recurring Revenues

WHAT IS ASSET OWNERSHIP?



RATIONALE FOR ASSET OWNERSHIP

Asset ownership stabilizes and balances financial performance against a cyclical manufacturing business



C\$ in millions

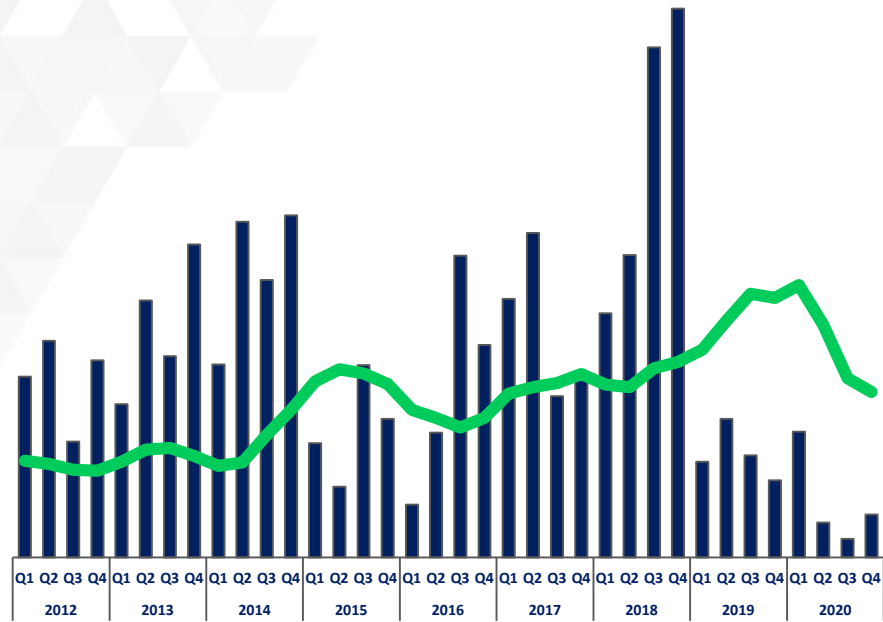
\$800

\$600

\$400

\$200

\$0

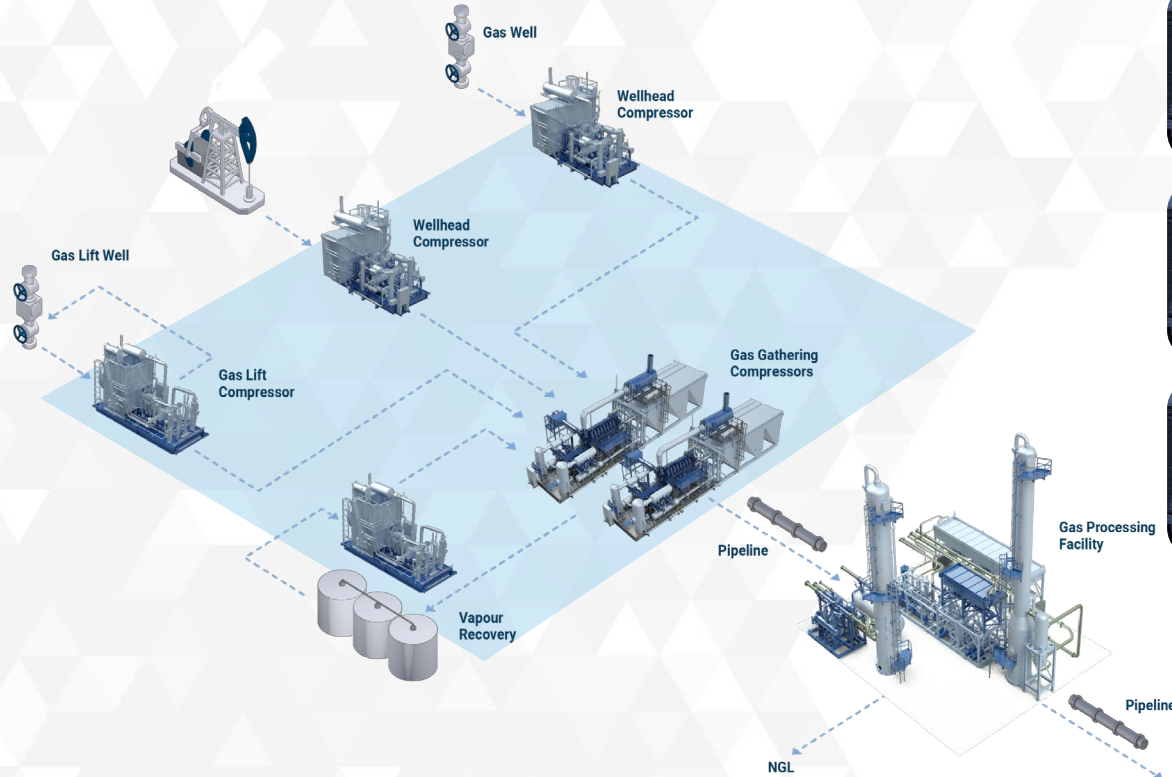


Engineered Systems Bookings

Trailing 12-Month EBITDA*

* Normalized for Goodwill impairments.

CONTRACT COMPRESSION



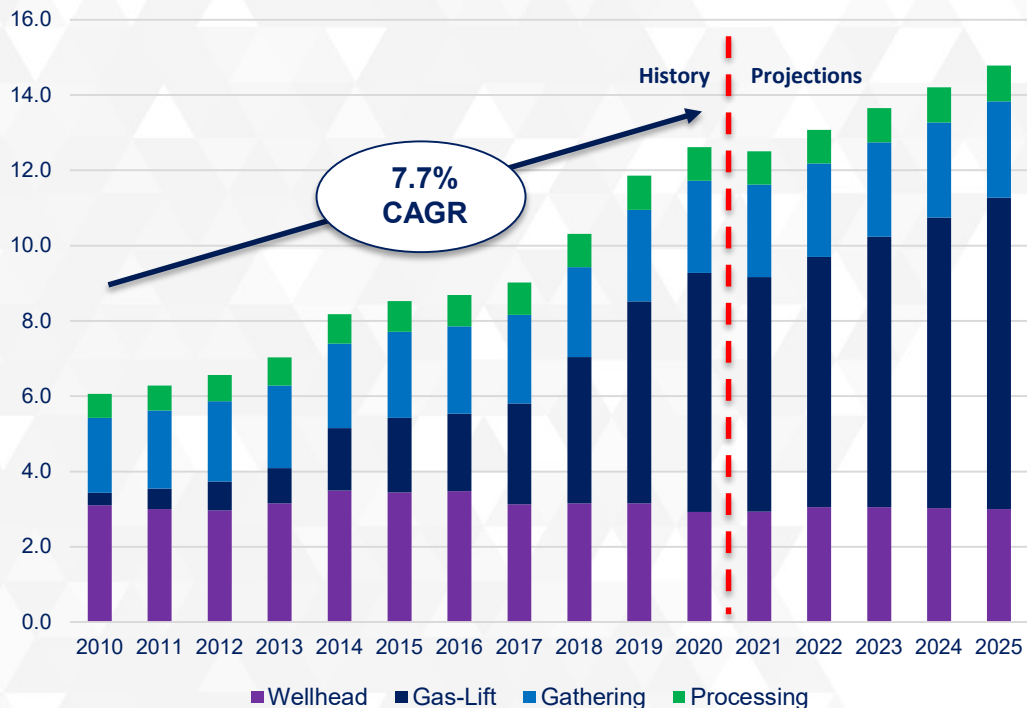
Contract Compression = leasing of necessary upstream gas compression infrastructure

Demand is driven by both new production and maintenance of existing volumes

Take-or-pay arrangements oriented toward customer opex

STRONG U.S. CONTRACT COMPRESSION FUNDAMENTALS

US Contract Compression Market¹
(million horsepower)



Changing field conditions require continual equipment modification, making rental an attractive alternative to purchasing

Demand is expected to grow over the long term from both the maintenance and growth of produced gas volumes

¹ Spears & Associates Inc., January 2021.

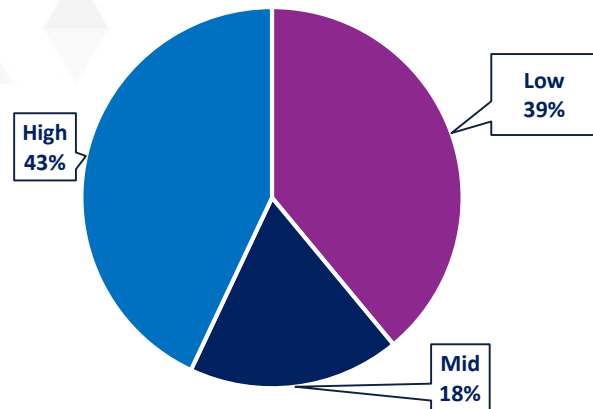
CAPTURING OPPORTUNITIES IN A SUPPORTIVE MARKET



Growth of US fleet from
~130,000 hp to
> 350,000 hp since 2017



USA contract
compression fleet
utilization %¹

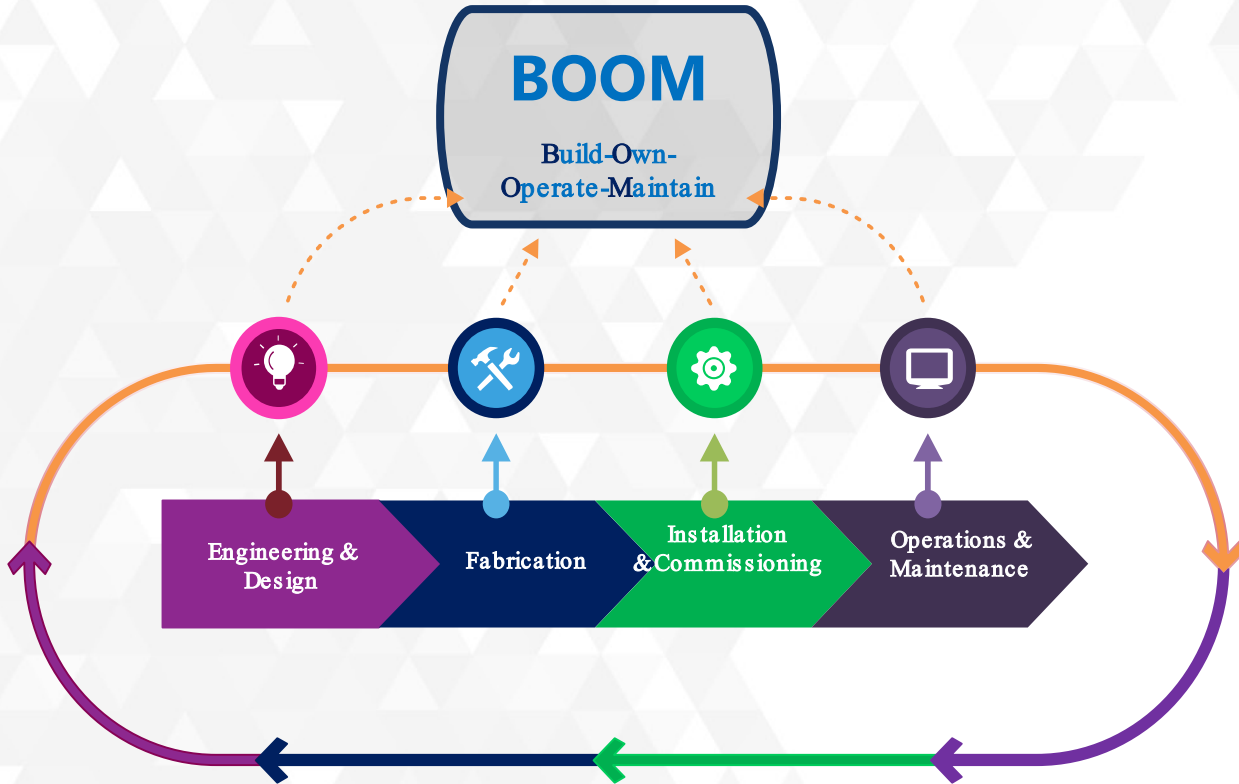


Diversified horsepower
profile across contract
compression fleet²

¹ Average utilization for the three months ended December 31, 2020.

² High ≥ 801 horsepower; Mid = 251 – 800 horsepower; Low ≤ 250 horsepower.

BUILD-OWN-OPERATE-MAINTAIN



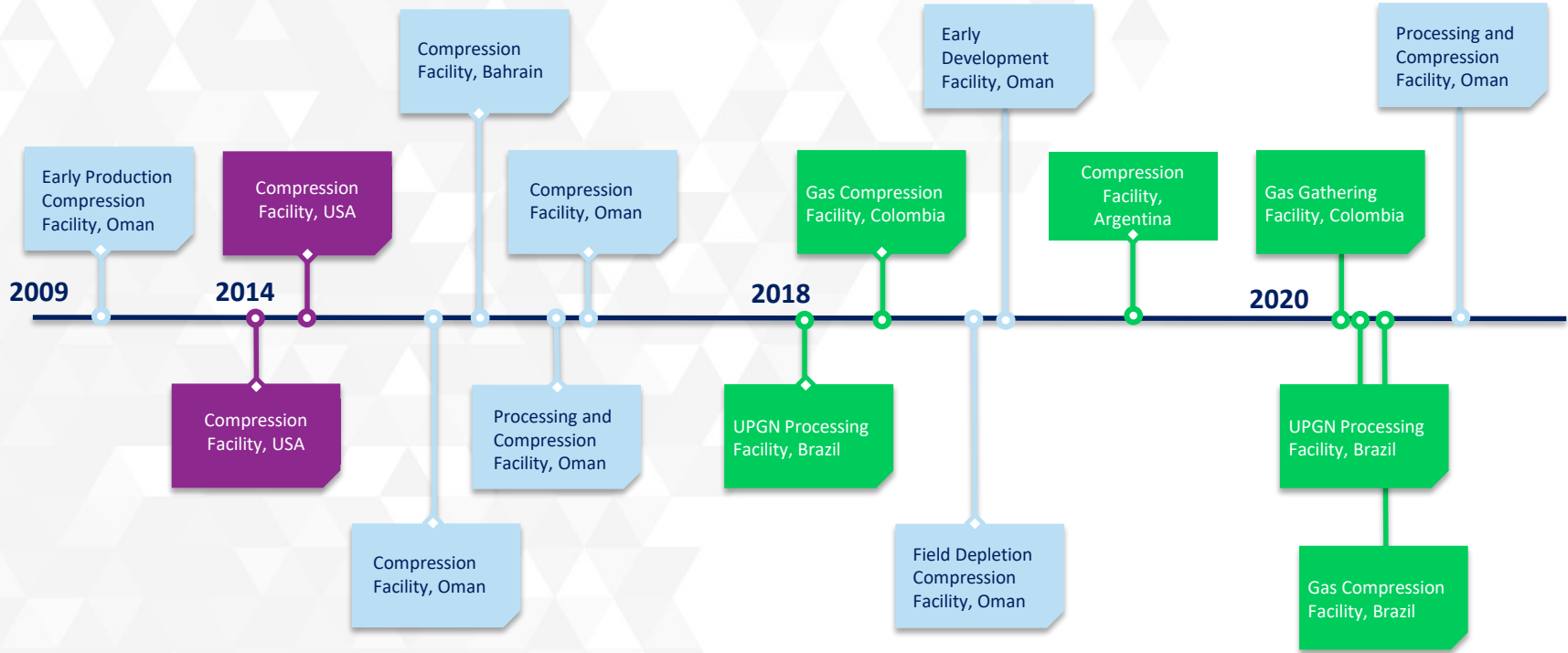
Any Engineered System or ITK product on a Build-Own-Operate-Maintain (“BOOM”) basis in all target markets

Larger scale compression and processing facilities

Longer-term contracts vs. contract compression

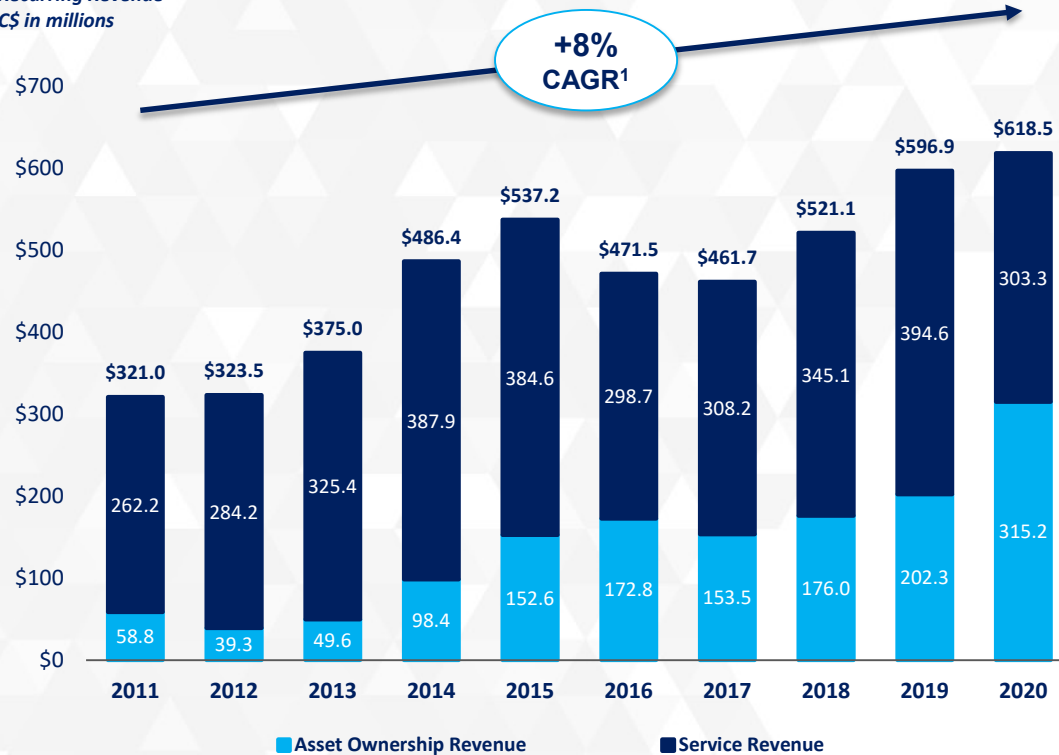
Take-or-pay arrangements

BOOM EXPERIENCE CONTINUES TO GROW



PRIORITY TO GROW RECURRING REVENUES

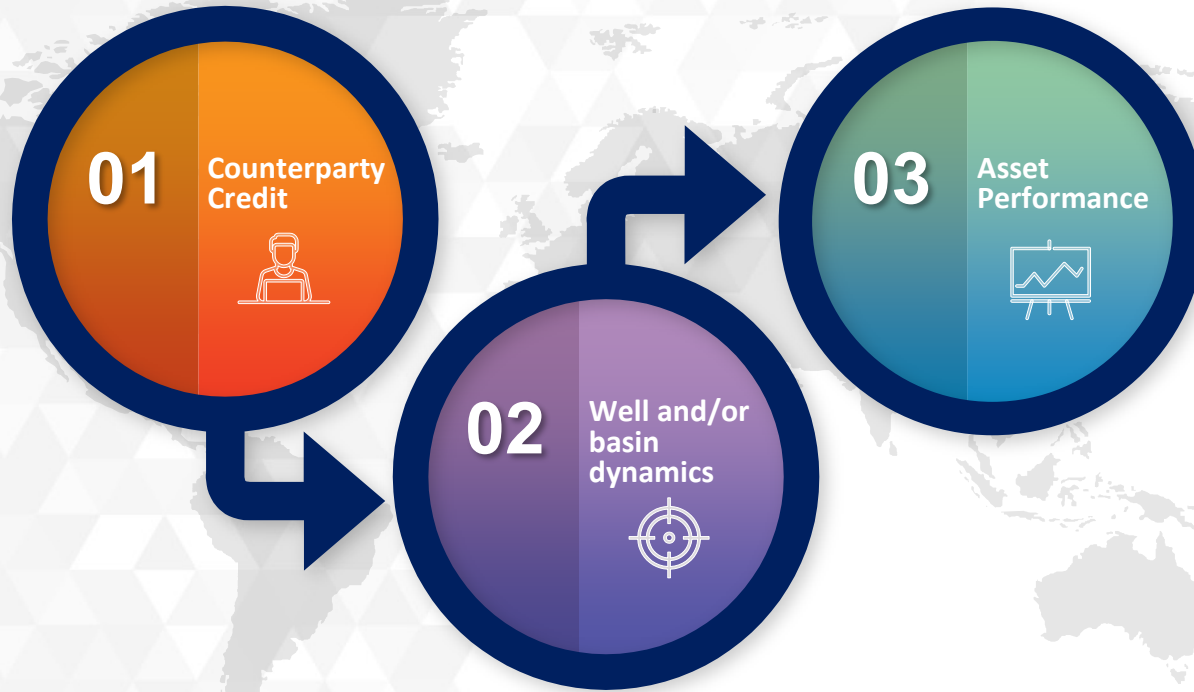
Recurring Revenue
C\$ in millions



Recurring revenue has grown by ~\$300 million (8% CAGR¹) since 2011

¹ Compound annual growth rate period from 2011 – 2020 inclusive. Includes the recognition of finance leases in 2020.

ASSET OWNERSHIP RISKS



Risks mitigated when paired with financial + basin due diligence and Enerflex AMS

OPTIMIZED PLATFORM POSITIONED FOR GROWTH

1

VERTICAL INTEGRATION

Differentiated global platform with product line synergies

FINANCIAL STRENGTH

Manufacturing cash flows fund investment in Asset Ownership platform

2

3

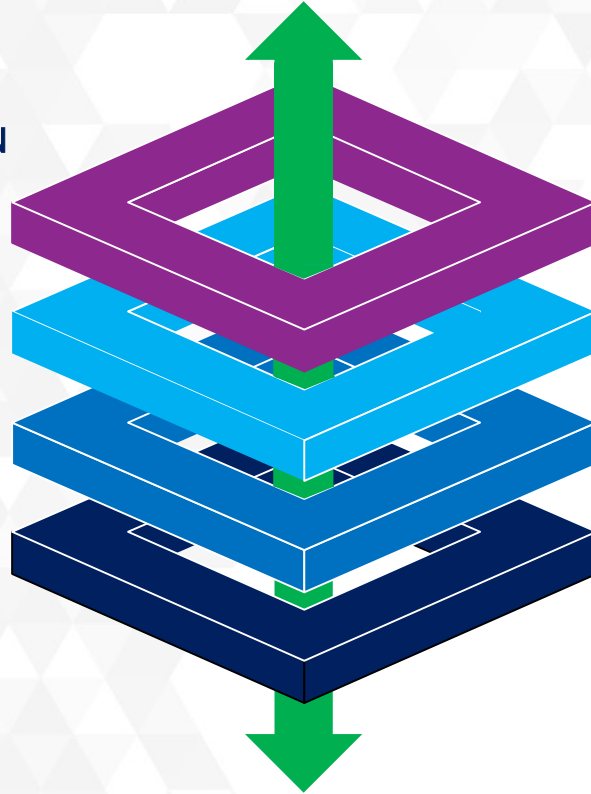
DIVERSE OFFERINGS

Growing all product offerings in all geographies – We are where the gas is

VALUE CREATION

Growing profitability while maintaining strong returns

4



COMMITTED TO SAFETY

2020 Global Consolidated Safety Record:¹



LTI

Total # of Lost Time Incidents per 200,000 exposure hours.
2020 Target = 0.00



TRIR

Total Recordable Injury Rate per 200,000 exposure hours.
2020 Target = 0.50



MVIR

Motor Vehicle Incidents per 1,000,000 km driven.
2020 Target = 0.25



¹ As at December 31, 2020.

ENHANCING AND STRENGTHENING COMMUNITIES



**CALGARY
FOOD
BANK**

STARS



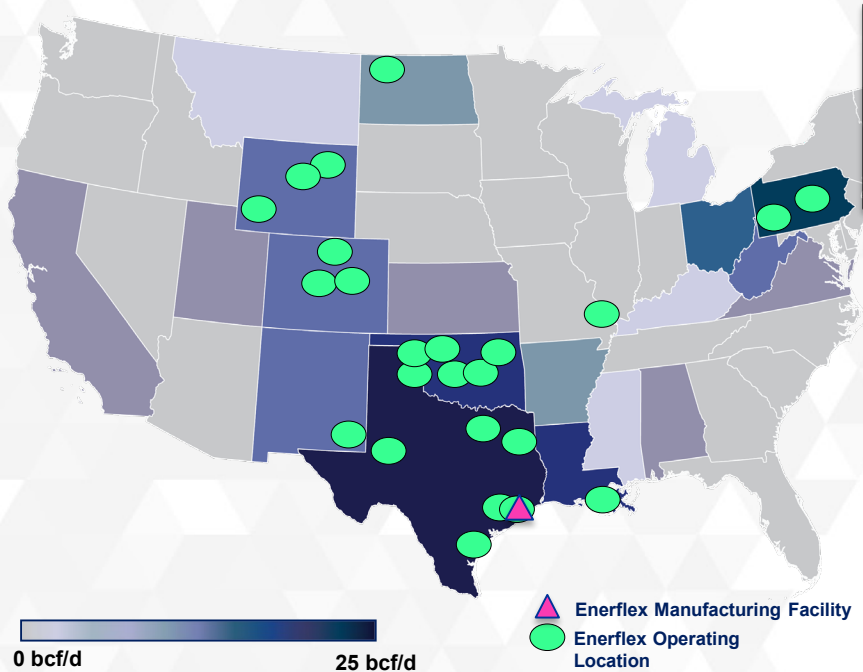
Corporate citizenship through wellness and community development initiatives is an integral part of Enerflex's vision

FOCUSED REGIONAL PRESENCE



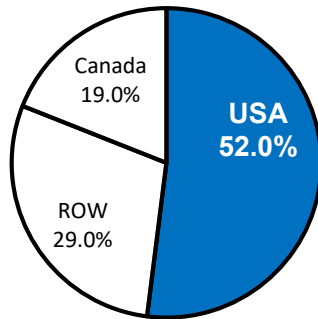
ENERFLEX

UNITED STATES



USA ¹	
Eng. Systems	\$390 MM
Service	\$151 MM
Rental	\$ 91 MM
Total Revenue	\$632 MM
Fleet: ~355,000 HP	
Average Fleet Utilization: 82% ²	

% of Consolidated Revenues¹



Gas infrastructure demand driven by gas production from US shale plays

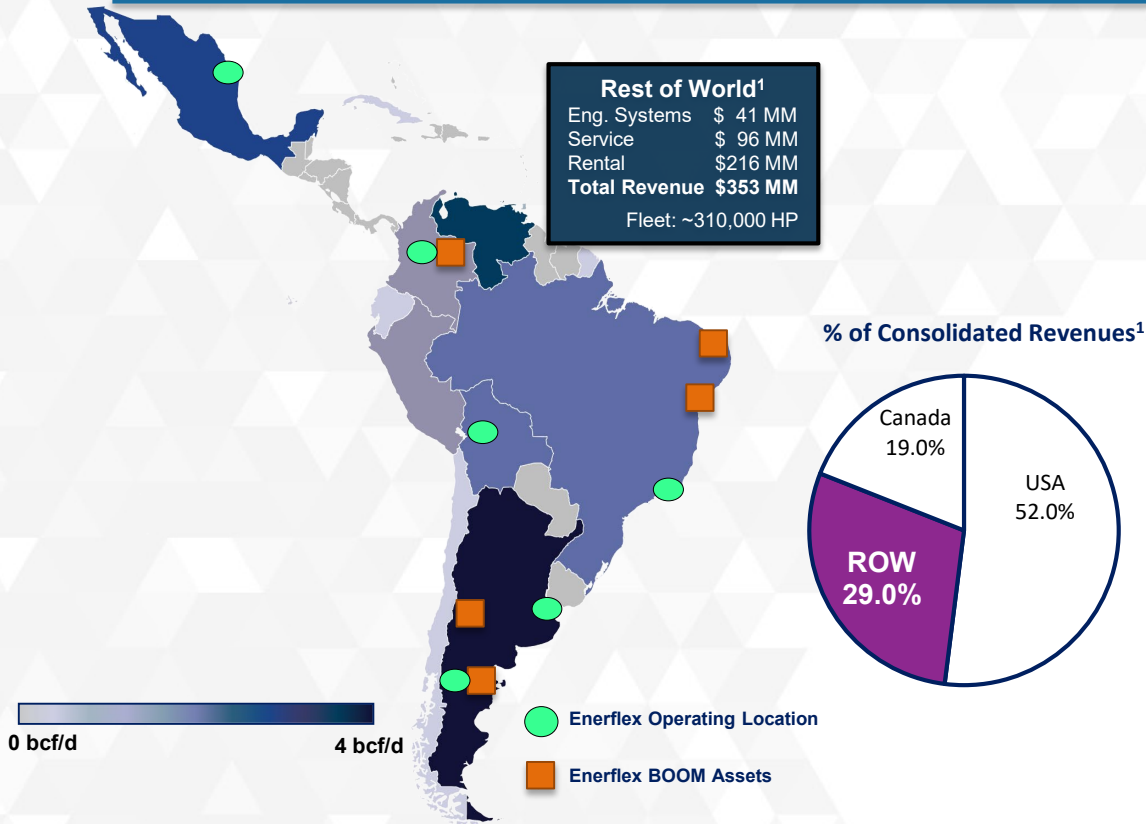
Enerflex is positioned to grow its asset ownership and after-market services platforms in key plays

Source: BP Statistical Review of World Energy 2020.

¹ Trailing twelve months for the period ended December 31, 2020.

² For the three months ended December 31, 2020.

REST OF WORLD – LATIN AMERICA



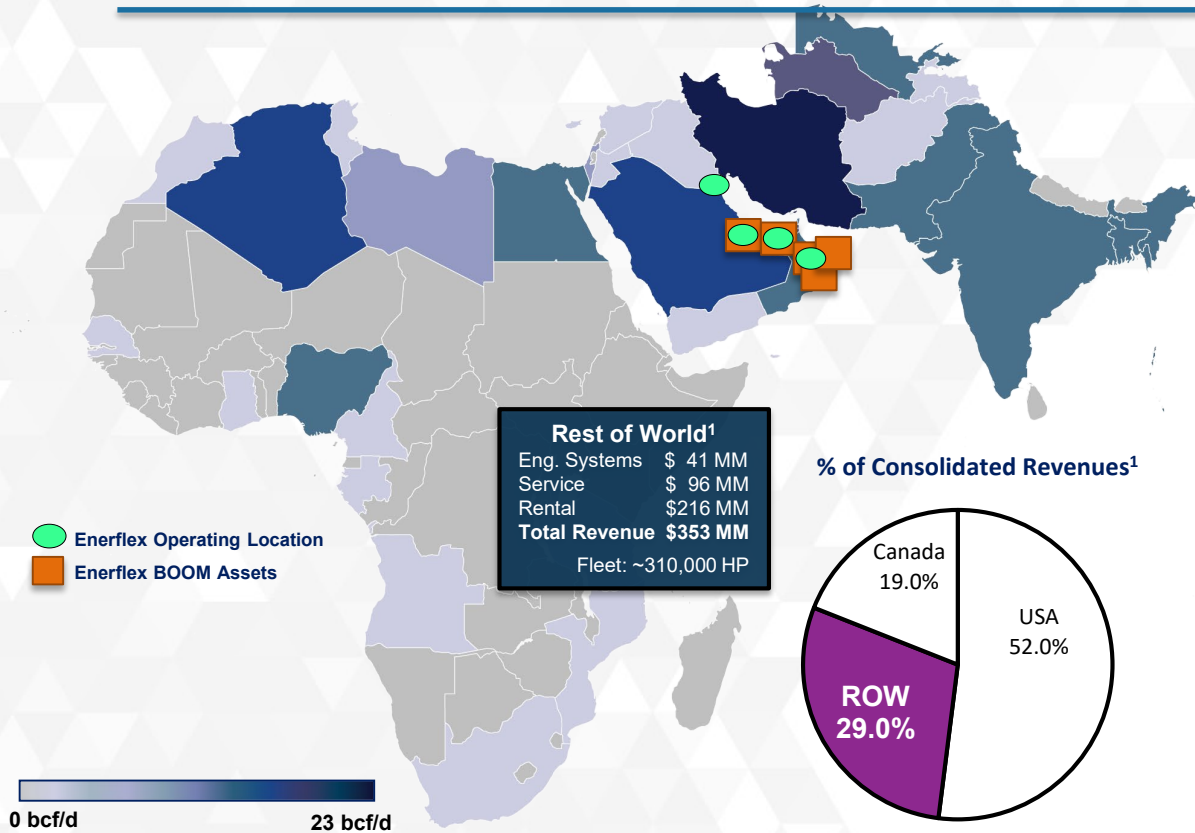
Regional gas production is expected to grow by approximately 80% by 2040

Continued success with ITK, BOOM, and recurring revenue projects is expected to lead Enerflex's growth

Source: BP Statistical Review of World Energy 2020.

¹ Trailing twelve months for the period ended December 31, 2020.

REST OF WORLD – MIDDLE EAST / AFRICA



The Middle East accounts for > 35% of the world's proven gas reserves*

~ 100,000 horsepower of owned and installed gas compression and processing facilities

Positioned for growth in key markets including Oman, Bahrain, and Kuwait

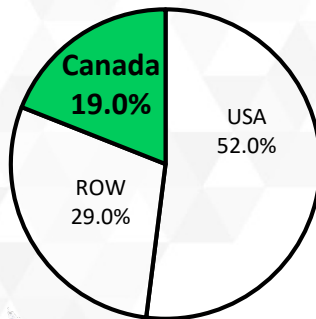
Source: BP Statistical Review of World Energy 2020.

¹ Trailing twelve months for the period ended December 31, 2020.

CANADA

Canada¹
Eng. Systems \$168 MM
Service \$ 56 MM
Rental \$ 8 MM
Total Revenue \$232 MM
Fleet: ~50,000 HP

% of Consolidated Revenues¹



NGL recovery drives infrastructure demand in liquids-rich basins

Petrochemical projects will increase domestic consumption of NGLs

Electric power opportunities remain attractive



▲ Enerflex Manufacturing Facility
● Enerflex Operating Location

Source: Alberta Energy Regulator, 2020.

¹ Trailing twelve months for the period ended December 31, 2020.

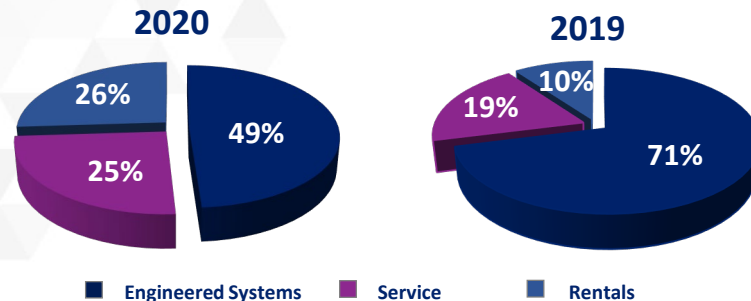
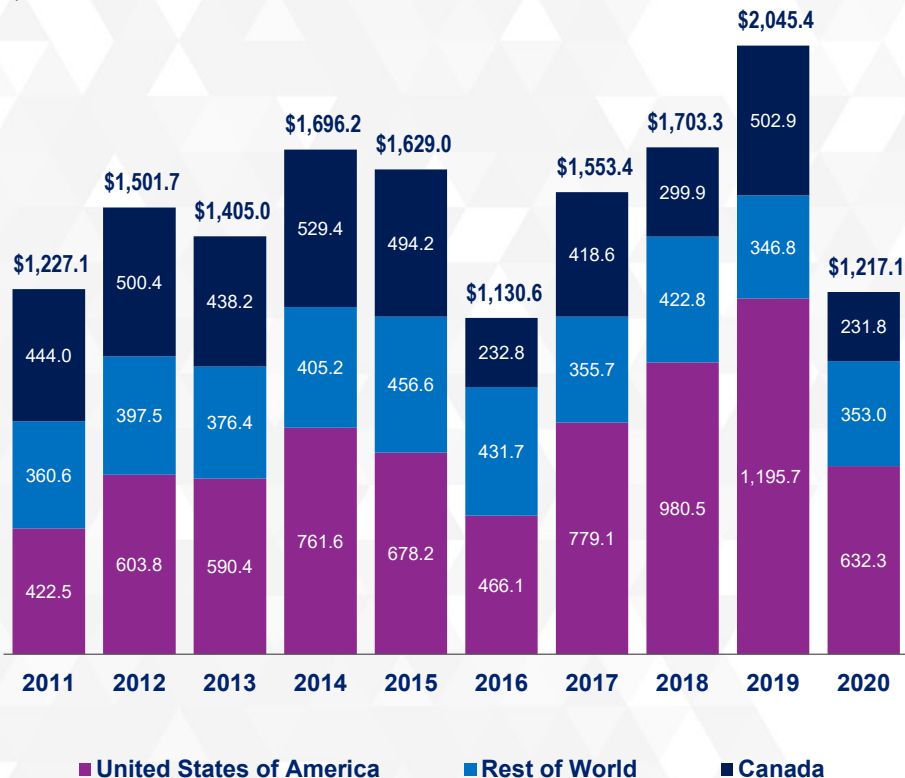
FINANCIAL OVERVIEW AND PROSPECTS



ENERFLEX

REVENUE GROWTH THROUGH COMPLEMENTARY OFFERINGS

C\$ in millions

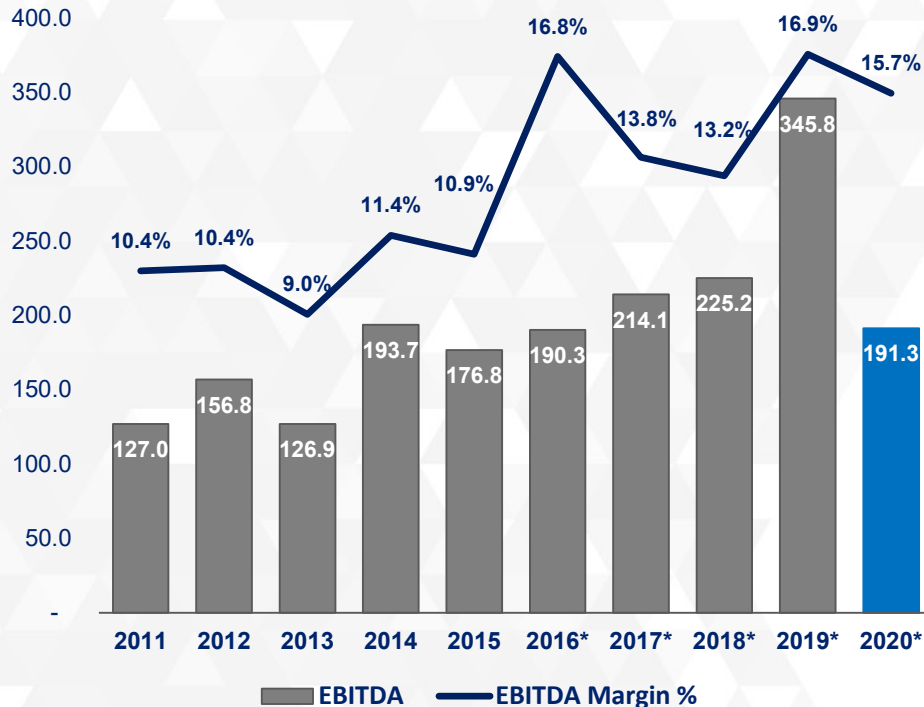


Exposure to several markets protects against spending fluctuations in any one particular segment

BUSINESS MIX DRIVES PROFITABILITY...

EBITDA and EBITDA Margin

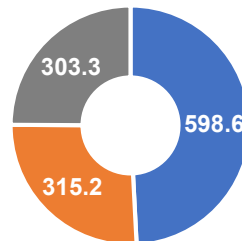
C\$ in millions



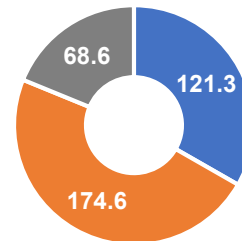
Increased EBITDA coupled with higher EBITDA margins
Supported by an asset ownership platform underpinned by take-or-pay arrangements

Revenue and Gross Margin¹ by Product Line

Revenue
(C\$ in millions)



Gross Margin¹
(C\$ in millions)



■ Engineered Systems ■ Rentals ■ AMS

* Adjusted EBITDA as disclosed in the MD&A.

¹ Gross Margin inclusive of depreciation and amortization.

GROSS MARGIN PROFILE

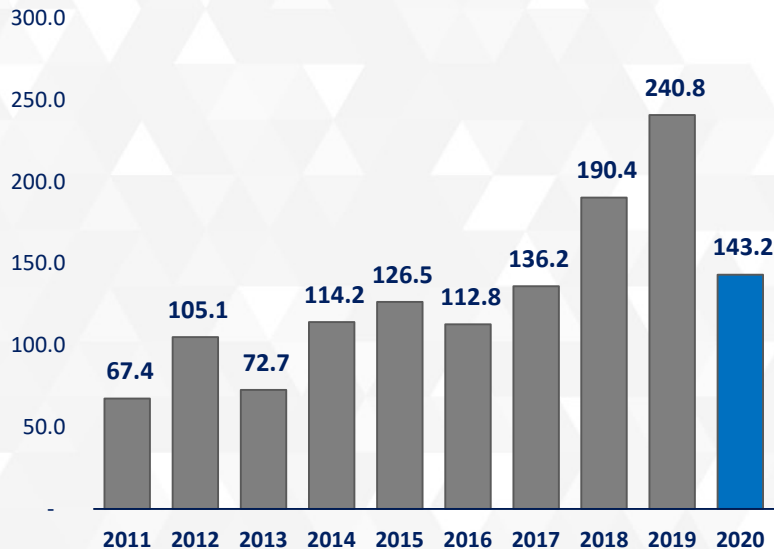
Revenues (C\$ in millions) and Gross Margin % ¹ by Product Line					
		Q4 2020	Q4 2019	Q4 2020 YTD	Q4 2019 YTD
Engineered Systems	<i>Revenue</i>	96.1	319.8	598.6	1,448.5
	<i>Gross Margin %</i>	22.7%	24.9%	20.3%	19.9%
Rentals	<i>Revenue</i>	127.6	62.4	315.2	245.9
	<i>Gross Margin %</i>	41.8%	19.6%	55.4%	51.1%
After-Market Services	<i>Revenue</i>	75.2	92.2	303.3	351.0
	<i>Gross Margin %</i>	22.3%	24.1%	22.6%	23.1%

¹ Gross Margin % is inclusive of depreciation and amortization. See appendix for reconciliation to amounts presented in the MD&A.

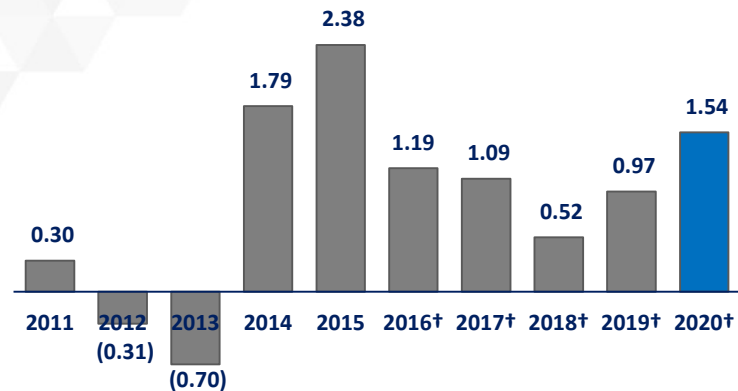
POSITIVE FREE CASH FLOW AND BALANCE SHEET STRENGTH

Free Cash Flow Before Net Capital Spending*

C\$ in millions



Net Debt to EBITDA



Free cash flows fuel organic and inorganic growth

Balance sheet strength with a bank-adjusted net debt to EBITDA of 1.3

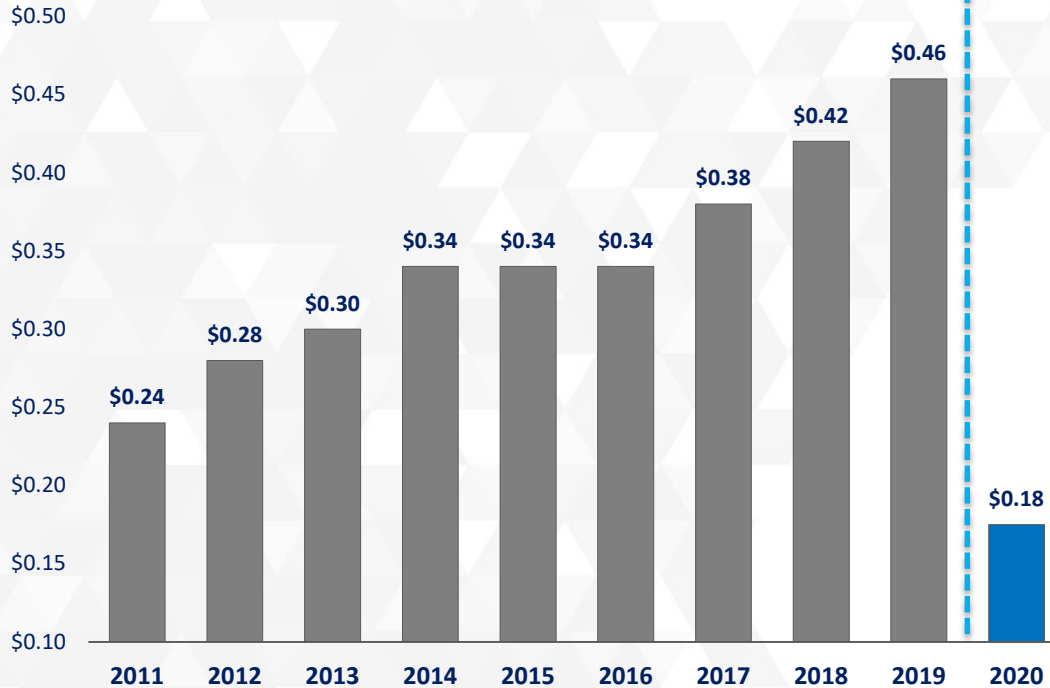
*Amounts presented exclude M&A and net capital spending and are available in the financial statements and accompanying notes for the respective years.

See Appendix for reconciliation to Free Cash Flow.

† Calculated using Adjusted EBITDA as disclosed in the MD&A. See Appendix for composition of consolidated borrowings.

DIVIDEND HISTORY

Annually (C\$/share)





IGNITING THE FUTURE OF ENERGY

ENERFLEX



CAPITAL ALLOCATION PRIORITIES

Balance Sheet strength → preserving liquidity to weather downturns.

Organic growth of Asset Ownership platform in all Regions.

Opportunistic Inorganic growth → right assets, right places, right long-term returns.

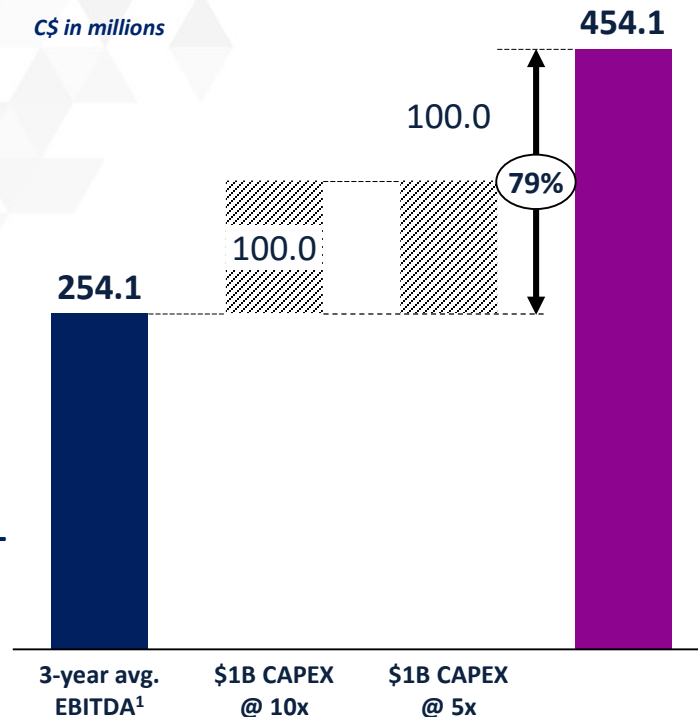
ADDITIONAL ORGANIC + INORGANIC REINVESTMENT...

Up to 79% increase in EBITDA¹ from next \$1B of reinvestment

3-year average EBITDA ¹	\$254.1M
Next \$1B of CAPEX	
@10x EBITDA multiple	\$100M
@5x EBITDA multiple	\$200M

	\$354.1M
	\$454.1M

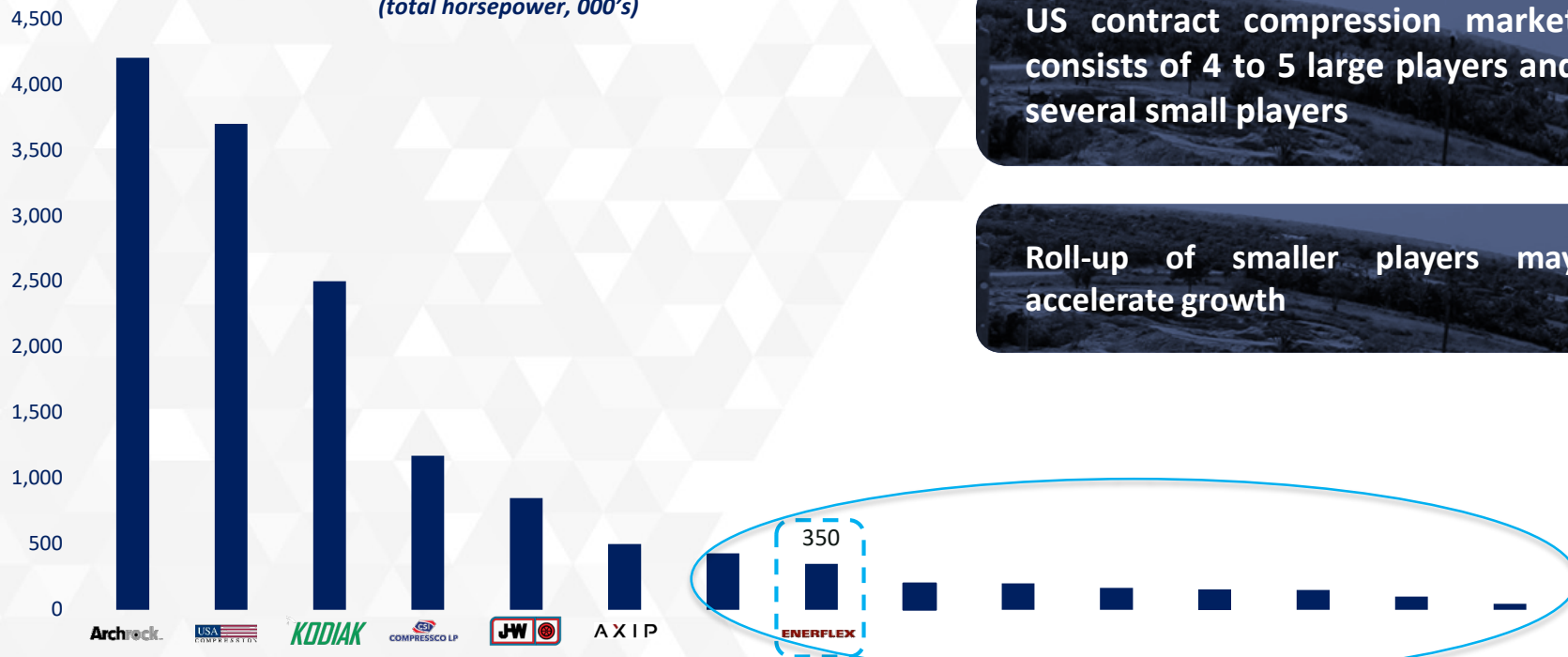
C\$ in millions



¹ Three-year average adjusted EBITDA for the period of 2018 – 2020 inclusive. See adjusted EBITDA as disclosed in the MD&A.

...WITH OPTION TO CONSOLIDATE A FRAGMENTED MARKET

US Contract Compression Market
(total horsepower, 000's)



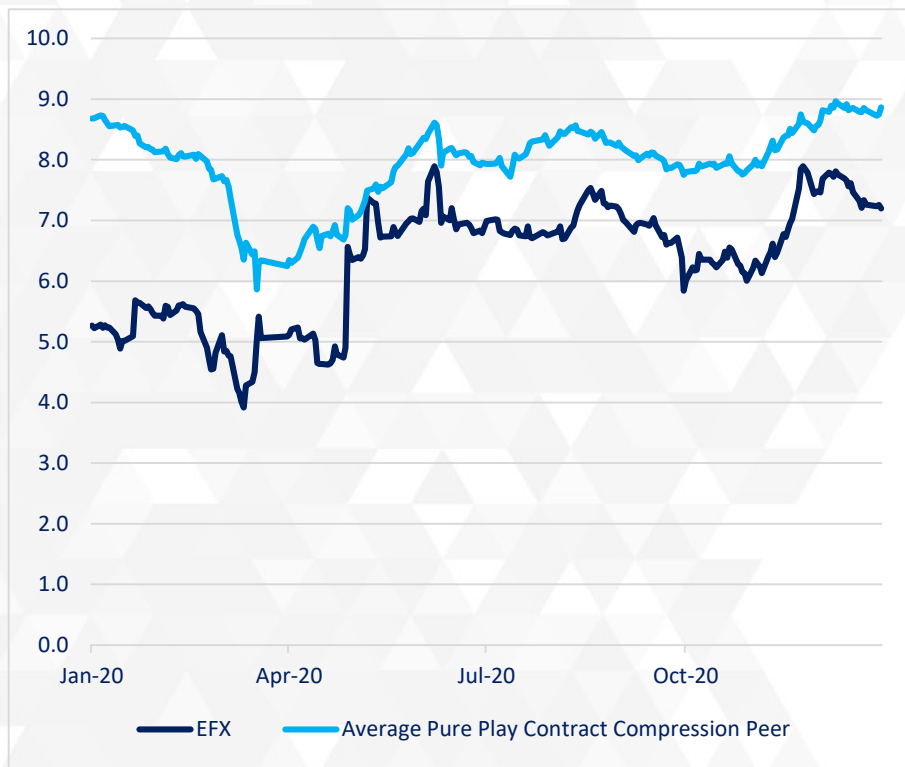
US contract compression market consists of 4 to 5 large players and several small players

Roll-up of smaller players may accelerate growth

¹ Source: Enerflex Ltd.

PIVOT TO RECURRING REVENUES SUPPORTS VALUATION

EV/NTM EBITDA Multiples¹:



Implied multiple expansion with continued growth of recurring revenue product lines

¹ EV/NTM EBITDA multiple for Enerflex and the following companies: Archrock Inc., USA Compression Partners LLC. Source: Bloomberg.



WHAT'S NEXT FOR ENERFLEX

- Current **geographic platform** provides the **foundation** for incremental growth in each operating region.
- Focus remains on profitably growing each of the **Engineered Systems, After-Market Services, and Asset Ownership** product lines in all regions.
- **Asset Ownership** remains the **best opportunity** to stabilize earnings through the cycles.

EXECUTING ON A POWERFUL STRATEGY

Proven track record of Creating Shareholder Value

- **Strong balance sheet and free cash flow** allows Enerflex to pursue strategic growth opportunities to further expand the business.
- Revenues derived from **complementary** product lines and geographies.
- **Improving margins** from recurring revenue growth.
- **Sustained value creation** characterized by **positive ROCE** and **healthy Free Cash Flow**.
- **Proud history** dating back to 1980.



ENERFLEX



APPENDIX
RECONCILIATIONS

FREE CASH FLOW

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cash provided by operating activities	134,795	134,208	69,024	64,611	104,173	91,792	179,251	242,868	54,169	220,248
Net change in non-cash working capital and other	48,243	15,531	(28,929)	(61,053)	(55,251)	(41,385)	9,736	38,208	(221,749)	32,776
	86,552	118,677	97,953	125,664	159,424	133,177	169,515	204,660	275,918	187,472
Add back:										
Net finance costs	7,011	5,661	5,518	9,771	15,310	14,056	12,727	19,145	18,578	22,493
Current income tax expense	17,293	22,435	23,256	45,949	32,097	20,742	27,525	20,871	31,720	(6,872)
Proceeds on the disposal of property, plant and equipment								22,853	9,205	115
Proceeds on the disposal of rental equipment								6,935	4,454	3,121
Deduct:										
Net interest paid	(8,525)	(6,356)	(5,408)	(8,999)	(13,657)	(13,116)	(11,957)	(18,373)	(18,398)	(22,374)
Net cash taxes (paid) received	(25,642)	(16,723)	(26,801)	(34,667)	(39,839)	(15,089)	(31,580)	(2,273)	(29,434)	(13,259)
Additions to property, plant and equipment								(16,920)	(46,322)	(9,874)
Additions to rental equipment:										
Growth								(102,960)	(208,978)	(110,820)
Maintenance								(12,365)	(8,090)	(13,059)
Dividends paid	(9,266)	(18,606)	(21,798)	(23,499)	(26,804)	(26,921)	(30,066)	(33,676)	(37,548)	(24,212)
Net capital spending	33,993	(32,706)	(17,365)	(32,401)	(166,318)	4,244	(13,159)			
Free cash flow	101,416	72,382	55,355	81,818	(39,787)	117,093	123,005	87,897	(8,895)	12,731
Free cash flow before net capital spending	67,423	105,088	72,720	114,219	126,531	112,849	136,164	190,354	240,836	143,248

GROSS MARGIN PROFILE BY PRODUCT LINE

Three months ended
December 31, 2020

<i>(\$ Canadian thousands)</i>	Total	Engineered Systems	Service	Rentals
Revenue	\$ 298,837	\$ 96,061	\$ 75,197	\$ 127,579
Cost of goods sold:				
Operating expenses	206,915	74,214	58,423	74,278
Depreciation and amortization	16,968	2,089	1,016	13,863
Gross margin	\$ 74,954	\$ 19,758	\$ 15,758	\$ 39,438

Three months ended
December 31, 2019

<i>(\$ Canadian thousands)</i>	Total	Engineered Systems	Service	Rentals
Revenue	\$ 474,362	\$ 319,800	\$ 92,167	\$ 62,395
Cost of goods sold:				
Operating expenses	360,445	240,276	69,974	50,195
Depreciation and amortization	16,475	1,828	1,115	13,532
Gross margin	\$ 97,442	\$ 77,696	\$ 21,078	\$ (1,332) ¹

GROSS MARGIN PROFILE BY PRODUCT LINE

Twelve months ended
December 31, 2020

<i>(\$ Canadian thousands)</i>	Total	Engineered Systems	Service	Rentals
Revenue	\$ 1,217,052	\$ 598,566	\$ 303,269	\$ 315,217
Cost of goods sold:				
Operating expenses	852,524	477,282	234,666	140,576
Depreciation and amortization	66,349	8,469	4,016	53,864
Gross margin	\$ 298,179	\$ 112,815	\$ 64,587	\$ 120,777

Twelve months ended
December 31, 2019

<i>(\$ Canadian thousands)</i>	Total	Engineered Systems	Service	Rentals
Revenue	\$ 2,045,422	\$ 1,448,503	\$ 350,992	\$ 245,927
Cost of goods sold:				
Operating expenses	1,550,036	1,159,712	269,994	120,330
Depreciation and amortization	66,301	6,681	3,453	56,167
Gross margin	\$ 429,085	\$ 282,110	\$ 77,545	\$ 69,430 ¹

COMPOSITION OF BORROWINGS

<i>(\$ Canadian thousands)</i>	December 31, 2020	December 31, 2019
Drawings on Bank Facility ¹	84,369	121,328
Senior Notes due June 22, 2021	40,000	40,000
Senior Notes due December 15, 2024 ¹	148,686	151,374
Senior Notes due December 15, 2027 ¹	119,124	120,916
Deferred transaction costs	(2,467)	(3,131)
	389,712	430,487

¹ Includes a US dollar-denominated component and is therefore subject to foreign exchange fluctuations between the US and Canadian dollar.